



## Study Question

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Sarah MATHESON, Reporter General  
Jonathan P. OSHA and Anne Marie VERSCHUUR, Deputy Reporters General  
Yusuke INUI, Ari LAAKKONEN and Ralph NACK, Assistants to the Reporter General

### Bad faith trademarks

Responsible Reporter: Anne Marie VERSCHUUR

National/Regional Group	Netherlands
Contributors name(s)	Nine Bennink, Huib Berendschot, Roderick Chalmers Hoyneck van Papendrecht, Micheline Don, Arnout Gieske, Josje Koehof, Hidde Koenraad, Leonie Kroon, Carja Mastenbroek, Moira Truijens (chair), Nils Winthagen
e-Mail contact	secretariaat@aippi.nl

## I. Current law and practice

### Bad faith - prior third party use or filing

**1** Does your Group's current law provide for an action against the application or registration for a trademark in a jurisdiction by a party (Party A), if that trademark or a similar sign is already used in one or more jurisdictions by another party ( Party B), but is not registered in the jurisdiction where Party A has filed the trademark?

*If yes, please answer questions 2) – 7). If no, please go to question 8).*

Jurisdiction: Benelux  
Yes

Please Explain

Benelux

Yes, the Benelux Treaty on Intellectual Property ("BCIP") provides, by way of a restriction, that no right to a trademark is obtained by a bad faith application, article 2.4.f. BCIP.

Article 2.4.f. BCIP describes, by way of example, two "bad faith situations":

1. the application for a trademark is filed by the applicant whereas he knows or ought to have known that a third party within the past three years used a similar trademark for similar goods or services in good faith and genuine within the Benelux territory, and the third party has not provided his consent;
2. the application for a trademark is filed whereas the applicant, on the basis of his direct relationship to a third party, knows that this third party within the past three years used a similar trademark for similar goods or services in good faith and genuine outside the Benelux territory, unless the third party has provided his consent, or the said knowledge has been obtained after the applicant has started the use of the trademark inside the Benelux territory.

We note that the examples of "bad faith situations" described in article 2.4.f. BCIP above are expected to be deleted from the BCIP after implementation of the New EU Trademark Directive (EU) 2015/2436, ultimately 14 January 2019.

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Jurisdiction: EU  
Yes

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Please Explain

EU

Yes, the EU Trademark Regulation ("EUTMR") provides, by way of an absolute ground for invalidity, that an EU trademark is declared invalid when the applicant was acting in bad faith at the time of the application, article 52(1)(b) EUTMR.

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**2** Is the application or registration as described under question 1) above denoted as "bad faith"? If not, what is it called?

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Jurisdiction: Benelux  
Yes

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Please Explain

Benelux

Yes, in the BCIP such application or registration is called "bad faith", though the term is not defined.

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Jurisdiction: EU  
Yes

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Please Explain

EU

Yes, in the EUTMR such application or registration is called "bad faith", though the term is not defined.

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**3** Are the following factors relevant for proving an application or registration as described under question 1) in your jurisdiction?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

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- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

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Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

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Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

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Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

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Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

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Please Explain

- the degree of legal protection enjoyed by Party B

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Please Explain

**4** Is any one or more of the above factors sufficient on their own, or will the assessment instead always take the specific circumstances of the case into account? If one or more of those factors are sufficient on their own, please identify those factors.

No

Please Explain

Benelux and EU

Any one or more of the above factors are **not** sufficient on their own. For the assessment whether an application was made acting in bad faith, all relevant factors must be taken into consideration at the time of the filing of the application (CJEU 11 June 2009, Lindt & Sprüngli/Hauswirth).

As “relevant factors”, the CJEU in Lindt & Sprüngli/Hauswirth has mentioned in particular:

- knowledge of the use of an identical or confusingly similar sign;
- the applicant’s intention to prevent that third party from continuing to use a sign he had been using; and
- the degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought

We note that the examples of “bad faith situations” described in article 2.4.f. BCIP (see the answer to question 1) are likely to be deleted from the BCIP after implementation of the New EU Trademark Directive (EU) 2015/2436, ultimately 14 January 2019.

**5** Which of the following factors are relevant to establishing whether there was or should have been knowledge as described under question 3) above?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

- other

Please Explain

The relevant factors to be taken into consideration are not limited. Therefore all relevant factors should be taken into consideration. This follows from case law of the European Court of Justice that applies to both national marks as well as EUTMs.

**6** Is the degree of similarity between the signs relevant? Please explain why in either case.

Yes

Please Explain

Pursuant to article 5 under 4 (c) of the EU Trademark Directive 2015/2436, a Member State (in this case the Benelux) may refuse registration of a trade mark or declare a registered trademark invalid where, and to the extent that the trademark is liable to be confused with an earlier trademark protected abroad, provided that, at the date of application, the applicant was acting in bad faith. The same applies for the EUTM on the basis of article 52 paragraph 1(b) EUTMR.

Article 2.4 (f) of the Benelux Treaty on Intellectual Property refers to a “similar mark for similar goods and services” in relation to the bad faith assessment.

For the EUTM this follows from CJEU 11 June 2009 (C-529/07, Lindt), where the court (in par. 53) states that the assessment of bad faith should be made based on all relevant factors of the case, in particular “the fact that the applicant knows or must know that a third party is using (...) an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought.”

**7** Is the degree of similarity between the goods/services relevant? Please explain why in either case.

Yes

Please Explain

Yes, it is for both Benelux marks as well as EUTM, since all relevant factors should be considered. See the answer to question 6. However, in the case of a famous/reputed mark, confusion is also possible even if the goods/services are not similar

**Repeat filings**

**8** Can the filing of a trademark in your Group's jurisdiction by a trademark owner for a trademark identical or similar to a trademark it already owns in that jurisdiction be refused or cancelled on the ground that the previous trademark fails to meet applicable genuine use requirements?

*If yes, please answer questions 9) -11). If no, please go to question 12).*

Jurisdiction: Benelux

No

Please Explain

Cancellation? Benelux

Benelux: No, Benelux law has generally held that a repeat filing cannot be cancelled based on the mere fact that the previous trademark was cancelled or may be cancelled for failing to meet the Benelux use requirements (i.e. genuine use within five years). On the flip side, the applicant of a repeat filing can base no rights or defenses on his previous trademark (Benelux Court of Justice, 19 December 1996, NJ 1996, 623 (Triominos)).

As noted above, the concept of bad faith in Benelux law must now be given a uniform interpretation under EU trade mark law (CJEU 7 June 2013, C-320/12, ECLI:EU:C:2013:435, Malaysia Diary).

Refusal? Benelux

Benelux: No. The genuine use requirements and the existence of 'bad faith' are not included in the grounds for refusal examined by the Benelux IPO (listed in article 2.11 BCIP), and cannot be relied upon in opposition against a Benelux trademark application (article 2.14 BCIP, Benelux IPO opposition guidelines par. 14.1.5).

Jurisdiction: EU

Yes

Please Explain

Cancellation? EU

Yes, both the EUIPO Cancellation division (7 July 2014, No7654C, Shakey's), and EU General Court (13 December 2012, T-136/11, Pelikan, EU:T:2012:689, par. 25-27) have held that repeat applications made for the same mark with the aim to avoid the consequences of revocation for non-use of earlier trademarks can be denoted as being made in bad faith, which is a ground for cancellation.

Jurisdiction: EU

No

Please Explain

Refusal? EU

No. The failure of the previous trademark to meet the applicable genuine use requirements may amount to 'bad faith'. However, bad faith is not considered relevant in examination or opposition proceedings (GC 17 December 2010, T-192/09, 'Seve Trophy', par. 50) and can only be relied upon in an application for invalidation before the EUIPO or by means of a counterclaim for invalidity in infringement proceedings (art. 52(1)(b) EUTMR).

**9** Is the application or registration as described under question 8) above denoted as "bad faith"? If not, what is it called?

No

It is called...

Benelux and EU

In principle an application or registration as described under question 8) above will not be denoted as 'bad faith'. There is no special name either.

The circumstances of the matter may give rise to the conclusion that the trademark owner has made a repeat filing (Dutch: herhalingsdepot) of a trademark only to circumvent genuine use requirements, which increases the likelihood of that registration being denoted as "bad faith".

**10** Which of the following factors are relevant when assessing whether a trademark as described under question 8) should be refused or cancelled?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

- the degree of overlap between the goods/services

Please Explain

Benelux and EU

To assess whether bad faith exists at the time of the filing of the application, all relevant factors must be taken into consideration according to CJEU in the Lindt & Sprüngli/Hauswirth and the Malaysia Dairy-cases. Thus, the repetitive nature of a trademark application may be taken into account in order to assess whether or not there is bad faith, but it depends on all circumstances of the case at hand whether or not a trademark owner has filed a trademark in bad faith

- whether or not the signs are identical

Please Explain

- if the signs are different, the degree of difference

Please Explain

- absence or presence of intent to use

Please Explain

- other intentions (e.g. the filing of an updated version of a trademark to meet evolving market requirements)

Please Explain

- the number of goods/services

Please Explain

- other

Please explain how the above factors influence the assessment.

An especially relevant 'other' factor is whether the repeat filing is made whilst knowing of and/or trying to prevent the use of an identical or similar sign by a third party (Lindt & Sprüngli/Hauswirth-case, par. 54). Likewise it is relevant whether there are other intentions, such as the (absence of an) intention to use the trademark or business rationale to meet evolving market requirements (General Court, 13 December 2012, T-136/11, Pelikan, EU:T:2012:689).

**11** Are the answers to questions 8) -10) above different if the previous trademark is no longer in force? Please explain.

Yes. If the previous trademark is no longer in force, a new trademark application is less likely to be filed in order to circumvent genuine use requirements. In such cases, bad faith is also less likely to be established.

Benelux law allows refiling a lapsed trademark in order to oppose a new application for an identical or similar sign and similar goods made by a third party in the two years following the lapse. However, this rule does not apply where the lapsed trademark fails to meet genuine use requirements (cf. article 2.4(d) BCIP, based on article 4.4 (f) 2008 EUTMD). The rule is not included in the New EU Trademark Directive (EU) 2015/2436, to be implemented ultimately 14 January 2019.

## Defensive marks

**12** Is it permissible under your Group's current law to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, is there a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)?

*If yes, please answer question 13). If no, please go to question 14).*

Yes

Please Explain

EU/ Benelux

Yes, it is permissible to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed.

A registered trademark is only susceptible to revocation if, after registration, within a continuous period of five years, the trade mark has not been put to genuine use in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use.

**13** Is the application or registration as described under question 12) above denoted as "bad faith"? If not, what is it called?

No

It is called...

EU/ Benelux

In principle an application or registration as described under question 12) above will not be denoted as 'bad faith'. There is no special name either.

## Other

**14** Does any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith <sup>16</sup> under your Group's current law? If so, what conduct and how is it denoted, ie as "bad faith" or something else?

<sup>16</sup> Including fraud within the context of this Study Question, as explained on p. 1 at paragraph 5.

EU/ Benelux

No, apart from what discussed here above, there is no other independent ground for actions that mount to bad faith (please note that examples of "bad faith" are not limitedly described in our law).

## Type of proceedings

**15** In which proceedings can the grounds, insofar as they are available under your Group's current law, described in your response to questions 1), 8), 12) and 14) above be invoked in your jurisdiction?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select either of the last two boxes, please describe further.*

- a cancellation action (before the trademark/IP office)

Please Explain

EUIPO: yes

BOIP: no

- court proceedings concerning a bad faith registration

Please Explain

## II. Policy considerations and proposals for improvements of your current law

**6.a** Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against the application or registration of a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

No

Please Explain

**6.b** Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the refiling of a trademark by a trademark owner as described above under question 8) above

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

No

Please Explain

**6.c** Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the filing of a trademark by a trademark owner without an intent to use such for part or all of the goods/services claimed as described above under question 12) above.

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

No

Please Explain

**6.c** Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against other conduct as described in your response to question 14) above.

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

No

Please Explain

**17** Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

The CJEU considered in CJEU dated 27 June 2013, C-320/12 (Malaysia Dairy Industries) that the concept of bad faith is an autonomous concept of European Union law which must, in the various instruments of European Union trade mark law (that means both for EUTMs and Benelux marks), be given a uniform interpretation. The reason therefore is that a non-uniform interpretation may directly affect the functioning of the internal market by impeding the free movement of goods and the freedom to provide services in the Union or by creating dissimilar market conditions in different jurisdictions. The Benelux applies a statute of limitations on the possibility to invoke the invalidity of a mark on the grounds of bad faith, i.e. such action has to be filed within 5 years from the date of registration of the mark that allegedly is filed in bad faith. This statute is a national rule and not a European rule. As a consequence disparity may arise with other markets. The limitation of such actions must be the same in all jurisdictions within the EU.

## Proposals for harmonisation

**18** Does your Group consider that harmonisation in any or all of the four areas described in question 16) above is desirable?

*If yes, please respond to the following questions without regard to your Group's current law.*

*Even if no, please address the following questions to the extent your Group considers your Group's current law could be improved.*

Yes

Please Explain

To the extent that the situation is currently not the same in all jurisdictions constituting the EU, harmonization is desirable. The CJEU considered in CJEU dated 27 June 2013, C-320/12 (Malaysia Dairy Industries) that the concept of bad faith is an autonomous concept of European Union law which must, in the various instruments of European Union trade mark law, be given a uniform interpretation. The reason therefore is that a non-uniform interpretation may directly affect the functioning of the internal market by impeding the free movement of goods and the freedom to provide services in the Union or by creating dissimilar market conditions in different jurisdictions.

**19** Does your Group consider there should be a harmonised definition of bad faith?

*Please tick or fill in only the applicable box. If you have different reasons for selecting "no" or "yes" to those identified, please explain.*

No; identifying circumstances that can be relevant in assessing whether the types of conduct identified above under question 16) are allowed can be helpful, but a definition as such does not allow sufficient flexibility

Please Explain

### Bad faith - third party use or filing

**20** Should it be possible to take action against the application or registration for a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark?

*If yes, please answer questions 21) – 25). If no, please go to question 26).*

Yes

Please Explain

**21** Which of the following should be relevant factors for proving an application or registration as described under question 20)?

*Please tick or fill in all relevant boxes. If you select "other", please describe further.*

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

- the degree of legal protection enjoyed by Party B's sign and the sign used by party A

Please Explain

- other

Please Explain

- Party A has no intention to use the mark / Party A has the sole objective of preventing Party B from entering the market;
- The extent and duration of the use of the mark by Party B;
- The extent to which the sign used by Party B is capable of being confused with the mark applied for;
- The nature of the sign used by Party B;
- The reputation of the sign used by Party B;

- Whether Party A has a legitimate objective with the application for the sign.

(factors should not be interpreted as being cumulatively)

**22** Should any one or more of the above factors be sufficient on their own, or should the assessment instead always take the specific circumstances of the case into account? If one or more factors should be sufficient on their own, which should they be?

No, in our view it is not desirable if the assessment whether or not Party A's application was made acting in bad faith is made based on one or more specific factors. In our view, all specific circumstances of the case should be taken into consideration.

**23** Which of the following should be relevant when establishing whether there was or should have been knowledge as described above under question 21) above?

*Please tick or fill in all relevant boxes. If you select "other", please describe further.*

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

- other

Please Explain

- The degree of similarity between the signs;
- Whether or not Party B's use of the sign was made acting in good faith;
- Whether or not Party B's use of the sign qualifies as genuine use;
- The extent and duration of the use of the sign by Party B;
- The territorial scope of the use of the sign by Party B;
- The knowledge that Party A could have obtained from publicly available sources.

(factors should not be interpreted as being cumulatively)

**24** Should the degree of similarity between the signs be relevant? Please explain why or why not.

Yes

Please Explain

Yes, the degree of similarity between the signs should be relevant. However, a certain higher or lower the degree of similarity never ought to be a decisive factor on its own. In our view it ought to be a sliding scale. The more similar the signs are, the more weight this factor ought to be given in the assessment whether or not a trademark application was made acting in bad faith.

**25** Should the degree of similarity between the goods/services be relevant? Please explain why or why not.

Yes

Please Explain

Yes, the degree of similarity between the goods/services should be a factor of relevance, except for well-known marks (in the sense of article 6bis Paris Convention), and to a lesser degree for trademarks with a reputation (in the sense of article 9(2)(c) EUTMR and its Benelux equivalent).

## Repeat filings

**26** Should it be possible to refuse or cancel the filing by a trademark owner of a trademark identical or similar to a trademark it already owns in your Group's jurisdiction on the grounds that it fails to meet applicable genuine use requirements?

*If yes, please answer questions 27) – 28). If no, please go to question 29).*

Yes

Please Explain

Yes, provided that the trademark was filed in bad faith, taking other relevant circumstances into account, such as; an intent to block the use of that sign by a particular third party, or an intention to use the trademark or a business rationale to meet evolving market requirements with the repeat filing.

**27** Which of the following factors should be relevant when assessing whether a trademark as described under question 26) above should be refused or cancelled?

*Please tick or fill in all relevant boxes. If you select "other", please describe further.*

- the degree of overlap between the goods/services

Please Explain

- whether or not the signs are identical

Please Explain

- if the signs are different, the degree of difference

Please Explain

- absence or presence of intent to use

Please Explain

- other intentions (e.g. the filing of an updated version of a trademark to meet evolving market requirements)

Please Explain

- number of goods/services

Please Explain

- other

Please explain how each of the factors selected above should influence the assessment.

Relevant 'other' factors to be considered would be whether the applicant is involved in a conflict with a third party regarding similar or identical signs, as well as a possible reputation of the mark .

All the above factors should be taken into account. Bad faith needs to be established with respect to all relevant circumstances of

the case at hand.

**28** Should the answers to questions 26) - 27) above be different if the previous trademark is no longer in force? if so, how?

The answer to questions 26 / 27 should not per se be different if the previous trademark is no longer in force, however we do note that "bad faith" leading to invalidation of the new trademark is less likely to be established.

## Defensive marks

**29** Should it be permissible to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, should there be a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)? Please explain.

Yes, that should be permissible.

## Other

**30** Should any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith <sup>17</sup>? If yes, please explain.

<sup>17</sup> Including fraud within the context of this Study Question, as explained on p. 1 under paragraph 5 above.

The Dutch group wishes for more possibilities to act against trade mark grabbing and or trade mark trolls, as current law (due to the five years genuine use term) is insufficient to act in an earlier stage against undesired filing practices.

## Type of proceedings

**31** In which proceedings should it be possible to invoke the grounds described in your response to questions 20), 26), 29) and 30) above, insofar as they should be grounds for action in your view?

*Please tick or fill in all boxes. If you select either of the last two boxes, please describe further*

- a cancellation action (before the trademark/IP office)

Please Explain

- court proceedings concerning a bad faith application

Please Explain

## Other

32

**Please comment on any additional issues concerning bad faith (or equivalent concepts) in the context of trademark law you consider relevant to this Study Question.**

Not applicable.

**Please indicate which industry sector views are included in part "III. Proposals of harmonization" on this form:**

Please enter the name of your nominee for Study Committee representative for this Question (see Rule 12.8, Regulations of AIPPI). Study Committee leadership is chosen from amongst the nominated Study Committee representatives. Thus, persons not nominated as a Study Committee representative cannot be in the Study Committee leadership.

Moira Truijens