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# PRACTICE PAPER

## TRADE MARK APPLICATIONS MADE IN BAD FAITH

THE NORWEGIAN INDUSTRIAL  
PROPERTY OFFICE (NIPO)

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***Note from the IP Office:***

This Practice Paper has been prepared in line with the Common Communication resulting of the Common Practice of Trade Marks developed by the European Union Intellectual Property Network (EUIPN) and aimed to providing guidance for assessing trade mark applications made in bad faith. Tailor-made to the specificities of the Norwegian Industrial Property Office (NIPO), it provides a general notion of bad faith and of other concepts, including terminology related to its assessment, as well as factors and scenarios that may prove relevant in the assessment.

This Practice Paper, adopted at national level, is made public with the purpose of further increasing transparency, legal certainty, and predictability for the benefit of examiners and users alike.

## 1 BACKGROUND

This Practice Paper on trade marks aims to provide an understanding of the general notion of bad faith and of other concepts, including terminology related to its assessment, as well as factors and scenarios that may prove relevant in the assessment.

This practice is made public through this Practice Paper with the purpose of further increasing transparency, legal certainty and predictability for the benefit of examiners and users alike.

It delivers a set of principles on how to assess bad faith in trade mark applications, irrespective of the type of proceedings in which it is assessed. The specific issues that are in and out of the scope of the Practice Paper are detailed in section 1.2.

## 2 THE PRACTICE

The following text summarises the key messages and the main statements of the principles of the practice. The complete text can be found in the second part of this Practice Paper.

### PRINCIPLES OF THE PRACTICE

#### KEY NOTIONS THAT APPEAR IN BAD FAITH CASES

##### ***The terms ‘applicant’; ‘claimant’; ‘earlier right’; ‘contested trade mark’***

The preliminary section includes the understanding of certain key notions that are important when assessing whether there was bad faith on the part of the applicant when filing a trade mark application. Specifically, it outlines the understandings of the terms ‘applicant’, ‘claimant’, ‘earlier right’, and ‘contested trade mark’, which have been developed with the aim of ensuring a consistent application of the principles of the practice and to provide guidance on how these notions should be understood.

#### THE GENERAL NOTION OF BAD FAITH IN TRADE MARK APPLICATIONS

##### ***Understanding of the general notion of bad faith in trade mark applications and of the dishonest intention; Different facets of bad faith***

Bearing in mind that the concept of bad faith in trade mark applications is not defined, delimited or even described in any way in the EU trade mark legislation, the aim of this section is to outline the understanding of the general notion of bad faith in trade mark applications. It expands on the central premise established in case-law that bad faith presupposes the presence of a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other ‘sinister’ and/or dishonest motive, which will normally be established by reference to relevant, consistent and objective criteria. It continues by providing an understanding of the dishonest intention, explaining that it is the cornerstone of the existence of bad faith, and a basic and mandatory factor which must always be examined during the assessment of bad faith. The section moves on to differentiate between two non-exhaustive facets of bad faith: (1) the misappropriation of the right/s of the third party: where the applicant is targeting the interests of a specific third party; and (2) the abuse of the trade mark system: where, even if a specific third party is not being targeted, the applicant applied for the contested trade mark for purposes other than those falling within the essential functions of a trade mark. Following a description of each facet, illustrative examples are provided from case-law, including some examples of cases where, in view of the specific facts of the case, bad faith was not found.

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## GENERAL RULES FOR THE ASSESSMENT OF BAD FAITH IN TRADE MARK APPLICATIONS

### ***Burden of proof in bad faith cases; The relevant point in time for determining whether there was bad faith; 'The applicant' in bad faith cases***

This section sets out general rules for the assessment of bad faith in trade mark applications. The first subsection confirms that there is a presumption of good faith on the part of the applicant until proof to the contrary is adduced, and that in bad faith cases, the initial burden of proof is on the claimant. It then explains that once the claimant has submitted evidence to prove the objective circumstances that make it possible to conclude that the contested trade mark was filed in bad faith, it is for the applicant to counterpoint such evidence before a conclusion on the existence of bad faith is taken. The second subsection provides guidance as to the relevant point in time for determining whether there was bad faith, which is the time of filing of the application for registration. Nevertheless, facts and evidence dated prior to or subsequent to filing could also be taken into account by the relevant authorities, as they may contain useful indications for interpreting the applicant's intention at the time of filing the application. Several examples are provided to illustrate this principle. The last subsection covers the topic of 'the applicant' in bad faith cases. In addition to identifying 'the applicant' as any natural/legal person who appears as such in the application form, this subsection highlights the importance of analysing the presence of a possible link/connection between the applicant and any other natural/legal person that may have a real interest in filing the trade mark application. Some illustrative examples are included from case-law.

## FACTORS FOR THE ASSESSMENT OF BAD FAITH IN TRADE MARK APPLICATIONS

### ***Mandatory factor: Applicant's dishonest intention; Non-mandatory factors***

This extensive section includes a non-exhaustive list of factors extracted from case-law to serve as helpful guidance when assessing the possible existence of bad faith in trade mark applications, notwithstanding the fact that bad faith assessments must be performed on a case-by-case basis. Several disclaimers that are generally applicable to all the factors contained in this section have also been included. From the factors, only one is mandatory and must be present in all bad faith cases: the applicant's dishonest intention. For this factor, some illustrative examples of different types of dishonest intention regarding each of the two facets are provided. The second subsection contains 11 non-mandatory factors which, depending on the circumstances of the case, may constitute relevant factors for the assessment of bad faith. An explanation of each non-mandatory factor is then provided, with relevant considerations for the relevant authorities to take into account. Examples are included from case-law for reference.

## SCENARIOS OF BAD FAITH IN TRADE MARK APPLICATIONS

### ***Parasitic behaviour; Breach of a fiduciary relationship; Defensive registrations; Re-filing; Speculative purposes / trade mark as an instrument for leverage***

The 'scenarios of bad faith in trade mark applications' refer to concrete situations where several factors (relevant for the assessment of bad faith), need to appear and interplay in order to reach the conclusion that there was bad faith on the part of the applicant. This section outlines the most typical or notable scenarios – two under the misappropriation of the right/s of the third party facet (parasitic behaviour; breach of a fiduciary relationship) and three under the abuse of the trade mark system facet (defensive registrations; re-filing; speculative purposes / trade mark as an instrument for leverage). Under each scenario, some examples extracted from case-law are presented in order to illustrate how the factors that contributed to the finding of

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bad faith in that real case interplayed. These examples should be viewed in connection with the respective case-law and with the arguments, facts and evidence presented therein.

#### **EXTENT OF REFUSAL/CANCELLATION DUE TO BAD FAITH**

This section provides guidance as to the extent of a refusal/cancellation due to bad faith. It establishes that bad faith will, in general, exist in respect of all the contested goods and/or services for which the contested trade mark was applied for or registered. However, following the Court of Justice of the European Union (CJEU) 'SKY' judgment, a partial refusal/cancellation is possible.

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# THE PRACTICE

TRADE MARK APPLICATIONS  
MADE IN BAD FAITH

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# 1 INTRODUCTION

## 1.1 Objective of this document

This Practice Paper establishes an understanding of the general notion of bad faith in trade mark applications and of other concepts – including terminology – related to its assessment, as well as to the factors and scenarios that may prove relevant in the assessment. It is meant to serve as a reference for Intellectual Property offices, user associations, applicants, claimants, their representatives and other interested parties.

It is made widely available and easily accessible, providing a clear and comprehensive explanation of the principles on which the practice is based. These principles are designed to be generally applied and aim to cover the large majority of cases. **Although the assessment of bad faith will always be carried out on a case-by-case basis**, the principles serve as guidance to ensure that different relevant authorities come to a similar and predictable outcome.

Furthermore, the scenarios and tables included in this document aim to show how the different factors that appeared in real EU cases interplayed, and to illustrate the principles of the practice. The tables should be viewed in connection with the respective EU case-law and in connection with the arguments, facts and evidence presented therein.

## 1.2 Practice scope

Paper delivers a set of principles on how to assess bad faith in trade mark applications, irrespective of the type of proceedings in which it is assessed.

The following issues are **in scope** of the practice:

- understanding of the general notion of bad faith in trade mark applications;
- understanding of other concepts, including terminology, related to the assessment of bad faith and some scenarios; and
- factors for the assessment of bad faith in trade mark applications.

The following issues are **out of scope** of the practice.

- The particular type of proceedings (examination, opposition or cancellation<sup>(1)</sup>) in which bad faith should be assessed. The option of assessing bad faith in different types of proceedings is regulated in the TMD and, therefore, cannot be subject to harmonisation across the EU. Consequently, the practice should be applied to all types of proceedings where the assessment of bad faith is provided for by national law, which should include – but is not limited to – trade mark invalidation proceedings based on absolute grounds.
- The assessment per se, in proceedings regarding bad faith, of: 1) identity/similarity between the contested trade mark and the earlier right/s; 2) identity/similarity of the goods or services; 3) likelihood of confusion; 4) distinctiveness of the right, acquired distinctiveness through use, reputation and well-known character of the right; and 5) genuine use of the right. These matters are covered in the scope of the practice insofar as they are connected with, or constitute factors for, the assessment of bad faith, but their assessment per se is out of scope.
- The assessment per se of Article 5(3)(b) TMD, as it constitutes a separate ground for refusal or invalidity and is subject to its own formal and substantive requirements.
- The assessment per se of Article 5(2)(d) and Article 9(1)TMD.

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<sup>(1)</sup> The term ‘*cancellation*’ is used in this document as a broader term that covers invalidity and revocation proceedings.

- The compilation of either an exhaustive or recommended list of the kinds of evidence to be submitted in bad faith proceedings.

## 2 THE PRACTICE

### 2.1 Key notions that appear in bad faith cases

EU case-law related to bad faith in trade mark applications is very diverse and complex. For this reason, this practice includes an understanding of certain key notions, which are important to assess whether there was bad faith on the part of the applicant when filing a trade mark application. They have been developed with the aim of ensuring a consistent application of the principles of the practice and to provide guidance on how these notions should be understood by the different stakeholders.

In addition, unless otherwise specified, the following general remarks should be considered when reading the practice.

- The term '*applicant*' will be understood as 'the applicant for registration of the contested trade mark' <sup>(2)</sup>.
- The term '*claimant*' will refer to 'the applicant for cancellation or opposition against the contested trade mark and also any person who files observations'.
- The term '*earlier right*' will be understood as 'any right or other legitimate interest that may be raised in bad faith cases notwithstanding the nature that this right may have or the legal basis on which this legitimate interest can be protected. For instance, a registered trade mark, a trade mark applied for, a non-registered mark/sign <sup>(3)</sup>, a name of a well-known person <sup>(4)</sup>, a corporate/business name <sup>(5)</sup>, etc'. Although the term '*earlier right*' covers registered trade mark/s, the term '*earlier registered trade mark/s*' may also be used <sup>(6)</sup> to refer to this type of earlier right.
- The term '*contested trade mark*' will be used to refer to 'the trade mark claimed to be applied for in bad faith'.

### 2.2 The general notion of bad faith in trade mark applications

The concept of bad faith in trade mark applications is not defined, delimited or even described in any way in the EU trade mark legislation. Therefore, guidance as to its meaning and scope should be derived from EU case-law.

As the Court of Justice (CJ) has stated, bad faith is an autonomous concept of EU law, which must be given a uniform interpretation in the EU <sup>(7)</sup>. Based on settled EU case-law <sup>(8)</sup> and the usual meaning of bad faith in everyday language, the general notion of bad faith in trade mark applications presupposes the presence of a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other 'sinister' and/or dishonest motive, which will normally be established by reference to relevant, consistent and objective criteria. Therefore, this notion involves conduct that departs from accepted principles of ethical behaviour or

<sup>(2)</sup> For more information about the interpretation of the term '*applicant*' in the context of bad faith, see subsection 2.3.3.

<sup>(3)</sup> 12/05/2021, T-167/20, TORNADO (fig.), EU:T:2021:257; 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372.

<sup>(4)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329; 28/04/2021, T-311/20, Choumicha Saveurs (fig.), EU:T:2021:219.

<sup>(5)</sup> 12/07/2019, T-772/17, Café del Mar (fig.), EU:T:2019:538.

<sup>(6)</sup> In particular, in subsection 2.5.2.2 on 're-filing'.

<sup>(7)</sup> 27/06/2013, C-320/12, Malaysia Dairy, EU:C:2013:435, § 29.

<sup>(8)</sup> The following EU case-law has been taken into account to develop the common understanding of 'the EUIPN general notion of bad faith in trade mark applications' (CP13): Opinion of Advocate General Sharpston of 12/03/2009, C-529/07, Lindt Goldhase, EU:C:2009:148, § 60; 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 45; 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 74; 07/07/2016, T-82/14, LUCEO, EU:T:2016:396, § 28; 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 23; 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 29.

honest commercial and business practices, which can be identified by assessing the objective facts of each case against such standards. However, it cannot be confined to a limited category of specific circumstances.

In addition, it is important to note that the general notion of bad faith should be interpreted in light of the specific context of trade mark law, which is that of the course of trade<sup>(9)</sup>. In that regard, it is also important to underline that trade mark law is aimed, in particular, at contributing to the system of undistorted competition in Norway and the EU, in which each undertaking must, in order to attract and retain customers by the quality of its goods and/or services, be able to have registered as trade marks, signs which enable the consumer, without any possibility of confusion, to distinguish those goods and/or services from others which have a different origin<sup>(10)</sup>.

Furthermore, the dual purpose of trade mark law should also be considered, namely: 1) to protect consumers by serving as an information link and providing them with a means to consider and select from alternative goods and/or services; and 2) to incentivise and reward a brand's investment in quality, features, and other aspects of its goods and/or services.

In light of the foregoing, it can be concluded that there is no bad faith without a dishonest intention and that this subjective motivation on the part of the applicant must be determined objectively<sup>(11)</sup>. Therefore, for a finding of bad faith there must be: (a) some action by the applicant which clearly reflects that it acted with dishonest intention when filing the trade mark application; and (b) an objective standard against which such action can be assessed and subsequently qualified as constituting bad faith. Any claim of bad faith will have to be analysed by making an overall assessment of all the factual circumstances relevant to the particular case<sup>(12)</sup>.

It should be noted that a dishonest intention on the part of the trade mark applicant exists in – but is not limited to – situations where it is apparent from the relevant, consistent and objective circumstances of the particular case that the application for registration of the trade mark was made:

- a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of a specific third party, and not with the intention of engaging fairly in trade; or
- b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin<sup>(13)</sup>.

Based on the above, and given that the applicant's dishonest intention is the cornerstone of the existence of bad faith, it is considered a basic and mandatory factor of bad faith, which must always be examined during the assessment of bad faith. Consequently, it is included in the list of factors in section 2.4 – subsection 2.4.1.1.

### 2.2.1 *Different facets of bad faith*

Bearing in mind the situations where – according to EU case-law – there may exist a dishonest intention on the part of the applicant (see previous section), it is clear that an applicant may be acting in bad faith in cases where the action was aimed against the interests of a specific third party (e.g. a competitor or a business

<sup>(9)</sup> 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 74.

<sup>(10)</sup> 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 74; 28/04/2021, T-311/20, Choumicha Saveurs (fig.), EU:T:2021:219, § 22; 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 45; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 24.

<sup>(11)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 42; 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 47; 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 33.

<sup>(12)</sup> 12/05/2021, T-167/20, TORNADO (fig.), EU:T:2021:257, § 48.

<sup>(13)</sup> 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 46; 13/11/2019, C-528/18 P, Outsource2India (fig.), EU:C:2019:961, § 61; 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 75.

partner<sup>(14)</sup>), but also in cases where the application was made to misuse the trade mark system. Therefore, for the purpose of this document, the following two facets of bad faith can be differentiated:

- a) the misappropriation of the right/s of the third party: where the applicant is targeting the interests of a specific third party;
- b) the abuse of the trade mark system: where, even if a specific third party is not being targeted, the applicant applied for the contested trade mark for purposes other than those falling within the essential functions of a trade mark.

However, although this document only deals with the aforementioned two facets, it cannot be excluded that other facets may be identified, in particular in future EU case-law. Therefore, this matter needs to be taken into consideration in light of evolving case-law.

#### 2.2.1.1 *Misappropriation of the right/s of the third party*

The misappropriation of the right/s of the third party facet necessarily entails a third party being targeted. The relevant authorities, including the IPO, may come across it when the applicant of a contested trade mark has filed the application for registration of that trade mark not with the aim of engaging fairly in trade but with the intention of undermining, in a manner inconsistent with honest practices, the interests of a third party<sup>(15)</sup>.

Therefore, the cases under this facet are characterised by a combination of objective circumstances in which, among other factors relevant to the particular case, the applicant, with knowledge or presumed knowledge of the existing right/s of the third party, has filed the application for the contested trade mark without the third party's consent and with the intention of unjustly appropriating the ownership of that third party's earlier right/s (subjective element).

Examples of cases where there was a misappropriation of the right/s of the third party are, inter alia, Simca<sup>(16)</sup>, Gruppo Salini<sup>(17)</sup>, ANN TAYLOR / ANNTAYLOR et al.<sup>(18)</sup> and NEYMAR<sup>(19)</sup>. In contrast, examples of cases where, in view of the specific facts of the case, bad faith was not found are, inter alia, nehera<sup>(20)</sup>, CIPRIANI / CIPRIANI<sup>(21)</sup> and Bigab<sup>(22)</sup>.

Finally, for information on the most typical or notable examples of scenarios regarding this facet, please refer to subsection 2.5.1.

#### 2.2.1.2 *Abuse of the trade mark system*

Bad faith provisions also meet the general interest objective of preventing trade mark registrations that are abusive. Such registrations are contrary to the principle that the application of trade mark law cannot be extended to cover abusive practices on the part of an applicant, which do not make it possible to attain the objective of the legislation in question<sup>(23)</sup>. Therefore, in cases of abuse of the trade mark system it is not

<sup>(14)</sup> 12/07/2019, T-772/17, Café del Mar (fig.), EU:T:2019:538.

<sup>(15)</sup> 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 46.

<sup>(16)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240.

<sup>(17)</sup> 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372.

<sup>(18)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357.

<sup>(19)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329.

<sup>(20)</sup> 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430.

<sup>(21)</sup> 29/06/2017, T-343/14, CIPRIANI / CIPRIANI, EU:T:2017:458.

<sup>(22)</sup> 14/02/2012, T-33/11, Bigab, EU:T:2012:77.

<sup>(23)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 33 (and the case-law cited therein).

necessary for the applicant, at the time when the trade mark application was filed, to have been targeting a specific third party<sup>(24)</sup>.

In light of the foregoing, to come to a finding of bad faith under this facet, the following elements should be identified. Firstly, a combination of objective circumstances in which, despite formal observance of the conditions laid down by trade mark rules, the purpose of those rules has not been achieved (objective element). Secondly, an intention to obtain an advantage from those rules by artificially creating the conditions laid down for obtaining or maintaining this advantage<sup>(25)</sup> (subjective element).

With regard to the subjective element, it must be apparent from a number of objective factors that the essential aim of the applicant's strategy/actions/behaviour was to obtain an undue advantage from the trade mark rules<sup>(26)</sup>.

Examples of cases where there was an abuse of the trade mark system are, inter alia, LUCEO<sup>(27)</sup>, MONOPOLY<sup>(28)</sup> and TARGET VENTURES<sup>(29)</sup>. In contrast, examples of cases where in view of the specific facts of the case bad faith was not found are, inter alia, Pelikan<sup>(30)</sup> and VOODOO<sup>(31)</sup>. The following final EUIPO Boards of Appeal (BoA) decisions may serve as illustrative non-binding examples: DEVICE OF A BANKSY'S MONKEY (fig.)<sup>(32)</sup>, intel inside (fig.)<sup>(33)</sup> and bâoli BEACH (fig.)<sup>(34)</sup>.

Finally, for information on the most typical or notable examples of scenarios regarding this facet, please refer to subsection 2.5.2.

## 2.3 General rules for the assessment of bad faith in trade mark applications

### 2.3.1 Burden of proof in bad faith cases

It should first be observed that, as is clear from EU case-law<sup>(35)</sup>, there is a presumption of good faith of the applicant until proof to the contrary is adduced. For example, in invalidity proceedings, it is for the claimant to prove the circumstances which substantiate a finding that the trade mark applicant had been acting in bad faith when it filed the application for registration of that trade mark<sup>(36)</sup>. Therefore, it is the claimant that has to prove the objective circumstances which make it possible to conclude that a contested trade mark was filed in bad faith<sup>(37)</sup>. Consequently, the initial burden of proof is on the claimant.

However, where the relevant authorities, including the IPO, find that the objective circumstances of the particular case will lead to the rebuttal of the presumption of good faith, it is for the applicant to provide plausible explanations on the objectives and commercial logic pursued by the application for registration of that trade

<sup>(24)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 28.

<sup>(25)</sup> 07/07/2016, T-82/14, LUCEO, EU:T:2016:396, § 52; 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 72; 21/07/2005, C-515/03, Eichsfelder Schlachtbetrieb, EU:C:2005:491, § 39; 07/09/2022, T-627/21, Monsoon, EU:T:2022:530, § 37.

<sup>(26)</sup> Opinion of Advocate General Kokott of 04/04/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:287, § 31.

<sup>(27)</sup> 07/07/2016, T-82/14, LUCEO, EU:T:2016:396.

<sup>(28)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211.

<sup>(29)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510.

<sup>(30)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689.

<sup>(31)</sup> 18/11/2014, T-50/13, VOODOO, EU:T:2014:967.

<sup>(32)</sup> 25/10/2022, EUIPO BoA R 1246/2021-5, DEVICE OF A BANKSY'S MONKEY (fig.)

<sup>(33)</sup> 15/11/2021, EUIPO BoA R 2911/2019-5, intel inside (fig.)

<sup>(34)</sup> 20/01/2022, EUIPO BoA R 223/2021-2, bâoli BEACH (fig.)

<sup>(35)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 57; 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 34.

<sup>(36)</sup> 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 17; 08/03/2017, T-23/16, Formata (fig.), EU:T:2017:149, § 45; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 34; 18/01/2023, T-528/21, MORFAT, EU:T:2023:4, § 56.

<sup>(37)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 42.

mark. This will lead to a shifting in the burden of providing evidence and arguments <sup>(38)</sup>. The reason for this shift is that it is the applicant that is best placed to provide the relevant authorities, including the IPO, with information on its intentions at the time of applying for registration of the trade mark at issue, and to also provide them with evidence capable of convincing them that, in spite of the existence of objective circumstances, those intentions were legitimate <sup>(39)</sup>.

In addition, the fact that the applicant is silent should not be taken as indicative of any dishonest intention. However, if the claimant's evidence is sufficiently convincing to rebut the presumption that the application was filed in good faith and the applicant submits no explanation or evidence, then a finding of bad faith will be concluded <sup>(40)</sup>.

It is also possible that evidence proving the applicant's dishonest intention is submitted by the applicant itself. In such cases, the applicant may unknowingly contribute to the rebuttal of the presumption of good faith. For example, in the MONOPOLY and TARGET VENTURES cases, bad faith was found by the Court to a large extent on account of the applicant's admission that it had aimed to avoid furnishing the proof of use of the trade mark and prolong the five-year grace period <sup>(41)</sup> or wanted to strengthen the protection of another trade mark, without an intention to put the contested trade mark to a use falling within the functions of a trade mark <sup>(42)</sup>.

Finally, the topic of evidence that should be submitted in bad faith cases is another challenging matter. However, bearing in mind the broad scope of this matter, as well as its strong link to the factual circumstances of each case, there is no possibility of establishing either an exhaustive list of evidence to be submitted to prove the existence of bad faith or a list of recommended evidence to be submitted in each and every bad faith case. It has to be stressed that parties may freely choose the evidence that they wish to submit before the relevant authorities, including the IPO, and the matter of its assessment always remains at their discretion. In general, there is no limitation stating that certain facts may only be established and proved by specific means of evidence. Any evidence relevant to a particular bad faith case can be submitted by the applicant or claimant and must all be taken into account by the relevant authorities, including the IPO. However, in the form of non-binding guidance, the CP12 Common Practice/Common Recommendations – [Evidence in Trade Mark Appeal Proceedings: filing, structure and presentation of evidence and the treatment of confidential evidence](#) <sup>(43)</sup> may serve as a point of reference for all stakeholders, in particular, section 3.1.1 – The production of documents and items of evidence, which provides a non-exhaustive list of the means of evidence which may be submitted in trade mark proceedings, including bad faith cases. Stakeholders may use and adopt the CP12 recommendations they consider useful and applicable in a particular bad faith case.

### 2.3.2 *The relevant point in time for determining whether there was bad faith*

As stated in section 2.2, bad faith presupposes the presence of a subjective motivation on the part of the trade mark applicant <sup>(44)</sup>. This means that an assessment of bad faith requires an analysis of the conduct of the

<sup>(38)</sup> This means that, once the claimant has submitted evidence to prove the objective circumstances which make it possible to conclude that the contested trade mark was filed in bad faith, it is for the applicant to counterpoint such evidence, before a conclusion on the existence of bad faith is reached.

<sup>(39)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 36-37; 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 43-44; 07/09/2022, T-627/21, Monsoon, EU:T:2022:530, § 32-33; 18/01/2023, T-528/21, MORFAT, EU:T:2023:4, § 66.

<sup>(40)</sup> The following final EUIPO BoA decision may serve as an illustrative non-binding example: 20/12/2022, EUIPO BoA R 2108/2018-2, Wong lo kat § 50, 67.

<sup>(41)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211.

<sup>(42)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510.

<sup>(43)</sup> Please check the MS IPOs that have implemented CP12 in their practice in this [table](#).

<sup>(44)</sup> Opinion of Advocate General Sharpston of 12/03/2009, C-529/07, Lindt Goldhase, EU:C:2009:148, § 60.

applicant for registration of the trade mark<sup>(45)</sup> in order to determine the presence or absence of a dishonest intention.

For this, it is important to bear in mind that the relevant point in time for determining whether there was bad faith on the part of the applicant is the time of filing of the application for registration<sup>(46)</sup>. In the case of international registrations, this corresponds to the date on which Norway was designated<sup>(47)</sup>. Therefore, a trade mark that was applied for in bad faith, would, at any time and regardless of whether it has been transferred to any other natural/legal person, still be considered made in bad faith on its filing date. In this way, where there was a subsequent transfer of the trade mark, the bad faith assessment would have to take into account, in principle, the intention of the applicant<sup>(48)</sup> and not the intention of the current proprietor<sup>(49)</sup> that acquired the trade mark after its filing date. However, when assessing bad faith, as stated in subsection 2.3.3, the link/connection between the applicant and the current proprietor should also be analysed<sup>(50)</sup>. Nevertheless, facts and evidence dated prior to or subsequent to filing could also be taken into account by the relevant authorities, including the IPO, as they may contain useful indications for interpreting the applicant's intention at the time of filing the application<sup>(51)</sup>. These may include, for example, information about the circumstances stemming from the priority date of the contested trade mark<sup>(52)</sup>, whether there is an earlier right in Norway or in another jurisdiction, the circumstances under which that trade mark was created and the use made of it since its creation, or whether the applicant has used the trade mark since registration.

### 2.3.3 'The applicant' in bad faith cases

When assessing bad faith in trade mark applications, before analysing the conduct of the applicant, it is important to identify who the natural/legal person that applied for the registration of the contested trade mark was<sup>(53)</sup>.

In this regard, it is evident that any natural/legal person who appears as the applicant in the application form will be considered as such. However, in order to assess the existence of a dishonest intention on the part of the applicant when filing the trade mark application, the presence of a possible link/connection between the applicant<sup>(54)</sup> and any other natural/legal person that may have a real interest in filing this trade mark application should also be taken into account. This analysis must take into account information prior to or subsequent to filing as outlined in subsection 2.3.2 where relevant. Otherwise, bad faith provisions would be very easy to circumvent.

The relevant authorities, including the IPO, may come across, for example, a situation where the applicant is linked/connected to the following person:

- a legal person that belongs to the same company group as the applicant<sup>(55)</sup>;

<sup>(45)</sup> 16/06/2021, T-678/19, Enterosgel (fig.), EU:T:2021:364, § 38.

<sup>(46)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 35; 26/02/2015, T-257/11, COLOURBLIND, EU:T:2015:115, § 66; 22/03/2023, T-366/21, coinbase, EU:T:2023:156, § 33-34.

<sup>(47)</sup> 16/06/2021, T-678/19, Enterosgel (fig.), EU:T:2021:364, § 38.

<sup>(48)</sup> For more information about the interpretation of the term 'applicant' in the context of bad faith, see subsection 2.3.3.

<sup>(49)</sup> 29/06/2017, T-343/14, CIPRIANI / CIPRIANI, EU:T:2017:458; 16/06/2021, T-678/19, Enterosgel (fig.), EU:T:2021:364, § 38.

<sup>(50)</sup> For more information about the interpretation of the term 'applicant' in the context of bad faith, see subsection 2.3.3.

<sup>(51)</sup> 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 57; 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 126; 16/05/2017, T-107/16, AIR HOLE FACE MASKS YOU IDIOT (fig.), EU:T:2017:335, § 41.

<sup>(52)</sup> 07/07/2016, T-82/14, LUCEO, EU:T:2016:396, § 48, 51-52; 07/09/2022, T-627/21, Monsoon, EU:T:2022:530, § 35-37.

<sup>(53)</sup> 16/06/2021, T-678/19, Enterosgel (fig.), EU:T:2021:364, § 38.

<sup>(54)</sup> That appears as such in the application form.

<sup>(55)</sup> 13/07/2022, T-287/21, Salatina / Salatina (fig.) et al., EU:T:2022:441, § 56, 70, 77-78; 13/07/2022, T-284/21, RENČKI HRAM / RENŠKI HRAM (fig.) et al., EU:T:2022:439, § 56, 70, 77-78; 13/07/2022, T-283/21, Talis / Talis et al., EU:T:2022:438, § 56, 70, 77-78.

- a natural/legal person that concluded an agreement with the applicant (e.g. to file a trade mark application in its own name);
- a legal person in which the applicant held/holds a position (e.g. the managing director or the main stakeholder)<sup>(56)</sup>; etc.

Given the variety of forms that this link/connection may acquire in practice, a case-by-case assessment must be carried out.

## 2.4 Factors for the assessment of bad faith in trade mark applications

In order to determine whether the applicant was acting in bad faith at the time of filing the application, an overall assessment must be made in which all the relevant factors of the individual case must be taken into account<sup>(57)</sup>. This means that bad faith assessments must be performed on a case-by-case basis.

Nevertheless, while the existence of bad faith will depend on the individual facts of the relevant case, this practice includes a non-exhaustive list of factors to serve as helpful guidance when assessing the possible existence of bad faith in trade mark applications.

The list of factors presented below is comprised of the most frequent examples extracted from EU case-law. Only one of the factors is considered to be mandatory – the applicant's dishonest intention<sup>(58)</sup> – and, therefore, it will need to be present in all bad faith cases.

Furthermore, it is important to note that the list below does not reflect the relative importance of each factor.

Finally, it is important to highlight that although some of the factors listed below – depending on the circumstances of the case – may constitute relevant factors for the assessment of bad faith, the claimant that relies upon the bad faith ground must not be required to establish, for example, the existence of likelihood of confusion as under Article 5(1)(b) TMD<sup>(59)</sup>, or the reputation of the earlier right<sup>(60)</sup> in the same manner as in the proceedings based on Article 5(3)(a) TMD.

### 2.4.1 Mandatory factor

#### 2.4.1.1 Applicant's dishonest intention

The applicant's dishonest intention is an essential requirement for the finding of bad faith. As explained in section 2.2, the general notion of bad faith in trade mark applications presupposes the presence of a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other 'sinister' and/or dishonest motive, which will normally be established by reference to relevant, consistent and objective criteria. For this reason, and given that the applicant's dishonest intention is the cornerstone of the existence of bad faith, it is considered a basic and mandatory factor of bad faith, which must always be examined and established during the assessment of bad faith.

However, it should be noted that the dishonest intention that may lead an applicant to file a trade mark application will not necessarily always be the same, because an applicant may pursue different objectives when filing a trade mark application, and thus, the dishonest intention can be of different types. In addition, as

<sup>(56)</sup> 17/03/2021, T-853/19, EARNEST SEWN, EU:T:2021:145, § 48-49.

<sup>(57)</sup> 27/06/2013, C-320/12, Malaysia Dairy, EU:C:2013:435, § 36, 37; 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 47; 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 37; 15/02/2023, T-684/21, MOSTOSTAL, EU:T:2023:68, § 23; 22/03/2023, T-366/21, coinbase, EU:T:2023:156, § 34.

<sup>(58)</sup> For more information about the 'applicant's dishonest intention' factor, see subsection 2.4.1.1.

<sup>(59)</sup> 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 53-54; 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 55-56.

<sup>(60)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 60.



stated in subsections 2.2.1, 2.2.1.1 and 2.2.1.2, there are at least two different facets of bad faith.

The following illustrative examples of dishonest intention have been extracted from EU case-law.

a) Examples of dishonest intention regarding the misappropriation of the right/s of the third party facet:

- to 'free-ride' on the reputation of the third party's earlier right/s and to take advantage of that reputation<sup>(61)</sup>;
- to usurp the rights over the trade mark of the third party<sup>(62)</sup>;
- to create a false impression of continuity or a false link of inheritance between the contested trade mark and a formerly renowned historic trade mark or a previously famous person/company/earlier right, which is still known to the relevant public<sup>(63)</sup>.

b) Examples of dishonest intention regarding the abuse of the trade mark system facet:

- to prevent the registration of another trade mark applied for by a third party and/or to derive economic advantages from this blocking position<sup>(64)</sup>;
- to strengthen the protection of another right, which also belongs to the applicant, and broaden the applicant's portfolio of trade marks, without any honest commercial logic<sup>(65)</sup>;
- to avoid furnishing proof of use of the (applicant's) earlier registered trade mark/s and extend the five-year grace period<sup>(66)</sup>;
- to avoid the consequences of cancellation (e.g. a partial/total revocation for non-use) of (the applicant's) earlier registered trade mark/s<sup>(67)</sup>.

#### 2.4.2 *Non-mandatory factors*

The following list of non-mandatory factors and each factor therein cannot be treated as a prerequisite of bad faith. In addition, the same factor can have a different impact depending on the circumstances of the case at issue.

It is also important to stress that the assessment of bad faith must consider all factors relevant to the particular case. Some determinations may be possible based on one or a few of the non-mandatory factors, while others may necessitate broader analysis.

Furthermore, the fact that one or more factors are present in a concrete situation will not immediately lead to the conclusion of the existence of bad faith on the part of the applicant, and the assessment of these factors will always depend on the circumstances of the relevant case. In the same vein, the fact that some/most of the factors below are not present in a specific case does not necessarily preclude, depending on the particular circumstances of the case, a finding that the applicant acted in bad faith<sup>(68)</sup>.

<sup>(61)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 51; 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 83.

<sup>(62)</sup> 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 32.

<sup>(63)</sup> 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 68-69 (in this case, this type of dishonest intention was discussed, however, bad faith was not found).

<sup>(64)</sup> 07/07/2016, T-82/14, LUCEO, EU:T:2016:396, § 145; 07/09/2022, T-627/21, Monsoon, EU:T:2022:530, § 36.

<sup>(65)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 38-40.

<sup>(66)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 71-74 (in this case, the applicant obtained the administrative advantage of not having to prove genuine use of the re-filed trade mark).

<sup>(67)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 27, 50 (in this case, this type of dishonest intention was discussed, however, bad faith was not found).

<sup>(68)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 52 and the case-law cited therein; 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 36.

#### 2.4.2.1 *The applicant's knowledge or presumed knowledge that the third party is using/has an earlier identical/similar right*

According to EU case-law<sup>(69)</sup>, the applicant's knowledge or presumed knowledge that a third party is using/has, in Norway/other third country /, an earlier identical/similar right, can be an indicator of bad faith on the part of the applicant when filing a trade mark application.

The non-exhaustive list of examples below has been included to illustrate some situations where knowledge or presumed knowledge that the third party is using/has an earlier identical/similar right can be inferred.

- When there is general knowledge in the economic sector concerned (including sectors and markets in close proximity) of the use by a third party of an identical/similar earlier right for identical/similar goods or services, in particular when that use is long-standing<sup>(70)</sup>.
- When the parties have been in a business relationship with each other, and as a result thereof, the applicant could not have been unaware that the claimant had been using the contested trade mark<sup>(71)</sup>.
- When the fact that the contested trade mark and the earlier right/s are identical or nearly identical cannot be mere coincidence<sup>(72)</sup>.
- When the applicant and claimant are active in the same or related business areas in which the earlier right has also been used<sup>(73)</sup>; or they carried on their activities in the same niche market; and/or the goods marketed by both parties came from the same country of origin<sup>(74)</sup>.
- When shortly after the registration of the contested trade mark, the applicant initiated actions against the claimant and/or its distributor, which showed that it was well prepared to target them<sup>(75)</sup>.
- When the earlier right has a reputation, and as a result thereof, the applicant was aware, or could not have been unaware, that the claimant had been using the contested trade mark<sup>(76)</sup>. Several examples of this situation can be found in EU case-law:
  - when the existence of the earlier right (including 'historical marks') is a well-known fact, at least for those members of the relevant public (to which the applicant belongs) who had been familiar with the goods/services marketed under the contested right<sup>(77)</sup>;
  - when the applicant had knowledge of a particular industry or of the claimant's commercial activities and their significance (e.g. the football/entertainment industry or the automotive sector<sup>(78)</sup>);
  - when the applicant used in the contested trade mark a term from a specific language, which suggests that this trade mark is addressed, in particular, to specific consumers (e.g. Arabic-speaking consumers) among whom the reputation of the earlier right can be recognised<sup>(79)</sup>;

<sup>(69)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 53; 05/05/2017, T-132/16, VENMO, EU:T:2017:316, § 36-37; 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 49; 29/09/2021, T-592/20, Agate / Agate, EU:T:2021:633, § 28-29; 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 47; 22/03/2023, T-366/21, coinbase, EU:T:2023:156, § 34.

<sup>(70)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 39; 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 110.

<sup>(71)</sup> 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 25. For more information about the 'previous relationship between the parties' factor, see subsection 2.4.2.6.

<sup>(72)</sup> 28/01/2016, T-335/14, DoggiS (fig.), EU:T:2016:39, § 76-81.

<sup>(73)</sup> For more information about the 'origin of the contested trade mark and its use since its creation' factor, see subsection 2.4.2.7.

<sup>(74)</sup> 29/09/2021, T-592/20, Agate / Agate, EU:T:2021:633, § 42-43, 45-46.

<sup>(75)</sup> 29/09/2021, T-592/20, Agate / Agate, EU:T:2021:633, § 61-63.

<sup>(76)</sup> For more information about the 'degree of legal protection enjoyed by the third party's earlier right' factor, see subsection 2.4.2.2.

<sup>(77)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240, § 45-46, 49-50.

<sup>(78)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 43, 50; 08/05/2014, T-327/12, Simca, EU:T:2014:240, § 45-50; 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 48.

<sup>(79)</sup> 28/04/2021, T-311/20, Choumicha Saveurs (fig.), EU:T:2021:219, § 31.

- when the contested trade mark was applied/registered for goods/services related to the field in which the earlier right's reputation was acquired<sup>(80)</sup>.

In addition, it should be considered that the examination of whether the applicant for the contested trade mark had prior knowledge or presumed knowledge that the third party is using/has an earlier identical/similar right must not be confined to the Norwegian market<sup>(81)</sup>, and may therefore apply even if the right was used/registered in a third country. Examples are, inter alia: 'ANN TAYLOR / ANNTAYLOR et al.'<sup>(82)</sup> and 'DoggiS (fig.)'<sup>(83)</sup>, where the earlier registered trade marks were registered and/or used in a non-EU country.

Finally, it is important to note that, in cases of misappropriation of the right/s of the third party, the applicant's knowledge or presumed knowledge of the existing right/s of the third party is crucial and will play an important role when assessing bad faith<sup>(84)</sup>.

#### 2.4.2.2 Degree of legal protection enjoyed by the third party's earlier right

According to EU case-law<sup>(85)</sup>, the degree of legal protection enjoyed by the third party's earlier right may also be a factor that can be taken into account to determine whether an applicant was acting in bad faith at the time of filing the trade mark application.

To analyse the relevance of this factor, it is important to take into account whether the third party's earlier right enjoys some degree of legal protection/recognition, inter alia: a) registration; b) inherent or acquired distinctiveness; c) well-known character<sup>(86)</sup>; d) reputation<sup>(87)</sup>, including, for instance, the surviving/residual reputation of an earlier right<sup>(88)</sup>, the claimant's name reputation<sup>(89)</sup> or the claimant's image and/or nickname reputation<sup>(90)</sup>. The 'use' of the earlier right could also be a determinant.

This factor will be especially relevant under the parasitic behaviour scenario, for example, when concluding that the applicant's intention was to take unfair advantage of the reputation of an earlier right, including its surviving/residual reputation<sup>(91)</sup>, or to benefit from its high degree of distinctiveness.

Furthermore, considering that in bad faith cases the claimant may base its arguments on different types of earlier rights and also on the use of such earlier rights<sup>(92)</sup>, this factor will have to be examined, notwithstanding the nature of such earlier rights<sup>(93)</sup> or the legal basis on which such legitimate interest is protected, and irrespective of whether they have been registered or not. The choice of applying for the registration of a trade

<sup>(80)</sup> 28/04/2021, T-311/20, Choumicha Saveurs (fig.), EU:T:2021:219, § 32.

<sup>(81)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 47.

<sup>(82)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 110.

<sup>(83)</sup> 28/01/2016, T-335/14, DoggiS (fig.), EU:T:2016:39, § 50-74.

<sup>(84)</sup> For more information about the 'misappropriation of the right/s of the third party' facet, see subsection 2.2.1.1.

<sup>(85)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 53; 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 51; 22/03/2023, T-366/21, coinbase, EU:T:2023:156, § 34.

<sup>(86)</sup> 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 54.

<sup>(87)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 51.

<sup>(88)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240, § 46, 49, 52-53.

<sup>(89)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 50-51; 28/04/2021, T-311/20, Choumicha Saveurs (fig.), EU:T:2021:219, § 27-28, 32-33.

<sup>(90)</sup> 05/10/2016, T-456/15, T.G.R. ENERGY DRINK, EU:T:2016:597, § 30-35, 41.

<sup>(91)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240, § 40, 46, 49, 56.

<sup>(92)</sup> 'Equally, 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' (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 46); 13/11/2019, C-528/18 P, Outsource 2 India (fig.), EU:C:2019:961, § 71-72; 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 30-33.

<sup>(93)</sup> For example, a registered trade mark, a non-registered mark/sign, a name of a well-known person, a corporate/business name.

mark (in a specific territory) is something that forms part of the claimant's business strategy and, for instance, non-registration does not necessarily lead to the conclusion that an earlier right lacks reputation on the market<sup>(94)</sup>.

However, it should be stressed that an analysis of the circumstances of the case may lead – on some occasions – to the conclusion that the extent or degree of the legal protection of the contested trade mark is also something to be considered when assessing bad faith, as this might justify the applicant's interest in ensuring a wider legal protection for its sign<sup>(95)</sup>. Therefore, it may justify a legitimate objective on the part of the applicant to file the trade mark application.

#### 2.4.2.3 *Identity/similarity between the contested trade mark and the earlier right/s*

According to EU case-law<sup>(96)</sup>, the fact that the contested trade mark and the earlier right/s at issue are identical and/or similar, can constitute a relevant factor for determining whether the applicant was acting in bad faith when filing the trade mark application. However, the assessment of this factor may differ depending on the facet of bad faith or earlier right raised in the particular bad faith case.

When assessing the identity/similarity between the contested trade mark and the earlier right/s in the context of bad faith, it is important to bear in mind that in some cases, it may require a different assessment than that carried out during the assessment of likelihood of confusion. This is because bad faith provisions aim to prevent, in particular, the misappropriation of the right/s of the third party or the abuse of the trade mark system and, for instance, the fact that the rights at issue are identical/similar is just one factor, *inter alia*, which can play an important role in the overall assessment of bad faith. Therefore, when assessing identity/similarity under this factor, it may not be necessary to carry out a detailed examination of the visual, aural and conceptual similarities between the contested trade mark and the earlier right/s<sup>(97)</sup>. However, although this detailed examination is not needed, it is important to highlight that only if there is some degree of similarity between the contested trade mark and the earlier right/s, even faint, can it be concluded that this factor is met. Bearing this in mind, the purpose of the comparison would be to establish whether the contested trade mark and the earlier right/s are similar or not. For this, it may be sufficient to find a connection or a link between the right/s at issue.

Finally, it is important to stress that this factor may have some particularities depending on the bad faith scenario. Subsection 2.5.2.2 includes some specific information applicable to the re-filing scenario.

#### 2.4.2.4 *Goods and/or services at issue*

From EU case-law<sup>(98)</sup>, it can be inferred that the goods and/or services at issue is also a factor that could be relevant in the assessment of bad faith. The assessment of this factor should be made with due consideration of the objective pursued by the bad faith provisions, which is to prevent, in particular, the misappropriation of the right/s of the third party or abuse of the trade mark system.

In cases where several trade marks are involved<sup>(99)</sup>, a comparison of the goods and/or services at issue may be conducted. Depending on the circumstances of the relevant case, it could be sufficient to analyse, for example, whether the goods and/or services at issue belong to a neighbouring/related market segment<sup>(100)</sup>,

<sup>(94)</sup> 28/01/2016, T-335/14, DoggiS (fig.), EU:T:2016:39, § 86.

<sup>(95)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 51-52.

<sup>(96)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 53; 05/10/2016, T-456/15, T.G.R. ENERGY DRINK, EU:T:2016:597, § 36-39; 28/01/2016, T-335/14, DoggiS (fig.), EU:T:2016:39, § 59-63, 76-79.

<sup>(97)</sup> 05/10/2016, T-456/15, T.G.R. ENERGY DRINK, EU:T:2016:597, § 36-38.

<sup>(98)</sup> 28/01/2016, T-335/14, DoggiS (fig.), EU:T:2016:39, § 88-90.

<sup>(99)</sup> Filed, registered or non-registered.

<sup>(100)</sup> 23/05/2019, T-3/18 & 4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 64-65.

or expand the assessment to the comparison of the market sector or the area of commercial activity in which the claimant operates<sup>(101)</sup>. However, the existence of identity or similarity between the goods and/or services at issue need not necessarily be established in order to apply bad faith provisions, and for instance, bad faith could also be established in those cases where the goods and/or services at issue are dissimilar<sup>(102)</sup>.

It is important to bear in mind that the assessment under this factor may concern different types of earlier rights, and not only trade marks (e.g. it may concern a contested trade mark and an earlier personal name<sup>(103)</sup>).

By way of example, based on EU case-law the relevant authorities, including the IPO, may:

- compare the goods and/or services of the contested trade mark with the field where the claimant acquired its reputation/is known<sup>(104)</sup>;
- compare or comment on the goods and/or services of the contested trade mark in the context of the usual commercial practices in the relevant market sector<sup>(105)</sup>;
- compare or comment on the goods and/or services of the contested trade mark in relation to the goods/services that a claimant could be expected to be interested in marketing<sup>(106)</sup>.

Finally, it is important to stress that this factor may have some particularities depending on the bad faith scenario. Subsection 2.5.2.2 includes some specific information applicable to the re-filing scenario.

#### 2.4.2.5 *Likelihood of confusion*

In the context of the overall assessment of bad faith and circumstances specific to the particular case, in some cases it could be relevant to determine whether the earlier right/s are capable of being confused with the contested trade mark. Therefore, depending on the circumstances of the particular case, it may be important to take into consideration whether there is a likelihood of confusion between the contested trade mark and the earlier right/s<sup>(107)</sup>.

However, it should be stressed again that, when assessing bad faith in trade mark applications, likelihood of confusion is not a condition or a prerequisite of bad faith. Therefore, the existence of a likelihood of confusion on the part of the public need not necessarily be established in order to apply bad faith provisions<sup>(108)</sup>, as it is only one factor, *inter alia*, to be taken into consideration.

#### 2.4.2.6 *Previous relationship between the parties*

According to EU case-law, the existence of a direct or indirect relationship between the claimant and the applicant prior to the filing of the contested trade mark can also be an indicator of bad faith on the part of the applicant<sup>(109)</sup>.

In view of the purpose of the bad faith provisions, this factor should be interpreted broadly to cover all kinds of relationships between the parties. Therefore, in order to perform the assessment of this factor, the following,

<sup>(101)</sup> 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 49-50.

<sup>(102)</sup> 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 39-41.

<sup>(103)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 46.

<sup>(104)</sup> 28/04/2021, T-311/20, Choumicha Saveurs (fig.), EU:T:2021:219, § 32.

<sup>(105)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 46; 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 50.

<sup>(106)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 46.

<sup>(107)</sup> 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 53.

<sup>(108)</sup> 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 54; 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 31, 40.

<sup>(109)</sup> 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 85-87; 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 25-29; 05/10/2016, T-456/15, T.G.R. ENERGY DRINK, EU:T:2016:597, § 53-55.

inter alia, should be considered: the existence of a pre-contractual, contractual or post-contractual relationship; or the existence of reciprocal duties or obligations, including the duties of loyalty and integrity arising because of the present or past occupation of certain positions in the claimant's company<sup>(110)</sup>.

By way of example, extracted from EU case-law, the following previous relationships (a certain link) between the claimant and the applicant could be taken into account when assessing bad faith:

- informal relationships between the parties, such as (contractual) negotiations<sup>(111)</sup>;
- direct relationships between the parties, such as contact in order to explore possibilities of a commercial resolution to a dispute<sup>(112)</sup>;
- a commercial relationship, based on verbal agreements, consisting in the import and sale of specific goods and the use of the contested trade mark as a trade mark to that end<sup>(113)</sup>;
- the existence of a distribution agreement<sup>(114)</sup>;
- the existence of a licence agreement, including an unsuccessful licensee<sup>(115)</sup>;
- the fact that the applicant was acting as managing director of a party to the distribution agreement<sup>(116)</sup>;
- the fact that the applicant was a shareholder with a significant interest in the claimant's share capital and its executives sat on the claimant's board of directors<sup>(117)</sup>, was an employee of the claimant or worked for the claimant (or other undertakings belonging to its group) as an independent entrepreneur<sup>(118)</sup>;
- the fact that the applicant was given power of representation to act as legal representative of a company created by the claimants and the applicant<sup>(119)</sup>;
- the existence of an agreement by which the applicant was authorised to use the image, nickname, word and figurative trade marks owned by the claimant to promote the marketing of specific goods<sup>(120)</sup>.

Given the variety of forms that previous relationships may acquire in practice, a case-by-case approach should be applied, taking into account whether the relationship between the parties gave the applicant the possibility to become familiar with and, for example, appreciate the value of the third party's earlier right/s.

Furthermore, it is not necessary to take into consideration the exact nature or form of the agreement/s between the parties in order to conclude that there was bad faith on the part of the applicant when filing the trade mark application. It is irrelevant whether there is a licence agreement or another type of agreement between the parties or whether the contract between them was written or verbal because in any event, the existence of those agreements will be sufficient to evidence the fact that, prior to the date of filing of the application for registration of the contested trade mark, the parties had a direct relationship<sup>(121)</sup>.

Based on the above, the filing or registration of the contested trade mark in the applicant's own name in Norway in such cases can, depending on the circumstances of a particular case, be considered a breach of honest commercial and business practices. Consequently, there may be bad faith when an applicant, through

<sup>(110)</sup> 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 28; 30/04/2019, T-136/18, K (fig.), EU:T:2019:265, § 68-69; 12/07/2019, T-772/17, Café del Mar (fig.), EU:T:2019:538, § 53-54.

<sup>(111)</sup> 31/05/2018, T-340/16, Outsource 2 India (fig.), EU:T:2018:314, § 43, 47.

<sup>(112)</sup> 05/05/2017, T-132/16, VENMO, EU:T:2017:316, § 60-61.

<sup>(113)</sup> 12/05/2021, T-167/20, TORNADO (fig.), EU:T:2021:257, § 55.

<sup>(114)</sup> 30/04/2019, T-136/18, K (fig.), EU:T:2019:265, § 53-57 (also an exclusive supply contract); 16/05/2017, T-107/16, AIR HOLE FACE MASKS YOU IDIOT (fig.), EU:T:2017:335, § 32-34, 39-40.

<sup>(115)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 116, 124-125.

<sup>(116)</sup> 17/03/2021, T-853/19, EARNEST SEWN, EU:T:2021:145, § 47-49.

<sup>(117)</sup> 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 25.

<sup>(118)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240, § 14, 78.

<sup>(119)</sup> 12/07/2019, T-772/17, Café del Mar (fig.), EU:T:2019:538, § 51, 53-54.

<sup>(120)</sup> 05/10/2016, T-456/15, T.G.R. ENERGY DRINK, EU:T:2016:597, § 30-33.

<sup>(121)</sup> 05/10/2016, T-456/15, T.G.R. ENERGY DRINK, EU:T:2016:597, § 53-55.

registration, attempts to lay its hands on the earlier right of a third party with which it had a contractual or pre-contractual relationship or any kind of relationship where good faith applies and imposes on the applicant the duty of fair play in relation to the legitimate interests and expectations of the other party with regard to the right at issue.

#### 2.4.2.7 *Origin of the contested trade mark and its use since its creation*

In the context of the overall assessment of bad faith, the origin or circumstances under which the word or the logo/graphic representation forming the contested trade mark was created, as well as the earlier use (including, the 'historical' use) made of it in business<sup>(122)</sup>, in particular by competing undertakings, can also constitute a relevant factor. It may provide useful information about the applicant's intention when filing the trade mark application. For instance, analysis under this factor can provide information about:

- who carried out the development/creation of the word/logo giving rise to the contested trade mark and the reasons behind its creation<sup>(123)</sup>;
- whether the contested trade mark originated from another right of the applicant of the contested trade mark, for example a trade name of a business, and how that right was used<sup>(124)</sup>.

It should also be noted that the territorial aspects of the earlier use made of the contested trade mark, including its historical use, should not be confined to the Norwegian market<sup>(125)</sup>. Therefore, earlier use of the contested trade mark in a third country may also be taken into account.

#### 2.4.2.8 *Chronology of events leading up to the filing of the contested trade mark*

According to EU case-law<sup>(126)</sup>, the chronology of events leading up to the filing of the contested trade mark can also constitute a relevant factor when assessing bad faith. In this regard, bearing in mind that bad faith has to be determined by taking into account all the circumstances relevant to the particular case, it is important to analyse, chronologically, the sequence of events that led up to the filing of the contested trade mark (i.e. the events that preceded this filing). This analysis may help the relevant authorities, including the IPO, to understand the applicant's reasons for filing the contested trade mark.

The following events/circumstances, extracted from EU case-law, could be considered under this factor.

- Whether there was any kind of dispute between the applicant and the claimant before or at the time of filing of the contested trade mark<sup>(127)</sup>.
- The state of the business relationship between the parties at the time of filing of the contested trade mark: whether it had ended or whether it had deteriorated/been strained for some time<sup>(128)</sup>.
- In cases where the relationship between the parties ended, the length of time between the end of that business relationship and the filing of the contested trade mark<sup>(129)</sup>.

<sup>(122)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240, § 60.

<sup>(123)</sup> 30/04/2019, T-136/18, K (fig.), EU:T:2019:265, § 59-69, 83; 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 89-90; 26/02/2015, T-257/11, COLOURBLIND, EU:T:2015:115, § 73-76.

<sup>(124)</sup> 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 22.

<sup>(125)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 47.

<sup>(126)</sup> 26/02/2015, T-257/11, COLOURBLIND, EU:T:2015:115, § 68; 05/10/2016, T-456/15, T.G.R. ENERGY DRINK, EU:T:2016:597, § 28; 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 30.

<sup>(127)</sup> 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 30.

<sup>(128)</sup> 12/05/2021, T-167/20, TORNADO (fig.), EU:T:2021:257, § 69-71; 31/05/2018, T-340/16, Outsource 2 India (fig.), EU:T:2018:314, § 42.

<sup>(129)</sup> 17/03/2021, T-853/19, EARNEST SEWN, EU:T:2021:145, § 67-70; 12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 64.

- Whether the claimant's position on the market had changed, including for example, its financial situation and the level of its reputation during the period which preceded the filing of the contested trade mark<sup>(130)</sup>.
- The timing of the filing of the contested trade mark<sup>(131)</sup>. This analysis will be important in the re-filing scenario in particular, where it should be checked whether the fact that the applicant re-filed the contested trade mark at a certain moment/time is a relevant indicator.

Furthermore, the analysis of the chronology of events leading up to the filing (or which occurred just after the filing) of the contested trade mark can also provide information on other factors, for example, on whether the applicant knew or must have known that the claimant was using an earlier identical/similar right<sup>(132)</sup>.

#### 2.4.2.9 *Honest commercial logic behind the filing of the contested trade mark*

The lack of honest commercial logic, including business strategy, behind the filing of the contested trade mark can also be a relevant factor to determine whether it was filed in bad faith.

When assessing this factor, one of the situations that the relevant authorities, including the IPO, may come across is where an applicant had sought registration of a trade mark not only for the categories of goods and/or services that it marketed at the time of filing the application, but also for other categories of goods/services that it intended to, or was considering to, market in the future. For this situation, it is important to note, as has been stated in EU case-law<sup>(133)</sup>, that this practice is, in principle, legitimate. Therefore, as such, a lengthy list of goods and/or services will not automatically amount to bad faith. However, in the context of bad faith, the practice of including certain goods and/or services in the specification may be considered as an indicator of bad faith, if it is artificial and there is a lack of honest commercial logic, including business strategy, behind it<sup>(134)</sup>.

Several examples extracted from EU case-law, where the circumstances of the case revealed that there was no commercial logic behind the filing, are presented below.

21/04/2021, T-663/19, <b>MONOPOLY</b> , EU:T:2021:211, § 60-77 <sup>(135)</sup>	The circumstances of this case revealed that one of the main reasons invoked by the proprietor to justify the re-filing of the same trade mark was the reduction of the administrative burden in opposition proceedings (by avoiding having to submit, in every such opposition, evidence of use when requested). In light of the considerations of the case, it was clear that the applicant admitted that one of the advantages justifying the filing of the contested trade mark was based on the fact that it would not have to continuously furnish proof of genuine use of that trade mark in several opposition proceedings. However, the applicant's explanations that, in essence, it was seeking to protect the mark 'MONOPOLY' with regard to other goods and services in order to keep up with developments in technology and its expanding business were regarded as legitimate. That is the reason why the contested trade mark was not declared invalid in respect of the goods and services that were not covered by the earlier trade marks. However, those explanations did not justify the filing of the contested trade mark in respect of goods and services that were identical to those covered by the earlier trade
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<sup>(130)</sup> 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 30.

<sup>(131)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211 § 87-89.

<sup>(132)</sup> 29/09/2021, T-592/20, Agate / Agate, EU:T:2021:633, § 61-63; 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 46.

<sup>(133)</sup> 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 25; 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 54-55 (in these two cases, bad faith was not found by the General Court); 07/06/2011, T-507/08, 16PF, EU:T:2011:253, § 88-89; 05/07/2016, T-167/15, NEUSCHWANSTEIN, EU:T:2016:391, § 55.

<sup>(134)</sup> 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 26 (in this case, bad faith was not found by the General Court).

<sup>(135)</sup> For more information about this judgment, see the table included in section 2.5.2.2.



	marks. In addition, the alleged reduction of the administrative burden resulting from the filing of the contested trade mark was difficult to reconcile with the additional costs and administrative burden of constantly re-filing and maintaining the earlier trade marks.
28/01/2016, T-335/14, <b>DoggiS (fig.)</b> , EU:T:2016:39, § 88, 90	The evidence submitted in this case failed to provide any explanation of why, from a business perspective, the applicant applied for a figurative trade mark that was virtually identical to certain earlier figurative trade marks belonging to the claimants and covering the same services as their trade marks, as well as those goods which are indispensable for providing those services. In addition, the applicant did not even rely on there being any commercial logic whatsoever to justify such a course of action. The applicant merely put forward a number of unsubstantiated arguments to the effect that he was unaware of the existence of the earlier trade marks belonging to the claimants when he applied for the contested trade mark. Furthermore, the applicant's argument that he had long-standing experience in the franchise sector could not prove his legitimate interest because the referenced experience related to the financial sector, which is a completely different area to the fast-food sector.
29/09/2021, T-592/20, <b>Agate / Agate</b> , EU:T:2021:633, § 68-71	The circumstances of this case revealed that the applicant did not submit any evidence capable of establishing use of the contested trade mark or the sale of tyres by it under another trade mark. It also did not provide any reasonable explanation concerning the extension of its commercial activities carried out in the agricultural field to the tyre sector, while it is apparent from the evidence submitted that 'companies that produce truck tyres do not produce agricultural [automobile] tyres'.

However, it should be stressed that an analysis of the circumstances of the case may lead to the conclusion that there was honest commercial logic behind the filing of the contested trade mark. This situation is illustrated in the following examples extracted from EU case-law.

14/02/2012, T-33/11, <b>Bigab</b> , EU:T:2012:77, § 23	In this case, the honest commercial logic was inferred from the fact that during the period which preceded the filing of the trade mark application, the number of Member States in which the applicant used the trade mark increased. This was considered to be a plausible incentive for the applicant to extend the protection of the contested trade mark by registering it as an EU trade mark (EUTM), and therefore ruled out the presence of bad faith on the part of the applicant.
13/12/2012, T-136/11, <b>Pelikan</b> , EU:T:2012:689, § 35-37, 49	The evidence and facts of the case proved that the contested trade mark was filed on the occasion of the 125th anniversary of the creation of the 'Pelikan' trade mark, which is why the applicant decided to modernise it and file a new application for this new version. The fact that the contested trade mark covered an updated list of services was also taken into account. All this led to the conclusion that there was honest commercial logic behind the filing, which at the same time excluded the possibility of bad faith on the part of the applicant at the time of the filing of the contested trade mark.

#### 2.4.2.10 Request for financial compensation

The request for financial compensation made by the applicant to the claimant may also be a relevant factor in the assessment of bad faith; in particular, if there is evidence that the applicant knew of the existence of the earlier right and could expect to receive an offer of financial compensation from the claimant<sup>(136)</sup>. Therefore, bad faith may exist where it is evident that the trade mark application was filed speculatively or solely with a

<sup>(136)</sup> 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 81-83.

view to extorting money from a third party, and not with the intention for the trade mark to comply with its essential function as a trade mark<sup>(137)</sup>.

#### 2.4.2.11 *Pattern of the applicant's behaviour/actions*

The fact that the applicant's behaviour/actions followed a concrete pattern may be a relevant factor to be considered when assessing bad faith in trade mark applications.

For instance, the following patterns of the applicant's behaviour/actions, extracted from EU case-law, were considered to be relevant for determining the existence of dishonest intention on the part of the applicant:

- the fact that the applicant, on the same day as the application for registration of the contested trade mark 'NEYMAR' was filed, also filed the application for registration of another trade mark that also consisted of the name of another famous footballer<sup>(138)</sup>;
- the fact that the applicant created an unlawful filing strategy (e.g. successively chaining together applications for registration of national trade marks without paying the registration fees to grant itself a blocking position for a period exceeding the six-month period of reflection in order to claim priority for an EUTM application – and even the five-year grace period)<sup>(139)</sup>;
- the fact that the applicant had filed several third parties' trade marks, which enjoyed a certain reputation, without the consent of the owners of these trade marks and/or without the existence of a licensing agreement signed with them<sup>(140)</sup>.

Another example could be the fact that the applicant, also through the legal/natural persons linked to it, misuses the trade mark rules/system with the intention of overloading the other party or even the IP Offices with burdensome proceedings (e.g. by filing a great number of cancellation requests).

## 2.5 Scenarios of bad faith in trade mark applications

This part of the practice presents the most typical or notable examples of scenarios of bad faith in trade mark applications – two under the misappropriation of the right/s of the third party facet, and three under the abuse of the trade mark system facet. In addition, under each scenario, some examples extracted from EU case-law are included to show how bad faith was assessed in real cases. Specifically, the examples serve to illustrate how the factors (presented in section 2.4 above) that contributed to the finding of bad faith in each specific scenario interplayed.

In this regard, it is important to bear in mind the distinction between 'factors' and 'scenarios'. 'Scenarios of bad faith' refer to concrete situations where several factors (relevant for the assessment of bad faith), need to appear and interplay in order to reach the conclusion that there was bad faith on the part of the applicant. However, a 'factor' is just one element that can be taken into account during the assessment of bad faith, and usually one factor is not sufficient, on its own, to reach a finding of bad faith.

<sup>(137)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240, § 72; 07/07/2016, T-82/14, LUCEO, EU:T:2016:396, § 145.

<sup>(138)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 50.

<sup>(139)</sup> 07/07/2016, T-82/14, LUCEO, EU:T:2016:396, § 48, 51-52; 07/09/2022, T-627/21, Monsoon, EU:T:2022:530, § 35-37.

<sup>(140)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR/ ANNTAYLOR et al., EU:T:2019:357, § 154-155.

### 2.5.1 Scenarios regarding the misappropriation of the right/s of the third party facet

#### 2.5.1.1 Parasitic behaviour

Parasitic behaviour covers situations where, from the analysis of all the circumstances of the case, it is evident that the contested trade mark was filed with the dishonest intention:

- a) to free-ride on the reputation<sup>(141)</sup>, including surviving/residual reputation<sup>(142)</sup>, of an earlier right; or
- b) to benefit from an earlier right regardless of its degree of recognition on the market.

It should be noted that this scenario covers a wide variety of cases where the applicant, being aware of the existence of an earlier right that enjoys some degree of legal protection/recognition on the market, including having a real presence on it<sup>(143)</sup>, has filed a trade mark application with the intention of creating an association with or imitating this earlier right, as closely as possible, to benefit from its attractiveness and/or knowledge of it on the market, whatever it may be. This may also happen where the applicant aims to create a false impression of continuity or a false link of inheritance between the contested trade mark and a formerly renowned historic trade mark or a previously famous person/company/earlier right, which is still known to the relevant public<sup>(144)</sup>.

It follows from the above that the existence of bad faith under this scenario may be inferred from various factors. However, for this scenario to apply, it will be necessary to establish the applicant's dishonest intention to benefit from the earlier right's attractiveness and/or knowledge of it on the market. This may derive, for instance, from the goodwill, reputation, success, prestige and/or a real presence, which the third party's earlier right has acquired, or the reference to a renowned/well-known person or event. For example, the applicant may want to benefit from the claimant's investment in promoting and building up goodwill for its earlier right or the claimant's use of an earlier right which established its strong presence on a particular market.

Based on the above, it is evident that this scenario includes, but is not limited to, cases where the objective is to free-ride on the reputation, including surviving/residual reputation, of the earlier right. For this, it is important that the earlier right had a certain reputation or a certain celebrity on the date of the application of the contested trade mark<sup>(145)</sup>. However, a clear distinction should be made between Article 5(3)(a) TMD and bad faith provisions.

It has to be stressed that the claimant – in the context of bad faith – cannot be required to establish the reputation of its earlier right in the same manner as in proceedings based on Article 5(3)(a) TMD<sup>(146)</sup>. This is because the two provisions have different purposes.

- Article 5(3)(a) TMD grants protection for earlier registered trade marks – that enjoy a reputation in Norway – when the use without due cause of the trade mark applied for (contested trade mark) would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark. In addition, this article constitutes a separate ground for refusal or invalidity and is subject to its own formal and substantive requirements, among which is not the bad faith of the applicant of the contested trade mark.

<sup>(141)</sup> 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329, § 51; 19/10/2022, T-466/21, Lio (fig.) / El Lio (fig.) et al., EU:T:2022:644, § 83.

<sup>(142)</sup> 08/05/2014, T-327/12, Simca, EU:T:2014:240.

<sup>(143)</sup> For more information about the 'degree of legal protection factor', see subsection 2.4.2.2.

<sup>(144)</sup> 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 68-69 (in this case, bad faith was not found by the General Court).


<sup>(145)</sup> 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 57 (in this case, bad faith was not found by the General Court).

<sup>(146)</sup> 23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 60.

- However, in order to apply bad faith provisions, as already mentioned in this document, among other factors relevant to the specific case, a dishonest intention on the part of the applicant is necessary. This factor will normally be established by reference to relevant, consistent and objective criteria and will be assessed in light of the evidence of the case. Therefore, the fact that, under the parasitic behaviour scenario, the earlier right (which may or may not be a registered trade mark) is reputed, has another degree of recognition on the market or is used by a third party in the course of trade, is one element, inter alia, that may indicate the existence of a dishonest intention on the part of the applicant.

Finally, when dealing with this scenario, the relevant authorities, including the IPO, should also take into account that a parasitic behaviour may occur even if the earlier right's degree of recognition or use in the course of trade derives from a third country.

By way of example, the relevant authorities, including the IPO, may come across a similar situation to the one presented in the General Court (GC) case below:

Parties before the GC	Simca Europe Ltd v OHIM		Parties before the BoA	PSA PEUGEOT CITROËN, Groupement d'Intérêt Economique [claimant] v SIMCA EUROPE LIMITED [current proprietor]
GC case number and date	<a href="#">T-327/12, 08/05/2014</a>		BoA case number and date	<a href="#">R 645/2011-1, 12/04/2012</a>
Trade marks	Contested trade mark	Earlier rights	Factors which were relevant to the finding of bad faith in this case	
	<b>SIMCA</b> EUTM No 6 489 371 (word trade mark) Class 12	 WO No 218 957 (Germany, Spain, Austria and the Benelux) Classes 12, 16, 25  <b>SIMCA</b> French TM 1606604 (word trade mark) Classes 12, 37	Applicant's dishonest intention ( <i>in this case: to 'free-ride' on the surviving/residual reputation of the claimant's trade marks and to take advantage of that reputation</i> )	
			The applicant's knowledge that the third party is using an earlier identical/similar right	
			Degree of legal protection enjoyed by the third party's earlier right	
			Identity/similarity between the contested trade mark and the earlier right/s	
			Origin of the contested trade mark and its use since its creation	
			Lack of honest commercial logic behind the filing of the contested trade mark	
			Chronology of events leading up to the filing of the contested trade mark	
Summary of the case	The original applicant (Mr Joachim Wöhler) registered the EUTM 'SIMCA'. The trade mark was subsequently transferred to Simca Europe Ltd (the current proprietor). The claimant (GIE PSA Peugeot Citroen) filed an invalidity action based on bad faith. It was the owner of an earlier trade mark 'SIMCA' protected in several Member States, although the mark had not been used during the preceding decades. Although the reputation for the 'SIMCA' trade mark had diminished over the years, it still had a certain degree of reputation (a 'surviving/residual reputation') among the public interested in cars. The GC observed that the existence of the 'SIMCA' trade mark as a 'historical' mark, was a well-known fact, and that the former proprietor was aware of the mark's surviving/residual reputation. Consequently, the GC considered that registration of the identical contested trade mark in Class 12 was deliberately sought with the intention to create an association			

	with the earlier rights and to take advantage of their surviving/residual reputation on the motor vehicle market, thus to 'free-ride' on that reputation, and even to compete with those earlier trade marks if they were re-used by the claimant in the future.
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#### 2.5.1.2 Breach of a fiduciary relationship

Under this bad faith scenario, the existence of a fiduciary relationship (one of the examples of the factor explained in subsection 2.4.2.6) between the claimant and the applicant, prior to the filing of the contested trade mark, needs to be established. Therefore, in order to assess bad faith, it should be checked, *inter alia*, whether there was any agreement of business cooperation between the applicant and the claimant of a kind that gives rise to a fiduciary relationship, or if such a relationship was imposed by law. For example, this fiduciary relationship should impose on the applicant, whether expressly or implicitly, a general duty of trust and loyalty as regards the interests of the earlier rights proprietor (the claimant).

The relevant authorities, including the IPO, may come across a similar situation as presented in the GC case below.

Parties before the GC	SA.PAR. Srl v OHIM		Parties before the BoA	SALINI COSTRUTTORI S.p.A. [claimant] v SA.PAR. S.r.l. [applicant]
GC case number and date	<a href="#">T-321/10, 11/07/2013</a>		BoA case number and date	<a href="#">R 219/2009-1, 21/04/2010</a>
Trade marks	Contested trade mark	Earlier rights	Factors which were relevant to the finding of bad faith in this case	
	GRUPPO SALINI  EUTM No 3 831 161 (word trade mark)  Classes 36, 37, 42	SALINI (non-registered mark/sign)	Applicant's dishonest intention ( <i>in this case: intention to usurp the rights over the trade mark of the claimant</i> )	
			The applicant's knowledge that the third party is using an earlier identical/similar right	
			Degree of legal protection enjoyed by the third party's earlier right	
			Identity/similarity between the contested trade mark and the earlier right/s	
			Previous relationship between the parties	
			Chronology of events leading up to the filing of the contested trade mark	
			Lack of honest commercial logic behind the filing of the contested trade mark	
Summary of the case	The applicant (SA.PAR. Srl) registered the EUTM 'GRUPPO SALINI'. The claimant (Salini Costruttori SpA) filed an invalidity action based on bad faith. The GC found that the applicant could not have been unaware of the claimant's long-standing use in Italy and abroad of the non-registered mark/sign 'SALINI' (standalone or with the word 'costruttori'). There was a previous relationship between the parties: the GC took into account that the applicant had a substantial holding in the claimant's share capital and its executives held high-level positions in the claimant's management and was, thus, 'well-informed' about the claimant's commercial expansion and increasing reputation. However, the 'well-informed' status was insufficient – alone – to conclude bad faith and other factors were further examined, inter alia, the chronology of events leading up to the filing (including a corporate dispute prior to the filing and an increase in the cancellation applicant's turnover and reputation). In view of the above, the GC confirmed			

	the existence of bad faith since the applicant's intention was to usurp the rights over the trade mark of the claimant.
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## 2.5.2 Scenarios regarding the abuse of the trade mark system facet

### 2.5.2.1 Defensive registrations

It is important to highlight that the TMD does not require an applicant to declare or to show its intent to use a trade mark at the moment of its filing. In addition, a registered trade mark cannot be revoked due to non-use until 5 years have passed from its registration. As a consequence, the applicant is not required to indicate or even to know precisely – on the date on which the application for registration of a trade mark is filed – the use it will make of the trade mark applied for, given that it has a period of 5 years to begin actual use consistent with the essential function of the trade mark. However, despite this fact, in the context of bad faith proceedings, the registration of a trade mark by an applicant without any intention of using it at all in connection with the goods and/or services covered by that registration may constitute bad faith, where there is no rationale for the application for registration<sup>(147)</sup> in the light of the aims referred to in the TMD.

In this regard, it is also important to bear in mind that despite there being no requirement of an intent to use a trade mark, there is also no justification for protecting trade marks unless they are actually used on the market according to the genuine use requirements prescribed by national law. This is because maintaining the registration of a non-used trade mark could limit the range of signs that can be registered as trade marks by others and also deny competitors the opportunity to use that trade mark or a similar one for identical or similar goods and/or services<sup>(148)</sup>.

If the applicant applies for the registration of a trade mark without intending to use it at all or in connection with the specified goods and/or services, there is nothing to stop the trade mark being registered (assuming that the trade mark is otherwise registrable). The only way in which such a registration can be cancelled or restricted in scope – prior to the expiry of the five-year period required for a challenge on the basis of non-use – is on the ground that the application was made in bad faith. This ensures that the trade mark system is not open to abuse<sup>(149)</sup>.

Bearing in mind the above, registrations that do not pursue a legitimate trade mark function – in particular the essential function of indicating origin – and are intended to:

- a) only increase the scope of protection of the applicant's other earlier right/s, without any honest commercial logic<sup>(150)</sup>; and/or
- b) prevent third parties from registering or using identical/similar rights for identical/similar goods and/or services in the future (in relation to all or some of the identified goods and/or services), without any honest commercial logic;

will be considered made in bad faith.

When assessing bad faith in the context of this scenario, the applicant of the contested trade mark should not be required to prove the use made of this trade mark. This is because it is not a matter of examining the genuine use but rather of assessing whether, at the time of filing of the contested trade mark, the applicant had the purpose or intention (or possible purpose or intention) of making use of it on the market<sup>(151)</sup> in

<sup>(147)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510, § 35.

<sup>(148)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 50.

<sup>(149)</sup> Opinion of Advocate General Tanchev of 16/10/2019, C-371/18, SKY, EU:C:2019:864, § 96.

<sup>(150)</sup> 28/10/2020, T-273/19, TARGET VENTURES, EU:T:2020:510.

<sup>(151)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 57-58 (in this case, bad faith was not found by the General Court);

accordance with the essential functions of a trade mark. For this assessment, all the circumstances relevant to the particular case have to be taken into account and, in particular, the lack of honest commercial logic underlying the filing of the contested trade mark<sup>(152)</sup> may be an indicator of the applicant's dishonest intention<sup>(153)</sup>.

Finally, as explained above, the relevant authorities, including the IPO, may come across this scenario, *inter alia*, where an applicant is deliberately seeking to obtain a trade mark registration in respect of a broad range of goods or services with no intention to use it in relation to all or some of them<sup>(154)</sup>, but potentially, for example, to prevent third parties from using the registered trade mark for the sale of those goods and/or services. Defensive registrations may also constitute bad faith as presented in the GC case below, when the intention of the applicant was merely to strengthen the protection of another right and broaden its portfolio of trade marks, without any honest commercial logic.

Parties before the GC	Target Ventures Group Ltd v EUIPO		Parties before the BoA	Target Ventures Group Ltd [claimant] v Target Partners GmbH [applicant]
GC case number and date	<a href="#">T-273/19, 28/10/2020</a>		BoA case number and date	<a href="#">R 1684/2017-2, 04/02/2019</a>
Trade marks	Contested trade mark	Earlier rights	Factors which were relevant to the finding of bad faith in this case	
	TARGET VENTURES EUTM No 13 685 56 5 (word trade mark) Classes 35, 36	TARGET PARTNERS (non-registered mark/sign)	Applicant's dishonest intention ( <i>in this case: intention to strengthen the protection of another right and broaden its portfolio of trade marks</i> )	
		TARGET VENTURES (domain names)	Identity/similarity between the contested trade mark and the earlier right/s	
			Origin of the contested trade mark and its use since its creation	
			Lack of honest commercial logic behind the filing of the contested trade mark	
Summary of the case	The applicant, a venture capital fund (Target Partners GmbH), registered the EUTM 'TARGET VENTURES'. It was also the owner of the domain names 'targetventures.com' and 'targetventures.de', which were merely a means of redirection to the applicant's official site 'www.targetpartners.de'. The claimant (Target Ventures Group Ltd), also a venture capital fund, had been operating under the sign 'TARGET VENTURES' on the Russian and the EU venture capital markets. The GC held that the filing of the contested trade mark in order to avoid a likelihood of confusion with the sign 'TARGET PARTNERS', already in the ownership of the applicant, and/or in order to protect the element that is common to those signs (i.e. TARGET) was not foreseen as one of the functions of a trade mark, in particular the essential function of indicating origin, and it contributed more towards strengthening and protecting the applicant's first right (TARGET PARTNERS). In addition, the GC stated that the applicant's claim that the filing of the contested trade mark was aimed at expanding its use, was contradicted not only by the lack of any use of the 'TARGET VENTURES' trade mark – other than that			

29/09/2021, T-592/20, Agate / Agate, EU:T:2021:633, § 68 (and the case-law cited therein); 05/05/2017, T-132/16, VENMO, EU:T:2017:316, § 64 (and the case-law cited therein).

<sup>(152)</sup> For more information about the 'honest commercial logic behind the filing of the contested trade mark' factor, see subsection 2.4.2.9.

<sup>(153)</sup> 29/09/2021, T-592/20, Agate / Agate, EU:T:2021:633, § 69.

<sup>(154)</sup> 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 81; Opinion of Advocate General Tanchev of 16/10/2019, C-371/18, SKY, EU:C:2019:864, § 94-95.

	which had already taken place before the application for registration was filed – but also by the fact that the applicant confirmed that its business is identified in the minds of clients exclusively with the sign ‘TARGET PARTNERS’.
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#### 2.5.2.2 *Re-filing*

In the context of a re-filing scenario, it is important to first highlight that a proprietor can have a legitimate interest in re-filing a trade mark application. For instance, this might be the case when the proprietor of an earlier registered trade mark, according to its new marketing strategy, evolving business needs and/or changes in consumers’ demand, decides to seek registration of a modernised/updated version of its earlier registered trade mark/s<sup>(155)</sup> and/or to cover an updated list of goods and/or services<sup>(156)</sup>. It is also evident that re-filing a trade mark application is an action that per se is not prohibited in the TMD<sup>(157)</sup><sup>(158)</sup>.

In light of the foregoing, it must be stressed that only under concrete and specific circumstances, when it is proved that the applicant’s intention, when re-filing the trade mark application, was to abuse the trade mark system<sup>(159)</sup>, will the re-filing be considered made in bad faith.

However, there are several elements that should be considered by the relevant authorities, including the IPO, when assessing whether they are facing a re-filing situation. These elements are included in points 1) to 4) below in order to provide some guidance when performing this assessment. However, none of them, neither on their own nor collectively, will suffice to permit the conclusion that the applicant was acting in bad faith when re-filing the trade mark application because all relevant circumstances of the case will have to be examined, in particular, the applicant’s dishonest intention.

##### 1) *The ownership/parties of the trade marks at issue*

The ownership/parties of the trade marks at issue is one of the elements that has to be analysed when assessing whether there is a re-filing situation. In this respect, it is clear that in this situation, both the applicant of the re-filed contested trade mark and the proprietor of the earlier registered trade mark/s have to be the same/identical natural/legal person.

However, in the context of bad faith, it would not be correct to limit the assessment of this element only to the situation where the applicant of the contested trade mark and the proprietor of the earlier registered trade mark/s are the same/identical natural/legal person and some additional particularities have to be taken into account. Otherwise, this rule would be very easy to circumvent by using another (linked) natural/legal person.

As already mentioned in this document, it is important to identify who the applicant of the contested trade mark application was. In this regard, as stated in subsection 2.3.3, any natural/legal person who appears as the

<sup>(155)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 35-36, 51 (in this case, bad faith was not found by the General Court).

<sup>(156)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 49 (in this case, bad faith was not found by the General Court); 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 75.

<sup>(157)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211 § 70.

<sup>(158)</sup> However, when re-filing a trade mark application it is also important to bear in mind the following provisions/practice at national level. In Portugal, re-filing an identical trade mark for identical goods and/or services is not allowed, because Article 224 of the Portuguese Industrial Property Code states that ‘there may only be one registration for the same trade mark for one and the same product or service, therefore, they will reject such a trade mark ex officio’. In addition, in Cyprus, despite not having a national provision on the topic, its internal practice is that no person can be in possession of two certificates for the exact same trade mark for the same list of goods and/or services, and as a consequence, a trade mark application made by an identical applicant for an identical representation and for identical goods and/or services will not be accepted.

<sup>(159)</sup> For more information about the ‘applicant’s dishonest intention’, see subsection 2.4.1.1.



applicant in the application form will be considered as such. This principle, and the broad interpretation of the term applicant as stated in the referred subsection, are also applicable to the re-filing scenario.

Therefore, in the context of re-filing, the relevant authorities, including the IPO, will have to analyse, for instance:

- a) whether the applicant of the re-filed contested trade mark and the proprietor of the earlier registered trade mark/s are the same/identical natural/legal person<sup>(160)</sup>;
- b) whether they belong to the same company group; or
- c) whether there is a possible connection/link/agreement between them (e.g. a situation where the proprietor of the earlier registered trade mark/s is a natural person and the contested trade mark is re-filed by a company where the former is the managing director or the main stakeholder).

2) *Assessment of whether the representations of the trade marks at issue are identical/similar*

In the context of re-filing, and according to EU case-law<sup>(161)</sup>, the relevant authorities, including the IPO, also have to assess whether the representation of the (re-filed) contested trade mark and the representation of the earlier registered trade mark/s are identical.

However, limiting the assessment of the representation of the trade marks at issue only to those situations where the trade marks are (strictly) identical would render this whole scenario largely ineffective and easy for the applicant to circumvent, simply by re-filing a trade mark application with some alterations/variations to the representation of the earlier registered trade mark/s.

Bearing in mind the above, the assessment of whether the relevant authorities, including the IPO are facing a re-filing situation should not be limited to the fact that the representation of the trade marks at issue are identical, but it should also be extended to similar trade marks. The assessment always depends on a factual evaluation of all of the relevant circumstances of each case.

3) *Assessment of whether the goods and/or services of the trade marks at issue are identical/similar*

In the context of re-filing, the relevant authorities, including the IPO, should also assess whether the goods and/or services of the trade marks at issue are identical<sup>(162)</sup>.

As with the previous element, under this scenario, it should be stressed that limiting the assessment of the goods and/or services of the trade marks at issue only to situations where they are identical would render the whole re-filing scenario largely ineffective and, as a consequence, a dishonest applicant could very easily circumvent the rule simply by re-filing a trade mark application with some modifications to the specification of the goods and/or services of the earlier registered trade mark/s.

Bearing in mind the above, the assessment of whether the relevant authorities, including the IPO are facing a re-filing situation should not be limited to the fact that the goods and/or services of the trade marks at issue are identical, but it should also be extended to similar and/or closely related goods and/or services. The assessment always depends on a factual evaluation of the relevant circumstances of each case.

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<sup>(160)</sup> 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211.

<sup>(161)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 30 (in this case, bad faith was not found by the General Court); 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211.

<sup>(162)</sup> 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 42, 49-51 (in this case, bad faith was not found by the General Court); 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, § 75.

#### 4) Territorial aspects/territory covered by the trade marks at issue

Finally, another element that has to be analysed by the relevant authorities, including the IPO, in order to check whether they are facing a re-filing situation, is the territory covered by the trade marks at issue.

In this context, it should be borne in mind that the European Union trade mark system and national systems have a very close relationship, which is characterised by the principles of coexistence and complementarity. This means that both systems exist and operate side by side, and, therefore, the same trade mark can be protected by the same proprietor as an EUTM and as a national trade mark in one (or all) of the Member States. The possibility of submitting an application for an EUTM in order to obtain unitary protection at European Union level, over and above the protection granted by national trade marks registered in the various Member States, is the very object of the European Union trade mark system and is not, therefore, to be considered in itself to be an act of bad faith<sup>(163)</sup>. Consequently, the filing of an EUTM application identical or very similar to national or international trade marks already registered is usually consonant with commercial logic and does not by itself constitute evidence of bad faith.

#### 5) Analysis of the relevant elements to identify a re-filing situation and assessment of bad faith

In light of what has been said in the re-filing sub-sections above and after analysing all the elements cited in this document, the relevant authorities, including the IPO, will be able to conclude whether they are facing a re-filing situation.

However, as already explained, none of the above elements, neither on their own nor collectively, will suffice to permit the conclusion that the applicant was acting in bad faith when re-filing the trade mark application. As in other bad faith scenarios, other factors relevant to the assessment of bad faith, especially the applicant's dishonest intention, will have to be examined in detail<sup>(164)</sup> taking into consideration the objective pursued by the bad faith provisions, which in the context of a re-filing scenario, is to prevent the abuse of the trade mark system.

By way of example, the relevant authorities, including the IPO, may come across a similar situation as the one presented in the GC case below, where the re-filing was made in bad faith.

<b>Parties before the GC</b>	Hasbro, Inc. v EUIPO		<b>Parties before the BoA</b>	Kreativni Dogadaji [claimant] d.o.o. v Hasbro, Inc. [applicant]
<b>GC case number and date</b>	<a href="#">T-663/19, 21/04/2021</a> <sup>(165)</sup>		<b>BoA case number and date</b>	<a href="#">R 1849/2017-2, 22/07/2019</a>
<b>Trade marks</b>	<b>Contested trade mark</b>	<b>Earlier rights</b>	<b>Factors which were relevant to the finding of bad faith in this case</b>	
	<b>MONOPOLY</b> EUTM No 9 071 961 (word trade mark)	<b>MONOPOLY</b> EUTM No 238 352 (word trade mark)	Applicant's dishonest intention ( <i>in this case: to avoid furnishing proof of use of the trade mark and extend the five-year grace period</i> )	
			Identity/similarity between the contested trade mark and the earlier right/s	

<sup>(163)</sup> 15/09/2016, T-453/15, VOGUE, EU:T:2016:491, § 45.

<sup>(164)</sup> For more information, about the applicant's dishonest intention factor, see subsection 2.4.1.1.

<sup>(165)</sup> For more information about this judgment, see the table included in subsection 2.4.2.9.

	Classes 9, 16, 28 and 41	Classes 9, 25, 28	Identical or similar goods/services
		<b>MONOPOLY</b> EUTM No 6 895 511 (word trade mark) Class 41	Origin of the contested trade mark and its use since its creation
		<b>MONOPOLY</b> EUTM No 8 950 776 (word trade mark) Class 16	Chronology of events leading up to the filing of the contested trade mark
			Lack of honest commercial logic behind the filing
<b>Summary of the case</b>	The applicant (Hasbro, Inc.) registered the contested EUTM ‘MONOPOLY’ and was also the owner of several previously registered ‘MONOPOLY’ EUTMs protected in the same classes. The claimant (Kreativni Događaji d.o.o.) filed an invalidity action based on bad faith. The contested trade mark covered numerous goods and services that were already covered by the earlier ‘MONOPOLY’ trade marks. The applicant, in an oral hearing before the BoA, admitted that one of the advantages of that strategy was the reduction of the administrative burden in many opposition proceedings where the applicant had to prepare and submit evidence. The GC observed that the aim of the applicant’s re-filing was that of not having to prepare and submit proof of use of the contested trade mark, thus extending, with regard to the earlier trade marks, the five-year grace period. However, such conduct must be held to be contrary to the objectives of the EUTMR, to the principles governing EU trade mark law, and to the rule relating to proof of use. In the case at issue, it should be mentioned that the finding of bad faith affected only those goods and services in the contested trade mark that were found identical to those covered by the earlier trade marks.		

### 2.5.2.3 Speculative purposes/trade mark as an instrument for leverage

As explained in subsection 2.4.2.10, bad faith may exist, inter alia, where an application for registration of a trade mark is diverted from its initial purpose and is filed speculatively or solely with a view to obtaining financial compensation. However, the fact that the applicant requested financial compensation, even if considerable, is not enough to conclude that it acted in a fraudulent and speculative manner when filing the trade mark application. This is because, for instance, taking into account all the circumstances in a particular case, the existence of a request for financial compensation for the transfer of the trade mark may fall within the scope of market freedom<sup>(166)</sup>. Therefore, in order to come across this bad faith scenario, several factors for the assessment of bad faith, relevant to the particular case, need to be involved.

The relevant authorities, including the IPO, may come across a similar situation as presented in the GC case below.

<b>Parties before the GC</b>	Copernicus-Trademarks Ltd v EUIPO	<b>Parties before the BoA</b>	COPERNICUS-TRADEMARKS Limited [applicant] v MAQUET GmbH & Co. KG [claimant]
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<sup>(166)</sup> 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39.

GC case number and date	T-82/14, 07/07/2016		BoA case number and date	R 2292/2012-4, 25/11/2013
Trade marks	Contested trade mark	Previously registered trade mark	Factors which were relevant to the finding of bad faith in this case	
	LUCEO EUTM No 8 554 974 (word trade mark) Classes 10, 12, 28	LUCEO Austrian TM 1533/2009 (word trade mark) Classes 3, 9, 10, 12, 14, 18, 25, 28, 36, 40	Applicant's dishonest intention ( <i>in this case: an intent to obtain a blocking position to oppose possible subsequent applications for registration of identical/similar trade marks by third parties</i> )	
			Identity/similarity between the contested trade mark and the earlier right/s	
			Origin of the contested trade mark and its use since its creation	
			Request for financial compensation	
			Pattern of the applicant's behaviour/actions	
Summary of the case	The claimant (Maquet GmbH) filed the EUTM application 'LUCEA LED' for goods in Class 10. The applicant (Copernicus EOOD) registered the contested EUTM 'LUCEO' claiming priority based on an Austrian trade mark. The applicant filed an opposition against the EUTM application 'LUCEA LED', and the claimant filed an invalidity action against the EUTM 'LUCEO' based on bad faith. The GC confirmed that the applicant pursued an unlawful filing strategy consisting in successively chaining together applications for registration of national trade marks. The GC found, inter alia, that the chain of applications for registration of German and Austrian trade marks 'LUCEO' was intended to grant a blocking position to the applicant for a period exceeding the six-month period of reflection (in order to claim priority for an EUTM application) and the five-year grace period. The applicant used this blocking position to oppose applications for identical/similar trade marks by claiming priority of its earlier 'LUCEO' trade marks and requested financial compensation only after the claimant made contact. This filing strategy was found incompatible with the objectives of the EUTMR and qualified as an abuse of law, because the trade mark applications were diverted from their initial purpose and were filed speculatively or solely with a view to obtaining financial compensation.			

## 2.6 Extent of refusal/cancellation due to bad faith

Bad faith will, in general, exist in respect of all the contested goods and/or services for which the contested trade mark was applied for or registered. However, following the CJ 'SKY' judgment, a partial refusal/cancellation is possible<sup>(167)</sup>.

<sup>(167)</sup> 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 81.