

# Narrow Interpretation on Broad Specifications in SkyKick

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Many trade mark owners will rejoice in CJEU's decision in Skykick this week as the CJEU ruled that overly broad specifications will not automatically render a registered mark invalid and that the lack of intention to use the mark at the time of its application will not necessarily result in bad faith.

Is this a belated Christmas present or a disaster waiting to happen?

Last year, Sky brought infringement proceedings against Skykick based on four EUTMs and one UKTM registered in a broad range of classes. Infringement was found assuming the registrations were valid and questions relating to their breadth were referred.

We have all read the AG's opinion and this decision has been hotly anticipated in view of its importance to such a fundamental part of the EUTM system. So what did the CJEU say:

## **Questions referred to CJEU**

**1. Can a mark be declared wholly or partially invalid on the ground that some or all of the terms in the specification of goods and services are lacking in sufficient clarity and precision?**

Like the AG, CJEU confirmed that the list of the grounds for invalidity set out in the

Regulation is exhaustive and was adamant not to extend this to include Skykick's precision requirement.

But unlike the AG, CJEU rejected Skykick's argument that overly broad specifications are contrary to public policy. The meaning of public policy was said to not only relate to characteristics of a trade mark application, but also characteristics of the sign itself.

The court further provided that a mark with broad specifications will be capable of being protected in respect of the goods and services for which is registered if it satisfies the genuine use requirement within the 5 years following from its application.

## **2. Can it 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?**

The court gave an elusive and rather academic interpretation of bad faith. It clarified that undistorted competition in the EU should be the primary concern and provided that it is only *"in circumstances where the applicant is registering with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties, or with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin."*

This is, of course, more in line with the Lindt line of case law about bad faith. But what does it mean? It is clear from the judgement that applicants are not required to know whether genuine use will be made of the marks at the time when the application is filed. It also doesn't matter whether, at the time of filing, that applicant had no economic activity corresponding to the goods and services referred to in that application. However a requirement that the intention for the application is within the functions of a trade mark does not impose an intention to use requirement but may make purely defensive applications more difficult to defend.

For the moment very broad filings look safe, at least for parties that may have very wide interests and aspirations, but this will likely require more clarification as to what types of intentions do not relate to possible use but do fall within the

essential functions.

### **3. Is the “intention to use” requirement under UK law compatible with EU law?**

CJEU clarified that it is not incompatible with the EU law as long as this requirement is only a procedural requirement made pursuant to the registration of marks. In other words, though the infringement of such an obligation may constitute evidence for the purpose of establishing possible bad faith, it would not constitute a ground for invalidity of a trade mark already registered.

Does it now mean that *bona fide* intention to use is now a separate concept from bad faith in the UK law? Would an applicant then be able to defend his/her registered mark from the grounds of invalidity if he/she can prove that there is no bad faith when the application is made? It is unclear how the position in the UK would change following from this decision.

#### **Summary**

The CJEU have not followed the AG in this case and have kept closer to previous case law on bad faith. This has been seen as a very important case about the principles of EU trademark law. Many have called for a restriction on the practice of obtaining and enforcing rights that are broader than the current business of the owner. This decision does not do this. However it does create an interesting middle ground. There is no blanket rule that undermines broad rights but owners will need to take more care moving forward. We welcome the judgement and agree with it. Do you?