



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, Swedish law provides for actions in this respect by way of refusal of registration or revocation of a trademark. According to Chapter 2 Section 8 subdiv 4 in the Swedish Trademark Act (SFS 2010:1877) (the "STA"), a trademark shall not be registered if it can be confused with a symbol which, at the time of the application, was being used by a third party in this country or abroad and is still in use, if the applicant was acting in bad faith at the time of the application.

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

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

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

Please Explain

In accordance with the Lindt decision, one or more of the above factors are not sufficient on their own to conclude that a registration in Sweden is made in bad faith, but the assessment must always take the specific circumstances of the case into account.

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 when establishing whether the signs are capable of being confused and when establishing bad faith.

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

Yes

Please Explain

Yes, the degree of similarity between the goods/services is relevant when establishing bad faith. Even if similarity between the goods/services is not explicitly referred to as a prerequisite under the STA to establish bad faith, it is still relevant when establishing whether the applicant knew or must have known that a third party is using an identical or similar sign capable of being confused with the sign for which the registration is sought.

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

Yes, an application for a trademark may be refused *ex-officio* by the Swedish Patent and Registration Office if it is identical as regards both the sign and the goods and/or services to a previous registration owned by the applicant. As bad faith is not an absolute ground under the STA, this practice follows from established case law where such a behaviour has been deemed contrary to the requirement of genuine use for registered trademarks (see Swedish Court of Patent Appeals decision on April 22, 1986 in case nr. 85-126 "INSONEX").

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

No

It is called...

No, it is denoted as unlawful double registration (Swedish: "*otillåten dubbelregistrering*"). However, this is likely to change to bad faith once the EU Trademark Directive 2015/2436/EC has been implemented in Sweden (see further under answer to question 17 below).

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

- whether or not the signs are identical

Please Explain

- other

Please explain how the above factors influence the assessment.

explanation to OTHER: If the application is an international registration designating Sweden.

Please explain how the above factors influence the assessment: The signs must be identical and the goods and/or services must either be identical or include a more limited list of goods and/or services than the earlier registration. It does not include applications for identical marks with a larger scope of the goods and/or services than that of the registered mark. However, this does not include situations where an international registration designating Sweden is identical to an earlier Swedish registration as this would be contrary to replacements in accordance with Article 4bis of the Madrid Protocol.

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

There can only be an unlawful double registration if an earlier registration already exists. As such, the previous trademark needs to be in force.

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 for a trademark application without an intent to use. However, according to Chapter 3 paragraph 2 in the STA, a trademark must be used or it may be subject for cancellation if it has not been used within five years after approved registration or if not used during five consecutive years.

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, as there is no requirement for intent to use, an application filed without intent to use is not construed to have been filed in bad faith.

Other

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

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

As described in the answer to question 1 above, bad faith applications are covered by Chapter 2, paragraph 8 subdiv 4 in the STA. The application for registration of a trademark that can be confused with a symbol which, at the time of the application, was being used by a third party in Sweden or abroad and is still in use, shall be refused if the applicant was acting in bad faith at the time of the application.

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

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

Please Explain

- court proceedings concerning a bad faith application

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.

Yes

Please Explain

(please see the answer to question 17 below).

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

(please see the answer to question 17 below)

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.

Yes

Please Explain

(please see the answer to question 17 below)

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

(please see the answer to question 17 below)

17

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

Yes, a proposal has been submitted to amend in the STA. The overall purpose is to implement the EU Trademark Directive 2015/2436/EC, to align the STA with the EU Trademark Regulation and to incorporate the practice of the Court of Justice of the European Union. The amendments are proposed to enter into force 1 January 2019.

Some of these proposed amendments will, according to the Group, improve the current trademark regulation in Sweden with regard to question 16 a)-d) above.

In short, the proposal contains, among other things, the following amendments to the STA.

- The concept of bad faith will be added as an absolute ground for refusal of a registration (the concept of bad faith will also remain as relative ground for refusal but will only be applicable to situations when the new trademark can be confused with an earlier trademark protected abroad). As a consequence, unlawful repeat filing currently denoted as double registration will probably be addressed within the concept of bad faith.
- An opposition may only be based on relative grounds and can therefore not be based on bad faith. The Swedish Patent and Registration Office may still examine ex officio both relative and absolute grounds. However, in practice, it is assumed that the Swedish Patent and Registration Office must be made aware of such circumstances, e.g. by receiving a third party observation. As a consequence, it is expected that invalidity claims based on bad faith, currently addressed in opposition proceedings handled by the Swedish Patent and Registration Office, will be addressed as cancellation actions to be settled in court proceedings.

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

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 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?

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

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

Yes

Please Explain

Yes, the degree of similarity between the signs should be relevant when establishing whether the signs are capable of being confused and when establishing bad faith.

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

Yes

Please Explain

Yes, the degree of similarity between the goods/services should be relevant when establishing bad faith since it should be relevant when establishing whether the applicant knew or must have known that a third party is using an identical or similar sign capable of being confused with the sign for which the registration is sought.

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

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

- whether or not the signs are identical

Please Explain

- if the signs are different, the degree of difference

Please Explain

- absence or presence of intent to use

Please Explain

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

Please Explain

- number of goods/services

Please Explain

- other

Please explain how each of the factors selected above should influence the assessment.

Other: if the application is an international registration designating the relevant territory (see answer to question 10 above).

Please explain how each of the factors selected above should influence the assessment: One or more of the above factors should not be sufficient on their own to conclude whether a registration is unlawful. Instead the assessment should always take the specific circumstances of the case into account and include all of the above factors to conclude whether the applicant refiles a trademark solely to circumvent the genuine use requirement or if there is a legitimate purpose for the new application.

If the signs are identical and the goods and/or services are either identical or include a more limited list of goods and/or services than the earlier registration, this should be construed as a clear sign that the applicant refiles a trademark solely to circumvent the genuine use requirement.

The degree of difference between the signs is relevant but a close similarity could be explained by other intentions of the applicant (e.g. the filing of an updated version of a trademark to meet evolving market requirements), which could be construed as proof of legitimate purpose for the new application.

If the application is filed for an identical sign but covering a larger scope of goods and/or services, this should not be construed as an attempt to circumvent the genuine use requirement.

Even if it should be permissible to file the first trademark application without an intent to use, an evident absence/presence of intent to use the trademark is relevant when establishing whether the repeat filing is made only to circumvent the requirement to use the trademark within five years after approved registration or during five consecutive years.

A general exception should be made to situations where an international registration designating to a specific territory is identical to an earlier registration in that territory.

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

Yes, as a general rule, if the application is no longer in force, the former holder should not be restricted to file a new application irrespective of any presence or absence of intent to use the trademark. However, if the new application is made within a short period of time after the expiry of the former trademark registration, this should be taken into account (together with other factors) when establishing whether the new registration was made in order to circumvent the genuine use requirement or if there is a legitimate purpose for the registration.

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.

The trademark owner should not be obliged to show any intention of use at the time of registration. The five years "grace period" currently applied in Sweden is considered to be sufficient.

Other

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

¹⁷ 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, 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

- 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 application

Please Explain

- court proceedings concerning a bad faith registration

Please Explain

- it differs per ground

Please Explain

Only repeat filings made in bad faith should be assessed *ex officio* by the trademark/IP office.

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 find no additional issues concerning bad faith (or equivalent concepts) in the context of trademark law that we consider relevant to this Study Question.

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.