



FENCER

MAINTAINING TRADE MARKS

THE THIN LINE BETWEEN GENUINE USE AND DOWNRIGHT ABUSE

BMM Spring Meeting - 26 March 2021





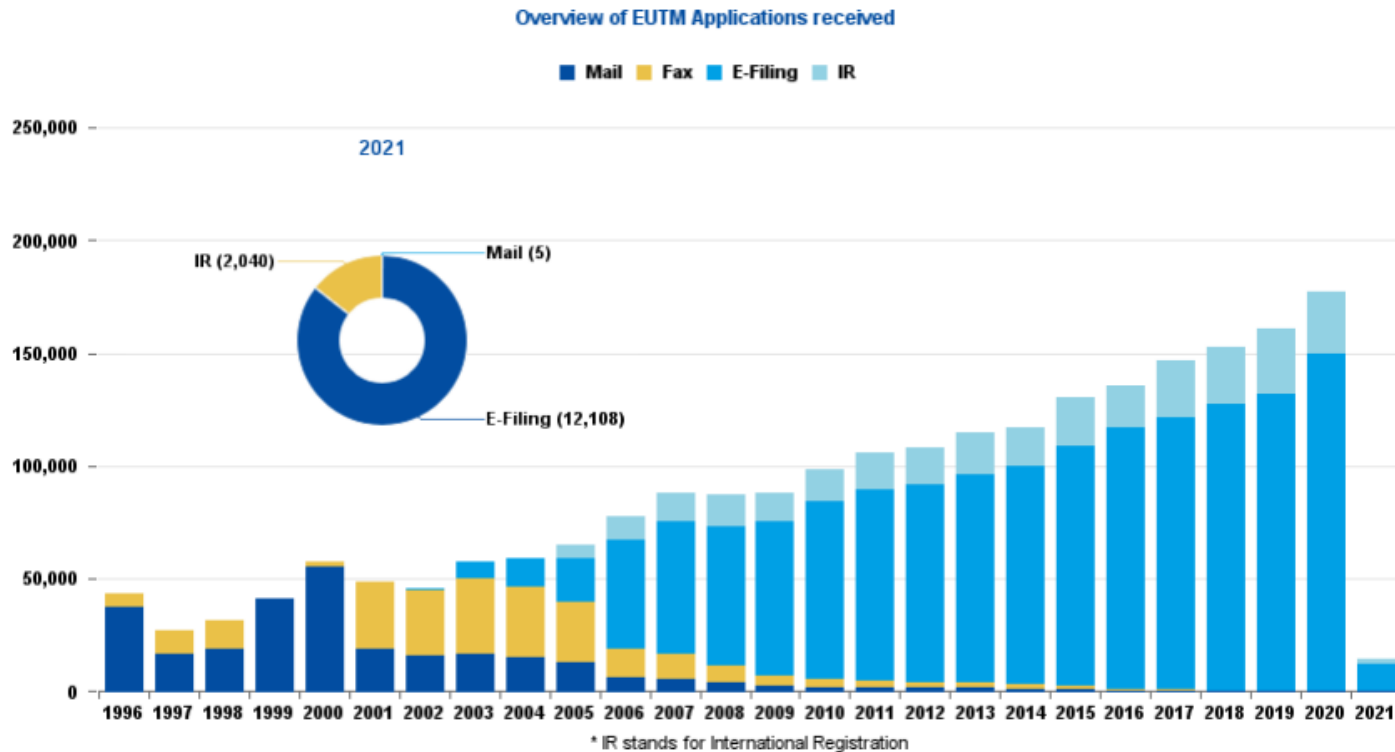
INTRODUCTION

- I. Defining the problem
- II. Questionable Practices
 - A. Class Headings (IP Translator)
 - B. Broad filings (Skykick)
 - C. Repeat filings (Pelikan & Monopoly)
 - D. Enforcement *a posteriori* for infringement during grace period (Cooper)
- III. Creative problem-solving by case-law
 - A. (During Grace): evidence of genuine use for repeat filings (Pathfinder & Canal+)
 - B. (After Grace): revocation and partial use
 - C. Legitimate interest – procedural stance (Oneworld & Sandra Pabst)
- IV. Conclusion & Suggestions



DEFINING THE PROBLEM

- clogged registers (BX / EU / EU Member States)





DEFINING THE PROBLEM

- unused trade marks or broad filings (used for only part of goods or services) restrict choice of available signs and increase conflicts
- Recital 31 TMD
- thin line between genuine use and fair enforcement vs misuse/abuse
- 'bad faith' still does not always offer appropriate answer



QUESTIONABLE PRACTICES

A. CLASS HEADINGS

- ‘covers all’ vs ‘what you see is what you get’
- *The Wind of Change*: IP Translator
 - ‘sufficient clarity and precision’: some class headings may not comply – it is for the Offices to verify on a case-by-case basis
 - class headings are to be interpreted literally (now codified in article 33 EUTMR)
 - “cover~~X~~all”



QUESTIONABLE PRACTICES

A. CLASS HEADINGS

- a step in the right direction:
 - 06: goods of common metal not included in other classes artificial conflicts
 - 07: machines
 - 14: goods in precious metals or coated therewith
 - 16: goods made from paper and cardboard
 - 17: goods made from rubber, gutta-percha, gum, asbestos and mica
 - 18: goods made of these materials [leather and imitations of leather]
 - 20: Goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics
 - 37: repair / installation services
 - 40: treatment of materials
 - 45: Personal and social services rendered by others to meet the needs of individuals

ABUSE



QUESTIONABLE PRACTICES

A. CLASS HEADINGS

- but a long way to go...
 - literal meaning of many other terms remains utterly vague:
 - ‘software’
 - ‘education’
 - ‘apparatus for locomotion by air, land or water’
 - ‘clothing’ or ‘textile’
 - unclarity is no ground for invalidity (SKYKICK – ‘software’)
 - in practice: little changes




QUESTIONABLE PRACTICES

B. BROAD FILINGS

- semi-trolls: (repeated) filings outside core activities for which there is no apparent intent to use
- Sky v Skykick
 - 03: 'perfumes'
 - 04: 'candles and wicks'
 - 05: 'semen for artificial insemination'
 - 06: 'barbed wire'
 - 09: 'fire extinguishers'
 - 39: 'travel agency services'
 - 44: 'beauty care for animals'

014897789 - SKY [+ info](#)



Informatie handelsmerk		Informatie eigenaar	
Nummer handelsmerk	014897789	ID-nummer eigenaar	548114
Soort	Beeldmerk	Naam eigenaar	Sky International AG
Indieningsdatum	11/12/2015	Informatie vertegenwoordiger	
Inschrijvingsdatum	21/11/2018	ID vertegenwoordiger	98710
Nice-classificatie	3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 16, 17, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45		

Laatste publicatie

QUESTIONABLE PRACTICES

B. BROAD FILINGS

- palliative measures:
 - revocation for non-use ... after 5 years
 - bad faith is not evident:
 - no corresponding economic activity at time of filing is insufficient
 - no intention to use is insufficient
 - requires additional 'objective, relevant and consistent indicia' that applicant had intention either of undermining, in manner inconsistent with honest practices, interests of third parties, or of obtaining, without even targeting specific third party, exclusive right for purposes other than those falling within functions of trade mark





QUESTIONABLE PRACTICES

B. BROAD FILINGS

- lessons drawn from SKYKICK
 - the length of description and different classes are at best indication of bad faith
 - additional ‘intentional’ element
 - Lord Justice Arnold (UK):
 - finding of bad faith for only some goods (‘bleaching preparations’)
 - partial invalidity for ‘computer software’, except...



29. In the absence of any alternative proposal from Sky, I must do the best I can to devise a specification which reflects the extent of the bad faith proved, but no more. The conclusion I have reached is that the Trade Marks should be declared invalid in relation to "computer software" except for the following:

"computer software supplied as part of or in connection with any television, video recording or home entertainment apparatus or service; computer software supplied as part of or in connection with any telecommunications apparatus or service; electronic calendar software; application software for accessing audio, visual and/or audio-visual content via mobile telephones and/or tablet computers; games software".





QUESTIONABLE PRACTICES

C. REPEAT FILINGS

- (broad) re-filings before expiry of the grace period of marks identical or similar to earlier marks, to **evade use-obligation**
- most often, **no bad faith** where no perfect identity
 - when expanding territorial coverage (from BX – EUTM)
 - when diversifying goods, insofar not commercially illogic (from fashion magazines to class 03 beauty products)

VOGUE

- when refreshing logo

Earlier mark	Repeated filing
	





QUESTIONABLE PRACTICES

C. REPEAT FILINGS

- **intentional element:** only where the re-filing was made with the *sole purpose* of escaping non-use obligation
- **MONOPOLY:** liberal interpretation by EUIPO Boards of Appeal
 - 1996: EUTM 'Monopoly' for classes 9, 25 and 28
 - 2008: EUTM 'Monopoly' for class 41
 - 2010: EUTM 'Monopoly' for class 16
 - 2010: **repeat** EUTM registration 'Monopoly' for classes 9, 16, 28 and 41



QUESTIONABLE PRACTICES

C. REPEAT FILINGS

- “reduction of administrative burden”
- bad faith in relation to all goods and services identically covered by earlier filings, except for ‘board games’ for which genuine use had been proven in earlier proceedings



ABUSE

THE BOARD

hereby:

1. Annuls the contested decision to the extent that the application for a declaration of invalidity was rejected for the following goods and services:

‘Electronic amusement apparatus; electronic games; computer games; computer hardware; computer software; controls for use of the aforesaid goods; cards, disks, tapes, wires and circuits all carrying or for carrying data and/or computer software; arcade games; interactive entertainment software, namely, computer game software, computer game programs, computer game cartridges, computer game discs; interactive video games of virtual reality comprised of computer hardware and software; interactive multi-media game programs; downloadable software for use in connection with computers and computer games, portable gaming devices, console gaming devices, communication gaming devices and mobile telephones; electronic games, video games; video game software, video game programs, video game cartridges, video game discs, all for use in connection with computers, portable gaming devices, console gaming devices, communication devices and mobile telephones; video lottery terminals; computer and video game apparatus, namely video game machines for use with televisions; games apparatus adapted for use with television receivers; audio and/or video recordings; laser discs, video discs, phonograph records, compact discs, CD ROMs featuring games, films, entertainment and music; console gaming devices; communication devices and mobile telephones; pre-recorded films; pre-recorded television, radio and entertainment programmes and material; parts and fittings for all the aforesaid goods’ in Class 9;

‘Paper and cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists’ materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers’ type; printing blocks’ in Class 16;

‘Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees; gaming machines; slot machines; playing cards; parts and fittings for all the aforesaid goods’ in Class 28;

‘Entertainment; entertainment in the form of films, television programmes and radio programmes’ in Class 41;

2. Declares EUTM No 9 071 961 invalid for the above goods and services;



QUESTIONABLE PRACTICES

C. REPEAT FILINGS

- future established practice, or rather an exception?
- appeal pending (T-663/19)
- burdensome to file for separate bad faith cancellation





QUESTIONABLE PRACTICES

D. ENFORCING UNUSED TRADE MARKS

- during the 5-year grace period: yes and no obligation whatsoever to evidence use (CJEU 21/12/2016, [Länsförsäkringar](#))
- after grace? CJEU 26/03/2020, [Cooper Spirits](#):
 - 2005: FR application of SAINT GERMAIN for alcoholic drinks
 - 2012 (Paris): infringement action against ST-GERMAIN
 - 2013 (Nanterre): revocation of earlier mark SAINT GERMAIN for non-use with effect of 2011





QUESTIONABLE PRACTICES

D. ENFORCING UNUSED TRADE MARKS

- is (former) owner entitled to maintain infringement claim and/or claim damages **after grace period** for any infringing use that occurred during grace period?
- Yeah, but no, but:
 - Member States may provide possibility to obtain declaration of infringement for acts of infringement during grace period, even if trade mark is later revoked
 - Member States may theoretically also provide in appropriate damages, but only for 'the actual prejudice suffered'

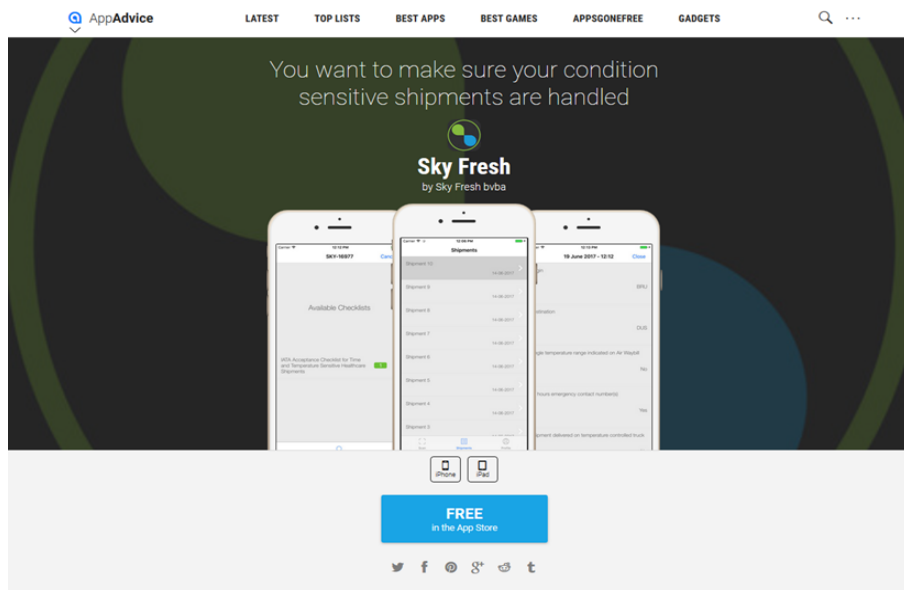


QUESTIONABLE PRACTICES



D. ENFORCING UNUSED TRADE MARKS

- pending conflict: SKY FRESH vs EMIRATES SKYFRESH





QUESTIONABLE PRACTICES

D. ENFORCING UNUSED TRADE MARKS

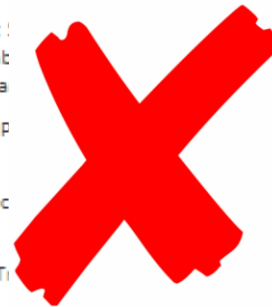
- app developer sues Emirates
- EUTM SKY FRESH later revoked for lack of genuine use pending appeal

5 Pharmaceutical and veterinary preparations; Preparations adapted for medical or veterinary use; Food for babies; Preparations for stopping teeth, dental wax; Disinfectants; Preparations for

29 Meat, fish, poultry and game; Meat extracts; Preserves; and other milk products; Edible oils and fats.

31 Agricultural, horticultural and forestry products; Live plants and flowers; Animal feed, malt.

39 Transport; Packaging and storage of goods; Transport and storage of goods.



for medical purposes; Dietetic foodstuffs and dietetic substances for humans and animals; Plasters, materials for dressings; Materials; Fungicides, herbicides.

cooked fruits and vegetables; Jellies, jams, compotes; Eggs, milk

and other classes; Live animals; Fresh fruits and vegetables; Seeds,

and information relating to transport and packaging and

- what with trade mark infringement and damages claim?



QUESTIONABLE PRACTICES

D. ENFORCING UNUSED TRADE MARKS

- how to reconcile with rule that exercise of trade mark rights must be restricted to safeguard **functions** of a trade mark, in particular that of indicating origin?
- what **interest** does (former) owner have in obtaining declaration of infringement?
 - no injunction - applies for future
- what **damages** may (former) owner have suffered?
 - no lost profits
 - only theoretical loss of exclusivity

ABUSE

?



CREATIVE PROBLEM-SOLVING

A. DURING GRACE: EVIDENCE OF USE ?

- increasing resistance against repeat filings and artificial conflicts at Boards of Appeal
 - 47.2 and 3 EUTMR: ‘shall furnish proof (...) that the earlier EU trade mark has been put to genuine use’
 - 2011 – Pathfinder (R 1785/2008-4): ‘earlier trade mark’ can be taken literally; opposition was based on repeat filing of SP mark and therefore subject to use
 - 2014 – Canal+ vs KABELPLUS (R 1260/2013-2)

ABUSE

<p>CANAL+</p> <p>CTM No 8 698 961, registration date 15 June 2010, covering <i>inter alia</i> ‘telecommunication services’ in Class 38</p>	<p>CANAL +</p> <p>FR No 1 380 680, registration date 20 November 1986, covering <i>inter alia</i> ‘telecommunication services’ in Class 38</p>
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CREATIVE PROBLEM-SOLVING

A. DURING GRACE: EVIDENCE OF USE ?

- but the General Court does not quite follow:

- SKY vs

SKYLITE

- classes 09 and 18 vs

classes 09 and 18





CREATIVE PROBLEM-SOLVING

A. DURING GRACE: EVIDENCE OF USE ?

- GC, 19/10/2017, T-736/15:
 - earlier mark must be deemed valid
 - repeat filing is ground of bad faith
 - no procedural mechanism to contest validity in opposition: either separate cancellation proceedings, but no rule requiring evidence of genuine use of mark during grace period, even if repeat filing
 - appeal to CJEU denied: no 'significant issue of law with respect to the unity, consistency or development of EU law' (T-354/18, SKYFi)





CREATIVE PROBLEM-SOLVING

B. AFTER GRACE: REVOCATION AND PARTIAL USE

- non-use recognized as general right of defense in opposition, cancellation and infringement actions

no genuine use of “Red Bull” for goods in class 12 (vehicles)





CREATIVE PROBLEM-SOLVING

B. AFTER GRACE: REVOCATION AND PARTIAL USE

- broad filings and ‘partial use’: narrowing down to *specific* uses of vague terms
- ‘sub-categories capable of being viewed independently’, based on their purpose and intended use (vehicles -> car, boat, bicycle, etc.)
- from paper to reality: serves to reduce the degree of similarity between goods
- *but* TM owner may not be stripped of all protection: not necessary to evidence use of all ‘commercial variations’ that can only be divided in an ‘arbitrary manner’ (cfr: Ferrari: ‘vehicles ~~X~~ ‘luxury sports cars’)



CREATIVE PROBLEM-SOLVING

B. AFTER GRACE: REVOCATION AND PARTIAL USE

- case-law is **flexible** in most cases:
 - ‘confectionary’ ~~X~~ ‘hard fruit candy’
 - ‘garden machinery and tools’ ~~X~~ ‘professional lawn mower’
 - ‘clothing’ ~~X~~ ‘outerwear made of cashmere’
 - ‘clothing’ ~~X~~ ‘weather protective outdoor clothing’ (TAIGA)





CREATIVE PROBLEM-SOLVING

B. AFTER GRACE: REVOCATION AND PARTIAL USE

- is case-law too permissive?

'tires for vehicles'

vs

'bicycle components'

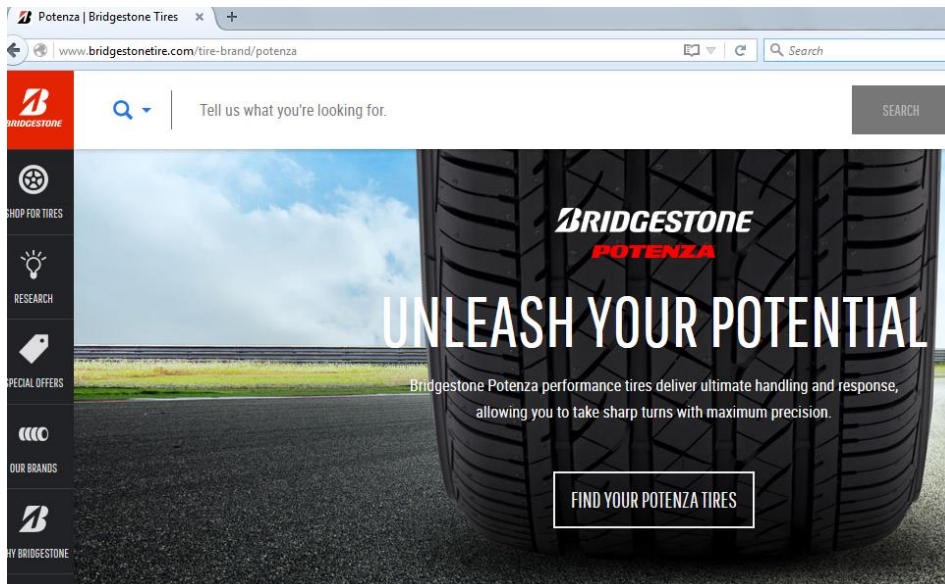
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CREATIVE PROBLEM-SOLVING

B. AFTER GRACE: REVOCATION AND PARTIAL USE

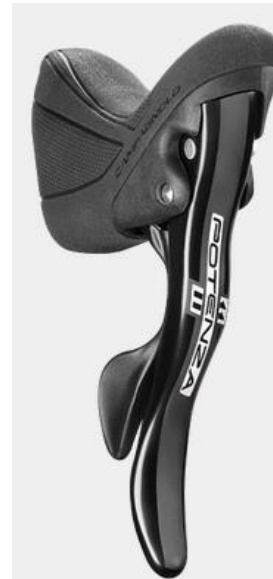




CREATIVE PROBLEM-SOLVING

B. AFTER GRACE: REVOCATION AND PARTIAL USE

- Enterprise Court of Brussels (FR):
 - no further restriction to ‘tires for automobiles’ (arbitrary commercial variation?)
 - similarity between ‘bicycle components’ and ‘tires for vehicles’ because the latter also includes ‘tires for bicycles’
 - = likelihood of confusion



CREATIVE PROBLEM-SOLVING

C. PROCEDURAL INTEREST

- full-scale trolls: a closer look to the Oneworld case and Gleissner's three-steps strategy:
 - step 1: non-use revocation EUTM 'Oneworld' (39: 'air transport services')
 - step 2: parallel speculative filing of BX 'ONEWORLD' (25, 39 & 42) with no apparent intention to use
 - step 3: block new EUTM filings of the holder with opposition of BX 'ONEWORLD'





CREATIVE PROBLEM-SOLVING

C. PROCEDURAL INTEREST

ABUSE

- Oneworld tackles the step 2: bad faith of BX 'ONEWORLD' (BOIP 20 October 2020)
- Benelux Court of Justice (C 2020/18): appeal withdrawn
- burdensome to file for separate bad faith cancellation





CREATIVE PROBLEM-SOLVING

C. PROCEDURAL INTEREST

- increasing resistance against fraudulent trade mark trolls at Boards of Appeal (R 2245/2020-G, Sandra Pabst)
 - even if no particular stance or interest, filing cancellation or revocation may amount to abuse of law
 - tackling the first step – no bad faith claim necessary
 - to apply to opposition proceedings – the third step?
 - trade mark trolls: yes
 - semi-trolls (Monopoly): difficult





CONCLUSIONS & SUGGESTIONS

- genuine trade mark trolls are cornered
- broad and repeat filings (semi-trolls): interpretation of 'bad faith' is going in right direction (SKYKICK)
- file for separate claim for cancellation / revocation (SKYLITE)
- in any event: stricter approach to principle of partial use to avoid artificial (paper) conflicts



CONCLUSIONS & SUGGESTIONS

- bad faith as *ex officio* ground of refusal?
- ‘intent-to-use’ statement?
- Art 19 TRIPS: minimum period of 3 uninterrupted years
 - need to shorten the period in BX/EU: 5 y -> 3 y?
 - why not?
 - sufficient for most goods and services?
 - very low threshold to evidence genuine use in terms of volume
 - advertising / preparation





THANK YOU !





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