

# Repeated filings of a European Community trade mark

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## The issue

Registered trade marks must be used within five years from the registration date or else they become vulnerable to cancellation due to non-use. Furthermore, an opposition based on an unused trade mark which has been registered for more than five years will be rejected if the applicant contests the use of the base mark in the opposition proceedings, and the opponent does not succeed in establishing genuine use. The strict use requirement may be circumvented by repeatedly filing the identical trade mark for the same goods before the expiration of the non-use grace period.

Over the past few years, the issue of repeated filing of the same mark for the identical or almost identical list of goods and services with the intention of artificially prolonging the non-use grace period has been widely discussed. The reason for filing the same application repeatedly is very often the lack of genuine use or use of the trade mark under a significantly different form.

Filing another application for an identical mark and goods and services, thus circumventing the effects and rationale intended by the legislators, allows the applicant to expand the non-use grace period, while blocking interested good faith third parties who may want to acquire rights to the same or similar mark from obtaining registration. Accordingly, interested third parties may only be able to obtain rights to their desired mark by seeking to expunge that mark from the register.

## Legal context: grounds for cancellation

For a repeated filing to be considered as such, the applicant needs to file the same mark for an identical list of goods and services.

### Must that list of goods be identical to render an application repetitive or would a list of similar goods suffice?

Since there is no legal definition of repetitive filing, it is not clear whether the list of goods and services for which the second trade mark is filed needs to be identical to the

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## This article

- In order to overcome the strict use requirement for trade marks, trade mark owners whose marks become vulnerable to cancellation based on non-use upon expiration of the grace period have started to file identical applications for the same list of goods, thus obtaining another five-year period of non-use upon registration of the identical trade mark.
- Repeated filing for the same trade mark has become a widely discussed issue; however, the legal ramifications at the European level remain vague.
- Currently, the Community Trade Mark Directive does not cover the issue explicitly, thus putting competitors with an interest in the subject at a disadvantage.
- This article discusses current case law and relevant statutes on the issue of repeated trade marks filing at the European level, and attempts to highlight shortcomings that need to be remedied in order to discuss and adjudicate this issue with more clarity.

list of goods and services of the first trade mark in order for the filing to be considered 'repetitive'. According to the majority view in legal publications, similar goods and services might be sufficient<sup>1</sup> to qualify an application as repetitive. This interpretation is based on Article 9 (1)(b) of the Community Trade Mark Regulation (CTMR), referring to the scope of protection of the first trade mark. However, since the repetitive filing serves to circumvent the obligation to begin using a registered trade mark, it may be more appropriate to look to Article 15 (1)(a) CTMR for guidance in evaluating this

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1 Dr Ralf Hackbarth, Carl Heymanns Verlag, Köln (1993), *Die Grundfragen des Benutzungszwangs im Gemeinschaftsmarkenrecht*, p. 203.

criterion. As a condition for such genuine use, a trade mark needs to be used in the European Community in connection with the goods or services for which it is registered. A filing may thus only be considered repetitive if the goods and services of the second trade mark are identical with the goods and services of the first trade mark.

### Does an identical sign qualify an application as repetitive? The *Pelikan* case

The Office of Harmonization for the Internal Market (OHIM) criteria for analysing the identity of the sign with the originally filed sign are quite strict. In this respect, it is worth giving OHIM Cancellation Division's *Pelikan* decision a closer look:<sup>2</sup>



Pelikan Vertriebsgesellschaft mbH & Co. KG (Pelikan) was the owner of the Community trade mark (CTM) Pelikan and device (first trade mark, above), registered in November 1998 and covering, inter alia, the class heading in Classes 35 and 39 (CTM No 179 226, reg 24 November 1998). In August 2003, three months before the expiration of the five-year grace period, Pelikan applied for registration of the CTM (second trade mark, above), to cover a large list of services in Classes 35 and 39.

The new mark was registered in May 2008 (CTM No 3 325 941, reg 21 May 2008). In October 2008, the Slovakian company pelikantravel.com sro (the applicant) filed an action for revocation because of non-use against Pelikan's CTM of 1998 and an action for cancellation based on bad faith against the CTM of 2008. The applicant claimed that the new CTM filing constituted an act of bad faith because the 2008 mark was practically identical to Pelikan's earlier CTM and, therefore, the filing had to be considered a repeat application with the intention of preventing loss of rights attached to the earlier CTM, which had allegedly not been used.

OHIM's Cancellation Division revoked Pelikan's 1998 CTM for all services in Classes 35 and 39 because of non-use. The bad-faith cancellation action against Pelikan's 2008 CTM was, however, rejected in all instances. According to OHIM, even a minimal graphic change in

a second trade mark application qualified it as new. According to OHIM, the assumption of a repetitive filing required absolute identity with the first trade mark.

This case was referred to the General Court (GC) which, in December 2012, issued for the first time a decision on the subject of repeat trade mark applications and bad faith.<sup>3</sup>

The GC stated that the marks were practically identical, given the insignificant differences between them, which were not noticeable to the average consumer. The court concluded, however, that this alone was not sufficient to establish that the 2008 CTM application was a mere repeated filing made in bad faith. According to the GC, the modernization of a trade mark constitutes a normal business practice, and Pelikan had announced the modernization for its 125th anniversary in its 2003 annual report. Further, in its new application, Pelikan more specifically identified its services in Classes 35 and 39, instead of using class headings as in the earlier CTM. The fact that the earlier mark was revoked for all services in Classes 35 and 39 was not, in itself, sufficient for the court to speculate on Pelikan's intention at the time it filed the 2008 CTM. The GC found that the applicant had not produced any evidence showing that the application for the new CTM was deceitful or made no commercial sense for Pelikan. Further, there was no evidence that Pelikan had no intention of using the 2008 CTM or that it tried to prevent a third party from entering the market. In this respect, there was a presumption of good faith until proof to the contrary was adduced.

In summary, the court found that there was insufficient evidence to establish that the second application had been filed in bad faith.

### Is the criterion of bad faith a ground for rejection of a repetitive trade mark?

In s 4.3.3. of the Guidelines concerning proceedings before OHIM,<sup>4</sup> the filing of repetitive applications is linked to the condition of bad faith:

Where the proprietor of a CTM makes repeated applications for the same mark with the effect of avoiding the consequences of revocation for non-use of earlier CTMs, whether in whole or in part, the proprietor is acting in bad faith.

Thus bad faith constitutes a ground for revocation of a Community trade mark in cancellation proceedings before OHIM. However, OHIM's approach to bad faith applications is inconsistent.

2 3157 C—*Pelicantravel.com sro v Pelikan Vertriebsgesellschaft mbH & Co KG*, OHIM, 30 September 2009.

3 Case T-136/11 *Pelicantravel.com v OHIM - Pelikan*, 13 December 2012 (not published in the ECR)

4 Trade marks and designs, Part D, s 2: Cancellation Proceedings, Substantive Provisions of November 2007.

The definition of ‘bad faith’ is vital in the context of grounds for cancellation of a repeatedly filed trade mark. ‘Bad faith’, however, is not defined in Community Trade Mark Law. According to Article 52(1)b of the Community Trade Mark Regulation (CTMR),

a Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings, where the applicant was acting in bad faith when he filed the application for the trade mark.

OHIM merely offers guidelines in its publications as to how ‘bad faith’ might be interpreted. For example, the Guidelines concerning proceedings before the Office state in Part D, s 2 that ‘bad faith’ can be considered to mean ‘dishonesty which would fall short of the standards of acceptable commercial behavior’. This, however, is not a comprehensive definition. Behaviour other than dishonesty may be considered to be an act of bad faith. Conceptually, the Office understands bad faith as ‘dishonest intention’.<sup>5</sup>

According to case law, however, not every repeated filing of a trade mark is considered an act of ‘bad faith’. Thus, following the definition set forth in Article 52(1)b, OHIM does not deem every repeated filing to be an act of dishonesty.

In *Red Bull*,<sup>6</sup> OHIM emphasized that a repeated filing of the same trade mark for identical goods and services is not per se an act of bad faith. Rather, the interval between these filings is significant in order to determine whether a mark has been filed in bad faith. If the repeated application is filed within the five-year grace period, the applicant is not, per se, circumventing the mandatory use requirement. As long as use of the originally filed trade mark begins prior to the expiration of the initial five-year grace period, applicant’s alleged bad faith may be ‘dissolved’.

Further, considering the connotations of the findings of bad faith, OHIM’s practice appears to be based upon the principle that a determination of bad faith can only be made in cases where the facts at hand show without doubt that the CTM proprietor acted in bad faith. Consequently, the evidentiary burden to meet such a standard is very high.

In *Pelikan*,<sup>7</sup> OHIM rejected a request for cancellation based on the argument that the submitted evidence failed to prove that the CTM was a repeated filing. For example, an application for a CTM that is identical to a previously

rejected national application, which was rejected by the central industrial property office of a Member State on grounds of descriptiveness, does not constitute bad faith.<sup>8</sup>

In its *Lindt* decision,<sup>9</sup> the CJEU confirmed that the relevant date for assessing bad faith is the time of filing the application and that whether an applicant is acting in bad faith depends on the applicant’s intention at the time of filing. Bad faith may be given if a lack of intent to use the mark (which may be apparent later) can be proved along with the fact that the applicant acts out of the interest to prevent a third party from entering the market. However, as OHIM’s Cancellation Division stated in *Pelikan*, the notion of bad faith is based on subjective intentions of the CTM proprietor at the time of the application. Since these can usually not be proved directly by the applicant, all other objective circumstances of the case, including those before and after the filing, have to be taken into consideration.

## Ways of attacking a repeated application

### In application proceedings

The CTM system does not require an applicant to have an intention to use the mark when applying. Thus, absence of intent to use is not a ground for establishing bad faith. Similarly, applying for protection across a broad range of goods and services does not constitute bad faith.<sup>10</sup>

Since the applicant does not have to show his or her intention to use the mark in commerce, a refusal of a repeatedly filed mark is not possible during the application process of a CTM-application.

### Opposition proceedings

Bad faith is not a ground upon which opposition proceedings may be based or which may be claimed in opposition proceedings, as evidenced by OHIM’s Board of Appeal decisions to the contrary in *NAVIGO* and *PATHFINDER*.<sup>11</sup>

In an opposition against a later CTM application, the applicant has the possibility of contesting the use of the mark(s) upon which the opposition is based. It is not clear, however, if the opposition is based upon a repeatedly filed trade mark, and whether such trade mark can claim the benefits of the five-year grace period in case there exists an identical earlier trade mark in the name

5 CTM No 2386126 *ER*, Cancellation Division, 10 October 2004; Boards of Appeal decision in Case R 582/2003-4—EAST SIDE MARIO’S.

6 1344 C, *AX 26—SARL v Red Bull GmbH*, OHIM, 21 March 2007.

7 *Pelikan*, above, n 2.

8 CTM No 2644243 *AALBORG*, Cancellation Division, 23 November 2004.

9 Case C-529/07 *Chocoladenfabriken Lindt & Sprüngli* [2009] ECR I-04893.

10 CTM No 1628395 *NAKED*, Cancellation Division, 14 December 2004.

11 Case R-1785/2008-4—*PATHFINDER v MARS PATHFINDER*, OHIM Board of Appeal, 15 November 2011.

of the opponent which has been registered for more than five years. This problem is solved completely differently by the Second and the Fourth Board of Appeal at OHM in—*NAVIGO*.<sup>12</sup>

The applicant sought to register the word mark 'NAVIGO' for goods in Class 9. The opponent filed an opposition against the CTM application based on its earlier French trade mark 'NAVIGO', registered for identical goods in Class 9, on the grounds of Article 8(1)(a) and (b) CTMR.

The applicant asked the opponent to submit proof of use of the earlier trade mark and argued that the opponent's mark had been registered in bad faith. Therefore the opponent should be required to submit proof of use even if the earlier mark had not been registered for more than five years. In its decision, the Opposition Division rejected the applicant's argument and upheld the opposition in its entirety.<sup>13</sup>

The applicant filed an appeal against the decision regarding the dismissal of the request of proof of use by the Opposition Division. On this issue, the Second Board of Appeal found, in its decision of 11 November 2011, that the opponent had no obligation to prove use of the earlier mark because it had not been registered for more than five years.<sup>14</sup>

The applicant insisted that the repeated, subsequent filings of identical national trade mark applications by the opponent had the sole purpose of circumventing the burden of proving the use of the opposing mark in the relevant opposition procedure where that mark might be invoked as an earlier right. The applicant maintained that due to those particular circumstances of the case, the opponent should be subject to the obligation to submit evidence of the use of its mark even if it was not registered for more than five years.

Nevertheless, the Board remarked that there is an apparent lack of any legal basis under CTMR which could be applicable to this issue. Therefore, in the opinion of the Board, the fact that the opponent might have repeatedly filed identical national applications was irrelevant to the opposition procedures and could not establish obligation to show use beyond the clear circumstances established by Article 42 CTMR. While the Board found it to be true that, according to OHIM Guidelines, the fact that a proprietor of a CTM makes repeated applications for the same mark is considered an example of the proprietor acting in bad faith. It also pointed out that an attack on such trade marks was restricted to cancellation procedures relating to CTM regis-

trations and in no case to opposition procedures before the Office or to procedures concerning national registrations in a Member State.

In *PATHFINDER*,<sup>15</sup> the Fourth Board of Appeal rendered a decision to the contrary, where the applicant sought to register the figurative mark



In the proceedings on the grounds of Article 8(1)(b) CTMR, which were based on the earlier Spanish word mark 'MARS PATHFINDER', the applicant asked the opponent to furnish proof of the use of the earlier mark. The Office did not invite the opponent to furnish proof of use; and the Opposition Division upheld the opposition for all the contested goods because it found the request of proof of use to be inadmissible, and decided that there was indeed a likelihood of confusion.

The applicant appealed, arguing that the opponent's earlier mark was an identical re-filing of its prior Spanish trade mark applications,<sup>16</sup> and furnished extracts of the database of the Spanish Patent and Trade Mark Office. The applicant argued that the opponent simply wanted to extend the grace period for non-use of the mark artificially and to offer his mark to others for high compensation without any intent of use, which constituted bad faith.

The Board accepted this argument and invited the opponent to furnish proof of use pursuant to Rule 22(2) CTMR. The Board stated that it was evident from the documents submitted by both parties during the opposition proceedings that the opposing trade mark 'MARS PATHFINDER' had already been filed by the opponent for the same goods as Spanish trade mark applications; that those applications were registered on 20 October 1998; and that the opponent abandoned those marks when the five-year period after registration had elapsed. The opponent merely loosely mentioned the possibility of revocation of those earlier marks but there is nothing on file that the opponent was ever actually involved in, or threatened with, a lawsuit or office procedure regarding their revocation.

The Board added that this demonstrated that the sole purpose of obtaining the mark, on which the opposition was based, was to artificially prolong the grace period during which there were no sanctions under the law for non-use. Thus, it ruled, in opposition proceedings

12 Case R 2185/2010-2 *NAVIGO (FIG.) / NAVIGO*, 11 November 2011, OHIM Board of Appeal; Case R 2181/2010-2, *NAVIGO / NAVIGO*, 25 October 2011, OHIM Board of Appeal.

13 *NAVIGO*, above, n.12 (9).

14 *NAVIGO*, above, n. 12 (18).

15 *PATHFINDER*, above, n 11.

16 Spanish trade mark applications no 2 102 788 and no 2 012 789, filed in 1997 and registered on 20 October 1998.

before the Office, that the opponent must be invited to furnish proof of use for such trade marks under Rule 22(2) CTMIR, if there is a respective request from the applicant, which is the case here. The request of proof of use was declared admissible, but no proof of use was offered by the opponent. The opposition was thus considered unfounded.

### Cancellation proceedings

Article 52(1)(b) CTMIR allows for the declaration of invalidity of a CTM on the ground that the applicant was acting in bad faith. According to case law, however, not every repeated filing of a trade mark is considered 'bad faith', as discussed above in the *Pelikan* case (3157C). The fact alone that an applicant repeatedly files a trade mark application will generally not be considered as an act of 'bad faith' which leads to cancellation of a trade mark.

### Differences between the prevailing opinion at European and national levels

A closer look at German and British law on this issue shows that this topic is handled quite differently at the national level, thus not necessarily providing a basis for a common approach.

There is no requirement in the German Trade Mark Act for an applicant to have the intention to use the trade mark when applying. Thus the absence of intention to use is not a ground for finding bad faith. Similarly, applying for protection across a broad range of goods and services does not constitute bad faith, either.

During opposition proceedings before the German Patent and Trade Mark Office and before the Federal Patent Court, the argument that an opposition is based on a repeatedly filed trade mark is generally not taken into account. The proceedings before the Office aim at a fast solution of the case and do not allow for a thorough examination of this issue. Such complex issues can only be dealt with before civil courts.

German civil courts' approach regarding repeated filings is inconsistent. Generally speaking, the fact alone that a German trade mark is filed repeatedly is not considered to be an act of bad faith. Instead, the assumption of bad faith requires additional pieces of evidence indicating an abuse of legal rights, for example the methodical circumvention of the grace period of non-use.

In the *Galileo* decision rendered by the District Court of Munich,<sup>17</sup> the re-filing of a trade mark was not considered as an abuse of legal rights where two trade marks differed in their list of goods, in the visual impression

created by different additional graphical elements and in the geographic scope. It was found that it was in the applicant's legal interest to re-file the application.

In another decision rendered by the District Court of Munich, *Transrapid*,<sup>18</sup> the re-filing of an identical trade mark for identical goods was considered abusive. The court held that, in such a case, the non-use grace period of the second trade mark expires at the same time as the grace period for the first trade mark. This approach appears to be the better solution, and more appropriate than the attempt to invalidate these marks on the basis of bad faith. Basically, an applicant's bad faith at the time of filing the application cannot be 'cured' at a later date. However, in the case of a repeated filing, such an obvious abuse can be remedied by putting the trade mark into genuine use before it is challenged by third parties.

In contrast to German laws, the UK Trade Marks Act expressly requires that a trade mark applicant be used or that there be intention to use the trade mark in commerce at the time of filing. According to s 32(3) of that Act,

The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods and services, or that he has a bona fide intention that it should be so used.

The absence of such an intention to use constitutes an act of 'bad faith' according to law in the UK. Repeated filings are only admissible in the UK if there is in fact an intention to use. Otherwise, a repeated filing may constitute a bad faith application.<sup>19</sup>

### Grabbing the bull by the horns: practicable ways to minimize the issue

According to Article 15(1)(a) CTMR, the use of a trade mark in a form differing in elements that do not alter the distinctive character of the mark from the form in which it was registered still constitutes genuine use. It is thus in principle not necessary to re-file a trade mark which differs only slightly from earlier trade marks, but it is possible. Such a newly filed trade mark appears to be exempt from attacks on grounds of 'bad faith' because a minimal graphic change of a second trade mark application qualifies the mark as being new, according to the *Pelikan* case. Trade mark owners should be free to re-file their updated trade marks, even in case of only slight alterations.

The expansion of commercial activities sometimes requires an expansion of the goods and services of an existing trade mark. This is only possible by re-filing the

17 LG München I, 33 O 20081/02, *Galileo*, 17 February 2004.

18 LG München I, 7 O 4078/98, *Transrapid*, 17 December 1998.

19 *Origins Natural Resources Inc v Origins Clothing Ltd* [1995] FSR 280, 284 (Ch D).

trade mark for a broader range of goods and services. Such a re-filing cannot be considered as a repetitive filing which was performed with the mere intention to extend the grace period of non-use of an earlier trade mark.

The same applies to a territorial extension of a national trade mark, for example by re-filing the identical trade mark for an identical list of goods as CTM. In light of territorial extension of commercial activities, the applicant should have the possibility of re-filing before OHIM a trade mark application which had been refused on grounds of descriptiveness before by a national office. Article 34 CTMR even provides for a seniority claim, according to which it is possible to 'merge' a CTM with an identical earlier national registration. Thus the condition of 'triple identity' must be fulfilled: same mark, same owner and same goods and services. Filing an identical CTM subsequent to a national trade mark will thus never be considered as 'repetitive filing'.

This condition of a 'triple identity' together with the condition that the application is filed at the same Register, where the identical earlier trade mark is registered, could, however, serve as a definition of a repeated filing, but not necessarily of bad faith.

It may be an indication of bad faith when a trade mark which was not put into genuine use has been repeatedly re-filed identically shortly before the expiration of the five-year non-use grace period, with the mere intention of blocking a competitor from filing or using the same trade mark and without any intention of beginning to use that trade mark. Though an applicant's intention at the time of re-filing a trade mark is central and important when considering the validity of a repeatedly filed trade mark, recent developments in case law have shown that its definition is difficult as is finding tangible evidence of an applicant's intention to act. Thus the concept of bad faith is impossible to rely on in proceedings as described above. Unless an applicant is required by law to state his or her intent to use the mark in commerce upon filing the application, with the consequence that a failure to do so may render the mark invalid, a lack of such an intention cannot easily be detected and penalized. So for now, it may be the most practicable solution to rely on the concept of 'triple identity' in order to identify repeated filings and to work on a pragmatic way to have the applicant state its intent to use, which could serve as a way of making the concept and proof of 'bad faith' more tangible.