

O-503-13

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS:

APPLICATION NO 2592809 BY SHAHAB HANIF FOR THE TRADE MARK: MITTAL GOLD IN CLASSES 3, 14, 36 AND 42 AND OPPOSITION THERETO UNDER NO 102914 BY MITTAL STEEL TECHNOLOGIES LIMITED

AND

APPLICATION NO 2592809 BY SHAHAB HANIF FOR THE TRADE MARK: MITTAL GOLD IN CLASSES 3, 14, 36 AND 42 AND OPPOSITION THERETO UNDER NO 102915 BY Mr L.N.MITTAL

Background and pleadings

1. On 27th August 2011, Shahab Hanif applied to register the trade mark MITTAL GOLD. It was published in the trade marks journal on 21st October 2011 in respect of the following goods and services:

Class 3

Non-medicated toilet preparations; cosmetics; soaps; preparations for the hair; preparations for cleaning the teeth; perfumes; deodorants for use on the person; essential oils; toilet articles; all included in Class 3

Class 14

Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

Class 36

Insurance; Financial affairs; Monetary affairs; Financial services provided over the Internet, providing financial information; Commodity trading; providing information and data for use in relation to risk management and trading; trading in gold and precious metals; providing information and data for use in relation to risk management and trading; provision of financial information and gold trading provided via the Internet, mp3 players, mobile telephones, or any other communication apparatus or networks; financial database services which provide subscribers with financial trading information concerning gold and precious metals with an automatic network for trading.

Class 42

Industrial analysis and research services; providing information about computer software for use in the field of gold and precious metals exchange trading; providing an electronic marketplace (web site) for trading of gold and precious metals.

2. The application has been opposed both by Mittal Steel Technologies Limited (MSTL) and by Mr L.N.Mittal, the Chairman and CEO of ArcelorMittal. MSTL bases its opposition on, amongst other grounds, Section 3(6) of the Trade Marks Act 1994 ("the Act"). It should be noted that for each of the two opponents, the relevant information upon which this claim is made is identical as is the respective evidence filed. As such and for convenience, this decision will focus upon the opposition brought by MSTL. The claim under Section 3(6) is based upon allegations from the opponent regarding previous dealings it has had with the applicant. In essence, these are that he, in 2009, targeted MSTL (and indeed Mr Mittal) in respect of a venture he called MITTAL BANK. During the course of this targeting, the applicant set up in an office within the same building as the opponent's headquarters, tried to access the opponent's offices on more than one occasion and claimed that Mr Mittal's brother wished to enter into a partnership with him (this is flatly denied by MSTL). This led to

MSTL sending cease and desist letters to the applicant in this regard. Against this backdrop, the applicant went on to apply to register MITTAL GOLD and following MSTL's opposition of this application, has made a number of attempts at "extortion" (according to MSTL).

3. The applicant denies this and all the remaining grounds of the opposition.
4. Both sides filed evidence and no request for a Hearing was forthcoming. This decision is therefore taken following a careful perusal of the papers.

Opponent's evidence

5. This is a witness statement from Giles Borton, Senior Legal Counsel of the opponent company. Mr Borton outlines the background of the opponent company by stating:
 - Mr Lakshmi Mittal is the Chairman and CEO of ArcelorMittal. His steel business was established in Calcutta in India in 1976 and went on to trade in the UK as a group of listed companies (ISPAT) and as a group of unlisted companies (LNM Group). Both arms of the company were controlled by Mr Mittal. In 2004, ISPAT merged with LNM Group and International Steel Group to form Mittal Steel Company.
 - By this time, Mittal Steel was the largest steel company in the world and in 2006, it merged with Arcelor in a highly publicised hostile takeover. Its name is now ArcelorMittal. A selection of press coverage in respect of this takeover is attached at Exhibit 1.
 - ArcelorMittal is the world's leading steel company with operations in more than 60 countries and has an industrial presence in more than 20 countries, spanning four continents. As at December 2011, it employed over 200,000 people worldwide and its steel distribution network has facilities across the UK in Manchester, Birkenhead, Scunthorpe, Wolverhampton and Birmingham as well as having a service company in London.
 - According to Mr Borton, during the last 35 years the name MITTAL has become synonymous with the steel business. MITTAL has been used extensively and continuously as part of a company name, as a trade mark and as a house mark. It is famous throughout the UK for the supply of quality steel products and major iron ore produce in all major markets.
 - Exhibit 2 contains examples of press coverage. A search covering the period January 2006 to March 2012 produced 350 results and includes reports in national newspapers such as The Daily Mail, The Financial Times, The Independent and The Guardian.
 - Over the past five years, advertising spend has been around £5 million per annum. Turnover figures are as follows:

Date	Sales Turnover (\$USD)	Total Asset Turnover (\$USD)
31 Dec 2011	93,973,000,000	121,880,000,000
31 Dec 2010	78,025,000,000	130,904,000,000

31 Dec 2009	65,110,000,000	127,697,000,000
31 Dec 2008	124,936,000,000	133,088,000,000
31 Dec 2007	105,216,000,000	133,625,000,000

Mr Borton also provides details of the opponent's previous dealings with the applicant in these proceedings. These are as follows:

- That the applicant first came to his attention in September 2009 when he wanted to establish Mittal Bank working with the opponent and/or Mr Mittal to obtain the credibility, backing and/or funding of the Mittal name.
- The applicant claims to have met with Pramod Mittal, the brother of Mr Lakshmi Mittal. Exhibit 4 is a copy of the applicant's email describing this. However, neither Mr Mittal, his personal assistant or anyone else connected in any way to Mr Lakshmi Mittal has offered the applicant any encouragement whatsoever in his endeavours.
- In August 2009, the applicant rented an office downstairs at Berkeley Square House, which is in the same building as the opponent's registered office. Mr Borton is of the belief that he did so in order to further the appearance of links between Mittal Bank and the opponent/Mr Mittal. According to Mr Borton, the applicant subsequently made an uninvited visit to the reception of ArcelorMittal to ask for a meeting with Mr Lakshmi Mittal. After several such unsolicited attempts to use his Berkeley Square security pass to gain access to Mr Mittal's office, the applicant was asked by receptionists not to approach the ArcelorMittal premises on the seventh floor. The applicant was also then spoken to by the Head of Security of Berkeley House and told not to attempt to gain unauthorised access to the premises again.
- Following this, Mr Borton instructed Schillings to write to the applicant and threaten him with legal action if this behaviour did not cease. A copy of this correspondence from 11 September 2009 and 21 September 2009 is attached at Exhibit 5. It is noted that this letter included instruction to transfer the domain name Mittal Gold to the opponent.
- By this point, according to Mr Borton, the applicant had also registered domain names for Mittal Bank, Mittal Gold and Mittal Insurance. The opponent instructed the applicant to change his company name from Mittal Bank Limited and dispose of the above domain names. Exhibit 6 is an email from the applicant, dated 1 October 2009 stating that Mittal Bank is no more and that it has been changed to California Limited. Exhibit 7 shows the applicant's further response. In essence he denies the claims made, says he has never traded in the name MITTAL and will not continue not to do so and to change the name to "XYZ Limited".
- However in December 2011, Mr Borton discovered that the applicant was still listed as the registered proprietor for the domains www.mittalgold.com and www.mittalbank.com. In a letter dated 13 December 2011, the opponent wrote to the applicant referring to previous correspondence and asking him to desist from these actions, withdraw his trade mark application for MITTAL GOLD and transfer the domains to the opponent. Exhibit 8 is a copy of this letter.
- In pursuing MITTAL GOLD, Mr Borton is of the belief that the applicant is once again attempting to use the opponent's credibility for this enterprise. This belief is founded upon the applicant's previous behaviour in respect of Mittal

Bank and also from correspondence sent from the applicant to the opponent offering partnership. Further, the applicant has attempted to extort money from the opponent by offering to sell the trade marks and domain names to the opponents while threatening to sell them to third parties. Exhibit 9 is full copy correspondence in this regard. It is noted that Mittal Gold has been the subject of a number of “offers” between March-August 2012 for varying monetary amounts. It is also noted that the applicant informs the opponent on 1st august that the offer to sell ended on that date and then in a further email the next day says that unless he was made an offer by the end of the day he would sell the mark to a third party. This is followed by an email the following day saying “cat got your tongue”, which is in turn followed up by an email dated 7th august 2012, again stating “Mittal Gold is for sale – LOSERS”.

- Despite registering a number of MITTAL domain names, it appears to Mr Borton that none appear to function. Therefore he is of the belief that their sole purpose was never for genuine commercial use but rather for the purpose of selling, renting or otherwise transferring them back to the opponent for sums of money which vastly exceed the applicant’s costs.

The applicant’s evidence

6. This is a witness statement from the applicant, Mr Shahab Hanif. The following relevant information is contained therein:
 - Mr Hanif explains that he is the owner of the domain name MITTALGOLD.COM and that he pays the annual fees. He asserts that he is trading under the name and that he paid for the trade mark applications the subject of these proceedings. When advised that class 35 may be open to relative grounds objections by other companies, he removed it and so claims to be acting in good faith in applying for MITTAL GOLD as no other trade marks exist in the remaining classes.
 - Mr Hanif provides evidence at Exhibit 2 to demonstrate that there are other MITTAL corporations in existence in the UK. Further, that they co-exist. There are also several MITTAL billionaires and multi-millionaires.
 - Mr Hanif claims that he did not approach the opponent until after the filing of the trade mark oppositions, the subject of these proceedings.
 - Mr Hanif claims that the opponent does not truly wish to oppose his trade marks. Rather it wishes to have the domain name MITTAL GOLD transferred to it. As support, he claims that the opponent has applied to WIPO for such a transfer to take place and further claims this is a corrupt organisation.
 - Mr Hanif provides a number of examples where additional elements have been added to registered trade marks thus avoiding confusion. In his view, this also means that his MITTAL GOLD is not confusingly similar to MITTAL.
 - In conclusion Mr Hanif argues that the opponent has not proven that it has exclusive rights in MITTAL or that they trade in the classes applied for here. Mr Hanif accuses the opponent of simply providing printouts of media stories which they have paid for. They are, in the view of Mr Hanif, not independent.
 - Mr Hanif apologises for what he describes as the “erratic” emails he has sent to the opponent. However, he claims that he cannot be expected to be nice to

them as they have been harassing him. It is noted that there is no evidence provided in respect of any such harassment.

The opponent's evidence in reply

7. This is a witness statement from the same Giles Borton. Mr Borton reiterates that neither ArcelorMittal nor Mr Lakshmi Mittal wishes to enter into any venture with the applicant nor to purchase any of the domain names, trade marks or company names he has registered.
8. Mr Borton responds to the applicant's evidence by pointing out that despite his claims to have traded in Mittal Gold, no evidence of this has been forthcoming. The opponents believe that no use has been made of Mittal Gold.
9. Mr Borton confirms that the opponents have no desire or expectation to create a monopoly in the name MITTAL. They merely wish to restrain an individual who initially applied for the MITTAL GOLD trade mark in an unsolicited way in order to enter into a joint venture with the opponents. When this was not successful, he attempted to transfer the mark to the opponent for sums that vastly exceeded the documented out of pocket costs and also threatened to sell the trade mark to a third party.
10. Since the opposition was filed, the applicant has, according to Mr Borton, sent well over 100 emails to the opponent's legal representatives in an attempt to sell the trade mark.

DECISION

Section 3(6) – Bad Faith

11. The relevant section of the Act reads as follows:

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

The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C- 529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

12. The decision of the Appointed Person in *Melly's Trade Mark Application* [2008] RPC 20 is also useful in that it discusses the importance of the motivation and intention of the applicant at the time of making the trade mark application.
13. A number of points have been raised in evidence by the opponent, upon which the applicant has remained silent or has otherwise provided no information to suggest an alternative narrative. Firstly, the opponent's evidence describes the events of 2009 in respect of Mittal Bank and the behaviour of the applicant in this regard. Namely, setting up an office within the same registered address, his attempts to enter the opponents place of business and his erroneous belief that a partnership with the opponents was forthcoming. Further, it provides evidence in support in the form of correspondence sent to the applicant instructing him to cease this behaviour. The applicant has not responded to these claims in these proceedings, indeed there is no acknowledgement of them at all. In his evidence the applicant claims that the only contact he has made with the opponents was following the filing of its opposition, the subject of these proceedings. The evidence filed by the opponent clearly shows that this is not the case. Secondly, the opponents alleged that the applicant has not made any use of MITTAL GOLD nor has it any intention of doing so. This, in its view, supports its position that the applicant acted in bad faith in making its application as it points to a motivation for applying other than in good faith. The applicant claims use has been made, but provides no detail on this point, nor any evidence in support in rebuttal, which it would not be unreasonable to presume would have been fairly straightforward for him to do.

14. Bearing in mind the foregoing, it is considered that the information provided by the opponent on the background to these proceedings, is highly relevant to the question of the motivation and intention of the applicant in applying for MITTAL GOLD. It is considered clear that the applicant targeted the opponents with a view to working in partnership or otherwise gaining some kind of advantage in aligning himself with the opponents and in using the name MITTAL.
15. Against this back drop, the applicant then went on to apply to register as a trade mark MITTAL GOLD. Following the opponents opposition to this, the applicant commenced on what can only be described as a campaign of bombardment, with a large number of emails being sent to the opponent seemingly with the aim of settling the matter. It is clear from these emails that the applicant's idea of "settling" was solely to make money by selling MITTAL GOLD to the opponents. This evidence is relevant even though it is after the application date as per *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].
16. Bearing in mind both the background to these proceedings, the manner in which the applicant first came to the attention of the opponents, his behaviour at that time and subsequently (particularly the bombardment of emails), it is considered clear that the evidence demonstrates that the applicant did not come up with MITTAL GOLD by accident and further, that he has no intention to trade under it. Rather, he was motivated to apply for this trade mark in order to reach a position which was financially advantageous to him to the distinct detriment of the opponents. There is no doubt that this is dishonest and clearly falls below the standards of commercially acceptable behaviour.
17. It is therefore concluded that this application has clearly been made in bad faith and as such, the oppositions under Section 3(6) of the Act succeed in their entirety. As this ground has succeeded, there is no need to go on to consider the remaining grounds of opposition filed.

Final Remarks

18. During this decision the Tribunal has considered whether or not the emails sent by the applicant to the opponent (as included in Exhibit 9 of the opponent's evidence) are without prejudice material. Such material is protected from disclosure when generated during a genuine attempt at negotiation. In the set of circumstances applicable here, the emails were not marked as being privileged information. Nor has the applicant objected to their inclusion. Indeed he accepts that they are "erratic" in nature. Further, their tone and content lead to the conclusion that they are in fact, threatening, goading and an attempt at extortion rather than a genuine commercial negotiation. As such, it is considered that they are not legally privileged.

COSTS

19. The opponents have been successful and are entitled to a contribution. They are awarded a sum of £1200. This is made up as follows:

Statutory fee for filing opposition x 2 - £400
Filing notice of opposition and considering counterstatement- £300
Filing evidence and considering applicant's evidence - £500
Total £1200

20. Of practical note, there are two successful opponents in these proceedings with one set of evidence being filed and claims under Section 3(6) which are identical in content. As such, the costs award should be split equally between them. I therefore order Mr Shahab Hanif to pay Mr L N Mittal the amount of £600 and Mittal Steel Technologies Limited the amount of £600.

21. The above sum should 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 12th day of December 2013

Louise White

**For the Registrar,
The Comptroller-General**