



BAD FAITH

Sophia Bonne | Gros Islet, SAINT LUCIA | 25-28 October 2022



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Bad Faith

Absolute ground for invalidity

(1) An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

(...)

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.

Bad Faith

It is a conduct which **departs from accepted principles of ethical behaviour or honest commercial and business practices.**

and which can be indicated by cumulative factors and circumstances such as:

1. Identical or confusingly similar signs
2. Knowledge of use of an identical or confusingly similar sign
3. Dishonest intention:
 - TM filed solely for financial compensation
 - free riding on reputation
 - no commercial trajectory in registering but simply to block competitors from entering the market
 - existence of relationship between the parties
 - artificial extension of grace period by refiling

Bad Faith

4. Lack of commercial logic underlying the filing of the application
 5. Technical or commercial restrictions on competitors' freedom to choose the shape of a product and its presentation
 6. High degree of distinctiveness or reputation of the invalidity applicant's sign
- Good faith is presumed until proof to the contrary is adduced
 - Bad faith will invalidate the EUTM for all the G&S it covers unless the invalidity applicant specifically limits the invalidity request

T-250/21, 6/7/2022 NEHERA

Nehera was a famous trade mark for clothing and accessories originally registered by Jan Nehera in the former Czechoslovakia. In the 30s he had 130 retail outlets in Europe, US and Africa and 1000 employees. The business as such stopped to exist in 1946.



T-250/21, 6/7/2022 NEHERA

- Current owner started to use the trade mark again in 1998
- The EUTM ***Nehera*** was registered on 31/10/2014
- On 17/06/2019 an application for declaration for invalidity was filed by the grandchildren of the former founder of the business Jan Nehera on the basis of bad faith
- Cancellation Division EUIPO - bad faith was not proven
- Boards of Appeal EUIPO – bad faith was proven

T-250/21, 6/7/2022 NEHERA

- Defendant started to use the trade mark again in 1998
- The EUTM was registered at 31/10/2014
- On 17/06/2019 a claim for invalidity was filed by the grandchildren of the former founder of the business Jan Nehera on the basis of bad faith
- Cancellation Division EUIPO - bad faith was not proven
- Boards of Appeal EUIPO – bad faith was proven

T-250/21, 6/7/2022 NEHERA

Court

- At the moment of the application for the EUTM (2013) the former trade mark registered by Jan Nehera was not registered or protected anymore.
- It was not used by a third party to market clothing neither.
- The former Czechoslovak trade mark did not enjoy a certain reputation anymore in the Czech Republic so no possibility of free-riding behaviour.
- The fact that the current owner was aware of the existence and the reputation of the former trade mark does not change this. The current owner wanted to pay tribute to the great days of the Czechoslovak textile industry.

T-250/21, 6/7/2022 NEHERA

Court

- It is true that the current owner of the EUTM has referred on numerous occasions to the former trade mark and Mr. Jan Nehara however the link that the relevant public makes between the two trade marks is not sufficient to conclude that unfair advantage was taken of the reputation of the sign.
- The current owner made its own commercial efforts to revive the image of the trade mark and the name of Mr. Jan Nehara which cannot be considered as contrary to honest practices in industrial or commercial matters.
- No bad faith can be concluded.

T- 306/20, 29/6/2022 LA IRLANDESA

Facts :

- A Spanish company (HDMR) initially sells goods of Irish origin in Spain under the Spanish trade mark “**La Irlandesa**”.
- The business relationship between the Spanish and the Irish company lasted from 1967-**2011**.
- After 2011 the Spanish trade mark was still used.
- In **2013** the EUTM was applied for.



T- 306/20, 29/6/2022 LA IRLANDESA

Court:

Deceptive?

- Filing date is relevant point in time to determine it.
- List of goods (class 29) *could* also include Irish goods.
- Not misleading.

T- 306/20, 29/6/2022 LA IRLANDESA

Court:

Bad faith ?

- Date of filing is relevant but the use of the mark subsequent to that date is also taken into account.
- Overall assessment taking into account the relevant factual circumstances of the case.
- HD MR intended unfairly to transfer the advantage derived from the association with Ireland to goods not coming from Ireland.
- HD MR knew that similar trade marks had been invalidated and refused in 2000, 2001 and 2002.
- The commercial strategy was one of association with the marks containing the same element which were linked to the former business relationship with the Irish company.
- Contrary to honest commercial and business practices.



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