

Monopoly at the Boards of Appeal - Bad faith concerning re-applications and re-filings

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On 22 July 2019, the Second Board of Appeal at EUIPO issued a decision partially invalidating the EUTM 'MONOPOLY'. The reason for the invalidation was that the Board considered the EUTM proprietor to have been in bad faith when it filed the application for the EUTM insofar as it included goods and services already covered by earlier registrations.



The concept of 'bad faith' in EU trademark law is one constantly developing. As we all know, the EU legislator has left it for the court to decide what is 'bad faith', as the concept of 'bad faith' is not defined in the EUTM Directive or Regulation. The most notable case from the CJEU dealing with bad faith is the famous Lindt Goldhase-case (C-529/07) which sets out three factors to be taken into account: the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product or service that could be confused with the sign for which registration is sought; the applicant's intention of preventing that third party from continuing to

use such a sign; and the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought. These factors are nevertheless only examples and through further case law of the court we know that the concept of 'bad faith' cannot be confined to a limited category of specific circumstances.

One situation that does not fit in with the factors above is the issue of re-applications and re-filings. The General Court dealt with the issue in the Pelikan case (T-136/11) where it was stated that re-filing can constitute bad faith where the purpose of the repeat application is to artificially extend the grace period for non-use of an earlier EUTM in order to avoid the loss of a right as a result of non-use. In the present decision, the Board further developed the case law concerning re-applications and re-filings of EU trademarks.

The case regards Hasbro, Inc's EUTM registration of the word mark MONOPOLY for goods and services in classes 9, 16, 28 and 41. In 2015, this registration was attacked by the company Kreativni Dogadaji d.o.o. who filed an invalidity application against the mark. It was argued that the application for the EUTM was filed in bad faith. In first instance, the application was dismissed. The Cancellation Division considered applying for a large variety of goods and services to be a fairly common practice for companies trying to obtain an EUTM registration and found that the invalidity applicant had failed to prove bad faith on the part of the EUTM proprietor. In its decision of 22 July 2019, R 1849/2017-2, the Board took a different view.

The Board noted that it was undisputed that at the time of the filing of the application on 30 April 2010, the EUTM proprietor had already filed and registered an identical 'MONOPOLY' trademark on three previous occasions. The Board noted that the contested EUTM covered a wider range of goods and services in relation to the previous registrations and that the common practice of applying for a large variety of goods and services is an acceptable business practice. Nevertheless, the Board also noted that it is not acceptable to circumvent the use-requirement by disguising a re-filed mark through merely adding additional goods or services. To determine bad faith, considerations must therefore be given to the applicant's intention when filing the EUTM.

In the present case, an oral hearing was held. At the oral hearing, the EUTM proprietor mentioned in its testimony that re-application is made for a number of

reasons, amongst those the ability to rely upon one registration without the need to prove use as one benefit of many. The Board noted this, together with the fact that all earlier existing registrations were renewed and also used in opposition proceedings, and concluded that the intention of the EUTM proprietor was to take advantage of the EU trademark rules by avoiding to have to prove genuine use of its earlier marks for the relevant goods and services. The Board, therefore, invalidated the registration for all goods and services identical or similar to those of the earlier trademarks.

As mentioned above, the case is interesting as it develops the Boards' practice in terms of bad faith for re-filings. Re-filings for the sole purpose of avoiding the genuine use-requirement is a common problem, adding to the cluttering of the EUTM register. Even if the motivation for owners of famous marks to save costs by not having to prove use on every occasion can be understandable, the genuine use-requirement exists for a reason. One would think that trademark counsels of famous marks could find other strategies to, in a cost-effective way, create proof of use packages that stand up in administrative proceedings? As to the case, it would be surprising if this decision is not appealed to the court. A court decision on the present case, together with the decision in the SKY/SKYKICK case (C-371/18, which deals with the question if it can constitute bad faith simply to apply to register a trade mark without any intention to use it in relation to the specified goods or services), will hopefully clarify how the court views trademark squatting and malicious re-filings within the concept of 'bad faith'.