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European Communities Trade Mark Association

32nd ANNUAL CONFERENCE

THE JURY IS STILL OUT

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The concept of "Bad faith" in the CTM System Special focus on "Refilling"

"*Let he who is without sin cast the first stone*"

Benjamin Fontaine
Chair, Geographical Indications Committee
IP attorney (France) and Solicitor (Spain) with *E.G.Y.P. SAS*

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R1785/2008-4, 15/11/2011

The concept of bad faith: a subjective motivation (dishonest intention or other "sinister motive", which can be established by reference to objective criteria.

See C-529/07, 11/06/2009, Easter Egg

The European trade mark System: no *bona fine* intend to use, in practice applicants are therefore free to adopt whatever specification they wish.

The GC is not that straightforward, though. It considers legitimate to:

- cover the goods already marketed;

- cover the goods expected to be marketed in the future;

- cover goods which the applicant markets under a different brand;

(see T-33/11, BIGAB, and T-136/11, PELIKAN)

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The OHIM Manual is very clear as far as refilling is concerned:

"Where the proprietor of a CTM makes repeated applications for the same mark with the effect of avoiding the consequences of revocation for non-use of earlier CTMs, whether in whole or in part, the proprietor is acting in bad faith".

Supporting case law:

This rule "*applies even more so when the range of goods and services of the Community trade marks in question does not correspond with the commercial activities of the applicant*, *taking those activities into consideration which are reasonable to expect for future endeavours of the applicant or for which the applicant might grant licences.*"

(C-5499, PELIKAN)

In practice, though, overcoming a claim of bad faith refilling is quite easy, if one takes a look at the existing precedents. Several methods, alone or combined:

First Method: alteration of the sign.

See T-136/11, PELIKAN

Pelikan

Pelikan

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Second Method: update / modernization of the specification of goods.

See C-5817, DirecTV

Third Method: re-filling combining the old specification + additional goods and services, for reasons of better management of a trade mark portfolio: the OHIM considers that, by doing so, the trade mark owner avoids having to renew its old trade mark.

See C-5817, DirecTV

Fourth Method: global policy of multiple applications in various jurisdictions, including registries in which there is no issue of refilling.

See C-5817, DirecTV

These tests are apparently applied generously by the OHIM and by the GC:

- In C-5499 Pelikan and C-5817, DirecTV, the OHIM disregarded the existence of ongoing litigation between the parties at the date of filing the litigious CTM;

- In T-136/11, Pelikan, the GC disregarded the fact that the litigious CTM was applied for three months before the expiry of the grace period for non use.

Incidence of the legislative Package on "bad faith refilling"?

- The proposal extends the opposition proceedings to bad faith cases, but not applicable to refilling;

- The relevant date for the determination of the obligation of use is to become the filing date of the opposed European mark (current system refers to the date of publication). This is not necessarily a good idea.

Thank you

fontaine@egyp.com