

JUDGMENT OF THE COURT (Fourth Chamber)

29 January 2020 (*)

(Reference for a preliminary ruling — Approximation of laws — Community trade mark — Regulation (EC) No 40/94 — Articles 7 and 51 — First Directive 89/104/EEC — Articles 3 and 13 — Identification of the goods or services covered by the registration — Failure to comply with the requirements of clarity and precision — Bad faith of the applicant — No intention to use the trade mark for the goods or services covered by the registration — Total or partial invalidity of the trade mark — National legislation requiring the applicant to state that he or she intends to use the trade mark applied for)

In Case C-371/18,

REQUEST for a preliminary ruling under Article 267 TFEU from the High Court of Justice (England & Wales), Chancery Division (United Kingdom), made by decision of 27 April 2018, received at the Court on 6 June 2018, in the proceedings

Sky plc,

Sky International AG,

Sky UK Ltd

v

SkyKick UK Ltd,

SkyKick Inc.,

THE COURT (Fourth Chamber),

composed of M. Vilaras, President of the Chamber, S. Rodin, D. Šváby, K. Jürimäe (Rapporteur) and N. Piçarra, Judges,

Advocate General: E. Tanchev,

Registrar: M. Aleksejev, Head of Unit,

having regard to the written procedure and further to the hearing on 20 May 2019,

after considering the observations submitted on behalf of:

- Sky plc, Sky International AG and Sky UK Ltd, by P. Roberts QC and G. Hobbs QC, instructed by D. Rose, A. Ward and E. Preston, Solicitors,
- SkyKick UK Ltd and SkyKick Inc., by A. Tsoutsanis, advocaat, and by T. Hickman QC, S. Malynicz QC, and S. Baran, Barrister, instructed by J. Linneker and S. Sheikh-Brown, Solicitors,
- the United Kingdom Government, by Z. Lavery and S. Brandon, acting as Agents, and by N. Saunders QC,
- the French Government, by R. Coesme, D. Colas, D. Segoin, A.-L. Desjonquères and A. Daniel, acting as Agents,
- the Hungarian Government, by M.Z. Fehér and D.R. Gesztelyi, acting as Agents,

- the Polish Government, by B. Majczyna, acting as Agent,
- the Slovak Government, by B. Ricziová, acting as Agent,
- the Finnish Government, by H. Leppo, acting as Agent,
- the European Commission, by S.L. Kalèda and J. Samnadda, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 16 October 2019,

gives the following

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of EU trade mark law and the approximation of the Member States' laws on trade marks.
- 2 The request has been made in proceedings between Sky plc, Sky International AG and Sky UK Ltd (together, 'Sky and Others') and SkyKick UK Ltd and SkyKick Inc. (together, 'the SkyKick companies'), concerning the alleged infringement by the SkyKick companies of EU trade marks and a national United Kingdom trade mark belonging to Sky and Others.

Legal context

International law

- 3 At the international level, trade mark law is governed by the Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883, as last revised at Stockholm on 14 July 1967 and amended on 28 September 1979 (*United Nations Treaties Series*, vol. 828, No 11851, p. 305; 'the Paris Convention'). All the Member States of the European Union are parties to that convention.
- 4 Under Article 19 of the Paris Convention, the States to which that convention applies reserve the right to make separately between themselves special agreements for the protection of industrial property.
- 5 That provision served as a basis for the adoption of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, concluded at the Nice Diplomatic Conference on 15 June 1957, last revised in Geneva on 13 May 1977 and amended on 28 September 1979 (*United Nations Treaty Series*, vol. 1154, No I 18200, p. 89; 'the Nice Agreement').
- 6 Under Article 1 of the Nice Agreement:
 - '(1) The countries to which this Agreement applies constitute a Special Union and adopt a common classification of goods and services for the purposes of the registration of marks (hereinafter designated as "the Classification").
 - (2) The Classification consists of:
 - (i) a list of classes, together with, as the case may be, explanatory notes;
 - (ii) an alphabetical list of goods and services ... with an indication of the class into which each of the goods or services falls.

...'

- 7 Article 2 of the Nice Agreement, entitled 'Legal Effect and Use of the Classification', is worded as follows:

(1) Subject to the requirements prescribed by this Agreement, the effect of the Classification shall be that attributed to it by each country of the Special Union. In particular, the Classification shall not bind the countries of the Special Union in respect of either the evaluation of the extent of the protection afforded to any given mark or the recognition of service marks.

(2) Each of the countries of the Special Union reserves the right to use the Classification either as a principal or as a subsidiary system.

(3) The competent Office of the countries of the Special Union shall include in the official documents and publications relating to registrations of marks the numbers of the classes of the Classification to which the goods or services for which the mark is registered belong.

(4) The fact that a term is included in the alphabetical list [of goods and services] in no way affects any rights which might subsist in such a term.'

8 The classification referred to in Article 1 of the Nice Agreement ('the Nice Classification') has contained, since its eighth edition, which entered into force on 1 January 2002, 34 classes of goods and 11 classes of services. Each class is designated by one or more general indications, commonly called 'class headings', which indicate in a general manner the fields to which the goods and services in the class concerned in principle belong.

9 According to the Guidance for the User of the Nice Classification, in order to ascertain the correct classification of each product or service, the alphabetical list of goods and services and the explanatory notes relating to the various classes should be consulted.

EU law

The regulations on the EU trade mark

10 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 1891/2006 of 18 December 2006 (OJ 2006 L 386, p. 14) ('Regulation No 40/94'), was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), which entered into force on 13 April 2009. That regulation, as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21) ('Regulation No 207/2009') was also repealed and replaced, with effect from 1 October 2017, by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1).

11 Having regard to the date of filing of the applications for protection of the Community trade marks at issue in the main proceedings, the present request for a preliminary ruling must be examined in the light of the provisions of Regulation No 40/94.

12 Article 4 of Regulation No 40/94, defining the signs of which a Community trade mark may consist, provided:

'A Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

13 Article 7 of that regulation, entitled 'Absolute grounds for refusal', provided in paragraph 1:

'The following shall not be registered:

- (a) signs which do not conform to the requirements of Article 4;
- (b) trade marks which are devoid of any distinctive character;

- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
- (e) signs which consist exclusively of:
 - (i) the shape which results from the nature of the goods themselves; or
 - (ii) the shape of goods which is necessary to obtain a technical result; or
 - (iii) the shape which gives substantial value to the goods;
- (f) trade marks which are contrary to public policy or to accepted principles of morality;
- (g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
- (h) trade marks which have not been authorised by the competent authorities and are to be refused pursuant to Article 6ter of the Paris Convention;
- (i) trade marks which include badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention and which are of particular public interest, unless the consent of the appropriate authorities to their registration has been given.

...’

14 Article 15 of Regulation No 40/94, entitled ‘Use of Community trade marks’, provided in paragraph 1:

‘If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.’

15 Under Article 38(1) of that regulation:

‘Where, under Article 7, a trade mark is ineligible for registration in respect of some or all of the goods or services covered by the Community trade mark application, the application shall be refused as regards those goods or services.’

16 Article 50 of Regulation No 40/94, entitled ‘Grounds for revocation’, provided, in paragraph 1(a) thereof:

‘The rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office [for Harmonisation in the Internal Market (Trade Marks and Designs)] or on the basis of a counterclaim in infringement proceedings:

- (a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor’s rights in a Community trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application or counterclaim, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application or counterclaim which began at the earliest on expiry of the continuous period of five years of non-use shall, however, be disregarded where preparations for

the commencement or resumption occur only after the proprietor becomes aware that the application or counterclaim may be filed’.

17 Article 51 of that regulation, entitled ‘Absolute grounds for invalidity’, was worded as follows:

‘1. A Community trade mark shall be declared invalid on application to the Office [for Harmonisation in the Internal Market (Trade Marks and Designs)] or on the basis of a counterclaim in infringement proceedings,

(a) where the Community trade mark has been registered contrary to the provisions of Article 7;

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.

...

3. Where the ground for invalidity exists in respect of only some of the goods or services for which the Community trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.’

18 Article 96 of Regulation No 40/94, entitled ‘Counterclaims’, provided in paragraph 1:

‘A counterclaim for revocation or for a declaration of invalidity may only be based on the grounds for revocation or invalidity mentioned in this Regulation.’

19 Article 167(1) of Regulation No 207/2009 provided:

‘This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.’

The directives to approximate the laws of the Member States relating to trade marks

20 First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) was repealed and replaced with effect from 28 November 2008 by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25). That directive was replaced and repealed by Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ 2015 L 336, p. 1), with effect, in accordance with Article 55 of that latter directive, from 15 January 2019.

21 Having regard to the date of filing of the applications for protection of the national trade mark at issue in the main proceedings, the present request for a preliminary ruling must be examined in the light of the provisions of First Directive 89/104.

22 The fifth, seventh and eighth recitals of First Directive 89/104 stated:

‘Whereas Member States also remain free to fix the provisions of procedure concerning the registration, the revocation and the invalidity of trade marks acquired by registration; whereas they can, for example, determine the form of trade mark registration and invalidity procedures, decide whether earlier rights should be invoked either in the registration procedure or in the invalidity procedure or in both and, if they allow earlier rights to be invoked in the registration procedure, have an opposition procedure or an *ex officio* examination procedure or both; whereas Member States remain free to determine the effects of revocation or invalidity of trade marks;

...

Whereas attainment of the objectives at which this approximation of laws is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States; whereas, to this end, it is necessary to list examples of signs which may constitute a trade mark, provided that such signs are capable of distinguishing the goods or services of one

undertaking from those of other undertakings; whereas the grounds for refusal or invalidity concerning the trade mark itself, for example, the absence of any distinctive character, or concerning conflicts between the trade mark and earlier rights, are to be listed in an exhaustive manner, even if some of these grounds are listed as an option for the Member States which will therefore be able to maintain or introduce those grounds in their legislation; whereas Member States will be able to maintain or introduce into their legislation grounds of refusal or invalidity linked to conditions for obtaining and continuing to hold a trade mark for which there is no provision of approximation, concerning, for example, the eligibility for the grant of a trade mark, the renewal of the trade mark or rules on fees, or related to the non-compliance with procedural rules;

Whereas in order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation; whereas it is necessary to provide that a trade mark cannot be invalidated on the basis of the existence of a non-used earlier trade mark, while the Member States remain free to apply the same principle in respect of the registration of a trade mark or to provide that a trade mark may not be successfully invoked in infringement proceedings if it is established as a result of a plea that the trade mark could be revoked; whereas in all these cases it is up to the Member States to establish the applicable rules of procedure’.

23 According to Article 2 of that directive:

‘A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.’

24 Article 3(1) and (2) of First Directive 89/104 provided:

‘1. The following shall not be registered or if registered shall be liable to be declared invalid:

- (a) signs which cannot constitute a trade mark;
- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade;
- (e) signs which consist exclusively of:
 - the shape which results from the nature of the goods themselves, or
 - the shape of goods which is necessary to obtain a technical result, or
 - the shape which gives substantial value to the goods;
- (f) trade marks which are contrary to public policy or to accepted principles of morality;
- (g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
- (h) trade marks which have not been authorised by the competent authorities and are to be refused or invalidated pursuant to Article 6 *ter* of the [Paris Convention]

2. Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that:

...

(d) the application for registration of the trade mark was made in bad faith by the applicant.'

25 Article 12(1) of that directive stated:

'A trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use ...'

26 Article 13 of First Directive 89/104 provided:

'Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.'

27 Article 18 of Directive 2008/95 provided:

'This Directive shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.'

United Kingdom law

28 The Trade Marks Act 1994 transposed First Directive 89/104 into United Kingdom law. Section 32(3) of the Trade Marks Act 1994 does not correspond to any provision of that directive. Section 32(3) provides:

'The application [for registration of a trade mark] shall state that the trade mark is being used, by the applicant or with his consent, in relation to [the goods or services in relation to which it is sought to register the trade mark], or that he has a *bona fide* intention that it should be so used.'

The dispute in the main proceedings and the questions referred for a preliminary ruling

29 Sky and Others are the proprietors of four Community figurative and word marks and one national United Kingdom word mark which include the word 'Sky' (together, 'the trade marks at issue in the main proceedings'). Those trade marks were registered in respect of a large number of goods and services in a number of classes of the Nice Classification, in particular Classes 9 and 38.

30 Sky and Others brought an action for infringement of the trade marks at issue in the main proceedings against the SkyKick companies before the referring court, the High Court of Justice (England & Wales), Chancery Division (United Kingdom). For the purposes of their action for infringement, Sky and Others rely on the registration of the trade marks at issue in the main proceedings in respect of goods in Class 9 within the meaning of the Nice Classification, namely computer software, computer software supplied from the Internet, computer software and telecommunications apparatus to enable connection to databases and the Internet, and data storage, and services in Class 38 within the meaning of that classification, namely telecommunications services, electronic mail services, Internet portal services, and computer services for accessing and retrieving information, messages, text, sound, images and data via a computer or computer network. The referring court emphasises that not every trade mark at issue in the main proceedings is registered in respect of those goods and services.

31 The referring court also states that Sky and Others made extensive use of the trade marks at issue in the main proceedings in relation to a range of goods and services relating to their core business areas of television broadcasting, telephony and broadband provision. It is not in dispute that those trade marks are a household name in the United Kingdom and Ireland in those areas. However, Sky and Others do not offer email migration or cloud backup goods or services, nor is there any evidence that they plan to do so in the immediate future. The three main products offered by the SkyKick companies are based on Software as a Service (SaaS) and concern Cloud Migration, Cloud Backup and Cloud Management.

- 32 In the context of those proceedings, the SkyKick companies filed a counterclaim for a declaration that the trade marks at issue in the main proceedings are invalid. In support of that counterclaim, they contend that those trade marks were registered in respect of goods or services that are not specified with sufficient clarity and precision. The SkyKick companies rely in that regard on the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361).
- 33 In that context, the referring court questions, in the first place, whether such a ground for invalidity may be asserted against a registered trade mark. In that regard, it recalls that the Court held, in that judgment, that an applicant for a trade mark must designate with sufficient clarity and precision the goods and services in respect of which protection for the trade mark is sought in order to enable the competent authorities and third parties to determine the extent of the protection conferred by the trade mark. If the applicant fails to do so, the national office or the European Union Intellectual Property Office (EUIPO) should refuse to allow the application to proceed to registration without the specification being amended to make it sufficiently clear and precise.
- 34 The referring court considers that it does not, however, follow from the case-law arising from that judgment that the trade mark concerned may be declared invalid after registration on the ground that the specification lacks clarity or precision.
- 35 It states that, in the case of an EU trade mark, Article 128(1) of Regulation 2017/1001 provides that a counterclaim for a declaration of invalidity ‘may only be based on the grounds for ... invalidity mentioned in this Regulation’. In the present case, the SkyKick companies rely on the ground provided for in Article 59(1)(a) of that regulation, read in the light of Article 4 and Article 7(1)(a) of the regulation, which do not require that the specification of goods and services in an EU trade mark application be clear and precise. The position is the same in relation to a national trade mark.
- 36 In the second place, if such a ground may be asserted, the referring court is uncertain whether the specifications of the goods and services may be objected to in respect of all of the trade marks at issue in the main proceedings. It states that the SkyKick companies contend that, in the case in the main proceedings, the identification of the goods and services covered by those trade marks lacks clarity and precision, except for ‘telecommunications services’ and ‘electronic mail services’ in Class 38. The SkyKick companies and Sky and Others disagree as to whether the specifications ‘computer software’, ‘computer software supplied from the Internet’ and ‘computer software and telecoms apparatus to enable connection to databases and the Internet’ are clear and precise.
- 37 In that regard, the referring court considers that registration of a trade mark for ‘computer software’ is too broad and, therefore, contrary to the public interest because it confers on the proprietor a monopoly of immense breadth which cannot be justified by a commercial interest. However, in the referring court’s view, it does not necessarily follow that the term ‘computer software’ is lacking in clarity and precision. Nonetheless, it is uncertain to what extent the indications in the European Trade Mark and Design Network (ETMDN) Common Communication on the Common Practice on the General Indications of the Nice Class Headings, of 28 October 2015, in relation to ‘machines’ in Class 7 within the meaning of the Nice Classification, could not equally apply to ‘computer software’.
- 38 In the third place, the referring court is uncertain whether the validity of the trade marks at issue in the main proceedings may be affected by the trade mark applicant’s bad faith at the time of filing the application for protection.
- 39 Before that court, the SkyKick companies contend that the trade marks at issue in the main proceedings were registered in bad faith because Sky and Others did not intend to use them in relation to all of the goods and services covered by the registration of those trade marks. The trade marks should, therefore, all be cancelled or, at the very least, cancelled in part as regards the goods and services for which Sky and Others had no intention to use those marks.
- 40 In the referring court’s view, to register trade marks without requiring actual use of them would facilitate the registration process and enable brand owners to obtain protection of their trade marks more easily in advance of a commercial launch. However, the result of facilitating registration or allowing it to be obtained too broadly would be mounting barriers to market entry for third parties and an erosion of the public domain. Accordingly, the possibility of registering a trade mark without the

intention to use it in relation to all or some of the specified goods and services would enable abuse, which would be harmful, if there were indeed no possibility of challenging an abusive registration by relying on the bad faith of the proprietor of the trade mark concerned. The referring court notes that, in their case-law, the United Kingdom courts and tribunals have focused more closely on the requirement of intention to use the trade mark concerned for the goods and services specified in the application for registration, because of the existence of Section 32(3) of the Trade Marks Act 1994 in that Member State's law.

- 41 The referring court is uncertain whether that provision is compatible with EU law. Assuming that it is compatible with EU law, the referring court is also uncertain as to the scope of the condition relating to the intention to use the trade mark for the goods and services for which it was registered.
- 42 First, although there is no express requirement of an intention to use in EU law, and a registered trade mark cannot, as the law currently stands, be revoked for non-use until 5 years have expired, the case-law of the Court of Justice and of the General Court of the European Union suggests that, in certain circumstances, applying to register a trade mark without any intention to use it in relation to the specified goods or services may constitute bad faith on the part of that trade mark's proprietor at the time the application for protection is filed.
- 43 Secondly, it is apparent from that case-law that the fact that the applicant has applied for registration of the trade mark in question in respect of a broad range of goods or services is not sufficient to demonstrate bad faith if the applicant has a reasonable commercial rationale for seeking such protection having regard to that trade mark's use. Nor is it sufficient to demonstrate the absence of good faith that the applicant may potentially use the trade mark.
- 44 Thirdly, the case-law permits the inference that, in an appropriate case, the applicant could have made the application partly in good faith and partly in bad faith, if he or she had an intention to use the trade mark solely in relation to some of the goods or services in respect of which it was registered.
- 45 If a trade mark applicant made the application for registration in bad faith in so far as the application covers certain goods and services, but in good faith in so far as it covers other goods and services, the referring court enquires whether the invalidity must be total or partial.
- 46 It considers that, in the case in the main proceedings, there is evidence showing that, at the time of registration of the trade marks at issue in the main proceedings, Sky and Others did not intend to use them in relation to all of the goods and services covered by the registrations. Those registrations cover goods and services for which Sky and Others had no commercial rationale for seeking protection, so that the inclusion of such goods and services formed part of their strategy of seeking very broad protection of the trade marks.
- 47 In those circumstances the High Court of Justice (England & Wales), Chancery Division decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:
- '(1) Can an EU trade mark or a national trade mark registered in a Member State be declared wholly or partially invalid on the ground that some or all of the terms in the specification of goods and services are lacking in sufficient clarity and precision to enable the competent authorities and third parties to determine on the basis of those terms alone the extent of the protection conferred by the trade mark?
 - (2) If the answer to question (1) is yes, is a term such as "computer software" too general and covers goods which are too variable to be compatible with the trade mark's function as an indication of origin for that term to be sufficiently clear and precise to enable the competent authorities and third parties to determine on the basis of that term alone the extent of the protection conferred by the trade mark?
 - (3) Can it constitute bad faith simply to apply to register a trade mark without any intention to use it in relation to the specified goods or services?

- (4) If the answer to question (3) is yes, is it possible to conclude that the applicant made the application partly in good faith and partly in bad faith if and to the extent that the applicant had an intention to use the trade mark in relation to some of the specified goods or services, but no intention to use the trade mark in relation to other specified goods or services?
- (5) Is section 32(3) of the UK Trade Marks Act 1994 compatible with [Directive 2015/2436] and its predecessors?

Consideration of the questions referred

Preliminary observations

- 48 First of all, the Court points out that the referring court's questions concern the interpretation of provisions relating to absolute grounds for invalidity of an EU trade mark or a national trade mark, without being directed at a specific regulation or directive. The Court must, therefore, determine the EU law applicable to the main proceedings *ratione temporis*.
- 49 In that regard, it must be pointed out, as the Advocate General observed in point 33 of his Opinion, that, in the case of applications for a declaration that EU and national trade marks are invalid, the date on which the application for registration of those trade marks was made is determinative for the purposes of identifying the applicable substantive law (see, to that effect, judgment of 8 May 2014, *Bimbo v OHIM*, C-591/12 P, EU:C:2014:305, paragraph 12 and the case-law cited).
- 50 In the present case, it is apparent from the request for a preliminary ruling that the applications for protection of the trade marks at issue in the main proceedings were all filed between 14 April 2003 and 20 October 2008.
- 51 First, Article 167 of Regulation No 207/2009 provided that that regulation would enter into force on the 20th day following its publication in the *Official Journal of the European Union*, and that regulation was published on 24 March 2009. Secondly, Article 18 of Directive 2008/95 provided also that that directive would enter into force on the 20th day following its publication in the *Official Journal of the European Union*, and that directive was published on 8 November 2008.
- 52 It follows that since the trade marks at issue in the main proceedings were filed before the dates on which Regulation No 207/2009 and Directive 2008/95 entered into force, those trade marks fall within the scope, *ratione temporis*, of Regulation No 40/94, in the case of the Community trade marks at issue in the main proceedings, and that of First Directive 89/104, in the case of the national trade mark at issue in the main proceedings.
- 53 Accordingly, the questions of the interpretation of EU law referred to in the present request for a preliminary ruling must be understood as relating, first, to the provisions of Regulation No 40/94 and, secondly, to those of First Directive 89/104.

The first and second questions

- 54 By its first and second questions, which must be examined together, the referring court asks, in essence, whether Articles 7 and 51 of Regulation No 40/94 and Article 3 of First Directive 89/104 must be interpreted as meaning that a Community trade mark or a national trade mark may be declared wholly or partially invalid on the ground that terms used to designate the goods and services in respect of which that mark was registered are lacking in clarity and precision. If that is the case, the referring court enquires whether the term 'computer software' meets that requirement of clarity and precision.
- 55 In order to answer those questions, it must be examined, in the first place, whether the lack of clarity and precision of the terms used to designate the goods and services covered by a trade mark constitutes, in itself, an absolute ground for invalidity of a national trade mark or a Community trade mark.
- 56 As regards, first, the provisions of First Directive 89/104, it must be noted that Article 3 of that directive provides a list of the grounds for invalidity which do not include the lack of clarity and

precision of the terms used to designate the goods and services covered by the registration of a national trade mark. The seventh recital of that directive states that those grounds for invalidity are listed in an exhaustive manner, even if some of those grounds are optional for the Member States (see, to that effect, judgments of 18 June 2002, *Philips*, C-299/99, EU:C:2002:377, paragraph 74; of 12 February 2004, *Koninklijke KPN Nederland*, C-363/99, EU:C:2004:86, paragraph 78; and of 9 March 2006, *Matratzen Concord*, C-421/04, EU:C:2006:164, paragraph 19). Consequently, First Directive 89/104 prohibits Member States from introducing grounds for invalidity other than those expressly provided for in that directive (see, by analogy, judgment of 27 June 2013, *Malaysia Dairy Industries*, C-320/12, EU:C:2013:435, paragraph 42).

57 As regards, secondly, the provisions of Regulation No 40/94, it must be noted that Article 7(1) thereof is drafted in almost identical terms to those of Article 3(1) of First Directive 89/104. As regards Article 51(1) of Regulation No 40/94, subparagraph (a) of that provision refers simply to Article 7 of that regulation, whereas subparagraph (b) provides, as a ground for invalidity, the same ground as that referred to in Article 3(2)(d) of First Directive 89/104. By contrast, the lack of clarity and precision of the terms used to designate the goods and services covered by the registration of a Community trade mark does not appear in those provisions of Regulation No 40/94. Similarly, Article 96 of Regulation No 40/94, concerning counterclaims, states that a counterclaim for a declaration of invalidity may only be based on the grounds for invalidity mentioned in that regulation.

58 It follows from this that, like Article 3 of First Directive 89/104, Article 7(1) and Article 51(1) of Regulation No 40/94 must be interpreted as meaning that they provide an exhaustive list of the absolute grounds for invalidity of a Community trade mark.

59 Neither Article 3 of First Directive 89/104 nor the abovementioned provisions of Regulation No 40/94 provide, among the grounds which they set out, the lack of clarity and precision of the terms used to designate the goods and services covered by the registration of a Community trade mark.

60 It follows from the foregoing considerations that the lack of clarity and precision of the terms used to designate the goods or services covered by the registration of a national trade mark or a Community trade mark cannot be considered a ground for invalidity of the national trade mark or Community trade mark concerned, within the meaning of Article 3 of First Directive 89/104 or Articles 7 and 51 of Regulation No 40/94.

61 In any event, it must be added that the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361) cannot be interpreted as meaning that the Court intended to recognise additional grounds for invalidity, not included in the list in Article 7(1) and Article 51 of Regulation No 40/94 and Article 3 of First Directive 89/104. The Court stated, in paragraphs 29 and 30 of the judgment of 16 February 2017, *Brandconcern v EUIPO and Scooters India* (C-577/14 P, EU:C:2017:122), that the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361) provided clarifications only on the requirements relating to new EU trade mark registration applications, and thus does not concern trade marks that were already registered at the date of that latter judgment's delivery (judgment of 11 October 2017, *EUIPO v Cactus*, C-501/15 P, EU:C:2017:750, paragraph 38).

62 In the second place, the Court must examine whether, while not being a ground for the invalidity of a national or a Community trade mark, a lack of clarity and precision of the terms used to designate the goods and services covered by the registration of those trade marks nonetheless falls within the scope of one of the absolute grounds for invalidity expressly provided for in Article 51 of Regulation No 40/94, read in conjunction with Article 7 thereof, or in Article 3 of First Directive 89/104.

63 The SkyKick companies suggest, first, that the requirement of clarity and precision of the goods and services in respect of which a trade mark has been registered could be related to the requirement of graphic representability which stems, for Community trade marks, from Article 4 of Regulation No 40/94 read in conjunction with Article 7(1)(a) of that regulation and, for national trade marks, from Article 2 of First Directive 89/104 read in conjunction with Article 3(1)(a) of that directive.

64 Admittedly, the Court held, in paragraph 51 of the judgment of 12 December 2002, *Sieckmann* (C-273/00, EU:C:2002:748), as regards the requirement of graphic representability, that operators must,

with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties. Nonetheless, those considerations apply only in order to identify the signs of which a trade mark may consist and it cannot be inferred from this that such a requirement of clarity and precision should also apply to the terms used to refer to the goods and services in respect of which the trade mark in question has been registered.

65 Secondly, it must be determined whether the lack of clarity and precision of the terms used to designate the goods and services in respect of which a trade mark has been registered is capable, in itself, of giving rise to the invalidity of the trade mark concerned on the basis of Article 7(1)(f) of Regulation No 40/94 and Article 3(1)(f) of First Directive 89/104, on the ground that such a deficiency is contrary to public policy.

66 In that regard, it suffices to note that the concept of ‘public policy’, within the meaning of Article 7(1)(f) of Regulation No 40/94 and Article 3(1)(f) of First Directive 89/104, cannot be construed as relating to characteristics concerning the trade mark application itself, such as the clarity and precision of the terms used to designate the goods or services covered by that registration, regardless of the characteristics of the sign for which the registration as a trade mark is sought.

67 It follows that such a lack of clarity and precision of the terms designating the goods or services covered by a trade mark registration cannot be considered contrary to public policy, within the meaning of those provisions.

68 In any event, it must be added, so far as this point is relevant, that, pursuant to Article 50(1) of Regulation No 40/94 and Article 12 of First Directive 89/104, the rights of the proprietor of a trade mark may be declared to be revoked if, within a continuous period of 5 years, the trade mark has not been put to genuine use in the territory concerned in connection with the goods or services in respect of which it is registered.

69 Article 50(2) of Regulation No 40/94 and Article 13 of First Directive 89/104 also state that where the grounds for revocation of rights exist in respect of only some of the goods or services for which the trade mark is registered, revocation is to cover those goods or services only.

70 It is, therefore, apparent from those provisions that a national or Community trade mark registered for a range of goods and services designated in a manner which lacks clarity and precision is, in any event, capable of being protected only in respect of the goods and services for which it has been put to genuine use.

71 In the light of all the foregoing, the answer to the first and second questions is that Articles 7 and 51 of Regulation No 40/94 and Article 3 of First Directive 89/104 must be interpreted as meaning that a Community trade mark or a national trade mark cannot be declared wholly or partially invalid on the ground that terms used to designate the goods and services in respect of which that trade mark was registered lack clarity and precision.

The third and fourth questions

72 By its third and fourth questions, which must be examined together, the referring court asks, in essence, whether Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith within the meaning of those provisions and, if so, whether Article 51(3) of Regulation No 40/94 and Article 13 of First Directive 89/104 must be interpreted as meaning that, when the absence of the intention to use a trade mark in accordance with its essential functions concerns only certain goods or services covered by the registration, the invalidity of that trade mark covers those goods or services only.

73 As regards, in the first place, the question whether Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith within the meaning of those provisions, it must be borne in mind that

those provisions state, in essence, that a trade mark may be declared invalid where the applicant was acting in bad faith when he or she filed the application for the trade mark. Neither that regulation nor that directive provides a definition of the concept of ‘bad faith’. It must, however, be pointed out that that concept is an autonomous concept of EU law and that, in the light of the need for a coherent application of the national systems and the EU system of marks, the concept of ‘bad faith’ must be interpreted in the context of First Directive 89/104 in the same manner as in the context of Regulation No 40/94 (see, by analogy, judgment of 27 June 2013, *Malaysia Dairy Industries*, C-320/12, EU:C:2013:435, paragraphs 34 and 35).

74 The Court has held that in addition to the fact that, in accordance with its usual meaning in everyday language, the concept of ‘bad faith’ presupposes the presence of a dishonest state of mind or intention, regard must be had, for the purposes of interpreting that concept, to the specific context of trade mark law, which is that of the course of trade. In that regard, the EU rules on trade marks are aimed, in particular, at contributing to the system of undistorted competition in the European Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin (judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO*, C-104/18 P, EU:C:2019:724, paragraph 45 and the case-law cited).

75 Consequently, the absolute ground for invalidity referred to in Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 applies where it is apparent from relevant and consistent indicia that the proprietor of a trade mark has filed the application for registration of that mark not with the aim of engaging fairly in competition but with the intention of undermining, in a manner inconsistent with honest practices, 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 recalled in the previous paragraph of the present judgment (judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO*, C-104/18 P, EU:C:2019:724, paragraph 46).

76 Admittedly, the applicant for a trade mark is not required to indicate or even to know precisely, on the date on which his or her application for registration of a mark is filed or of the examination of that application, the use he or she will make of the mark applied for and he or she has a period of 5 years for beginning actual use consistent with the essential function of that trade mark (see, to that effect, judgment of 12 September 2019, *Deutsches Patent- und Markenamt (#darferdas?)*, C-541/18, EU:C:2019:725, paragraph 22).

77 However, as the Advocate General observed in point 109 of his Opinion, 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 there is no rationale for the application for registration in the light of the aims referred to in Regulation No 40/94 and First Directive 89/104. Such bad faith may, however, be established only if there is objective, relevant and consistent indicia tending to show that, when the application for a trade mark was filed, the trade mark applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or 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.

78 The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application.

79 In the second place, it must be determined whether Article 51(3) of Regulation No 40/94 and Article 13 of First Directive 89/104 must be interpreted as meaning that, when the absence of the intention to use a trade mark in accordance with its essential functions concerns only certain goods or services covered by the registration, the invalidity of that trade mark covers those goods or services only.

80 In that regard, it is sufficient to note, as the Advocate General observed in point 125 of his Opinion, that it follows clearly from those provisions that, where the ground for invalidity exists in respect of

only some of the goods or services for which the trade mark is sought to be registered, the trade mark is to be declared invalid as regards those goods or services only.

81 In the light of the foregoing, the answer to the third and fourth questions is that Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith, within the meaning of those provisions, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or 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. When the absence of the intention to use the trade mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that application constitutes bad faith only in so far as it relates to those goods or services.

The fifth question

82 By its fifth question, the referring court asks, in essence, whether First Directive 89/104 must be interpreted as precluding a provision of national law under which an applicant for registration of a trade mark must state that the trade mark is being used in relation to the goods and services in relation to which it is sought to register the trade mark, or that he or she has a bona fide intention that it should be so used.

83 In that regard, it must be pointed out, as noted in paragraph 56 above, that the seventh recital of that directive states that the absolute grounds for invalidity provided for by that directive are listed in an exhaustive manner, even if some of those grounds were listed as an option for the Member States. Accordingly, the directive prohibits the Member States from introducing, in the national legislation transposing it, grounds for refusal or invalidity other those appearing in that directive.

84 On the other hand, Member States remain free, as is apparent from the fifth recital of First Directive 89/104, to fix the provisions of procedure concerning the registration, the revocation and the invalidity of trade marks acquired by registration.

85 It follows that while Member States may fix the provisions of procedure which appear to them to be appropriate, such provisions cannot, in practice, have the effect of introducing grounds of refusal of registration or invalidity not provided for by First Directive 89/104.

86 Consequently, a provision of national law under which an applicant for registration of a national trade mark must, pursuant to a mere procedural requirement relating to the registration of that mark, state that the trade mark is being used in relation to the goods and services in relation to which it is sought to register the trade mark, or that he or she has a bona fide intention that it should be so used, cannot be considered incompatible with the provisions of First Directive 89/104. While the infringement of such an obligation to make such a statement may constitute evidence for the purposes of establishing possible bad faith on the part of the trade mark applicant when he or she filed the trade mark application, such an infringement cannot, however, constitute a ground for invalidity of the trade mark concerned.

87 It follows from the foregoing that the answer to the fifth question is that First Directive 89/104 must be interpreted as not precluding a provision of national law under which an applicant for registration of a trade mark must state that the trade mark is being used in relation to the goods and services in relation to which it is sought to register the trade mark, or that he or she has a bona fide intention that it should be so used, in so far as the infringement of such an obligation does not constitute, in itself, a ground for invalidity of a trade mark already registered.

Costs

88 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Fourth Chamber) hereby rules:

1. **Articles 7 and 51 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, as amended by Council Regulation (EC) No 1891/2006 of 18 December 2006, and Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that a Community trade mark or a national trade mark cannot be declared wholly or partially invalid on the ground that terms used to designate the goods and services in respect of which that trade mark was registered lack clarity and precision.**
2. **Article 51(1)(b) of Regulation No 40/94, as amended by Regulation No 1891/2006, and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith, within the meaning of those provisions, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or 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. When the absence of the intention to use the trade mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that application constitutes bad faith only in so far as it relates to those goods or services.**
3. **First Directive 89/104 must be interpreted as not precluding a provision of national law under which an applicant for registration of a trade mark must state that the trade mark is being used in relation to the goods and services in relation to which it is sought to register the trade mark, or that he or she has a bona fide intention that it should be so used, in so far as the infringement of such an obligation does not constitute, in itself, a ground for invalidity of a trade mark already registered.**

Vilaras

Rodin

Šváby

Jürimäe

Piçarra

Delivered in open court in Luxembourg on 29 January 2020.

A. Calot Escobar

M. Vilaras

Registrar

President of the Fourth
Chamber

* Language of the case: English.