

Trade Mark case: SkyKick: What the UK Court Says about Bad Faith

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The UK High Court has laid out its ruling following CJEU's decision on SkyKick.

To recap, 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.

What does the UK court say?

Lord Justice Arnold has taken on board CJEU's ruling that a trade mark cannot be invalidated on the ground of a lack of clarity and precision in its specification. However, in terms of the finding of bad faith, he has gone a step further with his interpretation.

In essence, the court found that there cannot be bad faith only when there isn't an intention to use. Where there is no commercial justification or no reasonably foreseeability of potential use, the breadth of the specification should be considered coverage in bad faith, and specification should be partially invalidated on that basis. In the absence of an alternative wording from Sky, Lord Justice Arnold had exercised his discretion and devised a specification for the registration himself. Nonetheless, it remains unclear what his definition of "commercial justification" is and how far "reasonable foreseeability" would go in a business case.

What does this mean?

The UK court does not preclude trade mark proprietors from applying for goods and services that are beyond their actual use or immediate intention to use. However, such applications shall not be extended to cover goods and services that they have “no foreseeable prospect” of using (e.g. bleaching preparations and whips for a media and telecommunications company such as Sky). We think this is aligned with the ruling of CJEU, as both courts remain vague on this ground to afford business owners the flexibility to navigate the directions of their businesses.

What does this mean to brand owners?

1. Brand owners with a broad protection shall bear in mind that when pursuing a trade mark infringement claim, their marks may be partially or wholly vulnerable to invalidity attack based on bad faith. The burden of proving bad faith remains with the opponent, and the test continues to be vague for reasons set out above.
2. In the event of such attack, brand owners are allowed to propose a more limited specification which reflects the extent of the bad faith proved. Such specification can include goods and/or services which they intend to use in future.
3. Lastly, a finding of bad faith in relation to certain goods and services of a registration will not render the whole registration to be invalid.

As ever this Arnold decision is interesting. Brand owners will certainly need to bear it in mind in devising suitable specifications that could not be challenged but the concepts of “commercial justification” and “foreseeable prospect” of an intention to use will likely need to be tested moving forward. It seems unlikely that this will provide the significant change to specification practice that some seem to desire.