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4A Trademark Law Session. EU Trademark Law Update

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Session 4A

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**SESSION 4: Trademark Law
4A. EU Trademark Law Update**

Moderator:

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Speakers:

James Nurton

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Updates in EU Trademark Case Law

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Supreme Court of Italy, Rome

***Public Order and Morality as Ground of Trademark Registration Refusal in
the EU and Freedom of Expression: Where Are We Going?***

Joel Smith

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Bad Faith - Why Sky v. SkyKick Is a Peculiarly British Challenge?

Panelists:

Gordon Humphreys

European Intellectual Property Office, Alicante

Peter Ruess

ARNOLD RUESS, Düsseldorf

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Session 4A

SVEN SCHONHOFEN: Hi, everyone. Welcome to the first trademark session of the 22 Fordham IP Conference which is actually an evergreen, the EU trademark update session. We have an outstanding panel here today. First, we will hear James Nurton with an update on EU trademark case law. Then Judge Paolo Catalozzi from the Italian Supreme Court will talk about public policy and morality as ground for trademark registration refusal. Lastly, we will have Joel Smith from Hogan Lovells. He will talk about the latest decision in the SkyKick's saga.

We obviously want to hear the questions, comments, and thoughts of our wonderful audience here. Please post them in the Q&A section and I will raise the questions to the panel. Oh, and I forgot our panelists. Sorry. We also have Gordon Humphreys here from the EUIPO and Peter Ruess from Arnold Ruess. Let's start things off with James Nurton. He will give us the EU trademark case law update. James, the stage is yours.

JAMES NURTON: Thank you very much, Sven. As I understand it, I still have 10 minutes. Is that right? That hasn't changed.

SVEN SCHONHOFEN: It looks like it, yes. [chuckles]

JAMES NURTON: I feel very greedy given everyone else has been curtailed, but I will do my best to keep within that time. Hopefully, you can see my PowerPoint. Sven, let me know if not. As we discussed in this very session I think last year, trademark judgments from the EU Court of Justice are rare now that it's much harder to appeal General Court rulings. In fact, even the much-discussed case concerning the monopoly mark and the invalidation of that where Hasbro was found to have evergreened trademark applications, even that did not meet threshold of raising an issue that was significant with respect to the unity consistency or development of EU law.

Of course, we still do get Court of Justice judgments in referrals from national courts. I'm going to mention one of those, the Maxxus case, before turning to some interesting General Court judgments. Maxxus rose from revocation actions against German word and figurative trademark registrations. The question which you can see there concerned the proof of genuine use. Following its recent Ferrari judgment, the court said that the burden of proving genuine use rests on the proprietor of the mark rather than the party challenging it, and the applicant for revocation should provide a full statement of facts but that's all that's required.

The procedural rule in Germany requiring applicants for revocation to carry out some sort of market research was therefore wrong. This is a fairly short and, to my mind, reasonable judgment, but I'd be very pleased to hear the views, particularly of any German practitioners on the panel or in the audience. It's interesting because I think we are seeing more and more cases concerning genuine use probably because of the number of registrations and their breadth. It is going to become an increasingly important issue. Turning to the General Court, I'm going to discuss some cases on pattern and position marks and a little bit about Brexit, I'm sorry to say.

Pattern marks are defined in the guidelines as trademarks consisting exclusively of a set of elements that are repeated regularly. In December 2019, a Spanish porcelain company called Neolith Distribution applied for this mark for goods in class 19, including tiles, building materials, and so on. The application was rejected for lack of distinctive character under Article 71b. In

January, I think it was this year, the General Court agreed with the rejection. Said the relevant public here consisted of the average consumer and the pattern was described as rhomboidal, oval, and zigzagging figures all in diffused lines without colors or word elements.

The court said that there was no detailed definition of pattern marks, but it stressed that it wasn't just about having a series of elements that are regularly repeated but they must also be distinctive to be registerable. Contrary to what the applicant argued, the court said novelty and originality are simply not relevant criteria for distinctiveness. The test is whether the mark deviates from the norms in the sector, and therefore, indicates the commercial origin. One of the problems as you can see from the highlighted text that the applicant faced in this case was its pattern mark was perceived as too complex for consumers to memorize and recognize it.

Let's turn to four very recent decisions and applications by the German auto company Daimler. These four cases involve figurative and pattern mark applications for these two signs for a very long list of goods and services. I don't know how well you can see, but the signs basically consist of the repetition of the famous three-star part of the Mercedes Benz logo, so the star without the circle around it. One of them has large and small variations of the star. So the board of appeal found that given the wide range of goods and services, the level of attention the relevant public would vary from medium to high.

It said that the white three-pointed elements were simple geometric shapes which were not likely to be remembered by the relevant public, and they'd be perceived as decoration and not as an indication of the commercial origin of the goods. In four almost identical judgments, the General Court agreed. One point to take from this, it was the same outcome, obviously, for the figurative marks or figurative applications as for the pattern mark applications. In fact, the court specifically said the same principles apply whether you're looking at figurative pattern, 3D, or even color marks.

You may recall that one of the problems in the case we just looked at with the Spanish company was that the pattern mark was too complex. Daimler seems to have had the opposite problem. Its pattern was too simple. So the aim of applicants must be to find a golden mean, I think, between simplicity and complexity that makes a pattern memorable. Clearly, some applicants do achieve that, and these are their statistics on pattern marks at EUIPO. You can see a number have been registered. Maybe a question for the panel is: What is the point of pattern marks? Does categorization even matter? Is the same criteria being applied? What is the use of them?

I want to mention briefly this case concerning a position mark which is for shoelaces with red tips. A very similar application to this was filed way back in 2010 when it was categorized as other, and it was rejected at all levels right up to the CJEU. In 2016, the applicant tried again. This time the mark was described as a position mark. As you can see, the description was a bit more specific as were the goods requested. Again, the application was rejected for lack of distinctive character. Also, it was found that the applicant had failed to prove acquired distinctiveness.

The court said that the application did relate to different subject matter from the previous application, so that was okay, but it should still be rejected.

Some of its reasons are there. As in the patent mark cases, the court emphasized that novelty and originality are not relevant, and the test is simply a significant departure from the standard and customs of the sector. It was notable, I think in this case that the board had found numerous examples of shoelaces with colored tips, which was obviously significant. Moving on to Brexit, you may have thought that Brexit was all over and done with if any of that was the case.

We've seen it come up in a couple of cases at the General Court very recently. I just thought, given that it all seems like ancient history, it's just worth reminding ourselves of the relevant dates relating to the UK referendum departure from the EU and transition period. The first case concerned an EUTM for stones which was registered in 2010 for bitter beer and lager. The revocation action was filed against this in August 2018 based on non-use. The argument was essentially that the mark had only been used in the UK. The UK was leaving the EU although at that point, of course, the discussion was ongoing.

The EUIPO decided that the relevant five-year period was from the 21st August 2013 to the 21st August 2018. It found on that basis that there was use in the EU for bitter beer, not lager, in fact. That was affirmed by the board of appeal in September 2020 by which time, of course, the UK had left the EU. The General Court found that the withdrawal agreement didn't address this situation specifically. In the absence of a provision to the contrary, it said the legislature implicitly accepted that the protection conferred on the EU trademark should be maintained even where genuine use of that mark is demonstrated only in the UK as long as the UK was an EU member state.

The applicant for revocation had argued that by the time of the final decision in this case, everyone in the EU will be prohibited from using a sign that has never been used within the single market as it now exists. The court, as you can see from the yellow highlights, said, "Protection of a contested mark has not become superfluous due to Brexit, nor that there was no legitimate interest in maintaining the mark." The court said, "Of course, this could change for the five-year period after the 1st of January 2021," after the end of the transition period.

Maybe we need to add another line to our list of dates - January 1st 2026, and maybe we'll see a slew of revocation actions against EUTMs that were only used in the UK after then. Then just finally, the second Brexit-related case, which I think has some great pictures, at least, involved earlier rights. In this case, the EUTM application was for the figurative sign shown on the left, one with the text. It was opposed based on several rights, including these three unregistered marks used in the UK.

The somewhat prolonged proceedings of the EUIPO lasted from June 2015 when the application was filed up to February 2021. For that period, you appreciate covered the Brexit campaign and referendum, the withdrawal negotiations, two UK general elections, departure from the EU, and the whole of the transition period. My time's up, but the board of appeal said the opponent could no longer rely on rules governing common law actions for passing off as a relative ground for refusal under article 84.

It said that the earlier right must exist on the date on which EUIPO takes its final decision. The General Court disagreed, said the relevant date

was the time of filing of the application. The fact that the earlier rights would later lose their status is irrelevant. There we are. I look forward to discussing these with the panel. Sven.

SVEN SCHONHOFEN: Thank you, James. Thank you for the great overview. I would like to talk with the panel actually about those decisions on the nontraditional trademarks that you just mentioned. I think they all, again, are going in the same direction, showing that it's harder to get trade protection for such non-traditional trademarks. We've seen it in the red shoelace decision. We've also recently seen it in the moon boot decision of the General Court. My question to the panel is, is it just getting too hard to get these non-traditional marks registered, or do you see any hope for such marks? Maybe Peter, if you want to go first.

PETER RUESS: Sure. I think what we are trying to do at these conferences, understandably so, is to say we have a trend that we identify and it's going to be harder or less hard. I think it's correct to say that it has become more challenging. The reasons I think are manifold. One is people are more used to these things. Take the Louis Vuitton showcase, a red sole was something utterly new. Even though Louis Vuitton had to fight it all the way through the courts, I think, and that still remains as a fact, if you demonstrate awareness in the market, some level of fame, then you are fine.

If you try to have some little gimmick, and I think understandably in some way, the trademark office is asking, is this enough to monopolize one point? What we need to keep in mind is a trademark is a source identifier. If it can identify a source, if I relate from the Levi's thing from the Louis Vuitton sole to a specific producer, then fine, then I'm all for more trademarks. That we don't have cluttering and all these arguments. But if I'm just trying to monopolize a gimmick, I think the office has become more cautious or more reserved.

SVEN SCHONHOFEN: Gordon, what trends are you seeing at the EUIPO with regard to registration or trying to register such non-traditional marks?

GORDON HUMPHREYS: I would have to say that registering non-traditional marks has always been an uphill struggle. I don't think that the EUIPO has ever had a reputation for generosity with respect to these sorts of marks, if I can put it that way, for the very good reasons Peter just put forward. However, from the perspective of applicants, there was a glimmer of hope last year in the Guerlain lipstick holder case, where actually that was a decision taken by my board originally rejecting the shape mark, which was basically a container in the shape of a boat hull, if you like, it was described like that, that contained lipstick from the company. Anyway, we rejected it as being devoid of distinctive character.

The General Court overturned our decision, disagreed with us because they considered that it was sufficiently divergent from the norms of the sector. I think that's really the key. It's got to be something. It's partly what Peter just said that the more that the sector start using these nontraditional marks, the less likely it is that somebody's going to be able to come up with something that departs from the norms of the sector. That's really what you've got to show. It's difficult. Of course, there's the possibility of acquired distinctiveness, but we know that in an EU 27 situation, it's got to be shown

more or less for every member state with some minor exceptions that we know about, but very difficult.

SVEN SCHONHOFEN: Thank you. Joel, what do you make of these decisions, and how do you deal with such nontraditional marks and practice when advising clients?

JOEL SMITH: I would agree with what Gordon and Peter have said, really, that they are difficult to get through. It remains a struggle, I think. When we're advising clients, we always counsel clients to be realistic about what they might manage to register. I think it's interesting that there are signs that you may be able to get registered in certain cases, but they are always a struggle.

SVEN SCHONHOFEN: Thank you. I think we're moving on to the next topic now. We will hear the talk on public order and morality as ground for trademark registration refusal now. Paolo, I think you have to unmute yourself.

PAOLO CATALLOZZI: It's okay now?

SVEN SCHONHOFEN: Yes, thank you.

PAOLO CATALLOZZI: Can you see my presentation?

SVEN SCHONHOFEN: Yes.

PAOLO CATALLOZZI: Okay. According to European Union regulation, trademarks which are contrary to public policy or to accepted principles of morality shall not be registered, and if registered, shall be declared invalid. That's our provisions. The regulation does not give any definition of public policy and accepted principles of morality. We can say that public policy refers to the core of the values and fundamental rights of member states, and the accepted principle of morality refers to the fundamental moral values and standards to which a society ideas at a given time.

Public policy and principles of morality are distant and autonomous grounds for refusal or invalidity even if their scope may overlap, so each of them has to be considered on its own merits. In my opinion, both concepts are vague outlines and can change over time, and vary in space. With some differences, in my opinion, the national public policy seems to be based on an objective criterion. The core of the values of a society is defined by the relevant public authority, the constitutional charter most important laws. Those values apply to the entire territory of a member state.

Single-member state have a unique core of values, and there may be not significant differences from member states to member states since they all protect the same fundamental rights and pursue the same values. Instead, the notion of principles of morality seems to respond to a subjective criterion. They're not defined, but in legal probations, they're determined currently to the social consensus prevailing in a society and at certain times, so there is less certainty. They may vary significantly from member state to member state, and also inside each member state. Just think about the differences in religion and culture that we can have inside a single-member state.

Where are we going? What is my prediction? I see, but just my assumption, and I'm eager to listen to the other panelists on that, my prediction is that we are seeing an increasing importance of fundamental rights. We are seeing an increasing implementation in enforcement by member states, and

that will probably lead to an expansion of the notion of public policy in the sense that more frequently, public policy as a ground of refusal will come into play. On the other side, the opposite, we are seeing changes in moral values and standards. We have a higher threshold of tolerance of diversities by public authorities and citizens.

We are also being accustomed to marking these strategies that are more aggressive, they use of shocking trademarks. Last but not least, the constant concern to preserve freedom of expression. All those factors will reduce, in my opinion, or I said it again, the scope of the accepted principles of morality and so this ground of refusal will come into play less frequently. Why I'm saying that, I'm basing my prediction on a few recent judgments. The first one is the General Court judgment on *La Mafia se sienta a la mesa*, 2018. La Mafia sits at the table, that's the translation.

The word mafia, says the General Court, and we all know that refers to a criminal organization that breaches all the very values on which the European Union is founded. The sign conveys a globally positively image of that organization and therefore trivialized the serious harm done by the organization to the values of European Union. So that's why it was considered to be contrary to public policy. The same has been said by European Court of Justice in 2019 judgment, Cannabis Store. You can see the sign. "That sign will be perceived,-" says the Court of Justice, "-as a whole by the relevant public as referring to a narcotic substance, which is prohibited in a large number of member states."

The prohibition of the use of cannabis is a fundamental value of member states, and that rule is a matter of public policy. In those two judgments, we see that the European Union Court has applied the ground of refusal constituted by the public policy. On the opposite side, more recent judgment about the Court of Justice in 2020 on the assessments on grounds of refusal for a country to accept principles of morality. The trademark was the word sign of *Fack ju Göhte*. Also a title of a German field comedy.

In this case, the General Court said that the public would assimilate the mark to the English phrase, the bad word "fuck you". That phrase would be intrinsically vulgar and liable to offend the relevant public. The Court of Justice annulled that decision, said that the examination cannot be confined to an assessment of the mark applied for, but it might be taken into account in concrete and current social context in order to assess whether the sign will be perceived by the public as be contrary to the principles of morality.

In particular, it points out several relevant factors. The great success of the comedy, the fact there was no controversy, that young people were authorized by the public authority to see the movie. All those factors would lead to a different conclusion in the sense that there was no contrary to the fundamental moral values, the principles on morality, and so there was no ground for refusal.

As far as I know, this topic is very actual also outside EU. I read the email by Gordon and I learned that there is a study going on this topic. I can see that also inside my country, there are more and more cases in which we debated whether a trademark is contrary to public policy or morality. For example, I don't know if I went over the time assigned, we had a case but not judged at the end with the famous trademark Buddha-Bar that was a bar that

has many locations around the world. A party alleged that the Buddha-Bar was contrary to morality or public policy because it affected religion and something like that. Just to give food for thought. That's it. I don't know if I respect the time.

SVEN SCHONHOFEN: Yes. Thank you for that great presentation. Thank you for already moving over to Gordon. You mentioned the program that the EUIPO is conducting at the moment to find a common approach on morality and public policy among the IP offices. Gordon, maybe first of all, what triggered starting this program at the EUIPO?

GORDON HUMPHREYS: Thanks. I think, Paulo, the last case that was in your presentation, the *Fack ju Göhte* case, it actually leaves a lot of questions unanswered. That was one of the main drivers. For instance, although it gives some indications of differences between public policy and morality, the question is when are there overlaps and how do you deal with cases that overlap? Do you assess first public policy? Do you assess public morality first, or how do you deal with it? Then more importantly, the issue of freedom of expression and what role--? The court just says that it has a role, but it doesn't say what role. That's a huge question that's been opened. That was the driver really, I would say.

Then the other case, the Cannabis Store Amsterdam, obviously, cannabis in terms of public policy is a huge variable. Because I've heard from Italians, actually, that the legal situation in Italy is so complicated that it's very hard for anybody to know. The problem is that in the EU level, it's enough that a sign is contrary to public policy or morality in any one member state for it also to be contrary to EU public policy, but we have to know what's going on. Therefore, it's also a sort of information-gathering exercise.

SVEN SCHONHOFEN: Thank you. I think especially the question of what the role of freedom of expression will play in trademark law is quite interesting. Paulo, what are your thoughts on that? You're on mute.

PAOLO CATALLOZZI: As I said before, I think that the freedom of expression will have more enforcement by a single member state and inside the EU. As a fundamental right, we see freedom of expression coming into play also when we talk about copyrights, for example, and in other aspects of law. Especially when we are addressing the principle of morality, my opinion, probably because I'm impressed by the fact you get a decision, is that the freedom of expression would be more and more taking into account as a fundamental right, so to allow a strategy to let the registration of what we call shocking trademarks, maybe, because *Fack ju Göhte* actually is a shocking trademark.

Probably freedom of expression, different cultural aspects, the society has changed, we are not shocked by a trademark like that probably. We, I think, will play a greater role in the assessment of principle of morality ground of refusal. That's my opinion, just a prediction.

SVEN SCHONHOFEN: Peter, what's your view on that?

PETER RUESS: Thank you. I just wanted to add one point. There is an article in *IIC* written by Max Planck's scholars on exactly that point that you touched upon, namely the question can we have criteria for morality if we want free speech? I acknowledge that this is a very difficult subject. I just wanted to add one point that might help, although I'm all for free speech. Free

speech actually means I can say what I want. I can say, "Peter Ruess looks ugly." That doesn't mean that the state has to grant me a monopoly on using the term Peter Ruess looks ugly to identify my goods and services and to prevent Gordon from using the same slogan.

I think that sometimes gets lost in the discussion. I am, of course, able to express myself, but the state or the member states of the EU still may have a possibility to say, "Wait a minute, you may be against the Catholic Church, but I do not have to grant you the right to use something that is considered offensive to Catholics as a source identifier and put it in my registry."

SVEN SCHONHOFEN: [crosstalk] Oh, sorry. Go ahead.

PAOLO CATALLOZZI: If I can add, the more we advertise the freedom of speech, the more we allow changes in the values of a society, probably. It's something that has a domino effect on that probably.

GORDON HUMPHREYS: If I may just come in, I mean the problem we've got is that up until this judgment from the Court of Justice, the prevailing opinion was pretty much what Peter just said, that one thing is registration and another thing is use. While you may be able to prohibit use of something that's offensive in terms of freedom of expression, rather, sorry, that if you're actually looking at "are you free to register something?" You can control that.

There was a case called *Hijoputa*, a judgment there where actually the court said that there was no role for freedom of expression in registration. This seems to have changed. Still, I find it quite difficult because there's nothing to stop you using these words or whatever. It's just you can't use them in a monopolistic trademark way. Why do you need right in order to be free in the way you express yourself? Why do you need a trademark to do that? You can do that through other means. That's really the debate. I think we haven't really got any maturity in this. We're at the very beginning of the debate.

SVEN SCHONHOFEN: Thank you. Do we have another comment from the panels on this?

JOEL SMITH: Sven, I was just going to pick up on the point that I think is quite interesting that when you're looking at public policy, obviously, there are a set of values involved as well which are obviously going to evolve over time. It's a dynamic concept. As things change, maybe there are some fundamentals that may not change, but equally, for instance, the cannabis example, you can see that as regulation changes across the EU, which it may well do over time, then people's attitudes to monopolizing that may change. Such is the point that Gordon makes, which is a good one, which is why you need to trademark rather than just be able to express yourself if you want to use one of these terms?

SVEN SCHONHOFEN: Great. Thank you, everyone. I think this is a topic that will definitely come back in future conferences. We have another recurring topic which is SkyKick. We talked about it last year about the CJEU decision, and now we have some new case law from the UK. Joel, over to you.

JOEL SMITH: Thanks, Sven. I'm going to talk about the bad faith in Sky and SkyKick today. As you're aware, it's a UK piece of litigation, arguably the most important, really, in the last few years. It paralyzed trademark practice both in terms of prosecution and also enforcement at various stages. It's significant because it's rumbled on for more than five years

now. It's gone through eight judgments, not just the five rounds in court, including the High Court, including the Court of Appeal, obviously, the Court of Justice as well. As it stands, it's not necessarily over because SkyKick has sought permission to appeal to the UK highest court.

Thought we might have an answer by now, but it still could go to the Supreme Court so we're not necessarily finished. What's it about? There're obviously two issues. Is a trademark filed with a broad specification liable to be declared invalid on the grounds that it was filed in bad faith, and what amounts to bad faith? Secondly, is a trademark liable to be declared invalid if the specification lacked clarity and precision? In a nutshell, just to remind you, Sky provides its customers with a wide range of pay TV, home entertainment, broadband, and telephony services.

SkyKick launched its own IT migration backup management services using their SkyKick brand, so sky brought proceedings for trademark infringement and also passing off. SkyKick counterclaimed that Sky's marks were invalid in whole or part on these two grounds. Oops, I have stopped. Let me just put that back up. The High Court found that the marks were infringed. I'm having problems with my machine here. The High Court found that the marks were infringed based on likelihood of confusion, but it rejected claims based on dilution and also passing off.

So SkyKick's principal attack was really on bad faith, arguing that the domestic provision of Section 32(3) that sets out that the applicant has to have an express requirement to state that the trademark is being used or as a bona fide intention to use the mark. Yet the specifications of the trademarks we're talking about here ran to over 8,000 words. SkyKick argued that this essentially amounts to an abuse in trademark system.

We had the judge, Mr. Justice Arnold, who then was examining the case law, finding that there was no authority that established definitively that a lack of intent to use amounted to bad faith as the trademark case law tend to focus on more extreme and egregious breaches such as locking registrations or evergreening, where there was obviously a deliberate and dishonest filing strategy. However, he did conclude that Sky had no intent to use, especially given the class headings were so broad and it could not have been intended to use all of the terms within those class headings. So he found that Sky's declarations using trademark at the time of filing was at least full in part.

That does seem harsh because Sky had acted consistently with OHIM's guidance at the time in terms of class headings prior to the IP Translator challenge. But the judge made a reference to the court for justice. I'm going to skip over the precise and clear point now, in my interest the time. The Court of Justice looked at the case law. In fairness, I think the challenge to extend the law on bad faith from the UK was seen probably by the rest of the EU as an extreme position pushing at the boundaries of existing CJEU.

The case law both in Lindt and Hasbro and many other jurisdictions approached bad faith as something more akin to fraud, whether it's deliberate conduct unfairly to restrict a competitor or whether it's a trademark troll or a licensee who's deliberately filed to gain an advantage over a licensor.

The Court of Justice rejected the ground of invalidity based upon both the lack of clarity and precision on the basis of trademark directive resources in setting out grounds. From the bad faith point, they emphasized that bad

faith is only triggered in exceptional circumstances where it could be demonstrated that the applicant deliberately chose to monopolize goods or services to block or undermine the interests of business. They wouldn't presume bad faith from just a mere lack of economic activity corresponding to the goods or services that have been applied for at filing date. That rather the court would look at the motives of the applicant and whether they intended to abuse the system.

That would be quite a high threshold. Upon receipt of the Court of Justice judgment, the High Court looked again and actually ruled that certain parts of Sky's trademarks were invalid based upon their alleged strategy of deliberately filing very broad specifications. They invited Sky to withdraw its allegations for infringement in relation to certain services. There was an appeal. The Court of Appeal looked at it last July. This is a really helpful judgment which no doubt brand owners pour over for years to come.

The court found that although a lack of intention to use could in some circumstances be evidence of bad faith, it did not equate to or amount to bad faith on its own. You needed to show something extra; the undermining of the interest of the third party, obtaining an exclusive right that didn't really fall within the functions of a trademark. Some other subjective bad faith intention, i.e. something like blocking.

The court also found that a trademark applicant should be given very considerable latitude before an application should be considered in bad faith. Even where there was a mixed motive and perhaps the applicant did have something in mind where the applicant could still be seen to have a commercial motive in filing for a broad specification, then the court should not intervene to presume bad faith.

SVEN SCHONHOFEN: Yes, go ahead.

JOEL SMITH: Sorry. I was going to wrap up. Essentially, they also just sent the declaration. I mentioned earlier Section 32, under the Trademarks Act in the UK. There's no real EU equivalent to that. Again, the court gave the benefit of the doubt to trademark applicants. As long as they intended to use goods of the kind of description they'd set out, at least some of them, then that was really sufficient. You didn't need to demonstrate on day one of filing that you had this intention to use right across all of the goods or services. Otherwise, it would simply make an impossible burden on the applicant and prejudice the trademark system.

To wrap up, I think it will come as a relief to many brand owners who wish to file fairly broad trademarks. It gives clarity about where the risks are which are really in quite extreme circumstances where people deliberately set out to abuse the system or prejudice competitors. I think in this way, we've removed in the UK this chilling effect that the earlier decisions had upon people enforcing and also considering their strategy for prosecution. Really, it leaves wide trademark specifications. As the Court of Appeal rightly said, it should be challenged by revocation on grounds of non-use after five years and not really in the territory of a declaration for invalidity on the basis of bad faith itself. I'll stop there.

SVEN SCHONHOFEN: Great. Thank you. Do you actually think the case will go back to the Supreme Court? If yes, what do you expect the Supreme Court to do with it?

JOEL SMITH: As I said, we haven't quite heard yet. I would personally think you'll be quite surprised if the Supreme Court decides to take up the case, really, because the Court of Appeal decision was pretty pragmatic and commercial and very clear in the way that it both analyzed the case law across the EU and UK case law, and didn't leave a lot of scope, really, for an obvious challenge in the sense that they got the law wrong. I think I'd be surprised if the Supreme Court intervened. If it does, then it will be on the basis that they want to make it extra clear as a matter of policy that, this kind of challenge is probably, I would say, only for a very extreme example.

SVEN SCHONHOFEN: Thank you. Peter, if you look at the CGU and the UK decisions now, do you still see any change, especially for very well-known marks with regard to their specifications and broad applications or it's still just set to do things a little better now, especially after the UK decision?

PETER RUESS: I have my doubts whether the UK decision will be a very strong influence into the EU market, as sadly the Britain had decided to leave us. I can understand broad specifications, and you know that the German courts and the EU courts have always said, "Okay, we need to interpret this and we need to interpret it in a reasonable way," but the mere fact that I apply for a broad-spectrum, and that has been addressed in the SkyKick EU litigation, is not in the law as a bad faith argument so we don't treat it as a bad faith argument.

Given that there is rather clear guidance from the CJEU, I would not expect that the British decision would have a direct impact. That does not mean that we certainly won't look at a major country and the litigation or at the caseload it as. We have certainly clients who want a one-size-fits-all international trademark. They don't want to limit it here and not limit it there. I personally am always a big fan of doing this and this especially that and that. You say, "Computer software, especially for this and this." If the office doesn't like it, they can still come and limit it, but you give a clear impression of what you want without formally surrendering something.

SVEN SCHONHOFEN: Thank you. I think we have two minutes left, so I would like to briefly talk about another bad faith case that we had in the last year, the Monopoly case. Gordon, can you maybe give us a brief update on that case and the General Court decision? Do you think the court got it right there?

GORDON HUMPHREYS: Okay. The Monopoly case is essentially about evergreening. It's a case involving the very well-known board game, Monopoly. The essence of it was that the Hasbro that owns Monopoly actually registered for a number of cores, let's say, of goods and services. Then they renewed periodically just before the five-year grace period within which you don't need to show proof, you can't be put to proof of use, was about to expire and they just added on a few goods and services. The peculiarity of this case was that we had an oral hearing at the EUIPO at the Boards of Appeal.

The employee of the Hasbro company that came actually admitted that they were doing this evergreening practice in order not to potentially put to the administrative burden of proof of use. That really resulted in the mark being partially canceled for bad faith for the goods and services that corresponded to the core of the previous registrations. That was confirmed by the General

Court. The result is that the Monopoly mark subsists for a number of goods and services that were added in when the new registration was made, and which were not previously contained in previous registrations. However, none of them relate to board games.

The interesting result is that there's actually a parallel case pending before the Boards of Appeal involving a company with a trademark called Drinkopoly, which is a board game involving drinking, I think, and which has been opposed by monopoly. Unfortunately, on the [chuckles] basis of its very depleted EUTM, and secondly, even to tie in with what James was saying on the basis of an earlier UK trademark, they're not doing very well. But this is likely to be an interesting corollary to it because it has some tricky issues in there and we have to see what happens with these earlier UK trademarks.

By the way, actually, just as a piece of information, there's a further case involving the Zara company on the basis of earlier UK trademarks where the General Court has followed the line of cases that James mentioned to us. This time, the EUIPO has appealed the case. The latest news is that this appeal has been accepted by the Court of Justice. We have to see what is the final outcome to all these very tricky issues. Thanks.

[crosstalk]

JAMES NURTON: I'd first that.

SVEN SCHONHOFEN: Thank you, Gordon. Yes. Go ahead.

JAMES NURTON: Very briefly, on the Monopoly, Gordon is absolutely right about the weights that was put on what was said by the employee of Hasbro. I think even the General Court gave a lot of weight to that. It just shows you need to be very careful what you say. The General Court had very little sympathy for the situation that Hasbro got itself into. I think one of their arguments was everyone does this. The General Court pretty much said, "That's no excuse." You do need to be careful.

SVEN SCHONHOFEN: Thank you to the wonderful panel. Our time is up now. It was great discussion again this year. Up next, we will have the session on functionality here.