THREE NEW SQUARE
INTELLECTUAL PROPERTY

WHITE PAPER CONFERENCE

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Bad faith following *WITH WISE*

Second morning session

Dr. Stuart Baran | Three New Square

OUTLINE

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Outline structure

- ***WITH WISE*** —what was the case about?
- **Where are we at on the law of bad faith?**— *SkyKick*
- **How was the law applied in WITH WISE?**— affect on the specifications
- **Lessons to draw**— pointers for future cases

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01

THE WITH WISE CASE

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The *WITH WISE* case

- Wise Payments (formerly TransferWise) sued With Wise and 3 directors.
- Alleged infringement of TRANSFERWISE word mark, and WISE figurative mark:



- and passing off.

- With Wise counterclaimed on two grounds:
  - marks were partly invalid for bad faith
  - Wise Payments was itself passing off

The *WITH WISE* case – the specifications

Registered for:

Class 9

Computer software; application software; computer hardware, apparatus and instruments relating to devices for payment, money, monetary transfers and banking; card readers; payment terminals, money dispensing and sorting devices; credit, debit, bank and monetary cards; encoded cards; smart cards; magnetic payment cards; computer software and application software relating to all of the aforesaid and the electronic transfers of funds; *all the aforementioned goods in connection with financial services, monetary services, banking services, investment services, cryptocurrency services and travel insurance services.*

Class 36

Financial affairs; monetary affairs; monetary affairs including those relating to the transfer of funds and providing methods for payment including providing pre-paid methods of payment and monetary credit for others; banking; financial services including foreign currency trading, exchange, payments, conversions, accounts and transfers; electronic money transfers; electronic foreign currency payment processing; electronic money services; electronic money transfer of foreign currency; financial transactions; financial transactions including effectuating the transfer of funds and banking services and facilitating transactions involving electronically stored monetary value; financial services including internet accounts and banking; financial services including on-line cash accounts, banking and providing pre-paid methods of payments and monetary credit for others; checking and savings account services for foreign currency accounts; the provision of information, consultancy and advice relating to the aforesaid.

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The *WITH WISE* case – the alleged infringements



02

WHERE'S THE LAW AT NOW?

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SkyKick





SkyKick – the specifications

- 4x EUTMs; 1x UKTM
- Specs across 22 classes
- The marks were enormous:
  - Specs respectively 238; 238; 2,836; 8,127 & 8,255 words long

- Irrelevant terms *(bleaching preparations)* and
- Overbroad category terms *(computer software)*

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SkyKick – irrelevant terms

- *"animal skins"*
- *"motor vehicles"*
- *"carbon monoxide detectors" and "fire extinguishers"*
- *"Christmas decorations"*
- *"insulation materials…"*
  - **& SKY ENFORCED THESE ACTIVELY**

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SkyKick – relevant terms

- *"Top 8"*
  - *Computer software*
  - *CS supplied from the internet*
  - *CS & telecoms apparatus to enable connection to databases and the internet*
  - *Data storage*
  - *Telecommunications services*
  - *Electronic mail services*
  - *Internet Portal Services*
  - *Computer services for accessing and retrieving information/data via a computer or computer network*

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SkyKick – the law (I)

- BF might normally mean dishonesty, but here need TM context
- So BF made out on either limb of the CJEU test
- Applicant's subjective intent can be established objectively
- Burden for BF attack on revoking party; but burden shifts
  - applicant then needs "plausible explanation of objectives & commercial logic"
- Registration without ITU = BF where no rationale in TM law
- Requires objective, relevant and consistent indicia

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SkyKick – the law (II)

- Lack of actual use / commercial activity not decisive
- Absence of ITU in relation to the essential origin function only relating to certain G&S → only BF in relation to those G&S
- If, despite formal observance of rules, the purpose of those rules not achieved – and an intention to take advantage of them by creating artificially conditions for regn, may → BF
- No requirement under TMD that applicant positively state bona fide ITU
    - but it may constitute evidence for determining BF

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SkyKick – the upshot

- Overly-broad terms can be in BF, even if some use within
- But the invalidity only goes as far as the BF
- So the “teeth” of the objection at registration stage are limited.
- Need to look to what happens in litigation.

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APPLYING THE LAW: *WITH WISE*

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Applying *SkyKick* (I)

- O/0534/25 CNVRG CNVRG.IO trade mark
- Daniel Alexander KC, Appointed Person
- If evidence from which can infer BF
  - Expect an applicant to provide ”sufficiently coherent explanation for the application specifically in the UK including as to its scope”.
- May justify by:
  - credible evidence as to its purposes in making it,
  - e.g. by ref to width of underlying business, actual or reasonably contemplated,
- If no adequate or sufficiently credible explanation may → BF.

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Application of the law in *WITHWISE*

- ***"The specifications of the Wise Logo Mark and the TRANSFERWISE Mark include terms such as computer software and financial affairs which are broad and imprecise."***
- **But on class 36:**

  "However, given the expansion of the scope of the Claimant's business both before and after 2018, it does not seem to me that I can infer that there are further sub-categories of financial etc services in relation to which the Claimant never had any intention of using the mark and there was no realistic prospect of it ever doing so. With some hesitation, therefore, I conclude that the Defendants have not raised a sufficient inference that the impugned parts of the Class 36 specifications were filed in bad faith to transfer the burden of proof to the Claimant to justify its trade mark application strategy"

Application of the law in *WITHWISE*

- **Class 9 though:**

  "I conclude that in relation to the computer software and application software in Class 9, the Defendants did raise an inference that those parts of the specifications were not necessary for the protection of the Claimant's business or future business. In those circumstances the breadth of the Class 9 specifications raises a concern about the Claimant's good faith in applying for them, and as to the veracity of its declaration of an intent to use the Marks for all such goods. The burden of proof therefore fell upon the Claimant to justify its trade mark application strategy, and it completely failed to do this. It did not explain or seek to justify its filing strategy in 2018 and gave only limited evidence of the kinds of software which it had created and released."

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04

LESSONS FOR FUTURE CASES

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What can we get with BF now

- Great breadth – particularly terms like computer software – are vulnerable

- Raise an inference, and then burden shifts
  - Can be discharged with evidence – objective or subjective
- The proprietor will still get a penumbra round the core of its business

- No additional “punishment” for bad faith though
  - They still get everything they could ever have properly sought

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Thank you

Dr Stuart Baran
Barrister, Intellectual Property
Three New Square, Lincoln's Inn, London
clerks@3newsquare.co.uk | +44 (0)20 7405 1111