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(SKY)KICKing important questions of clarity and bad faith from the UK to the CJEU

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In <u>Sky v Skykick [2018] EWHC 155</u> the High Court has asked the CJEU to answer key questions about the validity of UK and EUTM registrations. Sky alleged trade mark infringement of their UK and EUTMs by SkyKick. Skykick denied this and counter-argued that Sky's registrations were wholly or partly invalid, on the basis that the lists of goods and services lack the clarity and precision required in a trade mark specification and that the registrations were applied for in bad faith as there was no intention to use the mark in relation to some of the terms. The judge found infringement due to a likelihood of confusion but – and this area occupied the bulk of the judgement and led to the references – only if the registrations were valid. The answers to the referred questions could have major implications for the practice of trade mark filing and enforcement in the UK and the EU as a whole.

Whilst the principle of clarity and precision has received much air time in the wake of <u>IP</u> <u>TRANSLATOR</u>, the tribunal raised the possibility that many terms, including many commonly accepted across the EU, are not sufficiently clear to be valid. The terms of relevance in this case included "computer software", in relation to which the judge felt a clear analogy could be drawn with accepted practice concerning the term "machines", which must be specified further to be clear and precise. Also unclear to the judge was whether or not granted registrations could be declared partially invalid on the basis that some terms were not clear or precise in cases where neither the examiner nor the applicant had raised any issue of lack of clarity or precision during the application process.

The first two questions asked of the CJEU are:

- 1. Can an EU trade mark or a national trade mark registered in a Member State be declared wholly or partially invalid on the ground that some or all of the terms in the specification are lacking in sufficient clarity or precision to enable the competent authorities and third parties to determine the extent of the protection conferred by the trade mark?
- 2. If the answer to (1) is yes, is a term such as "computer software" lacking in sufficient clarity or

precision to enable the competent authorities and third parties to determine the extent of the protection conferred by the trade mark?

A positive answer to question 1 would surely result in a seismic change to specification practice within the EUTM and EU member state systems with far more guidance needed on the level of further specification and detail required to fulfil the requirement for clarity and precision. It would also lead to more work for examiners if a new retrospective angle of attack on registrations is opened up.

The bad faith point is perhaps the elephant in the room in the EUTM system. The judge reviewed jurisprudence on bad faith in both the UK (which has the specific requirement on filing to declare a bona fide intention to use on all goods and services) and EUTM (which has no such requirement) and felt there could potentially be some basis for Skykick's argument on bad faith. After scrutinising Sky's filing practice and patterns of use, the judge found that Sky did lack an intention to use on some terms. He thus asked the CJEU two further questions:

- 3. Can it constitute bad faith to apply to register a trade mark without any intention to use it in relation to the specified goods or services?
- 4. If the answer to question (3) is yes, is it possible to conclude that the applicant made the application partly in good faith and partly in bad faith if the applicant had an intention to use the trade mark in relation to some of the specified goods or services, but no intention to use the trade mark in relation to other specified goods or services?

Answering yes to these questions would force a re-evaluation of the approach of many practitioners and brand owners in the UK and EUTM systems, who may have developed strategies around defensive filings. This would be even more pronounced if the answer is that bad faith in relation to any terms at all should lead to total invalidity.

Positive answers to either of these two sets of questions will fundamentally change the approach to filings and enforcement within the EU system. Some might say this is necessary to complete the job that began with <u>IP TRANSLATOR</u>. Some, seeing this through a Brexit filter, might view it as a challenging parting gift from the UK to the EUTM system. Practitioners will certainly wait with bated breath on this reference.

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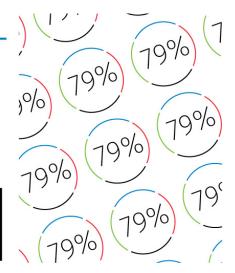
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