O/1064/22

TRADE MARKS ACT 1994

IN THE MATTER OF UK REGISTRATION NO. 918288899 IN THE NAME OF W STERNOFF LLC IN RESPECT OF THE FOLLOWING TRADE MARK:

RUN GLIDE

AND

AN APPLICATION FOR A DECLARATION OF THE INVALIDITY THEREOF UNDER NO 504115 BY ARKHOLDINGS (A PARTNERSHIP)

BACKGROUND AND PLEADINGS

1. UK Trade Mark ("UKTM") No. 918288899 shown on the cover page of this decision stands registered in the name of W Sternoff LLC ("the proprietor"). The UKTM is a comparable mark that was created pursuant to Article 54 of the Withdrawal Agreement. The UKTM has the same legal status as if it had been applied for and registered under UK law, and retains its original filing date, which was 13 August 2020, with a priority date of 12 August 2020. It completed its registration procedure on 18 December 2020. The goods for which it is registered are as follows:

Class 3

Non-medicated skin care preparations.

Class 5

Medicated skin care preparations.

- 2. On 3 September 2021, Arkholdings (a partnership) ("the applicant") filed an application to have this trade mark declared invalid under the provisions of sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 ("the Act") which are relevant in invalidation proceedings under section 47 of the Act. The application concerns all the goods for which the contested mark is registered.
- 3. Under section 5(4)(a), the applicant claims to have used the sign **RUN GLIDE** throughout the UK since 2018 for *anti-chafe skin balm*, which is aimed at runners and other sportspeople, and to have accrued substantial goodwill in the sign. It claims that use of the contested mark in respect of the goods covered by the registration would misrepresent that there is a connection between the goods of the proprietor and those of the applicant and that such a misrepresentation could lead to damage to sales, potential damage to reputation and dilution of the distinctive nature of the sign.



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¹ Priority is claimed from US Trademark No. 90109422.

- 5. Under section 3(6), the applicant claims that at the time that it made the application for registration at the European Union Intellectual Property Office ("EUIPO"), the proprietor was fully aware of the applicant's use of the signs in connection with the goods relied upon. It states that an individual from the proprietor placed an order for the applicant's goods before filing the priority application at the United States Patent and Trademark Office ("USPTO"). It contends that the motive of the proprietor was to hinder the ability of the applicant to register and expand its use of the sign and that this is conduct which falls short of acceptable commercial behaviour.
- 6. The proprietor filed a defence and counterstatement denying the claims made. It stated that the proprietor owns, controls, and does business as **Body Glide**, which it describes as "the leading, pioneering brand in anti-chafing products that help prevent rubbing that causes irritation, rash, chafing, blisters and raw skin". The proprietor has the following trade marks: **BODY GLIDE** (UKTM No. 900357376), **BODYGLIDE** (UKTM No. 903984549), **FOOTGLIDE** (UKTM No. 905333943), **SKINGLIDE** (UKTM No. 910761369), **FACE GLIDE** (UKTM No. 3486060) and **CYCLE GLIDE** (UKTM No. 3522152). It claims that these marks have acquired reputation within the UK as a result of significant trade and advertising and that **RUN GLIDE** is a natural extension of this family of marks.
- 7. The proprietor admits that it was aware of the applicant's use of the earlier signs when it filed the application for the trade mark and that it placed an order for the applicant's products. However, it denies that the applicant owns any rights in the signs; rather, it believes that those products infringed its marks, amounted to passing off and infringed the proprietor's copyright. It denies that its conduct fell short of acceptable commercial behaviour or that the trade mark was applied for in bad faith.
- 8. The applicant is represented by Ansons and the proprietor by Browne Jacobson LLP.

EVIDENCE AND SUBMISSIONS

9. The applicant filed evidence from Cherrie Stewart, a chartered trade mark attorney at the applicant's representatives. Her witness statement is dated 17 February 2022

and presents the results of internet searches that show the goods on sale, the applicant's website and promotional posts on a range of social media platforms. There is also evidence from Declan Magennis, accountant of Arkholdings partnership, dated 17 February 2022. His evidence goes to the use of the signs relied upon, sales figures and advertising expenditure. The applicant also filed written submissions dated 17 February 2022.

10. The proprietor filed evidence from William Ross Sternoff, founder and CEO of W Sternoff LLC, dated 13 April 2022. Mr Sternoff sets out the history of his company, sales of the Body Glide product and the circumstances surrounding the application for the contested mark. There is also evidence from Mark Daniels, a solicitor and partner at the proprietor's representatives, dated 22 June 2022. His evidence goes to enforcement action undertaken by the proprietor against the applicant. The proprietor also filed written submissions dated 22 June 2022.

11. The applicant filed submissions in reply on 17 August 2022.

12. No hearing was requested and the proprietor filed written submissions in lieu on 19 September 2022.

13. I have read all the evidence and submissions and will refer to them where appropriate in my decision.

FACTUAL BACKGROUND

14. Mr Magennis, on behalf of the applicant, states that, following a successful trial, the applicant launched an anti-chafe balm under the name RUNGLIDE in May 2019.² Sales of this balm in the UK were in excess of £9,000 in 2019 and of £65,000 in 2020.³ A sample of seven invoices shows sales to UK customers between 30 September 2019 and 11 May 2020. In each of these instances, a single product has been bought and the value of those goods ranges from £5.99 to £10.99.⁴ Evidence of the goods on

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² Paragraph 4.

³ Paragraph 5.

⁴ Exhibit DM2. I have not included shipping costs.

sale can be found in Exhibits CS1 and CS2. However, the screenshots in the first of these, while they appear to be from a UK website, are dated after the relevant date, and the screenshot in the second shows the product for sale on amazon.com, priced in US dollars. Ms Stewart says that the domain name www.runglide.com was registered on 27 June 2019 and that her client has told her that it went live for trading on 23 November 2019. Exhibit CS3 contains a screenshot from this website but it is dated 24 September 2020 and, furthermore, does not show the product for sale.

15. Advertising expenditure was over £1,700 in 2019 and over £10,000 in 2020.⁵ Mr Magennis does not elaborate on how or where the goods were advertised, but Exhibit CS4 contains a selection of posts from Twitter, Facebook and Instagram. The following tweet was posted on 23 August 2019:⁶



- 16. There is a similar Facebook post from 1 May 2019 and an Instagram post from 20 February 2020. Both show the product as above. The remaining two Instagram posts are dated 20 October 2020, which is after the priority date.
- 17. On or before 4 June 2019, promotional material for the RUNGLIDE product on the website forrunnersbyrunners.com was seen by the proprietor's director of e-commerce

⁵ Witness statement of Mr Magennis, paragraph 6.

⁶ Exhibit CS4, page 22.

who notified Mr Sternoff of its existence.⁷ This website was one of the places where the RUNGLIDE product could be purchased. Others were Amazon and runglide.com.

18 Mr Sternoff, on behalf of the proprietor, states that he had been active in the market for anti-chafing products for some time. In 1996, he had invested in a company called SSM which had acquired rights to what he described as "a novel recipe" for an anti-chafing cream. The original balm was called "BodyGlide" and had been advertised in 1996 through a flyer shown in Exhibit WS03. There appear to have been some attempts to create a market during that year, with attendance at a trade show that took place just before the Los Angeles Marathon in March. SSM applied to register the mark with the USPTO on 15 March 1996 and with the EUIPO on 13 September 1996. Mr Sternoff states that the balm was "placed" in 60 running stores, although he does not say where these were located. Later, he says that the brand was nearly 7 years old before BodyGlide products were available in the EU. SSM was unprofitable and was dissolved in 1997. Mr Sternoff formed the proprietor and acquired SSM's assets, including its intellectual property rights.

19. In or around March 2009, the Foot Glide product was launched.¹⁰ This was followed in or around April 2013 by Skin Glide, For Her Body Glide, Chamois Glide (which Mr Sternoff states was rebranded to Cycle Glide in or around July 2015). Face Glide was launched in or around April 2020.¹¹ The screenshots dated 7 February 2014 and 17 July 2015 below show the redesigned packaging and the rebrand to Cycle Glide:¹²

⁷ Exhibit WS18.

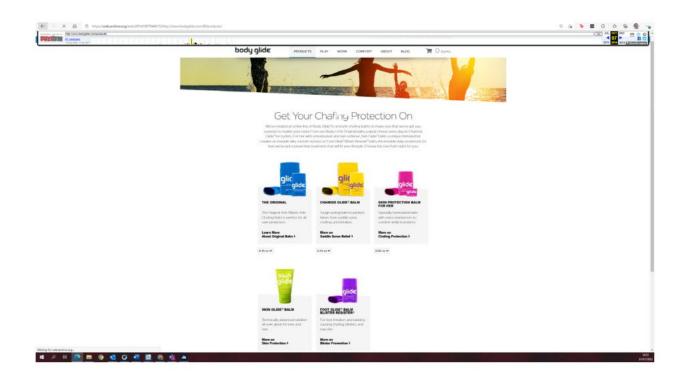
⁸ Paragraph 5.

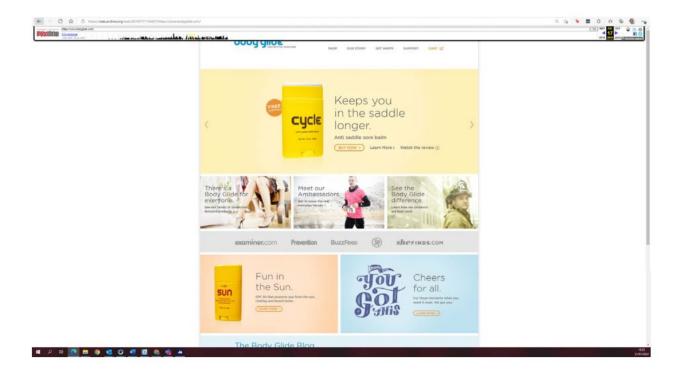
⁹ Paragraph 18.

¹⁰ Exhibit WS05, page 9.

¹¹ Paragraph 28.

¹² Exhibit WS05, pages 16 and 17.





20. Sales in the EU and the UK of all BodyGlide's products are shown in the table below: 13

¹³ The figures are taken from Exhibit WS08.

Year	UK		Other EU	
	Units	Value (USD)	Units	Value (USD)
2003	2,016	7,027	7,584	27,982
2004	3,754	19,549	2,903	12,848
2005	20,760	61,629	4,152	10,645
2006	600	876	8,016	19,856
2007	16,873	63,630	12,102	34,946
2008	12,280	52,613	18,171	52,004
2009	35,352	128,462	14,856	53,129
2010	26,976	98,440	12,218	34,687
2011	26,976	95,888	11,520	49,113
2012	25,368	98,389	10,272	39,768
2013	43,392	151,406	16,608	68,008
2014	33,968	117,905	6,947	28,688
2015	61,704	215,217	17,056	88,463
2016	84,212	280,870	32,018	116,749
2017	55,728	184,124	41,664	152,102
2018	99,582	443,674	23,777	83,457
2019	81,108	319,407	42,012	161,413
2020	50,904	217,032	25,092	101,023

21. The proprietor has been attending trade shows in the EU since 2002 and, according to Mr Sternoff, has built up a strong reputation in the running and sporting market as experts on anti-chafing. He refers to an article from the website runnersworld.com dated 24 August 2021 which says that "Body Glide is probably the biggest name on the anti-chafe scene". ¹⁴ I accept that this article was published after the priority date of the contested registration, but it is unlikely that a large reputation could be built up in just one year. I also note that the author of the article was a US resident.

22. Mr Sternoff admits that he made a test buy of the RUNGLIDE product from the Amazon website and that a further test purchase was made in Scotland. He states that "These purchases were made as part of an information gathering exercise from which we hoped to understand more about the entities behind Runglide." He adds that there was nothing on the packaging or the website to identify the organisation behind the product, which he asserts is contrary to Article 9 of Regulation (EC) No. 1223/2009 on Cosmetic Products, which requires the container and packaging of the product to show

¹⁴ Exhibit WS17.

¹⁵ Paragraph 51.

the name or registered name and address of the responsible person.¹⁶ According to the applicant's evidence, the purchase was made on 9 August 2020.¹⁷

23. On 12 August 2020, the proprietor filed the US trademark application from which the contested registration claims priority. Mr Sternoff explains the reasons for this decision thus:

"54. I have evidenced above all the efforts that we as a company have gone to in order to build up our brand reputation and our presence in the market. I have also illustrated how the running market is an important space for us. As a company, we are also committed to creating and protecting a substantial portfolio of associated registered rights. A comprehensive portfolio of registered rights affords important protection to our brand and various sub-brands and this in turn affords valuable protection to our business

55. Given the reputation of the Body Glide brand and associated family of 'GLIDE' marks, and with running being integral to our company and its products I considered 'RUN GLIDE' to be a sensible extension of our existing brand.

. . .

57. We applied for the RUN GLIDE mark across the various jurisdictions that are key to our business to protect our reputation and brand for our products in the runners market, in line with our strategy of holding relevant registered rights around the Glide family of brands. We did this with a view to defend our portfolio against infringement and passing off by others trying to encroach upon the space in which we have heavily invested and in which we have pre-existing rights and significant reputation. The Applicant's

¹⁶ Exhibit WS02, page 4.

¹⁷ Exhibit DM3.

(and/or associated entities') Runglide Products infringe our pre-existing rights."

24. He continues:

"I was also conscious at the time of filing the RUN GLIDE applications that, although I had devoted time and money to seeking to learn the identity of the organization behind Runglide product, I did not know who to speak with regarding my infringement concerns. ... it is the case still that the identity of the Runglide party or parties is not precisely known. I appreciated at the time of filing that if the Runglide party or parties were in some way to object to our filing that this might present an opportunity to learn the identity of and in turn put a stop to the person(s) and enterprises infringing our existing intellectual property." 18

25. Following the registration of the EUTM, objections were indeed made by the applicant in the form of invalidation applications against the proprietor's EUTM and comparable UKTM. It appears from a cease and desist letter sent by the proprietor's legal representatives to the applicant on 27 January 2022 that it was these applications that led to the identification of Arkholdings:

"Our client has instructed us to write to you in connection with the website www.runglide.com. We refer to the evidence filed by you in support of your application of invalidity against trade mark 018288899, which has been given cancellation action number 000051475C. Your evidence is that you own and operate www.runglide.com ("Your Website") and that you have used the Runglide sign (further details of which we describe below) in commerce since December 2018." 19

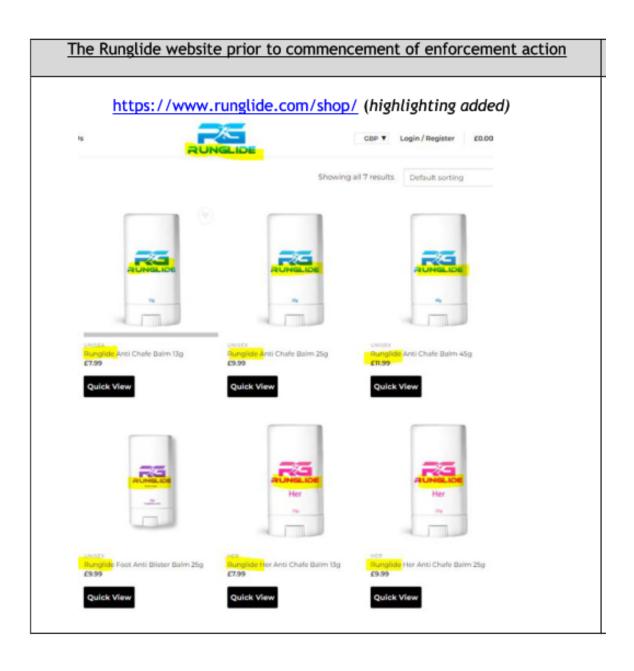
26. The then representatives confirmed that they acted for Ark Holdings (a partnership) t/a Runglide.

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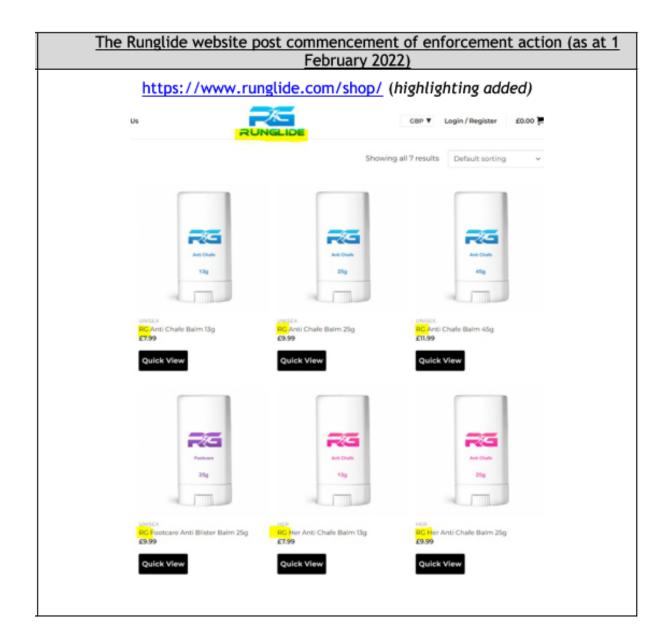
¹⁸ Paragraph 59.

¹⁹ Exhibit MD01, page 2, paragraph 3.

27. Mr Daniels on behalf of the proprietor states that following the rounds of correspondence between the representatives, the majority of the RUNGLIDE products and references on the [applicant's] website were changed.²⁰ The earlier images of the product show the word "RUNGLIDE" under the letters "RG", while the later images show that the word "RUNGLIDE" is no longer present on the product, which is also described as "RG" rather than "RUNGLIDE". However, I note that the logo at the top of the website is unchanged, as is the URL.



²⁰ Exhibit WS20.



DECISION

Section 47 of the Act

- 28. Section 47 of the Act is as follows:
 - "(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

. . .

(2) ... the registration of a trade mark may be declared invalid on the ground-

. . .

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

. . .

- (3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that—
- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
- (b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.
- (4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.
- (5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.
- (5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed."

Section 5(4)(a)

29. Section 5(4)(a) of the Act is as follows:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met

. . .

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an 'earlier right' in relation to the trade mark."

- 30. The condition in subsection (4A) is "that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."
- 31. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, Lord Oliver of Aylmerton described the 'classical trinity' that must be proved in order to reach a finding of passing off:

"First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."²¹

Relevant Date

32. In *Advanced Perimeter Systems v Keycorp Limited (MULTISYS)*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*, BL O/212/06:

"Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made."²²

33. There is no evidence that the proprietor has used the mark as registered before this date, and so the relevant date is the priority date of the contested mark: 12 August 2020. However, I also need to consider the proprietor's submissions that the applicant has no rights related to the relied-on signs under the law of passing off because "The alleged use of the RUNGLIDE Signs is tainted, in that it is itself an infringement of the Registered Proprietor's rights."²³ The proprietor goes on to set out how it considers

²¹ Page 406.

²² Quoted in paragraph 43 of BL O-410-11.

²³ Written submissions dated 22 June 2022, paragraph 8.

that the use of the signs relied on by the applicant is an infringement of the family of marks listed in paragraph 6 above under sections 10(2) and 10(3) of the Act and constitutes misrepresentation under the law of passing off. The proprietor is not claiming that the applicant's unregistered sign infringed the contested trade mark, but rather another family of marks. This is a different matter. The only way that the proprietor's use would be relevant here would be if it had used the registered sign, not similar signs. I shall therefore consider this point no further.

Goodwill

34. The applicant must show that it had goodwill in a business at the relevant date of 12 August 2020 and that the signs relied upon are associated with, or distinctive of, that business.

35. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates."

36. In paragraphs 14-16 above, I have set out what the evidence shows. It is rather limited and the sales figures are not large. Indeed, only a portion of the 2020 sales figures will be of concern, given the relevant date of 12 August 2020. Nevertheless, there are circumstances in which small levels of goodwill are protectable under the law of passing off. In *Smart Planet Technologies, Inc. v Rajinda Sharma (Recup Trade Mark)*, BL O/304/20, Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes

of passing-off: Starbucks (HK) Ltd v British Sky Broadcasting Group Plc [2015] UKSC 31, paragraph 52, Reckitt & Colman Product v Borden [1990] RPC 341, HL and Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd [1980] R.P.C. 31. After doing so, he concluded that:

".. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon."²⁴

37. In *Recup*, the Appointed Person found that the size of the relevant market was fairly large and that the level of sales shown in the evidence was small relative to that market as a whole. He also took account of the descriptiveness of the sign, which, he said, meant that it would take longer to establish sufficient goodwill to make it distinctive of the party's goods.

38. What little marketing evidence there is shows that the anti-chafe balm is a product aimed at runners. There is nothing to tell me the size of this market. However, the proprietor admits that its own Body Glide anti-chafing products, which were first sold to runners, are "relatively niche products aimed at a niche target market".²⁵ The invoices adduced by the applicant show that the goods are sold at a fairly low cost and so I find it reasonable to infer that thousands of units were sold. Sales had begun around 15 months before the relevant date.

39. It is clear from case law that a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though that goodwill might be small: see, for example, *Lumos Skincare Limited v Sweet Square Limited & Ors*, [2013] EWCA Civ 590. I therefore consider that there was a small, but protectable, goodwill at the relevant date in relation to *anti-chafe skin*

²⁴ Paragraph 34.

²⁵ Witness statement of William Ross Sternoff, paragraph 12.

balm. Given the relatively small level of sales, I find that this does not extend to *Skin balm* more generally. This is a product that would have a larger target market.

Ownership of the goodwill

40. I said above that the applicant must show that it owns the goodwill. The proprietor submits that:

"It is however noted that the Applicant has provided no evidence connecting the RUNGLIDE Products to it, other than the unsupported statements given by its accountant and trade mark attorney."²⁶

41. I acknowledge that it is not necessary for the public to know the actual identity of the source of the RUNGLIDE products: see *Medgen Inc. v Passion for Life Products Ltd*, [2001] FSR 30, paragraph 50. However, Article 2 of The Trade Marks (Relative Grounds) Order, SI 2007 No. 1976 provides that "The registrar shall not refuse to register a trade mark on a ground mentioned in section 5 of the Trade Marks Act 1994 (relative grounds for refusal) unless objection on that ground is raised in opposition proceedings by the proprietor of the earlier trade mark or other earlier right." Therefore, for the purposes of these proceedings, I need to satisfy myself that the applicant is the proprietor of the rights relied on.

42. Ms Stewart's witness statement and evidence does not shed any light on this particular question. She states that Exhibits CS1 and CS2 show the mark being used. All the screenshots in these exhibits are after the relevant date and do not mention Arkholdings. The US Amazon listing in CS2 says the manufacturer is Runglide. Exhibit CS3 contains the registration information for the domain name www.runglide.com, but the pertinent details appear to be hidden behind an identity protection service. The social media posts in Exhibit CS4 mention, or are by, forrunnersbyrunners or run_glide, not Arkholdings.

²⁶ Written submissions dated 22 June 2022, paragraph 24.

43. Mr Magennis describes himself as "the accountant of Arkholdings partnership (hereinafter AP) since 2019".²⁷ It is not clear whether he is an accountant employed by the partnership, or a partner himself, or a professional advisor belonging to another firm with the applicant as a client. I note that he gives the same address as that of the applicant. The language in the witness statement is somewhat inconsistent: in paragraphs 3, 4 and 8 he talks about "AP", while in paragraphs 5-7 he uses the words "we" and "our" instead. When considering the reliance I can place on his evidence, I keep in mind his statement in paragraph 2 that the information is either derived from his own knowledge or "from the records of the company to which I am privy, and is true and accurate in every respect in so far as possible".

44. The only place where he clearly states that he has obtained the information from another source is paragraph 7:

"An order for our RUNGLIDE product was places [sic] by Bill Sternoff through Amazon.com on the For Runners By Runners shopfront on 11th August 2020. It was placed for expedited delivery through the Amazon (FBA) system. AP sent me a copy of this order for our records on 10th October 2020."

45. In my view, this paragraph further confuses the issue. Is AP an entity different from "our" undertaking? If not, why would AP be sending Mr Magennis a copy of an order for his entity's records?

46. The applicant's exhibits do not provide any clarification. I see that there is no contact information on the invoices contained in Exhibit DM2. The only possible indication of a responsible undertaking is the phrase "RG Anti Chafe" at the top, but it seems to me that it is unusual not to include the seller's contact details in case of customer queries.

47. As I have noted in paragraph 26 above, the applicant's former representatives stated that the applicant traded as Runglide in a letter dated 25 February 2022 and

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²⁷ Paragraph 1.

adduced by the proprietor.²⁸ However, this statement has not been made in a proper evidential form and so, in the absence of corroborating evidence, I treat it with some caution.

48. In its written submissions of 22 June 2022, the proprietor challenged the evidence on the point of ownership, submitting that the applicant had "failed to provide evidence linking any alleged use of the RUNGLIDE signs to the Applicant".²⁹

49. In *Robot Energy Limited v Monster Energy Company*, BL O/308/20, Ms Emma Himsworth QC, sitting as the Appointed Person, reviewed the case law covering the weight to be attached to a witness's evidence in the absence of cross-examination, as set out in *Pan World Brands v Tripp (EXTREME)* [2008] RPC 2, *Williams & Anor v Canaries Seaschool SLU (CLUB SAIL)* [2010] RPC 32 and *MULTISYS*. She noted that, where the truth of a witness's evidence was challenged during the written stage of the proceedings, the requirement set out in *EXTREME* to accept evidence that was not challenged through cross examination, did not apply. She said:

"As was made clear in the decision in *CLUB SAIL* grounds of opposition cannot be rejected automatically on the basis that the witness who sought to refute them was not cross-examined. It is necessary to form a view as a matter of judgment whether the evidence is sufficient to establish the relevant fact which requires, as the Hearing Officer correctly said, the decision taker to consider the evidence as a whole. That the Hearing Officer took this view is entirely consist with the guidance set out in *CLUB SAIL* (and *EXTREME* and *MULTISYS*). This includes weighing up in particular (1) the power of one side to produce the evidence and the other to contradict it; and (2) the plausibility of the positions that have been adopted in the context of the evidence as a whole which entails where the parties have elected to proceed without cross-examination accepting that the evidence of one witness might be found to have been disproved or displaced by the evidence of another."³⁰

²⁸ Exhibit MD02, page 2.

²⁹ Paragraph 6.

³⁰ Paragraph 73.

50. The applicant did not file any evidence in reply to the proprietor's challenge and did not address the issue in its written submissions of 17 August 2022. The position as to ownership of any goodwill is unclear and, in my view, it should have been entirely within the power of the applicant to produce evidence to demonstrate that it was the proprietor of the rights it seeks to rely on. In the absence of such evidence, I conclude that the section 5(4)(a) claim cannot succeed.

Section 3(6)

51. It is, though, open to any party to bring a claim under section 3(6) of the Act, which is as follows:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

52. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121, the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* (Case C-529/07), *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* (Case C-320/12), *Koton Mağazacilik Tekstil Sanayi ve Ticaret AŞ* (Case C-104/18 P), *Hasbro, Inc. v EUIPO* (Case T-663/19), *pelicantravel.com s.r.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (Case T-136/11) and *Psytech International Ltd v OHIM* (Case T-507/08).³¹ Floyd LJ summarised the law as follows:

"The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied

Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts, although the UK has left the EU.

³¹ Section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade

on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

- 2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].
- 3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: Lindt at [45]; Koton Mağazacilik at [45].
- 4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].
- 5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].
- 6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].
- 7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

- 8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].
- 9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] [42].
- 10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].
- 11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacilik* at [46].
- 12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].
- 13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]". ³²
- 53. According to Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are:

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³² Paragraph 67.

"(1) what, in concrete terms, was the objective that CKL had been accused of pursuing? (2) was that an objective for the purposes of which the contested application could not properly be filed? (3) was it established that the contested application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the CJEU, is taken to condemn 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 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged." 33

54. It is necessary to ascertain what the applicant knew at the relevant date: see *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

55. The applicant claims that the proprietor filed the application in full knowledge of the applicant's use of the sign in connection with the goods for which the application was made and with the intent of hindering the ability of the applicant to register and expand its use of said sign. I agree that such an objective would be one for which the contested application could not properly be filed, and I must now determine whether the evidence establishes that that was the intent of the proprietor.

56. Mr Sternoff states that the rationale for the filing was to protect its own brand and its various sub-brands, and that the contested mark was a "sensible extension of our

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³³ Paragraph 8.

existing brand".³⁴ He also adds that he was aware that an objection to the filing would enable the proprietor to identify who was behind what it believed to be infringing products.

57. Both parties refer me to the decision of the CJEU, and the opinion of the Advocate General ("AG"), in *Lindt*. The CJEU said:

"46. [...] the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith.

47. In such a case, the applicant's sole aim in taking advantage of the rights conferred by a Community trade mark might be to compete unfairly with a competitor who is using the sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48. That said, it cannot be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant's registration of the sign may be in pursuit of a legitimate objective.

49. That may in particular be the case [...] where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

50. Moreover [...] the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case where the sign for which registration is sought consists of the entire shape and

³⁴ Paragraph 55.

presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitor's freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent his competitors not merely from using an identical or similar sign, but also from marketing comparable products.

- 51. Furthermore, in order to determine whether the applicant is acting in bad faith, consideration may be given to the extent of the reputation enjoyed by the sign at the time when the application for registration as a Community trade mark is filed.
- 52. The extent of that reputation might justify the applicant's interest in ensuring wider legal protection for his sign".
- 59. When I considered the section 5(4)(a) ground, I found that the signs relied on had been used for a relatively short time before the priority date of the contested mark, and that any goodwill that had been built up was small. It follows from these findings that the sign would have enjoyed some, albeit a small, degree of legal protection. I also found that the applicant has not proved that it has any right in that goodwill. Consequently, its claim that the proprietor knew of its [the applicant's] use of the sign and that the proprietor's motive was to hinder the ability of the applicant to register and expand its use of the sign would fail. However, in case I am wrong, I will continue to consider the proprietor's defence.
- 60. I have already referred to the proprietor's claim that it holds a family of marks, which are listed in paragraph 6 above. These marks all take the form of a noun followed by the word "GLIDE". The applicant submits that the first noun is a part of the body, and the trade mark application for the only example where this is not the case ("CYCLE GLIDE") was filed on the same day as the contested application. However, the evidence shows that, even if it was not registered as a trade mark, "CYCLE GLIDE" was in use at least on the US-facing website from 2015 and before that the product was called "CHAMOIS GLIDE", which similarly does not refer to part of the body.

61. The applicant submits that the word "GLIDE" and means "to move smoothly, continuously, and effortlessly" and is descriptive of the purpose of the proprietor's goods. For that reason, it contends that it has reduced trade mark significance.³⁵ In my view, "GLIDE" is allusive and the distinctive character of the proprietor's marks rests in the combination of this word with a preceding noun that nods to the target of the product. The marks therefore share a common element. I accept that there is no evidence to show me which of the products were on the UK market, apart from Body Glide. Even so, I find that there is some similarity between the signs BODYGLIDE and RUN GLIDE, and the goods for which I found goodwill (*Anti-chafe skin balm*) are included in the proprietor's *Non-medicated skin care preparations* and *Medicated skin care preparations*.

62. In *Hotel Cipriani*, Arnold J. (as he then was) stated that:

"In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas.

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³⁵ Written submissions, dated 17 February 2022, page 3.

An applicant who proceeds on the basis explicitly provided for in Article 107

can hardly be said to be abusing the Community trade mark system."36

63. I have already set out how, following the applicant's filing of an invalidation

application at the EUIPO, the proprietor's representatives sent a cease and desist

letter to the applicant's representatives. On the basis of the evidence before me, I am

persuaded that the proprietor believed that it had a right to register and use the

contested mark. Given the nature of the products sold and the range of sub-brands

already available, even if not necessarily in all territories, I agree that "RUN GLIDE"

would be a natural sub-brand for the proprietor. Consequently, I find that the

application was not made in bad faith and the section 3(6) ground fails.

OUTCOME

64. The application for invalidation has failed and UKTM No. 918288899 will remain

registered.

COSTS

65. The proprietor has been successful in these proceedings and is entitled to a

contribution towards its costs in line with the scale set out in Tribunal Practice Notice

2/2016. The award is calculated as follows:

Preparing a statement and considering the other side's statement: £350

Preparation of evidence and considering the other side's evidence: £1200

Preparation of submissions in lieu of attendance at a hearing: £350

TOTAL: £1900

66. I therefore order Arkholdings (a partnership) to pay W Sternoff LLC the sum of

£1900, which should be paid within twenty-one days of the expiry of the appeal period

³⁶ Paragraph 189.

Page 28 of 29

or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 5th day of December 2022

Clare Boucher,
For the Registrar,
Comptroller-General