



## 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

Under a general perspective, the Italian current law provides for either a general principle according to which trespassing other's expectations is unlawful, or a more specific rule prohibiting registration of trademarks when it is made in bad faith (Article 19, paragraph 2 Code of Industrial Property), and the use of trademarks in other jurisdictions may be relevant to argue that the registration by Party A is affected by bad faith.

Furthermore the existence of an unregistered trademark (usually indicated as de-facto trademark) having more than mere local significance amounts to a ground for obtaining a declaration of invalidity of a subsequent registered trademark, upon the same conditions set forth for earlier registered trademarks.

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

Yes

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Please Explain

In case Party B has a de-facto trademark in the jurisdiction, the same as treated as a lack of novelty.

In case Party B is the owner only of trademarks in jurisdictions other than the jurisdiction where the application of Party A is filed, such situation is denoted as "bad faith".

**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.*

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

Please Explain

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

Please Explain

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- 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

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This case applies only if Party B is the owner of a de-facto trademark in the jurisdiction

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- 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

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This case applies only if Party B is the owner of a de-facto trademark in the jurisdiction and such de-facto trademark is used for products being identical or similar

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- 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

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- the degree of legal protection enjoyed by Party B

Please Explain

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This case applies only if Party B is the owner of a de-facto trademark in the jurisdiction

**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.

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Yes

Please Explain

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In case Party B is the owner of a de-facto trademark in the jurisdiction which affects the novelty of Party A application, such factor is sufficient on its own.

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In case Party B is the owner only of trademarks in jurisdictions other than the jurisdiction where the application of Party A is filed, the assessment of bad faith shall be conducted taking into account all the specific circumstances of the case.

**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

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

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

Yes

Please Explain

The degree of similarity is always relevant.

In case Party B has a de-facto trademark in the jurisdiction, the degree of similarity is relevant to assess whether it the earlier trademark affects the novelty of the latter (see the second part of the answer to question 1).

In case Party B owns only trademarks in jurisdictions other than the jurisdiction where the application of Party A is filed, the degree of similarity between the signs may be relevant in order to prove the bad faith of Party A in filing its trademark application.

In both cases the degree of similarity between the signs is assessed together with the degree of similarity between the goods/services and any other relevant factor.

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

Yes

Please Explain

See the answer to question 6 above. The degree of similarity between the goods/services is directly relevant only in case Party B has a de-facto trademark in the jurisdiction which has not a reputation, in order to assess whether a risk of confusion exists.

## 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 repeated filing is very questionable in the Italian jurisdiction since neither the case law nor the scholars are in agreement on this issue. In any case, according to article 12, para. 2 of the Industrial Property Code, those trademarks which are expired from more than 2 years (3 years

in case of collective trademarks), or have lapsed due to non-use upon the application date, do not affect the validity of the newly requested trademark.

**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

We want to point out that this is questionable: some authors qualify the repeated filing as a case of bad faith, others not.

It is to be noted that, even for the authors who qualify the repeated filing as a case of bad faith, if the relevant signs are substantially different or if identical signs are applied for different products/services, the filing is not "repeated" and the application would fall outside the case at issue.

**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

Please Explain

See the second part of the answer to question 9

- whether or not the signs are identical

Please Explain

See the second part of the answer to question 9

- if the signs are different, the degree of difference

Please Explain

See the second part of the answer to question 9

- absence or presence of intent to use

Please Explain

It is to be noted that the intent to use or not may be evaluated only *ex post*. However the subsequent conduct of the applicant may amount to circumstantial evidence of the absence of intent to use at the time of the filing of the application

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

Please Explain

See the comment on the previous point.

- the number of goods/services

Please Explain

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

When the previous trademark is no longer in force, the application generally falls outside the case at issue, unless the new filing is clearly aimed at restricting the competition. The latter case may amount to bad faith

## 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

The registration of trademarks intended not to be used is permitted to the extent that they are similar to another trademark which is actually used for the same products/services. In the latter case, the last paragraph of Article 24 Code of Industrial Property lays down that even revocation for non-use does not apply, provided that the owner of the unused trademark is at the same time the owner of another or other similar trademarks that are valid at the time, and he makes actual use of at least one of them to distinguish those goods or services. However, some Italian scholars maintain that this rule should be deemed inconsistent with the European law and therefore it should no longer apply

**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...

There is no case law in this respect. Some Italian scholars maintain that the lack of intent to use or the intent to use for illicit purposes (e.g. for using the trademark only in a symbolic way, in order to obtaining public funds for an activity the owner does not really intend to make) is a case of bad faith.

## 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.

No further cases fall under the definition of bad faith.

## 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.*

- 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

## 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.*

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No

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Please Explain

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.*

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No

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Please Explain

No. However it is necessary to evaluate the matter on a case by case basis, in order to assess the actual conduct taken by the applicant. It would be dangerous to set forth a general prohibition qualifying any case of refiling as bad faith conducts.

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.*

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No

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Please Explain

No. However it should be clarified that the applicant's lack of intent to use the applied for trademark must be strictly proved.

6.d

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.*

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No

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Please Explain

**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 specific rule extending the application of the lapse for non-use also to defensive trademarks too should be included in the Italian law.

### 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

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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.*

Yes

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Please Explain

Yes, but such definition should be sufficiently open so that to allow a case by case approach.

### 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

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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

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Please Explain

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

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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

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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

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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)

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Please Explain

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

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Please Explain

- other

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Please Explain

*E.g.:* intent to be detrimental for other parties' rights, lack of actual intent to use the requested sign, fraudulent reasons for the filing thereof, intent to restrict competition.

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**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?

All the above factors should be sufficient on their own, apart for special cases that can justify the applicant's conduct.

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**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.*

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

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Please Explain

This factor should be taken into account in a case by case assessment, but it should not be sufficient on its own

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

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Please Explain

It should be clarified that this factor will be decisive if the territory of use is the same; if the territory of use is not the same, the decisive factors will be whether the sector is the same and whether the sign is internationally well-known

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- 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

It should be clarified that this factor will be decisive if the territory of use is the same; if the territory of use is not the same, the decisive factors will be whether the sector is the same and whether the sign is internationally well-known

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- other

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Please Explain



e.g. the conduct hold by the applicant also after the filing.

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

Yes

Please Explain

Yes, but the relevant degree of similarity must be assessed on a case by case basis

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

Yes

Please Explain

Yes, but it is fundamental to evaluate such factor on a case by case basis in order to find evidence of 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).*

No

Please Explain

We do not think necessary to include this case in a general rule

**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.*

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

## 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, but we deem correct that the lack of intent to use be subject to a strictly burden of proof. In the absence of said proof, the general rule on lapse for non-use should be applicable even to such cases. In order to give evidence of lack of intent to use also the subsequent conduct of the applicant should be considered.

## 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.

See the answer to question 21 above.

## 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, inasfar 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*

- it differs per ground

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.

We do not have any further comment.

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

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.

Professor Cesare GALLI