

Decision of ECJ Case C 371/18, Sky and Others

February 20, 2020 [Legal news](#)

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The EUIPO has welcomed the decision of the Court of Justice of 29 January 2020, in Case C-371/18, Sky and Others, in the context of a request for a preliminary ruling.

The EUIPO considers that the Court of Justice provided important guidance on the **requirement for clarity and precision** of the specification of goods and services, on the one hand, and the concept of **bad faith**, on the other.

The main issues arising from the questions referred to the CJEU are the following :

1. Whether a trade mark can be declared invalid, wholly or in part, on the grounds that the specification of goods and services lacks clarity and precision;
2. If the answer to the first question is yes, whether terms such as *"computer software"* are considered to lack clarity and precision;
3. Whether a trade mark can be declared invalid on grounds of bad faith if the applicant does not have any intention to use the mark in relation to the specified goods and services;
4. If the answer to the third question is yes, whether it is possible to conclude that the trade mark was only partly filed in bad faith as regards the goods for which there was no intention to use the mark.

In its response to the first question, the Court confirmed that **a European Union trade mark or a national trade mark cannot be declared wholly or partially invalid on the ground that the terms used to designate the goods**

and services in respect of which that trade mark was registered lack clarity and precision. In this regard the Court found that both First Directive 89/104 and Regulation No 40/94 provide an exhaustive list of the absolute grounds for invalidity among which there is no such ground as lack of clarity and precision of the specification of the goods and services. Furthermore, the lack of clarity and precision of the terms used to designate goods and services does not fall within the scope of one of the absolute grounds set in Article 7 of the Regulation or Article 3 of the Directive and in particular it cannot be considered contrary to public policy.

As the first question was answered in the negative, the Court did not need to propose an answer to the second question.

To answer the third question, **the Court confirmed that the application for a trade mark without any intention to use it in relation to the goods and services applied for could constitute bad faith if a number of conditions are fulfilled.** In this regard the Court remarked that the trade mark applicant is not required to indicate or even to know precisely, on the date of filing of his mark, the use he will make of it, and that bad faith, therefore, cannot be presumed on the basis of the mere finding that, at the time of filing the application, the applicant had no economic activity corresponding to the goods and services referred to in that application. However, the registration of a trade mark by an applicant without any intention to use it in relation to the goods and services covered by that registration may constitute bad faith, where it is apparent from relevant and consistent indicia that the proprietor of a trade mark has filed it not with the aim of engaging fairly in competition but with the intention of undermining the interests of third parties, or with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin.

As regards the fourth question **the Court held that when the absence of the intention to use a trade mark in accordance with its essential function concerns only certain goods or services covered by the registration, the invalidity of that trade mark covers those goods or services only.**

The EUIPO considers that these clarifications contribute to ensuring legal certainty.

The answer to the first question reassures EUTM owners that they will not face invalidity actions for registrations which include broad terms solely on the basis of the fact that those broad terms may lack clarity and precision. This confirms the current practice of the Office, which do not include the lack of clarity and precision of the specification among the absolute grounds for invalidity (see Guidelines, Part D, Cancellation, point 3, [Absolute Grounds for Invalidity](#)).

Moreover, as the Court did not question the clarity and precision of the term "*computer software*", it also does not call into question EUIPO and Member States' practice on terms lacking clarity and precision, reflected in the [Common Communication on the Common Practice on the General Indications of the Nice Class Headings](#) .

Finally, the Office considers that the Court has clarified the circumstances in which the ground of bad faith can be invoked against registrations for goods and services which the applicant has not any intention to use, according to Article 59(1)(b) EUTMR. See Guidelines, Part D, Cancellation, point 3.3.2.1, [Factors likely to indicate the existence of bad faith](#), indent 3 (c).

In this regard the EUIPO would like to invite applicants to carefully consider their business needs before applying for overly long lists of goods and services. In particular, applicants are advised against including in the application goods and services solely with the intention of extending the scope of their exclusive right or for purposes other than those falling within the functions of a trade mark. Applicants who fail to abide by this principle may face invalidity actions on the ground of bad faith and suffer the total or partial invalidation of their registration, as well as bear the costs of the proceedings.