

# ECP7 TMD Implementation Support with Training

TMD Webinar Series with National IPOs and User Associations

EUIPO Academy Learning Portal

**15 December 2022 | 10.00-12.00 CEST**

*ECP7 live streamer Trade Mark Directive joint webinar in English:*

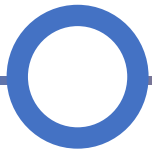
*INVALIDITY AND CANCELLATION ACTION. A ROADMAP TO THE EUROPEAN UNION*

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## IMPLEMENTATION TIMELINE

21 DECEMBER  
**1988**



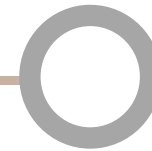
Adoption of Directive  
89/104/EEC

16 DECEMBER  
**2015**



Adoption of Directive  
(EU) 2015/2436

14 JANUARY  
**2019**



Transposition date,  
except Art. 45

14 JANUARY  
**2023**



Transposition  
of Art. 45

## ARTICLE 45 – DIRECTIVE (EU) 2015/2436

*“Without prejudice to the right of the parties to appeal to the courts, Member States shall provide for an efficient and expeditious administrative procedure before their offices for the revocation or declaration of invalidity of a trademark”*

## ARTICLE 45 – DIRECTIVE (EU) 2015/2436

Grounds

all absolute grounds vs. discretion on optional relative grounds

Standing

no legal interest requirement

Venue

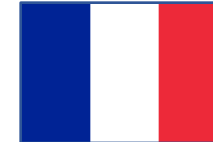
exclusive or mixed

Efficient and  
expeditious

the EUIPO model

# GERMANY - ITALY - SPAIN - CZECH REPUBLIC - ESTONIA - FRANCE - POLAND

1. Can invalidity/revocation procedures be filed alternatively before the IPO or the Court?



DE

IT

ES

CZ

EE

FR

PL

**YES**

With exception

**YES**

**NO**

With exception

**NO**

With exception

**NO**

With exception

**NO**

**NO**

With exception

## GERMANY - ITALY - SPAIN - CZECH REPUBLIC - ESTONIA - FRANCE - POLAND

2. After an unsuccessful invalidity/revocation procedure, is it still possible to apply for invalidity of the same registration on the same grounds before the Court?



DE

IT

ES

CZ

EE

FR

PL

**NO**

**NO**

**NO**

**NO**

**YES**

**NO**

**NO**

## GERMANY - ITALY - SPAIN - CZECH REPUBLIC - ESTONIA - FRANCE - POLAND

3. Are administrative invalidity/revocation procedures provided under national law for all mandatory grounds under the TM directive and/or for any additional grounds, in particular: Non-registered marks, Right to a name or portrayal, Copyright, Other IP right, Trademark protected abroad (bad faith)



DE

IT

ES

CZ

EE

FR

PL

**YES**

**YES**

With exception

**YES**

With exception

**YES**

**YES**

**YES**

With exception

**YES**

# GERMANY - ITALY - SPAIN - CZECH REPUBLIC - ESTONIA - FRANCE - POLAND

4. Is a “formal notice” of invalidity/revocation available?  
I.e. can the full statement of grounds be filed at a later stage?



DE

IT

ES

CZ

EE

FR

PL

**NO**

**NO**

**NO**

**NO**

**YES**

**NO**

**YES**



# GERMANY - ITALY - SPAIN - CZECH REPUBLIC - ESTONIA - FRANCE - POLAND

5. If the right owner does not reply to the invalidity/revocation action,  
is the registration considered surrendered by default?



DE

IT

ES

CZ

EE

FR

PL

**YES**

**NO**

**NO**

**NO**

**NO**

**NO**

**NO**

## GERMANY - ITALY - SPAIN - CZECH REPUBLIC - ESTONIA - FRANCE - POLAND

6. Can invalidity and/or revocation actions be withdrawn? Even in the absence of an agreement?



DE

IT

ES

CZ

EE

FR

PL

**YES**

**YES  
BUT**

**YES**

**YES**

**YES**

**YES**

**YES**

# GERMANY - ITALY - SPAIN - CZECH REPUBLIC - ESTONIA - FRANCE - POLAND

7. Do the “new” invalidity grounds apply to all marks,  
even if registered before the entry into force of the new provisions?



DE

IT

ES

CZ

EE

FR

PL

**YES**

With exception

**YES**

**YES  
BUT**

**YES**

With exception

**NO**

**YES**

**YES**

## BENELUX OVERVIEW 2022

### Filing cancellation actions since June 2018 following TM reform

- <https://www.boip.int/en/ip-professionals/regulations-policy/cancellation>
- User friendly
- Online form
- New 2022: separate form requesting proof of use



## BENELUX OVERVIEW 2022

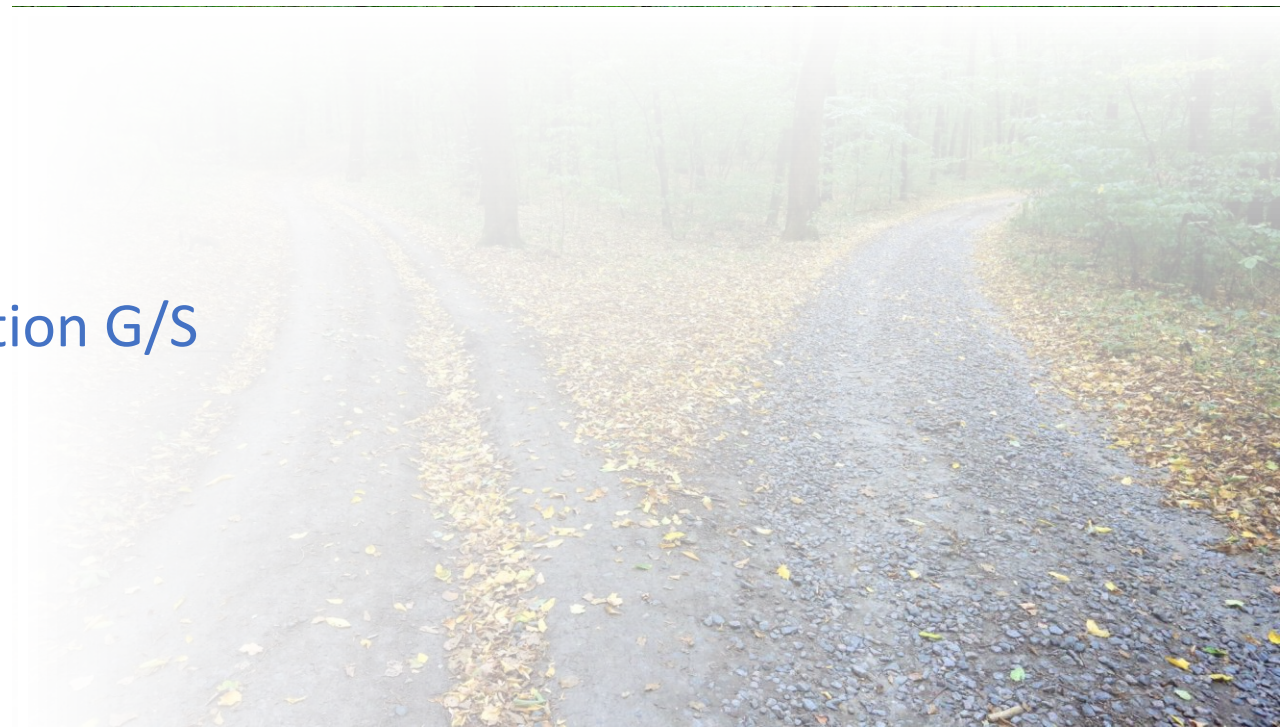
### Principles

- Presumption of validity of TM
- Inter-partes proceedings
- No own examination by BOIP
- Not explicitly disputed facts are assumed undisputed

## BENELUX OVERVIEW 2022

### Possible outcomes

- Inadmissibility
- Lack of substantiation – setting aside
- Action well-founded – TM struck
- Action unfounded – TM maintained
- Action partially well-founded – Limitation G/S
- Default – lack of defense – TM struck
- Settlement - closure



## BENELUX OVERVIEW 2022

### 20 cancellation actions (up to 07/12/2022)

- On relative grounds
- On absolute grounds
- Lack of genuine use


### No board of appeal within BOIP

### Appeal directly before Benelux Court of Justice

- Only 4 appeals referred in 2022
- 9 judgments in 2022

## BENELUX CANCELLATION PROCEEDINGS

### Case law examples BOIP

-  (08/04/2022)
- SUPERNOVA (06/09/2022)
- HYUNDAI (21/10/2022)

### Case law example BCJ

- IK WIL VAN MIJN AUTO AF (27/01/22)
- BOBO BIRD (18/10/22)



## CASE LAW BOIP: DR. MARTENS

### Position TM: Yellow stitching on black welt lace boots (Dr. Martens)

#### Absolute grounds

- Lack of distinctiveness
- Customary indication
- Exclusion grounds: technical result / substantial value



## CASE LAW BOIP : DR. MARTENS

### Customary indication?

- Far fetched
- No indications thereof

### Lack of distinctiveness?

- Inherent distinctiveness: no
- Acquired distinctiveness: yes



## CASE LAW BOIP : DR. MARTENS

### Acquired distinctiveness

- Prominent presence in the Benelux since decades
- Consistent use of the trade mark
- Widely recognised as the identifying feature of the boots, derived from press articles 'famous', 'stiking', 'distinctive', 'classic', 'iconic'
- Contradicting market surveys: not too much weight given inconsistency and related only to the Dutch market



## CASE LAW BOIP : DR. MARTENS

### Exclusion ground?

- Technical / functional: no, one of the essential features is the yellow colour of the stitching
- Substantial value: no, trade mark does not intrinsically give substantial value to the boots – substantial value acquired through use of the trade mark (i.e. not intrinsic) may not be taken into account

### Trade mark upheld

### Appeal pending

## CASE LAW BOIP: SUPERNOVA

### Relative grounds



### SUPERNOVA

Class 31: a.o. fruit, fruit trees, appels,  
appel trees

Class 31: a.o. fruit trees and parts thereof,  
in particular re appels

Class 44: a.o. multiplication, propagation  
of fruit trees, in particular re appels

## CASE LAW BOIP: SUPERNOVA

### Comparison of the signs: intrinsic features

#### Visual

- Dominant features prior trade mark both figurative element and Nova, not additional slogan 'met liefde voor de natuur'
- Certain visual similarity

#### Phonetic

- NOVA v SUPERNOVA
- Certain phonetic similarity

## CASE LAW BOIP: SUPERNOVA

### Conceptual:

- Prior trade mark: ‘new’
- Supernova:
  - Only part of the public: ‘exploding star’
  - Other part of the public SUPER and NOVA:
- Conceptual similarity for part of the public



## CASE LAW BOIP: SUPERNOVA

### Comparison of the G/S

- Part identical
- Goods and services can be similar: complimentary
  - Certain degree of similarity

### Likelihood of confusion

- G/S directed towards both professionals and consumers
- Lowest level of attention to be taken into account
- Established



## CASE LAW BOIP: HYUNDAI

### Lack of genuine use

- HYUNDAI – class 9 TFT-LCD panels, LCD screens, plasma display panel

### Proof submitted

- Two invoices: in BE and NL (2017 and 2018)
- Illustration of use on monitors
- Two pages of a catalogue
- Links to corporate website of HYUNDAI IT
- Links to website selling HYUNDAI display products in the Benelux

## CASE LAW BOIP: HYUNDAI

### Proof not sufficient

- Sale of only 4 units over 5 years negligible
  - Taking into account nature and pricing of the products

### Other proof lacks:

- Dates
- Indication that goods are distributed or targeted at consumers in the Benelux

## CASE LAW BOIP: HYUNDAI

### Discussion about use by licensee

#### Claimant:

- Lack of proof of the existence of the license
- Mandatory recordal of license to be enforceable towards third parties
- Documents re use by licensee can therefore not be taken into account

#### Defendant:

- Recordal of license not mandatory
- Use by licensee inures to the benefit of the trade mark proprietor

#### BOIP:

- No need of formal contract
- Factual analysis may suffice: submission of invoices issued by licensee implies business relationship/license

## CASE LAW BCJ: IK WIL VAN MIJN AUTO AF

IK WIL VAN MIJN AUTO AF

Class 35: several services relating to car sales

### Absolute ground claims:

- Descriptive
  - Ab initio
  - No acquired distinctiveness
- Dutch speaking part of the Benelux



## CASE LAW BCJ: IK WIL VAN MIJN AUTO AF

### Difference between ex parte and inter partes proceedings

- Can result in different outcome
- New assessment
- Additional documents
- Different outcome is not prejudicial to legal certainty

## CASE LAW BCJ: BOBO BIRD

Cancellation action based on bad faith

- BOIP: no bad faith
- BCJ: bad faith – TM struck

No definition of bad faith

Application of principles from CJEU case law

Importance of factual circumstances

Bad faith at the moment of filing the TM



## CASE LAW BCJ: BOBO BIRD

Distribution relationship between BX TM proprietor and SHENZHEN BOBOBIRD Ltd.



**BOBO BIRD**

## CASE LAW BCJ: BOBO BIRD

Knowledge of the use by BOBOBIRD outside Benelux

Knowledge about intention to protect BOBOBIRD internationally

Authorisation to use BOBOBIRD in NL (not in entire Benelux)

No authorisation to file for TM protection



**BAD FAITH**



## INDEX

Bad faith in the Trade Mark Directive

Definition of bad faith

Bad faith assessment factors

Scenarios of bad faith

Recent case law

General rules

## WHAT IS BAD FAITH?



## BAD FAITH IN THE TRADE MARK DIRECTIVE

### Article 4(2):

- A trade mark **shall** be liable to be **declared invalid** where the application for registration of the trade mark was made in bad faith by the applicant. Any Member State **may also provide** that such a trade mark is not to be registered.

### Article 5(4)(c):

- Any Member State **may provide** that a trade mark is not to be registered or, if registered, is liable to be declared invalid where, and to the extent that:  
... the trade mark is liable to be confused with an earlier trade mark **protected abroad**, provided that, at the date of the application, the applicant was acting in bad faith.

## DEFINITION OF BAD FAITH

### Opinion of AG Sharpston of 12/03/2009:

“the concept of bad faith...relates to a subjective motivation on the part of the trade mark applicant – a dishonest intention or other ‘sinister motive’ – which will none the less normally be established by reference to objective criteria; it involves conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices, which can be identified by assessing the objective facts of each case against such standards.”

## DEFINITION OF BAD FAITH

Assessment on **case-by-case** basis considering all the factual circumstances of a case

An autonomous concept of European Union law, which **must be given a uniform interpretation in the European Union**

Draft **CP13 Common Practice:**  
“Trade mark applications made in bad faith”

## BAD FAITH ASSESMENT FACTORS

### A. Mandatory factor - Dishonest intention

### B. Non-mandatory factors

1. Applicant's knowledge or presumed knowledge of 3<sup>rd</sup> party's right(s)
2. Degree of legal protection enjoyed by the 3<sup>rd</sup> party's earlier right
3. Identity/similarity of marks
4. Goods/services
5. Likelihood of Confusion



## BAD FAITH ASSESMENT FACTORS

6. Previous relationship between the parties
7. Origin of the contested mark and its use since creation
8. Chronology of events leading up to the filing
9. Honest commercial logic
10. Request for financial compensation
11. Pattern of the applicant's behaviour/actions



## EXAMPLES OF SCENARIOS

### Misappropriation of the 3rd party's right(s)

A. Parasitic behaviour

- Free riding on reputation, including surviving/residual reputation (T-327/12, SIMCA; T-795/17, NEYMAR); or
- Benefiting from an earlier right, regardless of level of its recognition on the market,
- Even when degree of recognition and use derives from a non-EU country.

B. Breach of a fiduciary relationship with intention of usurping other's rights (T321/10, GRUPPO SALINI)



## EXAMPLES OF SCENARIOS

### Abuse of the trade mark system

- A. Defensive registrations without honest commercial logic (T-273/19, TARGET VENTURES)
- B. Re-filing with intention to abuse the TM system (T-663/19, MONOPOLY)
- C. Speculative purposes / instrument of leverage (T-82/14, LUCEO)

## RECENT CASE LAW

### T-795/17, NEYMAR, CJEU judgement of 14/03/2019

- EUTM applied in 2013, before Neymar played in Europe
- No prior trademark rights
- Mr. Neymar proved he was already internationally known
- Applicant admitted he knew the world of football. He also applied for IKER CASILLAS on the same date
- **CONCLUSION:** application with dishonest intention to create an association in order to benefit from reputation



## RECENT CASE LAW

### T-663/19, MONOPOLY, CJEU judgement of 21/04/ 2021

- Word mark covering nearly identical list of G&S as jointly by three earlier word EUTMs
- Applicant admitted one of the reasons for re-filing was to avoid obligation to prove genuine use in opposition proceedings (extending 5-year grace period)

#### CONCLUSION:

- Re-filing not prohibited *per se*, but doing so to avoid obligation of proving use is abuse of law
- Trademark invalidated for all G&S already covered by earlier trademarks



## GENERAL RULES

Burden of Proof (on the claimant, but can be reversed)

No acquiescence (also no statute in limitation in some MS)

Relevant time: time of application, but circumstances before and after can be relevant to interpret intention

Applicant (can be linked/connected natural/legal person)

Outcome: can also be only partially refused/invalidated

Thanks for your attention!

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