



## Study Question

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### Bad faith trademarks

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## I. Current law and practice

### Bad faith - prior third party use or filing

**1** Does your Group's current law provide for an action against the application or registration for a trademark in a jurisdiction by a party (Party A), if that trademark or a similar sign is already used in one or more jurisdictions by another party ( Party B), but is not registered in the jurisdiction where Party A has filed the trademark?

*If yes, please answer questions 2) – 7). If no, please go to question 8).*

Yes

Please Explain

Yes. Article 2.4.f of the Benelux Convention on Intellectual Property of 25 February 2005 as most recently amended by the Protocol of 22 July 2010 and which entered into force on 1 October 2013 (hereafter "BCIP") provides for a cancellation action against *the application or registration for a trademark in Benelux by a party (Party A) if that trademark or a similar sign is already used in one or more jurisdictions by another party (Party B), but is not registered in Benelux where Party A has filed the trademark* if this registration of the trademark was made by Party A in bad faith. [\[1\]](#)

Article 2.4.f BCIP does not provide for a definition of bad faith but the BCIP gives 2 examples of bad faith applications:

1. The filing is made in the knowledge or in inexcusable ignorance of normal use in good faith of a similar trademark for similar goods or services by a non-consenting third party on Benelux territory during the last three years;

'Knowledge' means the situation in which it is established that the applicant knew of the trademark's existence before the application. Therefore, even if this trademark is not well-known, a simple prior use of the trademark could be taken into consideration. [2] As an example, bad faith can result from information relating to the prior use of a similar sign by a third party that was named in a cease-and-desist letter sent by that third party to the applicant before the filing of that trademark. [3]

There is inexcusable ignorance when the use of the other trademark is well-known, which generally means it is known in the frequented sector or in the sector that should normally be frequented by the applicant. [4]

However, there is no bad faith if the applicant (Party A) knows that there was a prior use made by a third party (Party B) of a similar trademark, but the applicant (Party A) can demonstrate that s/he has made use of the trademark even before the third party (Party B). This means that there also exists a requirement under Benelux law that Party B acts in good faith. [5]

2. The filing is made in the knowledge, resulting from direct relationships, of the normal use in good faith of a similar trademark for similar goods or services by a third party outside Benelux territory during the last three years, unless the third party consents or the said knowledge was acquired only subsequent to the start of the use which the applicant has made of the trademark on Benelux territory. [6]

As these two grounds are merely illustrative, the BCIP does not exclude any other ground of bad faith, which should always be assessed in the light of the relevant circumstances. This approach has been confirmed by Belgian case-law. [7]

It should also be noted that a part of Belgian legal doctrine considers that Article 2.4.f does not comply with Directive 2008/95/EC of 22 October 2008 on the approximation of the laws of the Member States relating to trade marks.

Article 2.4.f BCIP's examples aim, in particular, to an actual use of a sign as a trade mark, i.e. a sign that is used to distinguish the commercial origin of goods or services. Case law and doctrine traditionally consider that bad faith can also be invoked when a trademark application infringes an original work protected by copyright or a trade name used by a third party, while the applicant knew the existence of such rights or should have known about them. [8]

Following the Supreme Court, the fact that Article 2.4.f cites two examples in which a third party makes prior use of a similar trade mark does not necessarily imply that this third party must dispose of a similar trade mark. [9]

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[1] Regulation nr. 207/2009 of 26 February 2009 on the European Union trade mark also provides for a cancellation action under Article 52.1 (b).

*"An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:*

*(a) where the EU trade mark has been registered contrary to the provisions of Article 7;*

*(b) where the applicant was acting in bad faith when he filed the application for the trade mark."*

[2] A. Braun et E. Cornu, *Précis des marques*, Brussels, Larcier, 5th edition, 2009, p.239, n°192.

[3] Appeal Court of Brussels, 5 September 2014, 2009/AR/01101, F. Ducroux v. Confrérie Tchanchès, *unpublished* (Darts-ip: darts-100-038-C-fr); Appeal Court of Brussels, 12 September 2005, *R.D.C.*, 2006/9, p. 950.

[4] Appeal Court of Liège, 8 May 2008, *Ing.-Cons.*, 2008/4, p. 675; Appeal Court of Brussels, 22 November 1984, *Ing.-Cons.*, 1985, p. 31.

[5] C.J. Benelux, 25 June 2004, Unilever/Artic (Winner Taco), *Ing.-Cons.*, 2004/2, p.254; Appeal Court of Brussels, 4 March 2010, *Ing.-Cons.*, 2010/ 1, p. 81; *J.L.M.B.*, 2011/16, p. 751; Appeal Court of Brussels, 5 September 2014, 2009/AR/01101, F. Ducroux v. Confrérie Tchanchès, *unpublished* (Darts-ip : darts-100-038-C-fr).

[6] According to some legal authors, this example does not comply with trade mark directive nr. 2015/2436 of 16 December 2015 approximating the laws of the Member States relating to trade marks (see F. Gotzen and M.-C. Janssens, *Europees en Benelux Merkenrecht*, Brussel, Larcier, 2016, p. 126).

[7] See i.a. Appeal Court of Brussels, 19 November 2013, 2009/AR/1943, N.V. FP Brown v. N.V. Vaco and N.V. Moco, *unpublished* (Darts-ip : darts-837-119-B-nl): "Article 2.4.f BCIP does not contain an exhaustive rule of the cases in which an application was made in bad faith. It only contains, in paragraphs 1 and 2, illustrative cases" (Approximate translation of: "Artikel 2.4.f. BVIE bevat geen uitputtende regel van de gevallen waarin een depot te kwader trouw wordt verricht. Het bevat enkel, in de bepalingen van 1° en 2° daarvan, exemplatieve gevallen."); in that case, the Court examined this provision in the light of a prior copyright on a logo, which had been subject to normal use; this judgment has been confirmed by the Belgian Supreme Court (Cass., 7 October 2016, C.14.0351.N, N.V. FP Brown v. N.V. Vaco and N.V. Moco, *unpublished* (Darts-ip: darts-647-229-D-nl)).

[8] T. Cohen Jehoram, C. Van Nispen and J. Huydecoper, *Industriële eigendom. Deel 2: Merkenrecht*, Deventer, Kluwer, 2008, 243; C.

Gielen, *Kort begrip van het Benelux merkenrecht*, Deventer, Kluwer, 2006, 129; F. Gotzen and M.-C. Janssens, *Wegwijs in intellectueel eigendomsrecht*, Brugge, Vanden Broele, 2009, 123; A. Braun and E. Cornu, *Précis des Marques*, Brussel, Larcier, 2009, 199; C.J. Benelux 25 juni 2004, A/2003/1/13.

[9] Cass., 7 October 2016, C14.0351.N, .V. FP Brown v. N.V. Vaco and N.V. Moco, *unpublished* (Darts-ip: darts-647-229-D-nl).

**2** Is the application or registration as described under question 1) above denoted as "bad faith"? If not, what is it called?

Yes

Please Explain

The application or registration as described under question 1) above can be denoted as "bad faith", depending on the specific circumstances of the case. The term bad faith is used under the BCIP in Article 2.4.f but is not defined. Bad faith is, however, explained through examples in the BCIP, which are not exhaustive. [1]

It should, however, be noted that the definition of bad faith is now an autonomous concept in EU law that must be given a uniform interpretation throughout the European Union since the Court of Justice of the European Union's ("CJEU") *Lindt & Sprüngli*[2] and *Malaysia Dairy Industries*[3] judgments.

According to the CJEU's case law, to consider that the Applicant is acting in bad faith, it is necessary to take into consideration all the relevant factors specific to the particular case that related at the time of filing to the application for registration.

The fact that the Applicant knows or should know that a third party is using a mark abroad at the time of filing the application, which is liable to be confused with the mark whose registration has been applied for, is not sufficient in itself to conclude that the Applicant is acting in "bad faith" within the meaning of that provision.

Hence, for the assessment of bad faith, the Belgian courts will always take into consideration all the relevant factors of the case existing at the time of filing of the application for registration.

[1] CJEU Benelux, 25 June 2004, *Unilever/Artic (Winner Taco), Ing.-Cons.*, 2004/2, p. 254.

[2] CJEU, 11 June 2009, C-529/07, *Lindt&Sprüngli AG/ Franz Hauswirth GmbH*, ECLI:EU:C:2009:361.

[3] CJEU, 27 June 2013, C-320/12, *Malaysia Dairy Industries/Ankeoevnet for Patenter og Varemaerker*, ECLI:EU:C:2013:435.

**3** Are the following factors relevant for proving an application or registration as described under question 1) in your jurisdiction?

**Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.**

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

The CJEU has stated in its *Lindt&Sprüngli* judgment: "*the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant*"

" (CJEU, 11 June 2009, C-529/07, *Lindt&Sprüngli AG/ Franz Hauswirth GmbH*, ECLI:EU:C:2009:361, para. 43).

- the degree of legal protection enjoyed by Party B

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Please Explain

- other

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Please Explain

Party A knows the use of an identical or similar sign resulting from direct relationships by Party B outside the Benelux territory.

**4** Is any one or more of the above factors sufficient on their own, or will the assessment instead always take the specific circumstances of the case into account? If one or more of those factors are sufficient on their own, please identify those factors.

No

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Please Explain

No, in principle the above-mentioned factors are not sufficient on their own to establish the bad faith. The courts will always make an assessment of the specific circumstances of the case under Benelux law.

Indeed, as already mentioned under div 2 above, to determine whether the Applicant is acting in bad faith in the Benelux, it is necessary to take into consideration all the relevant factors specific to the particular case that existed at the time of the registration application filing.

**5** Which of the following factors are relevant to establishing whether there was or should have been knowledge as described under question 3) above?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

- whether Party A operates in the same or a similar field of business as Party B

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Please Explain

- whether the earlier sign is well known or enjoys a reputation

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Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

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Please Explain

- other

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Please Explain

Whether Party A had received some information relating to prior use of a similar sign by Party B by means of a cease and desist letter sent by Party B to Party A or had received the summons to appear before the Court, prior to the application. [\[1\]](#)

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[\[1\]](#) For a person to file a new application for a trademark very similar to prior trademarks, for which that person had been assigned before a court by a third party, in the framework of an injunction and invalidity procedure for a bad faith application, is an element to be taken into account for the assessment of bad faith in that new application (Appeal Court of Liège, 11 October 2016, 2015/RG/571, *Front National Belge ASBL v. Front National*, unpublished, p. 19 (Darts-ip: darts-658-704-D-fr).

**6** Is the degree of similarity between the signs relevant? Please explain why in either case.

Yes

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Please Explain

The signs at stake must be identical or at least similar to conclude that the Applicant is acting in bad faith. If the sign that is the subject of the registration application is neither identical nor similar to another sign used by a third party, then it can, in principle, be registered without constituting a bad faith registration.

To determine whether the signs are similar or identical, they must be appreciated 'globally', taking into account all the factors relevant to the circumstances of the case. [1]

That global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression made by the marks, bearing in mind, in particular, their distinctive and dominant components. [2]

The degree of similarity must be assessed having regard in particular to the strength of the trademark's distinctive character for which protection is invoked.

The similarity between the signs must be assessed from the point-of-view of the average consumer, who is assumed to be reasonably well-informed and reasonably observant and circumspect. In this regard, account must be taken of the fact that most consumers only rarely have the opportunity to make a direct comparison between the different marks but must place their trust in the imperfect picture of the different mark that they have kept in their mind. [3] The average consumer's level of attention is likely to vary according to the category of goods or services in question.

The overall appreciation implies a certain interdependence between the factors to be taken into account. Despite the differences between the signs in question, generally the closer the goods/services are, then the greater the risk of confusion. [4]

[1] A. Braun et E. Cornu, *Précis des marques*, Brussels, Larcier, 2009, p. 244, n° 202; p. 409, n°370 et p. 415, n° 374ter; Appeal Court of Brussels, 4 March 2010, *Ing.-Cons.*, 2010, p. 81.

[2] CJEU, 11 November 1997, C-251/95, *Sabel BV/Puma AG*, ECLI:EU:C:1997:528.

[3] Appeal Court of Brussels, 5 September 2014, 2009/AR/01101, *F. Ducroux v. Confrérie Tchanchès*, unpublished (Darts-ip : darts-100-038-C-fr).

[4] Th. van Innis, *Les signes distinctifs*, Brussels, Larcier, 1997, p. 412, n° 533.

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**Is the degree of similarity between the goods/services relevant? Please explain why in either case.**

Yes

Please Explain

To be considered as an application made in bad faith, paragraph f of Article 2.4 BCIP requires that the prior sign is similar and covers similar goods/services. Indeed, even if the examples stated in Article 2.4.f BCIP are not exhaustive, the terms used are sufficiently precise to understand that an application will be considered as being made in bad faith only if it is intended to cover identical or similar goods/services to those of the prior trademark. This is a consequence of the "principle of speciality" under Benelux trademark law. [1] The principle of speciality implies that a registered trademark confers exclusive rights only on the sign used in connection with the goods or services for which it has been registered or with similar goods or services. However, the principle of speciality does not apply to well-known trademarks in the meaning of Article 6bis of the Paris Convention or to trademarks with a reputation within the meaning of Article 2.3.c) BCIP.

[1] Appeal Court of Brussels, 5 September 2014, 2009/AR/01101, *F. Ducroux v. Confrérie Tchanchès*, unpublished (Darts-ip : darts-100-038-C-fr), para. 18; Appeal Court of Brussels, 4 March 2010, *Ing.-Cons.*, 2010, p. 81.

## Repeat filings

**8** Can the filing of a trademark in your Group's jurisdiction by a trademark owner for a trademark identical or similar to a trademark it already owns in that jurisdiction be refused or cancelled on the ground that the previous trademark fails to meet applicable genuine use requirements?

*If yes, please answer questions 9) -11). If no, please go to question 12).*

Yes

Please Explain

The BCIP, which does not contain a strict definition of "bad faith", does not expressly provide for this ground. However, in view of the words "in particular" in Article 2.4(f) BCIP, Belgian authors accept that situations other than prior use can amount to bad faith. [1]

According to Belgian legal doctrine, repeat filings made for the sole purpose of avoiding revocation for non-use could constitute an "abuse" of the Benelux Convention system. [2] However, there is no published Belgian case law finding abuse and/or bad faith on that ground.

In addition, it should be noted that bad faith is an autonomous concept of EU law which must be given a uniform interpretation in the EU. [3] Accordingly, the BCIP must be interpreted in light of the CJEU's case law.

Recently, in the *Pelikan case*, [4] the General Court of the EU admitted that "it is possible that, where the proprietor of a [Union] trade mark files a repeat application for the same mark in order to avoid the consequences entailed by total or partial revocation of earlier trade marks for reasons of non-use, that fact is something which may be taken into account in order to assess whether the proprietor acted in bad faith". [5]

[1] A. Braun et E. Cornu, *Précis des marques*, 5th edition, Brussels, Larcier, 2009, p. 244, n° 201; Th. van Innis, *Les signes distinctifs*, Brussels, Larcier, 1997, n° 373, page 294 ; C.J. Benelux, 25 June 2004, Unilever/Artic (Winner Taco), *Ing.-Cons.*, 2004/2, p.254 ; *R.W.*, 2006-2007/15, p. 635 ; Commercial Court of Gent, 17 March 2016, *Ing.-Cons.*, 2016/2, p. 419-434.

[2] T. van Innis, *Les signes distinctifs*, Brussels, Larcier, 1997, n° 306, p. 237: "A filing that might be considered as abusive is a repeat filing for the sole purpose of avoiding the revocation penalty for non-use. Given that, in the absence of normal use of a trade mark for an uninterrupted period of five years, any interested party may request a declaration of the revocation of rights, the applicant may be tempted to repeat the filing just before the expiry of that period to have a new grace period. (...) That is to abuse the system set up by the LBM" (Approximate translation of: «Un dépôt qui pourrait être considéré comme abusif, [c'] est le dépôt répété dans le seul but d'échapper à la sanction d'extinction des droits pour non-usage. Sachant qu'en l'absence d'usage normal de sa marque durant une période ininterrompue de cinq ans, tout intéressé peut requérir une déclaration d'extinction des droits, le déposant peut être tenté de répéter le dépôt juste avant l'expiration de ce délai afin de faire courir une nouvelle période de grâce. (...) C'est abuser du système mis en place par la LBM »).

[3] CJEU, 27 June 2013, C-320/12, *Malaysian Dairy*, EU:C:2013:435.

[4] GCEU, 13 December 2012, T-136/11, *pelicantravel.com s.r.o./EUIPO*, para. 27, ECLI: EU:T:2012:689.

[5] For a comment on this case in the Belgian legal literature, see S. Dusollier and A. de Franquen, *Les droits intellectuels*, *JDE*, 2014, p. 67, n° 42-43.

**9** Is the application or registration as described under question 8) above denoted as "bad faith"? If not, what is it called?

Yes

Please Explain

Yes, the application or registration as described under question 8) above denoted as "bad faith" and/or as "abuse of right".

**10** Which of the following factors are relevant when assessing whether a trademark as described under question 8) should be refused or cancelled?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

- the degree of overlap between the goods/services

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Please Explain

All of those factors were relevant in the General Court's assessment of bad faith in the *Pelikan case*, T-136/11.<sup>[1]</sup> A single factor alone (e.g. the identity of the signs) is not sufficient to establish that the contested trade mark is a mere repeat filing made in bad faith.

Concerning the degree of overlap between the goods/services: the General Court stated that when the owner specifies the services that it intends the new mark to cover instead of using class headings as it had done for its previous trade mark: its intention must be considered as being first and foremost to file a modernised trade mark covering an updated list of services, which can help to show the trade mark owner's good faith (see *Pelikan*, paras. 42 and 51).

## Footnotes

1. <sup>△</sup> GCEU, 13 December 2012, T-136/11, above cited.

- whether or not the signs are identical

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Please Explain

Concerning the identity of the signs: the General Court compared the signs. Identity alone is not sufficient to prove bad faith (*Pelikan*, para. 34) but is nonetheless relevant.

- if the signs are different, the degree of difference

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Please Explain

Concerning the degree of difference: it is common sense that the more the applied-for sign differs from the earlier trade mark, the greater the chances that it will be considered as applied for in good faith.

- absence or presence of intent to use

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Please Explain

Concerning the intent of use: this is a basic - subjective - criterion which is assessed with reference to all other factors. In *Pelikan*, General Court observed that the applicant seeking cancellation had not produced any evidence to show that the contested trade mark was "bogus and made no commercial sense" for its application (*Pelikan*, paras. 46 and 58).

- other intentions (e.g. the filing of an updated version of a trademark to meet evolving market requirements)

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Please Explain

Concerning other intentions (e.g. the filing of an updated version of a trademark to meet developing market requirements): the General Court ruled that filing an updated version of an earlier trade mark on the anniversary date of its creation constitutes a normal business practice. "The evolution over time of a logo intended as the graphic representation of a mark constitutes normal business practice" (*Pelikan*, para. 36).

- the number of goods/services

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Please Explain

Concerning the number of goods/services: the General Court took into account the fact that the list of services in the new application is more specific, less wide-ranging, than the list of services covered by the previous trade mark (*Pelikan*, para. 42).

- other

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Please explain how the above factors influence the assessment.

Concerning possible other factors: the General Court ruled that "[account] may be taken of the origin of the sign at issue and its use since its creation, and of the commercial logic underlying the filing of the application for registration of that sign as a trade mark" (*Pelikan*, para. 43).

**11** Are the answers to questions 8) -10) above different if the previous trademark is no longer in force? Please explain.

The answers are not different but it is obviously a factor to take into account. The General Court held that the fact that an earlier trademark was (just) revoked after the filing of the application for registration of the trade mark does not *per se* establish bad faith (*Pelikan, op. cit.*, paras. 44 and 50).

## Defensive marks

**12** Is it permissible under your Group's current law to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, is there a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)?

*If yes, please answer question 13). If no, please go to question 14).*

Yes

Please Explain

Under Belgian law, there is no obligation for a trade mark applicant to undertake use of its trademark. The BCIP does not contain a positive obligation to use an applied-for trade mark. That being said, the BCIP merely provides a non-automatic sanction of revocation for lack of use of the trademark after a period of 5 years. [1] Indeed, Article 2.26.2 of the BCIP provides the following:

*"The right to a trademark shall be revoked within the limits laid down in Article 2.27 if, following the date of registration:*

*a) within a continuous period of five years, it has not been put to genuine use on Benelux territory in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; in the event of litigation, the courts may place all or part of the burden of proof on the holder of the trademark;*

*b) in consequence of acts or inactivity of the holder, the trademark has become the common name in the trade for a product or service in respect of which it is registered; [...]."*

Additionally, according to Belgian legal commentators, if the applicant files a trade mark without intending to use it at all, e.g. only to eliminate effective competition on the market or to resell it, this could amount to an "abuse of rights". [2]

It should be noted that there does not seem to be any published Belgian case-law stating that bad faith constitutes an abuse of rights in this context. However, the absence of intention to use a filed trademark has already been taken into account by Belgian Courts with regard to bad faith applications. [3]

Belgian Courts will have to assess "defensive marks" in light of the very recent *VENMO* case rendered by the General Court on 5 May 2017. [4]

[1] Th. van Innis, *Les signes distinctifs*, Brussels, Larcier, 1997, n° 306, p. 237.

[2] *Ibidem*.

[3] See, for example, the Commercial Court of Ghent, 9 April 2015, A/12/04489, N.V. Engicon et al. v. M. Geldof, *unpublished* (Darts-ip : darts-885-440-C-nl), p. 8 : "It is certain that there was no concrete intention of the defendant at the time of the filing to make use of the trademark for the identification of goods and services, but rather to hinder the activities of the claimant in its use of the trade name "GELDOLF", whereas the cease and desist letter establishes that the use of the claimant was still ongoing" (Approximate translation of: "Het staat vast dat er in hoofde van verweerster ten tijde van het depot geen concrete intentie was het zelf als merk te gebruiken voor de aanduiding van waren of diensten, maar eerder als een instrument om de activiteiten van eiseressen te belemmeren in hun (verdere)gebruik van de handelsnaam 'GELDOLF', terwijl de ingebrekestelling zelf bewijst dat dit gebruik in hoofde van eiseressen nog actueel was").

[4] GCUE, 5 May 2017, T-132/16, *PayPal, Inc./EUIPO*, EU:T:2017:316.

**13** Is the application or registration as described under question 12) above denoted as "bad faith"? If not, what is it called?

No

It is called...

No, according to Belgian legal commentators, it is called "abuse of rights". However, in the *Lindt & Sprüngli* judgment, the CJEU stated that it could be considered as "bad faith".<sup>[1]</sup>

[1] CJEU, 11 June 2009, C-529/07, *Lindt&Sprüngli AG/ Franz Hauswirth GmbH*, ECLI:EU:C:2009:361, para. 43.

## Other

**14** Does any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith<sup>16</sup> under your Group's current law? If so, what conduct and how is it denoted, ie as "bad faith" or something else?

<sup>16</sup> Including fraud within the context of this Study Question, as explained on p. 1 at paragraph 5.

Yes, *other conduct in respect of trademarks, as an independent ground for action, can amount to bad faith under current law*. For example, the unauthorised filing of a trade mark by a trademark owner's agent or representative.

This ground is not yet expressly foreseen by the BCIP.<sup>[1]</sup> However, according to Belgian legal literature, this is an example of "bad faith" that can be penalised based on Article 2.4(f) BCIP<sup>[2]</sup> or by relying directly on Article 6 *septies* of the Paris Convention.<sup>[3]</sup>

In addition, under European Union law, the 'Trade mark package' brought a new relative ground for refusal or invalidity in Article 5(3) sub (b) of the Trade mark Directive No. 2015/2436 of 16 December 2015: "A trade mark shall not be registered or, if registered, shall be liable to be declared invalid where an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's authorization, unless the agent or representative justifies his action".

This provision should be transposed into the BCIP before 13 January 2019.

[1] This ground is expressly foreseen by the Regulation nr. 207/2009 of 26 February 2009 on the European Union trade mark under Article 8.3.

[2] Th. van Innis, *Les signes distinctifs*, Brussels, Larcier, 1997, n° 368, p. 291; A. Braun et E. Cornu, *Précis des marques*, 5th edition, Brussels, Larcier, 2009, p.836, n° 73 ; Court of Appeal of Brussels (9<sup>th</sup> ch.), 8 November 2007 (Affaire: "Nathan"), *Ing.-Cons.*, 2008/3, p. 501; Appeal Court of Brussels, 2 October 2001, *Ing.-Cons.*, 2003, p. 105 ; Commercial Court of Brussels, 22 January 1980, *Ing.-Cons.*, 1981, p. 45 ; Commercial Court of Tournai, 26 June 1975, *Ing.-Cons.*, 1975, p. 288.

[3] E. Cornu, « Les motifs absolus et relatifs d'enregistrement à la lumière du nouveau 'Paquet Marques' », *I.R.D.I.*, 2016/1, p. 42.

## Type of proceedings

**15** In which proceedings can the grounds, insofar as they are available under your Group's current law, described in your response to questions 1), 8), 12) and 14) above be invoked in your jurisdiction?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select either of the last two boxes, please describe further.*

- a cancellation action (before the trademark/IP office)

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Please Explain

A European Union trademark can be cancelled by the EUIPO

- court proceedings concerning a bad faith registration

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Please Explain

## II. Policy considerations and proposals for improvements of your current law

**6.a** Could any of the following aspects of your Group's current law be improved?

**The possibility of taking action against the application or registration of a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark**

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

Yes

Please Explain

Yes, but the possibility is already foreseen by Article 2.4.f) BCIP

**6.b** Could any of the following aspects of your Group's current law be improved?

**The possibility of taking action against or refusing the refiling of a trademark by a trademark owner as described above under question 8) above**

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

Yes

Please Explain

Yes, if the applicant does not have any other reason for the refiling and cannot justify the repeat filing in any other way (for example by an updated version of its trademark) than by the sole fact of avoiding revocation for non-use.

**6.c** Could any of the following aspects of your Group's current law be improved?

**The possibility of taking action against or refusing the filing of a trademark by a trademark owner without an intent to use such for part or all of the goods/services claimed as described above under question 12) above.**

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

No

Please Explain

**6.c** Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against other conduct as described in your response to question 14) above.

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

Yes

Please Explain

Yes (see Article 6 septies of the Paris Convention)

**17** Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

A draft amendment to the BCIP is currently under examination by the respective governments of the Benelux States concerning the new Directive nr. 2015/2436 of 16 December 2015 on approximating the laws of the Member States relating to trade marks. Article 2.4.f could be revised within this context.

## Proposals for harmonisation

**18** Does your Group consider that harmonisation in any or all of the four areas described in question 16) above is desirable?

*If yes, please respond to the following questions without regard to your Group's current law.*

*Even if no, please address the following questions to the extent your Group considers your Group's current law could be improved.*

Yes

Please Explain

**19** Does your Group consider there should be a harmonised definition of bad faith?

*Please tick or fill in only the applicable box. If you have different reasons for selecting "no" or "yes" to those identified, please explain.*

No; identifying circumstances that can be relevant in assessing whether the types of conduct identified above under question 16) are allowed can be helpful, but a definition as such does not allow sufficient flexibility

Please Explain

Identifying relevant circumstances could be considered as helpful: a harmonised approach of the assessment of those circumstances seems necessary. Nevertheless, those circumstances should be of illustrative nature, to maintain a particular flexibility regarding additional/other circumstances. Given bad faith is an evolving concept, the national jurisdictions should continue to have the option of assessing the notion of bad faith in the light of the specific circumstances they must know about.

## Bad faith - third party use or filing

**20** Should it be possible to take action against the application or registration for a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark?

*If yes, please answer questions 21) – 25). If no, please go to question 26).*

Yes

Please Explain

**21** Which of the following should be relevant factors for proving an application or registration as described under question 20)?

*Please tick or fill in all relevant boxes. If you select "other", please describe further.*

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

- the degree of legal protection enjoyed by Party B's sign and the sign used by party A

Please Explain

**22** Should any one or more of the above factors be sufficient on their own, or should the assessment instead always take the specific circumstances of the case into account? If one or more factors should be sufficient on their own, which should they be?

*No, none of the above mentioned factors should in principle be considered as an "absolute factor", sufficient on its own: every one of those factors needs to be assessed in the light of the specific circumstances of the case.*

**23** Which of the following should be relevant when establishing whether there was or should have been knowledge as described above under question 21) above?

*Please tick or fill in all relevant boxes. If you select "other", please describe further.*

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

- other

Please Explain

In case Party A had been informed of prior use of a similar sign by a Party B by means of a cease and desist letter sent by Party B to Party A or had been summoned by Party B on that ground, prior to the application filed by Party A.

**24** Should the degree of similarity between the signs be relevant? Please explain why or why not.

Yes

Please Explain

*The degree of similarity between the signs should indeed be relevant* as there is in principle no registration in bad faith without a resemblance between the signs in question. The signs at stake must be identical, or at least similar, to permit the conclusion that a person making the trade mark registration application is acting in bad faith. If the sign, which is the subject of the registration application, is neither identical nor similar to the prior trade mark, then it should be registered without constituting a bad faith registration. Without prejudice to the specific circumstances of a case and other relevant criterion about the knowledge of prior use in good faith etc., the more similar the signs are, then the more evident is the bad faith.

It must also be noted that the similarity between the signs at stake should be considered as standing in an interdependent relation to the similarity of the goods and services that the signs are registered for.

**25** Should the degree of similarity between the goods/services be relevant? Please explain why or why not.

Yes

Please Explain

*The degree of similarity between the goods and services should be relevant.*

Indeed, the principle of speciality, already foreseen both by the BCIP and by the EUTMR, implies that a registered trademark confers exclusive rights only on the sign used in connection with the goods or services for which it has been registered. Furthermore, the sign should be awarded protection only to the extent that a third party applies for/registers a similar/identical sign for identical or similar goods and services.

Concerning well-known trademarks, the protection against bad faith applications should be broader. In that case, bad faith should then not be excluded because of the mere absence of similarity between the goods and services of the earlier well-known trademark and the later trademark that is suspected of registration in bad faith.

## Repeat filings

**26** Should it be possible to refuse or cancel the filing by a trademark owner of a trademark identical or similar to a trademark it already owns in your Group's jurisdiction on the grounds that it fails to meet applicable genuine use requirements?

*If yes, please answer questions 27) – 28). If no, please go to question 29).*

Yes

Please Explain

*Yes, it should be possible to refuse or cancel the filing by a trademark owner of a trademark identical or similar to a trademark it already owns on the grounds that it fails to meet the applicable genuine use requirements* and on the condition that the repeat filing is not justified for any other reason than the applicant's intent to avoid revocation. If the applicant is able to justify the filing for other reasons (for example, by the desire to cover different goods or services, or by the desire to file an "updated version" of the trademark), then this new application should be granted.

**27** Which of the following factors should be relevant when assessing whether a trademark as described under question 26) above should be refused or cancelled?

**Please tick or fill in all relevant boxes. If you select "other", please describe further.**

- the degree of overlap between the goods/services

Please Explain

The factors cited under this question should all influence the assessment. All of those elements are relevant for examining whether a trademark has been applied for or registered in the normal course of economic affairs or, on the contrary, in bad faith, to maintain the exclusive rights to a sign identical or similar to the prior trademark that fails to meet the applicable genuine use requirements. The landmark *Pelikan case* of the General Court of the European Union (analysed in question 10 above) should be considered as providing valuable guidance in this regard. For the assessment of each of the factors above, reference is therefore made to the answer to question 10 above.

- whether or not the signs are identical

Please Explain

See answer concerning the degree of overlap between the goods/services (question 27)

- if the signs are different, the degree of difference

Please Explain

See answer concerning the degree of overlap between the goods/services (question 27)

- absence or presence of intent to use

Please Explain

See answer concerning the degree of overlap between the goods/services (question 27)

- other intentions (e.g. the filing of an updated version of a trademark to meet evolving market requirements)

Please Explain

See answer concerning the degree of overlap between the goods/services (question 27)

- number of goods/services

Please Explain

See answer concerning the degree of overlap between the goods/services (question 27)

**28** Should the answers to questions 26) - 27) above be different if the previous trademark is no longer in force? if so, how?

The fact that the prior trademark is still or no longer in force should not *per se* be a deciding factor about the existence or the absence of bad faith. In the *Pelikan case*, the General Court held that, even though a prior EU trade mark was revoked for certain services and/or goods, that fact is not, in itself, sufficient to enable conclusions to be drawn about the applicant's intentions at the time of filing the contested EU trade mark's registration application. [1] This assessment should be recommended.

Nevertheless, the circumstances surrounding the loss of the exclusive rights attached to the prior trademark lacking genuine use and the timing (of the revocation of the older trademark and the new application) should be considered as being able to influence this assessment. As one example, evidence of the fact that the filing of a new trademark has no economic justification, but is merely used to avoid the effects of the revocation of the former trademark would be a relevant factor to consider against all other relevant circumstances. A sharing of the burden of proof between the plaintiff/claimant and the defendant (applicant) could be justified on this

specific point.

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[1] GCEU, 13 December 2012, T-136/11, above cited, para. 45.

## Defensive marks

**29** Should it be permissible to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, should there be a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)? Please explain.

Yes, filing a trademark is allowed if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed.

The intent to use should not be decisive concerning the right to file a trademark and no timeframe is foreseen for such an intent to use. The requirement of such an "intent to use" does not appear to be compatible with Article 16 (3) of the TRIPS Agreement. Furthermore, awarding any decisive character to the applicant's mere intention would involve problems about the proof of the intent/lack of intent to use the trademark for part or all of the goods or services applied for. Regarding legal certainty, the existence of an application for revocation in the absence of the trademark's serious use during the five years after the registration seems sufficient.

## Other

**30** Should any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith<sup>17</sup>? If yes, please explain.

<sup>17</sup> Including fraud within the context of this Study Question, as explained on p. 1 under paragraph 5 above.

The existing BCIP does not foresee a limited list of grounds but only a mere illustrative number of grounds, which allows the Courts to also take into account other grounds. Other grounds should therefore not be excluded for the assessment of the existence of bad faith. Such approach confers some flexibility in the framework of a case-to-case examination. In this respect, the registration by an agent or a representative of the person who is the trade mark proprietor in one of the countries of the Union applies is foreseen by article 6septies of the Paris Convention, as without such proprietor's authorization, the mark's registration in his/her own name would be considered as an application made in bad faith. Such grounds should be considered as conduct that could – as an independent ground for action – amount to bad faith. [1]

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[1] A. Braun et E. Cornu, *Précis des marques*, 5th edition, Brussels, Larcier, 2009, p.836, n°736.

## Type of proceedings

**31** In which proceedings should it be possible to invoke the grounds described in your response to questions 20), 26), 29) and 30) above, insofar as they should be grounds for action in your view?

*Please tick or fill in all boxes. If you select either of the last two boxes, please describe further*

- a cancellation action (before the trademark/IP office)

Please Explain

- court proceedings concerning a bad faith application

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Please Explain

- court proceedings concerning a bad faith registration

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Please Explain

## Other

32

**Please comment on any additional issues concerning bad faith (or equivalent concepts) in the context of trademark law you consider relevant to this Study Question.**

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There are no additional issues concerning bad faith to be commented upon.

**Please indicate which industry sector views are included in part "III. Proposals of harmonization" on this form:**

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Please enter the name of your nominee for Study Committee representative for this Question (see Rule 12.8, Regulations of AIPPI). Study Committee leadership is chosen from amongst the nominated Study Committee representatives. Thus, persons not nominated as a Study Committee representative cannot be in the Study Committee leadership.

Dominique Kaesmacher