



## 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. The current law provides an action against bad faith applications.

**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 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.*

- 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

Please Explain

- other

Please Explain

There may be many additional relevant factors for determining bad faith provided there is either any connection between Party A and Party B or there is evident knowledge of Party A in respect to commercial activity of Party B in relation to identical or similar goods (e.g., previous commercial contracts between Party A and B, Party A is the former employee of Party B, identical or similar manner of distribution of goods or provision of services, etc.).

**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.

Yes

Please Explain

Since there are many relevant factors and possible circumstances in which those factors may be assessed, it is not possible to determine a priori any relevant factor that could be sufficient on its own. However, some factors usually amount to either refusal of the trademark application by the Patent Office or cancellation of a trademark registration by the Patent Office or the court.

The following factors could be considered likely to be sufficient on their own:

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

In case when Party A knows, or should reasonably be aware, of use of an identical sign in the same jurisdiction for identical goods or services the Patent Office or the court will usually conclude that the trademark application has been filed in bad faith.

In general, under certain circumstances any factor that provides any connection between Party A and Party B or if there is evident knowledge of Party A in respect to commercial activity of Party B in relation to identical or similar goods, could lead to finding of "bad faith".

**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

Yes, the degree of similarity between the signs is relevant. The precondition of finding of bad faith is identity or high similarity of the signs since that is the main reason why the trademark application is filed in bad faith with the view of gaining advantage from the trademark registration.

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

Yes

Please Explain

Yes, usually the degree of similarity between the goods/services is relevant since the main aim of the bad faith applicant is to target the same or similar market sector of the earlier trademark owner in order to gain advantage from the trademark registration. However, if the application is filed for dissimilar goods or services in respect to a sign that is identical or highly similar to the earlier trademark which has considerable reputation or is well-known amongst the relevant public, this may also lead to finding of bad faith.

## 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).*

No

Please Explain

No, the trademark application cannot be refused or its registration cannot be cancelled due to repeated filing by a trademark owner.

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

**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.*

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

## 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

Yes, it is permissible to file a trademark with no intent to use it.

**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...

It is not denoted as "bad faith" or in any other term. It is a trademark owner's choice whether he will use his registered trademark in the future. There might be objective reasons why a registered trademark is not used at all (e.g., change of business plans). Usually the trademarks are registered before launching of a new product of service, therefore any reason of non-use may be sufficient in order to overcome any possible "bad faith" grounds.

## 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.

There are no additional independent grounds for action in relation to the notion 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.*

- ex officio by the trademark/IP office

Please Explain

- opposition proceedings (before the trademark/IP office)

Please Explain

- court proceedings concerning a bad faith registration

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.*

No

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.*

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 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.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.*

No

Please Explain

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

None.

## 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.*

No

Please Explain

No, the current law provides sufficient balance of interests.

**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

## 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

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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

**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?

The assessment should always take into account the specific circumstances of the case. However, the only factor that should be sufficient on its own is when Party A knows, or should reasonably be aware, of use of an identical sign in the same jurisdiction for identical goods or services. In case of "double identity" there are no reasonable arguments why the later trademark application has been filed. In all the other cases there might be reasonable arguments for filing of the trademark application.

**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

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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

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

Yes

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Please Explain

The degree of similarity of the signs is a precondition for finding of bad faith, since the higher the similarity between the signs, the higher the possibility of filing of a trademark application in bad faith.

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

No

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Please Explain

The degree of similarity between the goods/services is not a precondition for finding of bad faith. Sometimes third parties file identical or very similar trademarks in respect to dissimilar goods/services in order to gain advantage from the reputation of the earlier trademark that is used in relation to dissimilar goods/services.

## 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. There should be a legal provision that provides a certain timeframe where filing of the repeated identical or highly similar trade mark in respect to identical goods/services is not permissible after the term provided for genuine use requirement (e.g., 1 year from the final genuine use requirement date). In Latvia and the EU the requirement for genuine use is within 5 successive years. However, lack of genuine use of the earlier registered trademark may result in loss of trademark registration. A new trademark application has a new filing (priority) date. Accordingly, the trademark owner loses the previous filing date and hence is vulnerable to any earlier rights between the previous filing date and the new filing date. Thus, the current trademark registration system in some way partially is also capable of solving the situation on its own.

**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 more similar are the goods and services, the more is probable finding of bad faith

- whether or not the signs are identical

Please Explain

identity shows possible intent of the applicant to use the earlier trademark owner's trademark

- if the signs are different, the degree of difference

Please Explain

the signs should be at least highly similar or provoke an association between the earlier trademark and the filed trademark

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

no

## 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.



Lawfulness of filing of a trademark application should not be dependent on the immediate intent to use. The intent to use the trademark is limited to 5 successive years in which the genuine use of the trademark is assessed. There might be justified business reasons why the trademark is not used for a longer period of time (e.g., trademark filing strategy - "file before use", product development, etc.).

## 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.

No.

## 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*

- ex officio by the trademark/IP office

Please Explain

- opposition proceedings (before the trademark/IP office)

Please Explain

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

Please Explain

- court proceedings concerning a bad faith registration

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.

No additional commentaries.

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

No specific industry sector.

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.  
Ilmars Satovs