

## Question B

***What mechanisms exist to avoid over-broad trademarks and address concerns that the trademark registers are clogged (e.g. bad faith in Sky v SkyKick; requirements for evidence of use), and are these mechanisms effective?***

### Background/Context

*Trademark owners understandably want to protect as widely as possible around their brand. However, this can lead to cluttered trademark registers which increase the cost (deadweight loss) of launching a new brand, and may restrict dynamic competition particularly from smaller players.*

*Different jurisdictions have taken a range of approaches, which have evolved and changed over time: from requirements of use (and/or evidence of use) to potential revocation for non-use; from requirements of filing by class and limiting scope within class to requirements that filings are not made in bad faith. For example, bad faith has been an issue in recent cases (from Hasbro through Sky v SkyKick which still pending in the English courts).*

*What are the LIDC National Chapters’ and members’ respective experiences in the effectiveness of these mechanisms, or other rules and practices, in seeking to allow the ‘right’ scope of protection?*

### International Rapporteur

Ingrīda Kariņa-Bērziņa, Attorney at Law, JD, PhD Candidate  
Riga, Latvia and Stockholm, Sweden  
[ingrida.karina-berzina@juridicum.su.se](mailto:ingrida.karina-berzina@juridicum.su.se)  
+371 2862 4842

**Note to National Rapporteurs:** thank you for providing your responses to this questionnaire to the Secretariat. For those who are interested, an open Zoom session will be scheduled in late June to discuss Question B. Of course, please contact me at any time with any questions. I look forward to working with all of you and to meeting you in Gothenberg.

A note to respondents from European Union Member States: please state in your response how your national courts are treating both EU and national trademarks, specifying if there are or have been any differences over time (for instance, if the national practice was different prior to the CJEU decisions in *Lindt*<sup>1</sup> or *Malaysia Dairy*<sup>2</sup>).

## 1. Background

The dispute in *Sky v. Skykick* was an action brought in English court by British broadcaster Sky plc against Skykick UK Ltd. for infringement of its EU and UK SKY marks. Skykick counterclaimed for invalidity claiming that the specifications of goods and services lacked clarity and precision, and/or that the marks had been filed in bad faith. The High Court referred to the Court of Justice of the European Union questions concerning whether an overly broad specification could form the basis for an invalidation

<sup>1</sup> Case C-529/07 *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH* (11 June 2009).

<sup>2</sup> Case C-320/12, *Malaysia Dairy Industries v. Ankenævnet for Patenter og Varmærker* (June 27, 2013).

based on bad faith. In its highly anticipated ruling in [Case C-371/18](#) of 29 January 2020 the Court of Justice affirmed the following:

- A trademark cannot be declared wholly or partially invalid on the basis that the specification of goods and services lacks clarity and precision;
- A trademark filed without intent to use the mark in relation to the goods/services specified may be found to have been filed in bad faith (in respect of those goods/services for which there is no intent to use) if one of the following conditions is met:
  - the applicant had the intention of undermining the interests of third parties,
  - the applicant had the intention of obtaining exclusive rights for purposes other than those falling within the functions of a trademark.
- National law may require trademark applicants to state that the trademark is being used or that the applicant has a *bona fide* intent to use the mark in relation to the goods and services stated in the application.

Based on this, the High Court of England and Wales invalidated (in part) the SKY registration. However, the Court of Appeal overturned this ruling. The decision has been appealed to the Supreme Court of the United Kingdom and hearing is scheduled to take place at the end of June 2023.

*Sky vs. Skykick* has been closely followed for at least two reasons. First, the case is among a substantial and growing body of decisions in which trademark registrations are challenged based on bad faith, a phenomenon that has been noted in jurisdictions around the world. As a basis for trademark invalidation, bad faith can take various forms. In the most obvious cases, an applicant files a mark with knowledge that another party has rights in an identical or confusingly similar mark, with the intention to take advantage of or to harm the earlier mark. Other examples of conduct that have been found to demonstrate dishonest intention: speculative filings, a prior relationship between the parties, or requests for compensation.

In some cases, however, bad faith has been the basis of trademark invalidation even where the conduct in question is not directed to harming the rights of third parties. For example, the General Court of the European Union invalidated a registration for MONOPOLY filed by Hasbro.<sup>3</sup> There was no question that Hasbro had rights to the MONOPOLY mark. Rather, the basis for the bad-faith finding was that Hasbro had re-filed its own mark for procedural reasons related to an opposition proceeding. In MONOPOLY, the General Court extended bad faith to encompass cases of where a mark was filed for a procedural advantage.

In *Sky v Skykick*, there is similarly no dispute over whether Sky plc is the proper right-holder of the SKY mark. The issue is rather over the breadth of the application, which leads us to the subject of Question B.

At the heart of *Sky v Skykick* is the relationship between the requirement to use a mark in commerce and the specification of goods and services and the intent, or lack thereof, to use the mark for all those goods/services. Some applicants file marks with lengthy lists of goods and services including all the possible ways in which the mark could be used. Since it is not possible to broaden the specification of goods and services after filing (only to narrow it), such an approach is intended to future-proof the trademark and allow for various business development scenarios.

---

<sup>3</sup> Case T-663/19, *Hasbro Inc. v. European Intellectual Property Office* (MONOPOLY mark, April 21, 2021).

Trademark rights are intertwined with how the mark is used in connection with those goods and services. In most countries, use in commerce is a requirement to maintain a trademark registration. In some countries, a mark cannot be registered unless it is already being used. There are different approaches regarding how a mark is actually removed from the register for non-use. In some countries, the trademark office requires the right holder to confirm that the mark continues to be in use and may delete a mark *ex officio* if the right holder fails to provide proper evidence. In other countries, a third party must initiate a cancellation action. Rules vary regarding who has standing to initiate such an action, and the grace period for non-use also varies.

The aim of this survey is to learn how registration works in your jurisdiction in relation to specifications of goods and services and requirements relating to use in commerce, and how mechanisms to limit overbroad, or bad-faith, registrations operate in theory and in practice. The following questions should be treated as indicative, and you should feel free to adjust your responses according to the norms and practices in your jurisdiction.

## **2. Setting and Definitions**

- 2.1. What would be considered an overly broad trademark in your jurisdiction? Does such a concept exist, and where is it defined, if at all (for instance, is there relevant case law)?
- 2.2. Are such applications or registrations considered to have a significant effect on the effective functioning of the trademark registration system in your jurisdiction?
- 2.3. Would you say that, in your jurisdiction, the trademark register could be described as clogged? Why or why not? If it is, which types of applications or registrations are considered to be at fault?
- 2.4. Are bad-faith or overly broad trademark cases becoming more or less frequent in your jurisdiction? Have there been any recent legislative or administrative responses thereto?

## **3. Substantive Analysis**

### **3.1. Trademark registration proceedings**

Please describe the framework for trademark registration in your jurisdiction.

- Is there an affirmative requirement that trademark registrations be filed in good faith?
- What type of use is required to file and/or register a trademark?
- What are the evidentiary requirements in respect of use at the time of filing or registration of the mark?
- Does the requirement of use, if applicable, apply to each of the goods or services listed, or only to the class headings?
- May trademarks be filed in respect of all the goods in one of the Nice classes (in other words, for class headings)?

### **3.2. Trademark refusal and opposition proceedings**

#### **3.2.1. Refusal *ex officio***

- On what bases may a trademark application be refused by the trademark office? What would the absolute or relative grounds be?

- May a trademark be refused based on bad faith? How would bad faith be defined and what are the evidentiary requirements to challenge such a refusal?
- Are there refusal cases based on deficiencies in the specifications of goods and services? Would this be the case for indefiniteness or overly broad specifications? In such a case, how would this deficiency be treated—as a form of bad faith or as another type of deficiency?
- Are refusals directed to the entire application or to a part?
- What types of refusals are common? Have there been recent changes in the types of applications filed or the origin of the filing parties?
- What are the possibilities to overcome a refusal?

### **3.2.2. Opposition proceedings**

- At what procedural stage are opposition proceedings available?
- What are the standing requirements to file opposition?
- Which body adjudicates opposition proceedings?
- Is there a requirement to provide proof of use in opposition proceedings? Does this apply to the opposed mark, the earlier mark cited as the basis for an opposition proceeding, or both?
- May opposition proceedings be directed to specific goods and services, or to specific classes within the application or registration?
- May opposition proceedings be based on bad faith? How is this defined, what is the burden of proof and the burden of production of evidence?
- Is bad faith found where the specification of goods or services is overbroad?
- What are the other bases, absolute and relative, for opposition proceedings?
- What types of earlier rights may be relied upon as the basis for an opposition proceeding?
- Where the opposition is based on bad faith, must there be identity between the challenged mark and the earlier rights?

### **3.3. Post-registration proceedings**

#### **3.3.1. Cancellation**

- What are the possible substantive grounds (absolute, relative, other) for a trademark cancellation action?
- Are there cancellation cases in which the specification of goods and services is at issue?
- May cancellation proceedings be based on bad faith? How is this defined, what is the burden of proof and the burden of production of evidence?
- What is the procedural availability of cancellation actions? Where are cancellation actions adjudicated? Could they be civil proceedings or administrative proceedings (or both?)
- Are there any differences procedurally or substantively between cancellations proceedings alleging that that mark was filed in bad faith (due to an over-broad specification and/or lack of use) and cancellation proceedings brought on other bases?
- Where the cancellation is based on bad faith, must there be identity between the challenged mark and earlier rights cited?
- Are cancellations based on non-use treated the same as bad-faith cancellations? What is the grace period for non-use and would it be applied in the case of a bad-faith cancellation as well?
- Are there any type of registrations that are not subject to cancellation based on particular grounds? For example, marks registered for a certain length of time that cannot be challenged on the basis of lack of distinctiveness.

### **3.4. Maintaining a registration**

- How may a registration be maintained in force?
- Other than renewing a registration, is there a post-registration requirement to file evidence that the mark is being used? What are the procedural and evidentiary requirements?

#### **4. Analysis**

What is your view on the overall effectiveness of mechanisms available in your jurisdictions to limit the registrations of overly broad or bad-faith trademarks?

What are the key cases in your jurisdiction concerning bad faith trademark registrations?

Would cancellation actions based on non-use be an effective alternative to cancellation based on bad faith? Why or why not?

In your jurisdiction, is bad faith available as a separate ground of refusal or cancellation of a trademark? Could an overly broad specification of goods and services be considered to be a type of bad faith, or would such a case be treated in another way?

Are there any impediments to bringing actions against bad-faith trademark registrations in your jurisdictions?

Do you think that changes to substantive or procedural rules would improve the ability of your trademark office or right-holders to limit overbroad trademark registrations? What, if any, should those changes be?