

Reading Between the Lines: A Study on How the Notion of Bad Faith is Interpreted and Applied in the European Union with Regards to European Union Trade Marks

Julia Zwiech

ABSTRACT

'Bad faith' in the European Union trade mark law constitutes an absolute ground for invalidation, while in certain EU Member States it can additionally be treated as a refusal consideration. Therefore, as a notion with severe repercussions for EU trade marks, it deserves a profound scrutiny. This article explores two main themes. Firstly, the paper discusses the openness of the concept of 'bad faith' and its impact on the overall legal certainty. The author analyzes the currently applied subjective/ objective approach towards the finding of 'bad faith' and puts forward a suggestion that could lead to an increased clarity and objectivity with this regard. The key idea proposed concerns the introduction of a normative model while assessing 'bad faith'. Secondly, a more procedural angle is undertaken and presents the reader with a substantial non-homogeneity with regards to the practical application of the concept. The notion, under the EU Trade Mark Regulation, is currently used merely as a ground for invalidation, which entails that a trade mark must first be registered in order to be assessed in the light of 'bad faith'. Meanwhile, the EU Trade Mark Directive provides for the notion being applied not only as a ground for invalidation, but also refusal which means that national offices may apply 'bad faith' ex officio already during the process of trade mark application. The author provides perspectives on why aligning EUTMR with EUTMD might be of importance for clarity and consistency in EU trade mark law.

1. INTRODUCTION

'Bad faith' is a notion etymologically originating from the Latin 'mala fides'.¹ Its first appearance, within the broad realm of law, dates back as far as to the Twelve Tables in Ancient Rome.² While, in accordance with the Oxford English Dictionary, the earliest evidence of 'bad faith' as an English term is traced back to 1653.³ This notion, of worldwide and prominent significance within the legal setting,⁴ appears in multiple areas of law.⁵ Its main premise rests on finding dishonest or ill-intentioned conduct that does not align with regular and legally accepted

behavior.⁶ Nonetheless, despite its omnipresence, an unambiguous definition of 'bad faith' remains nowhere to be found in the law. Moreover, 'the concept's ubiquity is matched by its elasticity',⁷ and this specific aspect of 'bad faith', being a broad and Delphic concept, lies at the very heart of this research paper.

Within the European Union's trade mark law, 'bad faith' remains a yet undefined notion which demands case by case treatment.⁸ Despite the lack of a clear definition, the concept has been conceptualized by the Court of Justice of the European Union as autonomous and therefore it should be interpreted uniformly within all EU Mem-

1 Oxford English Dictionary <https://www.oed.com/dictionary/bad-faith_n?tab=meaning_and_use#294491271> accessed on 10 May 2024.

2 Frederick Mostert and Gloria Wu, 'The importance of the element of bad faith in international trade mark law and its relevance under the new Chinese trade mark law provisions' (Journal of Intellectual Property Law & Practice, Volume 12, Number 8, 2017) 650, 650.

3 Oxford English Dictionary (n 1).

4 David E. Pozen, 'Constitutional Bad Faith' (Harvard Law Review, Volume 129, Number 4, 2016) 885, 886–887.

5 Ibid 890–891.

6 Sofia Ljungblad, 'The Monopoly case – EUTM re-filings and the concept of bad faith' (Stockholm Intellectual Property Law Review, Volume 2, Issue 2, December 2019) 68, 68.

7 David E. Pozen (n 4) 885, 891.

8 George-Mihai Irimescu, 'Brief Consideration Regarding the Notion of Bad Faith at European Union Level' (Challenges of the Knowledge Society 2022) 526, 526.

ber States.⁹ The most landmark and authoritative CJEU case that, till this day, forms the basis for this matter is the *Lindt Goldhase* case.¹⁰ The wording of this ruling explicitly requires that what must be primarily taken into account, in cases of potential 'bad faith', is the subjective intention within the applicant's act.¹¹

Although the CJEU presented several factors that can point to 'the sinister intent' necessary for finding 'bad faith', the list is not exhaustive and the Court said that the same factors might not be indicative of 'bad faith' in other cases.¹² This proves how open and undefined 'bad faith' is, which in turn might bring about legal uncertainty with regards to the application of the concept in trade mark law. This uncertainty regarding the outcome of the cases can also be observed in the multitude of recent decisions in this area, and their rather divergent outcomes.

Furthermore, not only is 'bad faith' an enigmatic and undefined notion but also its application within EU trade mark law appears to be non-homogeneous. In accordance with the European Union Trade Mark Regulation 'bad faith' constitutes an absolute ground for invalidation,¹³ while as per the European Union Trade Mark Directive 'bad faith' may be both a ground for invalidation, but also refusal.¹⁴ This procedural divergence potentially leads to significant repercussions¹⁵ with regards to, inter alia, procedural certainty, efficiency, finances and trade mark availability.

2. BAD FAITH – IS THE CONCEPT TOO OPEN?

2.1 European Union Legislative & Case Law Lense

The concept of 'bad faith' is not clearly defined in either of the two crucial EU documents governing EU trade mark law i.e., the EUTMD and the EUTMR. This finding can be supported by the EU Courts' case law, which on multiple occasions acknowledged the lack of a legislative definition of the concept.¹⁶ Different stances are taken on

whether the notion should be defined at all.¹⁷ Before the prohibition to file trade mark applications in 'bad faith' was adopted in the Community Trade Mark Regulation (CTMR),¹⁸ upon the initiative of the German Delegation in 1984,¹⁹ there was a dialogue on what the provision should entail.²⁰ At that stage, it was the state of Denmark which adopted the position that there should be a statement in the Regulation which would clarify what the concept of 'bad faith' is.²¹ This view was not shared by the Working Group which anticipated that creating a clear-cut delineation of 'bad faith' might be an onerous task, and consequently it led to the Regulation being adopted without the suggested statement clarifying the notion.²²

On the one hand, certain scholars support the openness of the concept and argue that it allows for greater flexibility and consequently it becomes more encompassing and adaptable in scenarios which are not specifically referred to in the legislation.²³ On the other hand, other voices from academia advocate defining 'bad faith' in the legislation, even by providing a non-exhaustive list of the concept's indicators in order to ensure the legal certainty while applying the notion.²⁴ Very recently, in September 2023, this particular problem was raised iterum during the Regional Seminar for Judges on Current Issues in Intellectual Property Rights.²⁵ Advocate Geoffrey Hobbs expressed concern by saying in one of the seminar's panels – 'The General Court has repeatedly said that the concept of bad faith is not defined, delimited or even described in any way; that [...] is a statement of problem, it is not a statement of the solution to the problem.'²⁶ The author believes that due to the fact that the body of experts in the field holds divergent viewpoints on the matter and continuously raises the issue even in their leading-edge publications or speeches, it deserves a further scrutiny to research the topic of 'bad faith'.

It is essential to understand how the notion is interpreted by the EU courts. To this end, this section explores the most relevant rulings of the CJEU while also reach-

⁹ Joanna Sitko, 'The Significance of Bad-Faith Premises for the Strategy of Trade Mark Protection in the Light of the Latest EU Case-Law' (Springer 2023) 1, 2.

¹⁰ Jennifer Davis and Łukasz Zelechowski, 'Bad Faith, Public Policy and Morality: How Open Concepts Shape Trade Mark Protection' (Springer 2023) 859, 862; Judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH*, C-529/07, EU:C:2009:361.

¹¹ Jennifer Davis and Łukasz Zelechowski (n 10) 862–863.

¹² Ibid 863.

¹³ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark [2017] OJ L154/1 Art. 59 (1) (b).

¹⁴ 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 [2015] OJ L336/1 Art. 4 (2).

¹⁵ Tamar Khuchua, 'Facing 'Bad Faith': The Challenges and Tools to Combat the Blocking Strategies of the Firms in the EU Trade Mark Law' (Nordic Journal of European Law, Volume 3, Issue 1, 2020) 124.

¹⁶ See for instance: Judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi v. Ticaret AŞ v. European Union Intellectual Property Office (EUIPO) and Joaquín Nadal Esteban*, T-104/18 P, EU:C:2019:724 § 43.

¹⁷ Mariia Shipilina, 'Trade Mark Law and the Concept of Bad Faith: A fair balance between the protection of exclusive rights conferred on the proprietor and free access to the European Market?' (Uppsala Universitet, Master's Thesis under supervision of Kacper Szkalej, Spring Term 2020) 2, 48.

¹⁸ Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, OJ L 011.

¹⁹ European Communities, 'Communication from the German delegation dated 5 October 1984' (The Council, Brussels, 12 October 1984).

²⁰ Philip Johnson, 'So, Precisely What Will You Use Your Trade Mark for?' *Bad Faith and Clarity in Trade Mark Specifications* (International Review of Intellectual Property and Competition Law, Volume 49, 2018) 940, 959–960.

²¹ Philip Johnson (n 19) 960.

²² Ibid 960–961.

²³ Michał Bohaczewski, 'Abusive Trade Mark Filings: Some Recent Application of the Concept of Bad Faith in the Case law of the Court of Justice and General Court' (International Review of Intellectual Property and Competition Law, Volume 54, Issue 8, 2023) 1224.

²⁴ Tamar Khuchua (n 15) 125–126.

²⁵ Regional Seminar for Judges, 'Current Issues in Intellectual Property Rights, Geoffrey Hobbs – Bad Faith in Trademark Registration' (Liepaja, Latvia 12–13 September 2023) <<https://www.youtube.com/watch?v=sbjLnT5fS0>> accessed on 10 May 2024.

²⁶ Ibid.

ing out to the recently published European Union Intellectual Property Network's (EUIPN) Common Practice 13.²⁷ While in theory the scope of the Common Practice is meant to cover the understanding regarding national trade marks, because it makes reference to the provisions of the EUTMD, the author believes that the findings of CP 13 shall also be applicable and extended to the EUTMs due to the fact that, as per *Malaysia Dairy*, both of these normative acts serve the same purposes.²⁸ This document should be taken into consideration during the analysis of the EU case law regarding 'bad faith' to complement the already potholed path towards finding the EU's interpretation of the concept. The complexity arising from this task is substantiated by the legal scholar, practitioner and expert in the field of 'bad faith' in trade mark law – Alexander Tsoutsanis who once attested that 'Even the Court of Justice of the European Union [...] struggles to get to grips with this ambiguous open norm [bad faith].'²⁹

Nonetheless, despite the intricacy and certain unpredictability of the concept, the CJEU case law developed a sort of groundwork which aims to define the meaning and the scope of it. Pre-eminently, as per *Malaysia Dairy*, 'bad faith' is an autonomous EU law concept that shall be interpreted uniformly across all EU Member States.³⁰ Furthermore, its interpretation shall always be conducted within the specific trade mark law context of 'the course of trade' in accordance with *Sky*.³¹ However, the most significant CJEU ruling that established the course of 'bad faith' development at the EU level was the *Lindt Goldhase*.³² The author proposes that the reader comprehends this particular judgement as the ancestral mother, like the mythological Gaia,³³ of 'bad faith' interpretation in EU trade mark law. The later CJEU case law regarding the protagonist norm bases upon the premises of *Lindt Goldhase*, and seemingly builds upon and expands them.³⁴ Additionally, the CJEU makes use of the rationale eventuating from *Lindt Goldhase* not only with regards to EU trade mark law but also national trade mark law premises

that are viewed in accordance with the EUTMD, which further emphasizes the ruling's relevance and impact.³⁵

The said case established that for a finding of 'bad faith' there is a dual requirement in the shape of (1) a dishonest intention, which equals a subjective state of mind of the applicant at the relevant time, that (2) must be determined in an objective manner with regards to the circumstances of a particular case.³⁶ As per *Koton*, such a test is the only possible way to achieve the objective perspective while analyzing the potential existence of 'bad faith'.³⁷

Moreover, the *Lindt Goldhase* ruling explained that what shall be specifically taken into account is: 'the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought; the applicant's intention to prevent that third party from continuing to use such a sign; and the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.'³⁸ These non-exhaustive factors set forth by the CJEU judgement shall also be perceived as being in line with the AG Sharpston's Opinion, which was delivered in March 2009, with regards to the above-mentioned case.³⁹ That can be supported by the finding that what became the central notion of 'bad faith' interpretation is the dishonest intention of the applicant which has to be assessed on the basis of objective circumstances of the case, a test specifically put forward by AG Sharpston in her Opinion.⁴⁰

Most importantly however, what follows from the CJEU case law is that the one common characteristic in every instance is the dishonest intention of the applicant (either targeting the third party or the trade mark system).⁴¹ Interestingly, that characteristic translates into the only mandatory factor that is needed in order for 'bad faith' to be found in a trade mark application.⁴² Therefore, its magnitude and effectuality shall be recognized. It can be viewed as the sole constant in the complex equation, that is the 'bad faith' interpretation, due to the fact that the other factors that can potentially lead to the finding of 'bad faith' are of non-mandatory nature and must always be assessed on a case by case basis.⁴³ And that is exactly when the concept's openness and flexibility break forth most palpably.

27 EUIPN, *Publication and implementation of CP 13* <<https://tmdn.org/#/news/2563653>> accessed on 10 May 2024.

28 Judgement of 27 June 2013, *Malaysia Dairy Industries Pte. Ltd v. Ankenovnet for Patenter og Varemaerker*, C-320/12, EU:C:2013:435 §§ 25–27; Tamar Khuchua (n 15) 126; Pinja Hoffrichter, *Bad faith and evergreening in EU trade mark law* (Master's Thesis, Hanken School of Economics, Helsinki, 2022) 38.

29 Alexander Tsoutsanis, *Trade mark applications in bad faith: righting wrong in Denmark and why the Benelux is next* [Journal of Intellectual Property Law & Practice, Volume 9, Number 2, 2014] 118, 118.

30 *Malaysia Dairy* (n 28) § 29; European Union Intellectual Property Network (EUIPN) CP 13 Common Practice, *Trade mark applications made in bad faith* (March 2024) 1, 1. <https://www.tmdn.org/network/documents/10181/2556742/CP13_Common_Communication_en.pdf/1cdbc448-b8a6-4507-9f57-ed8b780593a1> accessed on 10 May 2024.

31 Judgement of 6 February 2018, *Sky Plc & Others v. Skykick UK Limited and Skykick Inc.*, C-371/18, EU:C:2020:45 § 74; CP 13 Common Practice (n 30) 4.

32 *Lindt* (n 10).

33 Man Ding and Yi Ling, *Gaia Metaphor in Latour's Ecological Thought* [David Publishing, Volume 13, Number 6, 2023] 260, 261 [In Greek mythology, Gaia represents the Earth goddess, the mother of all life [...]].

34 Tamar Khuchua (n 15) 113.

35 *Ibid.*

36 *Lindt* (n 10) § 42; CP 13 Common Practice (n 30) 5.

37 *Koton* (n 16) § 47.

38 *Lindt* (n 10) § 53.

39 Joanna Sitko (n 9) 2.

40 Opinion of Advocate General Sharpston delivered on 12 March 2009, *Chocoladefabriken Lindt & Sprüngli AG v Frantz Hauswirth GmbH*, C-529/07, EU:C:2009:148 §§ 57–58; Joanna Sitko (n 9) 2.

41 Joanna Sitko (n 9) 2; CP 13 Common Practice (n 30) 6–7.

42 CP 13 Common Practice (n 30) 10.

43 *Ibid.*

2.2 Additional Factors Construed by the EU Judiciary

Other common but non-mandatory factors that may potentially be indicative of the existence of ‘bad faith’ are summarized by the author below. These indicators follow from the findings of the CP 13, which are based on the CJEU case law on the matter. The factors are the following: ‘the applicant’s knowledge or presumed knowledge that the third party is using/ has an earlier right to’;⁴⁴ ‘degree of legal protection enjoyed by the third party’s earlier right’;⁴⁵ ‘identity/ similarity between the contested trade mark and the earlier right/s’;⁴⁶ ‘goods and services at issue’;⁴⁷ ‘likelihood of confusion’;⁴⁸ ‘previous relationship between the parties’;⁴⁹ ‘origin of the contested trade mark and its use since its creation’;⁵⁰ ‘chronology of events leading up to the filing of the contested trade mark’;⁵¹ ‘honest commercial logic behind the filing of the contested trade mark’;⁵² ‘request for financial compensation’;⁵³ ‘pattern of the applicant’s behaviour/ actions’^{54 55}. However, despite these factors being extensively dealt with by the CJEU case law and the CP 13’s wording, they can have divergent influences on the outcomes of the rulings.⁵⁶

In practice it means that each factor might be adjudicated in different manners depending on the particular circumstance surrounding the case. That is evidentiary of the notion of ‘bad faith’ being an immensely flexible and open legal concept. As per legal scholar and European trade mark and design attorney – George-Mihai

Irimescu, ‘bad faith is one of the most dynamic notions in trademark protection’ and ‘this notion is still open to new interpretations’.⁵⁷ Nevertheless, in the author’s view these two statements are not to be perceived as a necessarily positive assertion. This perception can be further supported by the example of clashing judgements i.e., cases where the substantially similar or identical cases are ruled with divergent outcomes. That is the result of the fact that ‘bad faith’ cases are often decided by the courts in a discretionary manner in accordance with their ‘common sense’, depending ‘upon how the court chose to interpret the so-called objective evidence’.⁵⁸

One example of such a situation⁵⁹ are the rulings of the General Court on cases *BIGAB* and *VENMO*, where the Court arrived at contrary conclusions while assessing analogous factors regarding the potential existence of ‘bad faith’.⁶⁰ It is also of relevance to note how complex the path to assess ‘bad faith’ registration is in the case of *VENMO*. The Cancellation Division of the EUIPO decided that in the case at hand there was ‘bad faith’ while applying for the mark, however when the case was further adjudicated by the EUIPO’s Board of Appeal, it was concluded that the application was not filed for in ‘bad faith’.⁶¹ Nevertheless, the case went on further and reached the tiers of the General Court which went against the findings of the BoA, and held that after careful consideration, the applicant did after all act in ‘bad faith’.⁶²

Another instance that could further affirm such a premise is the EUIPO’s approach in two cases concerning trade marks belonging to Banksy, represented by Pest Control Office Limited, that were assessed by the Cancellation Division of the EUIPO. The applications for trade marks portray Banksy’s renowned graffiti artworks, commonly known as the ‘Flower Thrower’ and the ‘Monkey’. In both the *Flower Thrower*⁶³ and the *Monkey*⁶⁴ cases, the trade marks were suspected of having been filed in ‘bad faith’.⁶⁵ These legal challenges were brought before, and considered by the Cancellation Division of the EUIPO. In the case of the *Flower Thrower*, the Office came to the conclusion that due to the fact that Banksy openly admitted that he filed the applications with the view to trump the copyright protection system and that he started commercially using the marks merely to avoid the non-use corollary, the

⁴⁴ See for instance: *Lindt* (n 10) § 53; Judgement of 5 May 2017, *PayPal v EUIPO (VENMO)*, T-132/16, EU:T:2017:316 §§ 36–37; Judgement of 9 February 2018, *Carrols Corp. v EUIPO (Pollo Tropical CHICKEN ON THE GRILL)*, T-291/09, EU:T:2018:82 § 49; Judgement of 29 September 2021, *UNIVERS Agra EOOD v EUIPO (AGATE)*, T-592/20, EU:T:2021:633 §§ 28–29; *TARGET VENTURES* (n 75) § 47; CP 13 Common Practice (n 30) 12.

⁴⁵ See for instance: *Lindt* (n 10) § 53; CP 13 Common Practice (n 30) 13.

⁴⁶ See for instance: *Lindt* (n 10) § 53; Judgement of 5 October 2016, *Food-care sp. z o.o. v EUIPO (T.G.R. ENERGY DRINK)*, T-456/15, EU:T:2016:597 §§ 36–39; Judgement of 28 January 2016, *José-Manuel Davó Lledó v OHIM (Doggis)*, T-335/14, EU:T:2016:39 §§ 59–63; CP 13 Common Practice (n 30) 14.

⁴⁷ See for instance: *Doggis* (n 46) §§ 88–90; CP 13 Common Practice (n 30) 15.

⁴⁸ See for instance: *Lindt* (n 10) § 53; *Koton* (n 16) § 54; Judgement of 19 October 2022, *Baumberger v EUIPO (Lio)*, T-466/21, EU:T:2022:644 § 31; CP 13 Common Practice (n 30) 15.

⁴⁹ See for instance: *T.G.R. ENERGY DRINK* (n 46) §§ 53–55; CP 13 Common Practice (n 30) 16.

⁵⁰ See for instance: CP 13 Common Practice (n 30) 17.

⁵¹ See for instance: *T.G.R. ENERGY DRINK* (n 46) § 28; CP 13 Common Practice (n 30) 18; Judgement of 13 December 2023, *Goods Services Ltd. v EUIPO (EL ROSCO)*, T-381/22, EU:C:2023:998.

⁵² See for instance: Judgement of 14 February 2012, *Peeters Landbouwmachines BV v OHIM (BIGAB)*, T-33/11, EU:T:2012:77 § 25; Judgement of 5 July 2016, *Ehrenpreise v EUIPO (NEUSCHWANSTEIN)*, T-167/15, EU:T:2016:391 § 55; CP 13 Common Practice (n 30) 18.

⁵³ See for instance: CP 13 Common Practice (n 30) 20.

⁵⁴ See for instance: Judgement of 7 September 2022, *Karsten Manufacturing (MONSOON) v EUIPO*, T-627/21, EU:T:2022:530 §§ 35–37; CP 13 Common Practice (n 30) 20; Anna Maria Stein, ‘GC rules on bad faith and abuse of right in trade marks filing’ (IPKat Online Blog 23 February 2024) <<https://ipkitten.blogspot.com/2024/02/gc-rules-on-bad-faith-and-abuse-of-right.html>> accessed on 10 May 2024.

⁵⁵ CP 13 Common Practice (n 30) 12–20.

⁵⁶ *Ibid* 11–12.

⁵⁷ George-Mihai Irimescu (n 8) 533–534.

⁵⁸ Jennifer Davis and Łukasz Żelechowski (n 10) 869.

⁵⁹ For another instance of judgements with contradictory outcomes see: *Pollo tropical chicken* (n 44) in conjunction with *Doggis* (n 46).

⁶⁰ Tamar Khuchua (n 15) 114.

⁶¹ *VENMO* (n 44) §§ 17, 22; Tamar Khuchua (n 15) 114–115.

⁶² *VENMO* (n 44) §§ 52–71; Tamar Khuchua (n 15) 115.

⁶³ EUIPO, 14 September 2020, *Full Colour Black Ltd. v. Pest Control Office Ltd.*, Cancellation No. 33 843 C (invalidity) EUTMR 58.

⁶⁴ EUIPO BoA, 25 October 2022, *Pest Control Office Ltd v. Full Colour Black Ltd.*, R 1246/2021-5.

⁶⁵ Cancellation No. 33 843 C (n 63); R 1246/2021-5 (n 64).

mark must be invalidated on grounds of ‘bad faith’ and this decision became final and valid.⁶⁶

In the *Monkey* case, the Office’s reasoning based on the substantively same grounds was first adjudicated with the same conclusions, however the case was later appealed and the BoA of the EUIPO ruled against the finding of ‘bad faith’ in the application.⁶⁷ The BoA stressed that the accumulation of the IP rights (copyrights and trade marks) is not prohibited, and that the applicant has a still ongoing 5-year grace period of non-use (as per, inter alia, *Sky*),⁶⁸ and therefore there is no finding of a ‘bad faith’ intention.⁶⁹ Needless to say, it means that both marks, which were assessed on the same grounds and taking into consideration practically the same factors, ended up with drastically different results i.e., one of them has been invalidated, while the other is still a valid trade mark. Legal scholars – Jennifer Davis and Łukasz Żelechowski summarize this situation as a ‘fundamental uncertainty, which arises when judicial authorities seek to interpret the significance of “objective circumstances” when seeking to establish bad faith intent’.⁷⁰

3. ASSESSING BAD FAITH – SUBJECTIVITY/ OBJECTIVITY DICHOTOMY

3.1 Lindt Goldhase Case – a Path to (Un)follow?

The author proposes an analysis that sheds a reasonable doubt on the current state of affairs, and that can hence contribute to the development of the legal doctrine. She aspires to make a suggestion concerning an improvement that could be implemented into the ‘common language of European private law’ via providing a critical perspective on how the concept of ‘bad faith’ has been shaped by legal administrators i.e., professional jurists and by proposing a legal solution that could potentially be considered in the future, while applying the protagonist concept.⁷¹ That is especially important since, as legal scholar – Nils Jansen explains, ‘European scholars should not and cannot simply rely on the present language of European law when analyzing and describing the elements of private law. Rather, European jurists should thoroughly reflect the present terminology and reconstruct fitting conceptual tools’.⁷²

What is taken under a scrutiny is the subjective/ objective dichotomy in the ‘bad faith’ assessment that has been

put forward in the *Lindt Goldhase* wording.⁷³ The case states that ‘in order to determine whether there was bad faith, consideration must also be given to the applicant’s intention at the time when he files the application for registration’.⁷⁴ That was also the stance proposed by the Commission and the Czech Government, which emphasized the importance of intentions in the assessment.⁷⁵ The latter went as far as to claim that ‘bad faith’ implies a ‘significant moral or ethical element’. An opposing view on the matter was held by the Swedish Government which contended that it shall not be the applicant’s subjective intent but rather his objective knowledge that shall be taken into consideration while applying and assessing the notion. Furthermore, the Swedish Government supported its stance by exemplifying that such an approach has already been implemented in several EU Member States i.e., Italy, Finland, Estonia, Denmark, the Benelux countries, and Sweden.⁷⁶ Consequently, already at this point it can be observed that the approach towards assessing ‘bad faith’ is neither a self-apparent nor a uniform issue.

With this regard, the CJEU takes notice of the AG Sharpston’s Opinion on the case, and further clarifies that ‘the applicant’s intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case’.⁷⁷ That is another example of why the *Lindt Goldhase* is so disruptive. The AG Sharpston recommended to approach the subjective element as the ‘mental state of a general nature’, thus she put forward a significantly broad and open interpretation of how subjectivity shall be measured.⁷⁸ Importantly however, AG Sharpston in her Opinion, rejected the Czech Government’s proposal that the subjective intention should be seen as ‘contravention of the accepted norms of conduct’. She did nonetheless admit that proving the subjective intention may appear to be a great hurdle, and therefore she agreed with the Commission’s proposal which stated that adding the objective element in the assessment, in the shape of referring to the ‘objective circumstances of the case’, serves to counterbalance this problematic issue.⁷⁹ Therefore, the ruling must also be perceived as groundbreaking since the CJEU clearly established that the mere applicant’s knowledge about the use by the third party of ‘an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought’⁸⁰ is insufficient to claim the applicability of ‘bad faith’.⁸¹ Instead, what must obligatorily be considered is the

⁶⁶ Jennifer Davis and Łukasz Żelechowski (n 10) 873; Joanna Sitko (n 9) 17–18.

⁶⁷ Joanna Sitko (n 9) 17.

⁶⁸ *Sky* (n 31) § 42.

⁶⁹ *Ibid*; Jennifer Davis and Łukasz Żelechowski (n 10) 873.

⁷⁰ Jennifer Davis and Łukasz Żelechowski (n 10) 873.

⁷¹ Nils Jansen, ‘Making Doctrine for European Law’ in Rob van Gestel, Hans-W. Micklitz and Edward L. Rubin (eds), *Rethinking legal scholarship: a transatlantic dialogue* (Oxford University Press 2017) 229, 229.

⁷² *Ibid*.

⁷³ *Lindt* (n 10) § 42.

⁷⁴ *Ibid* § 41.

⁷⁵ AG Sharpston Opinion (n 40) §§ 53–54.

⁷⁶ *Ibid* § 55.

⁷⁷ *Ibid* § 58.

⁷⁸ *Ibid* § 57.

⁷⁹ *Ibid* § 58.

⁸⁰ *Lindt* (n 10) § 40.

⁸¹ *Ibid*.

intent of the applicant, at the moment when he applies for trade mark registration.⁸²

In light of the above-mentioned clarifications, it cannot be denied that the *Lindt Goldhase* preliminary ruling was an incredibly crucial step towards the explanation of how the concept of ‘bad faith’ shall be utilized. Concurrently, the author cannot help but acknowledge that the presently applicable model of ‘bad faith’ assessment bases primarily on the subjective element which is only later juxtaposed with the objective circumstances of a particular case.

Moreover, in accordance with what AG Sharpston presented in her Opinion, the intention of the applicant shall be equated with his general mental state. This, in the author’s view, leaves too much room for speculation, especially if the subjective state is the dominant component in the case by case assessment. Moreover, this stance is also indirectly mirrored in the recent judgement of the General Court – *Neratax*, dating as recently as to January 2023, which in its reasoning, while assessing ‘bad faith’, referred to the conduct not aligning with a fair competition.⁸³ Such a conduct seems to have roots in the widely accepted norms of conduct governing the way that competitors are expected to behave – the approach which has been declined by AG Sharpston in her Opinion on the *Lindt Goldhase* case.⁸⁴

Therefore, the author proposes the following deduction. There is no need to take the extreme measure of unfollowing the path that has been put forward with the *Lindt Goldhase* ruling. However, the author believes that there is certainly an imperative necessity to adjust the currently applied subjective/ objective assessment, so that the dominant component of the processes bases upon the objective standard. The decrease in significance of the subjective component would constitute a step forward to increasing legal certainty of the protagonist concept.

3.2 Pre-Lindt Goldhase Approach

However, before the author can proceed with her suggestion on the step that shall be taken in order to move forward... she takes the reader a step backwards, to the pre-*Lindt Goldhase* era, to investigate how the notion of ‘bad faith’ used to be applied and viewed in the judicial setting.

The main focus shall still remain on the subjective/ objective side of the notion. Reference will be made to several UK cases that predate the said preliminary ruling. The choice of the UK legal order is intentional. The author observed an abundance of case law on the topic, coming from the UK’s courts, which used to deploy a divergent approach to the one currently in use, and decided to focus on this particular and authoritative jurisdiction for contrasting purposes.

From the UK perspective, there is one crucial judgement that concerned the subjective/ objective aspect of ‘bad faith’ which shall be touched upon in this section. First and foremost, the standard for assessing ‘bad faith’ in the pre-*Lindt Goldhase* era was set in the *Gromax* case dating back to 1999,⁸⁵ which is a decade before the crucial CJEU ruling. Already at that time Justice Lindsay established that ‘bad faith’ in trade mark law is characterized by ‘dishonesty’ and it deals with actions that ‘fall short of the standards of acceptable commercial behavior observed by reasonable and experienced men in the particular area being examined’.⁸⁶

This approach was later endorsed in several decisions of the UK Intellectual Property Office, such as the potential declaration for invalidity of trade mark Registration No. 2225337⁸⁷ handed down by M Reynolds or the Opposition No. 47103⁸⁸ put forward by Geoffrey Hobbs Q.C. Later on in, inter alia, *Twinsectra* and *Chinawhite* cases the UK court was considering whether it is sufficient that the ‘conduct that falls out from the acceptable commercial practice’ is assessed by reasonable men or whether it is also necessary that the applicant himself appreciated that his behavior did not live up to this standard.⁸⁹ In *Chinawhite* the Court indeed took the view that the combined approach should prevail.⁹⁰ However, such approach was later highly criticized and said to be ‘overly elaborate for the field of trade marks’.⁹¹ In the legal doctrine it is summarized that although the combined test shall not be applied, it cannot be said that the applicant’s state of mind is not relevant.⁹²

From these deliberations one can see how the law on ‘bad faith’ tried to head towards the most objective standard possible. Furthermore, legal scholars – Jennifer Davis and Łukasz Żelechowski endorse this stance and believe that the *Gromax* case law ‘identified an objective and external viewpoint for identifying bad faith, which, if adopted, would presumably avoid having to scrutinize and make judgements about the motivations of the applicant for or the owner of a registered mark’.⁹³ The author agrees with their body of opinion and would like to contribute to the legal doctrine by expanding on this thought.

With the *Lindt Goldhase* case, it has been clearly decided that the EU shall approach ‘bad faith’ from a

⁸² Ibid § 41.

⁸³ Judgement of 18 January 2023, *Neratax Ltd v EUIPO*, T-528/21, EU:T:2023:4 § 78.

⁸⁴ Jennifer Davis and Łukasz Żelechowski (n 10) 873–874.

⁸⁵ *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367.

⁸⁶ Ibid 379.

⁸⁷ Application No. 1246 by Thai Mosaic & Ceramics Limited for a declaration of invalidity in respect of Registration No. 2225337 standing in the name of Cairnford Ceramics Limited § 8 <<https://www.ipo.gov.uk/t-challenge-decision-results/o11702.pdf>> accessed on 10 May 2024.

⁸⁸ Opposition No. 47103 in the name of Les Brasseurs de Gayant to Application No. 2115233 to register a trade mark in class 32 in the name of Jack Moore 1, 20. <<https://www.ipo.gov.uk/t-challenge-decision-results/o34199.pdf>> accessed on 10 May 2024.

⁸⁹ Richard Davis, Thomas St Quintin and Guy Tritton, *Tritton on Intellectual Property in Europe* (6th edn, Sweet & Maxwell 2022) 1, 387; *Twinsectra Ltd v Yardley* [2002] 2 AC 164; *Chinawhite* [2005] F.S.R. 10 CA at [40].

⁹⁰ *Chinawhite* [2005] F.S.R. 10 CA at [40].

⁹¹ Richard Davis, Thomas St Quintin and Guy Tritton (n 89) 387.

⁹² Ibid.

⁹³ Jennifer Davis and Łukasz Żelechowski (n 10) 862.

predominantly subjective manner which is then assessed with reference to objective circumstances and that the applicant's knowledge is not sufficient to establish a 'bad faith' behavior. This position clearly departs from some previous decisions, such as *Gromax*, which applied an utterly objective standard for the concept. However, the introduction of such a subjective element into the legal practice is always an intricate matter.⁹⁴ It follows that what must be assessed is the individual's state of mind, which is an excruciatingly complex task, especially without the applicant explaining his reasoning behind his own acts. That is particularly the case in the system, as the EUIPO one, where there is no room for live testimony in the shape of a cross examination.⁹⁵ Thus, in the EUIPO the decisions are taken on the basis of rather 'circumstantial facts' which poses a lot of challenges for the Office.⁹⁶ One can nevertheless observe that, in any way, it is highly unlikely that the applicant would admit his dishonest intentions since if he was able to act dishonestly in the first place, he would most likely prevaricate from telling the truth about his subjective intentions later on.⁹⁷

Legal scholars – Richard Davis, Thomas St Quintin and Guy Tritton believe that 'trade mark law is less susceptible to moral analysis', and it is also because 'one man's clever tactics is another man's dishonest tactics',⁹⁸ which stems from the fact that one's state of mind is a highly individualized issue. Although in one English case a bold statement was made that 'the state of a man's mind is as much a fact as the state of his digestion',⁹⁹ the author approaches this view with a lot of skepticism and takes a rather contrasting position. She suggests that the reader connotes the state of one's mind with subjectivity which, as per its definition, brings about 'the influence of personal beliefs or feelings, rather than facts'.¹⁰⁰ From a socio-legal perspective, subjectivity is perceived as 'the reflexive consciousness of human individual, and suggests the density and uniqueness of its contents'.¹⁰¹ Moreover, subjectivity is described by traits such as: heterogeneity, dispersion and discontinuity, and is equaled with a 'fluid medium of an individual mind'.¹⁰² Therefore, the author comes to the conclusion that although 'bad faith' inevitably connotes a subjective element in its assessment, its role shall not be as central in the judicial analysis. This statement can be supported by the fact that subjectivity brings about vast fluidity and heterogeneity, which inescapably results

in divergent judicial outcomes that cannot ensure legal certainty or uniformity. Consequently, the step forward could metaphorically also be a step backwards, to the previously applied objective assessments. Some inspiration shall be drawn from the pre-*Lindt Goldhase* era in order to propose a solution on what can be done to increase legal certainty of 'bad faith' on the EU level in the future.

3.3 Introducing a Normative Model – Rationale

It is necessary to understand why 'legal certainty' per se is so quintessential for the legal reality as such. Imprimis, 'legal certainty' constitutes a solid foundation of all the modern legal systems since the concept is perceived as one of the highest values and fundamental principles of law.¹⁰³ Moreover, achieving 'legal certainty' remains 'a core value and aspiration that has structured normative debates at a national, regional and international level'.¹⁰⁴ In the EU case law, this principle was discussed for the first time in 1961 in the *SNUPAT* judgement.¹⁰⁵ Since then, the CJEU has issued more than six thousand decisions which contained the phrase 'legal certainty', while the numbers of the General Court decisions indicate that 'legal certainty' was mentioned in more than two thousand judgements which further showcases how crucial and omnipresent it is in the realm of EU law.¹⁰⁶

For the purposes of this article, the most relevant traits of 'legal certainty' follow from three judicial decisions. Firstly, in the *Costa* case it was established that the concept necessitates 'that rules of law be clear, precise and predictable as regards their effect'.¹⁰⁷ Secondly, it was established that legal rules shall 'be foreseeable by those subject to them' as per the *Plantanol* judgement.¹⁰⁸ Lastly, in accordance with the *Heinrich* ruling, 'legal certainty' demands 'that Community rules enable those concerned to know precisely the extent of obligations which are imposed on them. Individuals must be able to ascertain unequivocally what their rights and obligations are [...]'.¹⁰⁹

In the first section of this paper, the author argued that the current application of the concept of 'bad faith' in the EU law regime, which primarily focuses on the subjective

⁹⁴ Richard Davis, Thomas St Quintin and Guy Tritton (n 89) 379.

⁹⁵ Ibid 387.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid 379.

⁹⁹ *Edgington v Fitzmaurice* [1885] 29 Ch D. 459; Richard Davis, Thomas St Quintin and Guy Tritton (n 89) 387.

¹⁰⁰ Cambridge Dictionary <<https://dictionary.cambridge.org/dictionary/english/subjectivity>> accessed on 10 May 2024.

¹⁰¹ Pierre Guibentif, 'The Sociology of Legal Subjectivity' in Jiri Priban, *Research Handbook on Sociology of Law* (Edward Elgar Publishers 2020) 1, 1.

¹⁰² Ibid 2.

¹⁰³ Mark Fenwick and Stefan Wrba, *Legal Certainty in a Contemporary Context: Private and Criminal Law Perspectives* (eds.) (Springer 2016) 1, 9–10.

¹⁰⁴ Ibid 2.

¹⁰⁵ Jeremie Van Meerbeeck, 'The Principle of Legal Certainty in the Case Law of the European Court of Justice: From Certainty to Trust' [European Law Review, Issue 2, 2016] 275, 280; Judgement of the Court of 22 March 1961, *Société nouvelle des usines de Pontlieue – Acieries du Temple (SNUPAT) v Higher Authority of the European Coal and Steel Community*, Joined Cases 42 and 49/59, EU:C:1961:5.

¹⁰⁶ Jeremie Van Meerbeeck (n 201); EUR-Lex database <<https://eur-lex.europa.eu/homepage.html>> accessed on 10 May 2024.

¹⁰⁷ Jeremie Van Meerbeeck (n 106) 280; Judgement of 16 February 2012, *Criminal proceedings against Marcelo Costa and Ugo Cifone*, Joined Cases C-72/10 and C-77/10, EU:C:2012:80.

¹⁰⁸ Jeremie Van Meerbeeck (n 106) 280; Judgement of 10 September 2009, *Plantanol GmbH & Co. KG v Hauptzollamt Darmstadt*, C-201/08, EU:C:2009:539.

¹⁰⁹ Jeremie Van Meerbeeck (n 106) 280; Judgement of 10 March 2009, *Gottfried Heinrich*, C-345/06, EU:C:2009:140.

assessment, struggles with ensuring legal certainty. This means that the application of ‘bad faith’ in its current form might endanger a fundamental principle of law.

On this account, this research advocates for introducing a normative model into the assessment of ‘bad faith’ since such a change could contribute to creating a more objective application of the concept, and hence could result in more foreseeable outcomes. What is crucial in that regard is the fact that ‘the higher the predictability of an outcome there is, the higher the degree of certainty.’¹¹⁰ Consequently, the author’s proposal constitutes an attempt to create a possible solution for increasing legal certainty within the realm of applying ‘bad faith’ in EU trade mark law. Importantly however, this is not an endeavor that aims at achieving absolute legal certainty as one does not exist as such.¹¹¹ There shall always be some ‘breathing space’ left for the adjudicators¹¹² in order for them to be able to react appropriately in special cases that have not been predicted by the statutory law or previous case law.¹¹³ Nonetheless, such ‘legal flexibility’¹¹⁴ should not prevail over legal certainty which is a fundamental principle.¹¹⁵ This is the reason why the approach towards ‘bad faith’ application in EU trade mark law should be adjusted, because as of now it is the ‘legal flexibility’ that constitutes the dominant stance taken by the EU courts.

3.4 Examples of Currently Existing Normative Models

The creation of the proposed ‘legal fiction’ is neither isolated nor revolutionary but rather constitutes a well-founded attempt to create a normative model among the already existing ‘pantheon of characters who inhabit the world of intellectual property.’¹¹⁶

The exploration begins in the area of the EU design law where a normative model is to be found under the concept of an ‘informed user’. This fictitious legal entity is codified via means of the Design Directive¹¹⁷ and the Design Regulation,¹¹⁸ and it is his perspective that is indispensable to ‘test the individual character of a design, and there-

fore its validity, and in the determination of the scope of protection [...]’.¹¹⁹ The subsequent case law approximated and clarified the normative model by explaining that an ‘informed user’ is not one with an average level of attention but rather a particularly observant user, be it because of his personal experience or extensive knowledge of the particular sector.¹²⁰

Another legal fiction is the ‘person skilled in the art’ and it plays a significant role within the branch of European patent law. This norm is especially relevant when the requirements of novelty, non-obviousness and disclosure are concerned.¹²¹ Its implications are of fundamental value since it influences the patent’s determination of validity, its scope of protection and the assessment of infringement claims.¹²² The answer to the question of who is a ‘person skilled in the art’ can be found in the European Patent Office’s Guidelines which define the norm as ‘a skilled practitioner in the relevant field of technology, who is possessed of average knowledge and ability and is aware of what was common general knowledge in the art at the relevant date.’¹²³

The last two normative models can be found in the EU trade mark law, which is certainly the most relevant point of reference since the concept of ‘bad faith’, discussed in this paper, also originates from the EU trade mark realm. Firstly, there is the well-established normative concept of an ‘average consumer’, which however is not founded in the legislation.¹²⁴ Its origins reach to judgments concerning misleading advertising and competition which were later implemented into trade mark law cases.¹²⁵ Such an official recognition occurred in *Procter & Gamble* case which primarily established that the view taken by the ‘average consumer’ is fundamental, as a key requirement to the determination of the boundaries of trade mark protection both in relation to subsistence and infringement.¹²⁶ The same ruling described the legal fiction as someone who is ‘reasonably well-informed and reasonably observant and circumspect’.¹²⁷ The EUIPO Guidelines further clarify that it is a legal norm that shall be applied in the context of the relevant consumer or the relevant public, which means that the concept can and

¹¹⁰ Branislav Hazucha, ‘Intellectual Property, Private Ordering and Legal Certainty’ in Mark Fenwick and Stefan Wrška, *Legal Certainty in a Contemporary Context: Private and Criminal Law Perspectives* (eds.) (Springer 2016) 33, 36.

¹¹¹ *Ibid.* 37.

¹¹² Branislav Hazucha [n 110] 37.

¹¹³ Jakob Soren Hedegaard and Stefan Wrška, ‘The Notion of Consumer Under EU Legislation and EU Case Law: Between the Poles of Legal Certainty and Flexibility’ in Mark Fenwick and Stefan Wrška, *Legal Certainty in a Contemporary Context: Private and Criminal Law Perspectives* (eds.) (Springer 2016) 69, 73.

¹¹⁴ *Ibid.*

¹¹⁵ Mark Fenwick and Stefan Wrška [n 103] 9–10.

¹¹⁶ Rasmus Dalgaard Laustsen, *The Average Consumer in Confusion-based Disputes in European Trademark Law and Similar Fictions* (Springer 2020) 1, 149; *Interflora v Marks & Spencer* [2012] EWCA Civ 1501 § 13.

¹¹⁷ Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs, OJ L 289/28 Art. 5(1).

¹¹⁸ Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, OJ L 003 Art. 6 (1).

¹¹⁹ Maria Mercedes Frabboni, ‘Fashion designs and brands: The role of the informed user and the average consumer’ [The Journal of World Intellectual Property, Volume 23, Issue 5-6, 2020] 815, 816.

¹²⁰ Maria Mercedes Frabboni [n 119] 817; Judgement of 20 October 2011, *PepsiCo, Inc. v Grupo Promer Mon Graphic SA*, C-281/10 P, EU:C:2011:679 § 53.

¹²¹ Naina Khanna and Jasmeet Gulati, ‘Knowledge/Skill Standards of a Person Skilled in Art: A Concern Less’ [The John Marshall Review of Intellectual Property Law 2018] 588, 590.

¹²² *Ibid.*

¹²³ Rasmus Dalgaard Laustsen [n 116] 168; The Guidelines for Examination at the EPO, Part G, Chapter VII-3 <<https://www.epo.org/en/legal/guidelines-epc>> accessed on 10 May 2024.

¹²⁴ Maria Mercedes Frabboni [n 215] 818.

¹²⁵ *Ibid.* 815–816.

¹²⁶ *Ibid.*

¹²⁷ Judgement of 29 April 2004, *Procter & Gamble Company v EUIPO*, Joined Cases C-468/01 P to C-472/01 P, EU:C:2004:259 § 57.

should be adapted to specific circumstances.¹²⁸ This is because the level of attention of the ‘average consumer’ can vary in accordance with the specific goods or services concerned.¹²⁹

Secondly, another normative model appears in trade mark law but this time in a different context i.e., one of the offenses against morality. In case such grounds are suspected to be applicable, there shall be an examination which is to be assessed from the viewpoint of a ‘reasonable person with average thresholds of sensitivity and tolerance’,¹³⁰ which should be juxtaposed with ‘objective circumstances in which the allegedly offensive mark would be used.’¹³¹ Such a normative concept introduced objectivity into the assessment test regarding the morality of marks which, as the word ‘morality’ itself suggests, connotes an immensely subjective perspective.¹³² If EU trade mark law established a firmly objective standard for such a subjective concept like morality, which, by definition, is ‘a set of personal or social standards for good or bad behavior and character’,¹³³ one cannot help but wonder why the same has not yet been done with regards to the application of ‘bad faith’.

Each of these normative concepts has come into existence to enable an objective assessment of facts so as to be able to reach ‘the correct level of rational and unbiased intellect for an accurate assessment’ of the particular cases.¹³⁴ Normative models help to reduce the problems arising basically from the sheer ‘difficulty in truly putting oneself in another’s shoes, in thinking about how the world might look to someone who doesn’t share one’s own physical and cognitive abilities.’¹³⁵ And although fictitious models are not completely free from the subjectivity or ambiguity,¹³⁶ they are nonetheless a technique which is applied ‘to resolve trouble in the legal environment.’¹³⁷

This problem solving essentially comes down to two aspects. First, it serves to increase the predictability of the judicial decisions’ outcomes.¹³⁸ Second, it ensures an enhanced coherence and consistency in law.¹³⁹ The former dimension is achieved because ‘when used wisely, [fictions] are inherently dynamic sources that allow courts, over time, to balance flexibility and responsiveness with stability and predictability.’¹⁴⁰ The latter facet, i.e., the enhanced coherence is attained as ‘legal fictions create consistency when judges have to decide like decisions and a predictable outcome of current and future decisions.’¹⁴¹

3.5 Author’s Proposal on the Construction of the Normative Model

The author draws inspiration from three respective judgements i.e., *Gromax*,¹⁴² *Neratax*,¹⁴³ and *Constantin*,¹⁴⁴ and creates her own standard for the test to be applied. She proposes a blended approach towards the creation of a normative model that could hopefully contribute to enhancing legal certainty within the interpretation and assessment of ‘bad faith’ in the EU. She believes that the following objective test could be considered in future legal disputations: ‘*Bad faith*’ defines acts not fulfilling the accepted norms of commercial conduct, assessed by a reasonable person who is knowledgeable about the standards of fair commercial practice.

One can observe that the suggested approach consists of three tiers to be applied in the assessment process. The first requirement follows the reasoning of the *Gromax* judgement, which in its test towards the assessment of ‘bad faith’ referred to ‘bad faith’ as actions that ‘fall short of the standards of acceptable commercial behavior.’¹⁴⁵ Such a measure enables one to place the point of reference to an objective standard that shall be seen as the ordinary behavior in commerce that is expected from the parties participating in its practices. It disregards the extreme behaviors, and instead focuses on the average and looked-for mode of attitude. The second and third tiers introduce a normative model by way of creating a fictitious legal person. The proposed standard refers to a reasonable person, however this concept as such is claimed by some to be quite ambiguous.¹⁴⁶ That is why, the third tier serves to specify and narrow down the traits of the viewpoint of the legal fiction by demanding from him certain qualities. The author purposefully places him in the position of a knowledgeable person with the understanding of the fair commercial practices because it further restricts the mod-

¹²⁸ Maria Mercedes Frabboni (n 119) 815; EUIPO Guidelines, Section 4, 1, 57 <<https://guidelines.euipo.europa.eu/binary/2214311/2000150000>> accessed on 10 May 2024.

¹²⁹ Judgement of 22 June 1999, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, C-342/97, EU:C:1999:323 § 26.

¹³⁰ Judgement of 27 February 2020, *Constantin Film Produktion GmbH v EUIPO*, C-240/18 P, EU:C:2020:118; Jennifer Davis and Łukasz Żelechowski (n 10) 889; EUIPO Boards of Appeal, ‘Case-law Research Report – Trade marks contrary to public policy or accepted principles of morality’ 1, 6 <https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/about_euipo/boards_of_appeal/research_reports/Public%20policy%20and%20morality_final_en.pdf> accessed on 10 May 2024.

¹³¹ Jennifer Davis and Łukasz Żelechowski (n 10) 889; EUIPO Trade Mark Guidelines, Section 3 <<https://guidelines.euipo.europa.eu/2214311/2044563/trade-mark-guidelines/3-accepted-principles-of-morality>> accessed on 10 May 2024.

¹³² Jennifer Davis and Łukasz Żelechowski (n 10) 889; EUIPO Trade Mark Guidelines, Section 3 (n 131).

¹³³ Cambridge Dictionary <<https://dictionary.cambridge.org/dictionary/english/morality>> accessed on 10 May 2024.

¹³⁴ Naina Khanna and Jasmeet Gulati (n 121) 589.

¹³⁵ Laura A. Heymann, ‘The reasonable Person In Trademark Law’ (St. Louis University Law Journal, Forthcoming, William & Mary Law School Research Paper No. 08-05, June 2008) 781, 783.

¹³⁶ Gulcin Cankiz Elibol, ‘Informed User: The Fictive Assessor of Industrial Designs as Part of Industrial Property Right’ (SGEM International Multidisciplinary Scientific Conferences on Social Sciences and Arts 2015) 1, 1.

¹³⁷ Rasmus Dalgaard Laustsen (n 116) 138.

¹³⁸ *Ibid* 140–141.

¹³⁹ *Ibid* 147.

¹⁴⁰ *Ibid* 140.

¹⁴¹ *Ibid*.

¹⁴² *Gromax* (n 85).

¹⁴³ *Neratax* (n 83).

¹⁴⁴ *Constantin* (n 130).

¹⁴⁵ Richard Davis, Thomas St Quintin and Guy Tritton 3(n 89) 79.

¹⁴⁶ Rasmus Dalgaard Laustsen (n 116) 178.

el's cognizance and puts an emphasis on his awareness of which actions could constitute 'bad faith', as opposed to the behavior that he would normally be prepared to expect in the commercial setting. The introduction of a normative point of reference was inspired by the *Gromax* and *Constantin* rulings,¹⁴⁷ while the additional description determining his viewpoint is the author's own wording, which in turn embodies the ideas put forward by the *Constantin* and *Neratax* cases.¹⁴⁸

Introducing this 'external viewpoint for identifying bad faith'¹⁴⁹ allows to desist from the subjective quest into the EUTM applicants' motivations, and consequently enables more objective and predictable outcomes of the judicial decisions which would contribute to enhancing the overall legal certainty. Legal scholars outvoice their concerns as they believe that 'by failing to establish an objective, external standard for bad faith, it is suggested that bad faith is an outlier in European [...] trade mark law'.¹⁵⁰

4. BAD FAITH AS A UNIFIED GROUND FOR REFUSAL?

4.1 The History and Current State of Bad Faith in EUTMD and EUTMR

The author now turns to examine the legislative origins and historical implications behind the creation of the two most quintessential provisions with regards to 'bad faith' i.e., Art. 4 (2) of the EUTMD and Art. 59 (1) (b) of the EUTMR. The earliest legislative attempts towards the creation of a European trade mark law date back as far as to 1964 when a Working Group, appointed by the European Commissioner – Hans von der Groeben, delivered the first 'Preliminary Draft Agreement concerning European Trade Mark Law'.¹⁵¹ Nevertheless, this proposal has not seen the light of the day for almost the entire upcoming decade due to political considerations that were unrelated to the IP field.¹⁵² Another Working Group was created in 1974, and their work was crowned with the submission of a report to the Commission two years after its establishment.¹⁵³ For the purposes of this article, the most vital outcome of the second legislative proposal was the suggestion of a dualistic approach 'aiming for unification through the creation of a 'Community Trade Mark system' and for harmonization of the domestic trade mark legislation of the Member States'.¹⁵⁴ While the former goal was later incarnated by the Community Trade Mark Regula-

tion (CTMR – the predecessor of the EUTMR), the latter was turned into the Trade Mark Directive (TMD – which is now replaced by the EUTMD).¹⁵⁵ Both documents were supposed to 'coexist and complement one another, each in its own way contributing to the Europeanisation of trade mark law [...]'.¹⁵⁶ And to this day, 'in essence there is no hierarchical distinction between them'.¹⁵⁷

First proposals regarding the wording and substance of the two pieces of legislation were presented in 1980 by the Commission to the Council and Parliament, after multiple expert meetings which shaped both of the texts.¹⁵⁸ Despite the fact that the Commission first began with the negotiations concerning the provisions pertaining to the CTMR, it was the TMD that was adopted the earliest. It was in 1988 that the Directive has finally been adopted, while it took additional five years to adopt the Regulation.¹⁵⁹ The reasons behind a later endorsement of the expectedly parallel legislative document related to political discordances and the procedural issue regarding the choice of governing languages.¹⁶⁰

The idea to consider the introduction of the notion of 'bad faith' appeared, for the very first time, in 1978 upon the initiative and suggestion of the Dutch delegation towards the ultimate creation and enactment of the Regulation.¹⁶¹ Nonetheless, it was the German delegation's proposal in 1984 that truly constituted the basis for recognizing 'bad faith' within the wording of the CTMR.¹⁶² In consequence, the German initiative got approved by the Working Group in 1985, and a year later it was implemented in the text of the Regulation.¹⁶³ The result of this proposal, although after some further developments and changes that were proposed by different countries, could be seen in the Art. 51 (1) (b) of the Regulation that stated that 'bad faith' is an absolute ground for invalidation 'where the applicant was acting in bad faith when he filed the application for the trade mark'.¹⁶⁴

When it comes to 'bad faith' in the TMD, the primary initiative once again appeared from the side of the Dutch delegation. In 1986, this country demanded for 'bad faith' to be introduced in the wording of the Directive as a ground for both invalidation but also refusal.¹⁶⁵ And it was after this proposal that the Danish delegation suggested to create the Directive's 'bad faith' provision on the basis and with the inspiration drawn from its own national

¹⁴⁷ *Gromax* (n 85); *Constantin* (n 130).

¹⁴⁸ *Constantin* (n 130); *Neratax* (n 83).

¹⁴⁹ Jennifer Davis and Łukasz Zelechowski (n 10) 862.

¹⁵⁰ *Ibid* 873.

¹⁵¹ Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman *Trade Mark Law in Europe* (Oxford University Press, 3rd Edition, 2016) 1, 3; Alexander Tsoutsanis (n 29) 48.

¹⁵² Alexander Tsoutsanis (n 29) 48.

¹⁵³ *Ibid*.

¹⁵⁴ *Ibid*.

¹⁵⁵ Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman (n 151) 4.

¹⁵⁶ Alexander Tsoutsanis (n 29) 49; Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman (n 151) 15.

¹⁵⁷ Alexander von Muhlendahl, Dimitris Botis, Spyros Maniatis and Imogen Wiseman (n 151) 14.

¹⁵⁸ *Ibid* 4.

¹⁵⁹ *Ibid*.

¹⁶⁰ *Ibid*.

¹⁶¹ Alexander Tsoutsanis (n 29) 49.

¹⁶² *Ibid* 53–54.

¹⁶³ *Ibid* 54.

¹⁶⁴ *Ibid* 54 and 67; Council Regulation (n 18) Art. 51 (1) (b).

¹⁶⁵ Alexander Tsoutsanis (n 29) 57.

legislation.¹⁶⁶ This is how Art. 3 (2) (d) of the TMD came into being. And its wording explained that ‘bad faith’ shall not be registered, or shall be subject to invalidation if ‘the application for registration of the trade mark was made in bad faith by the applicant’.¹⁶⁷

The development of these provisions, over the past years, brought about certain impactful amendments. The author starts with an investigation of Art. 3 (2) (d) TMD, which is the equivalent of the currently applicable Art. 4 (2) of the EUTMD. During the time that the TMD, adopted in 1988, remained a valid legislation, ‘bad faith’ constituted an optional ground for refusal, and also a facultative ground for invalidation. Legal scholar – Joanna Adamczyk states with this regard that the concept is frequently perceived as a not ‘self-evident’ solution, while another legal practitioner – Alexander Tsoutsanis believes that the electiveness of the application might be a result of the conviction that the protection following from Art. 6bis and Art. 6septies of the Paris Convention was already enough to cover the issue.¹⁶⁸

Even after replacing the 1988 TMD with its new version in 2008,¹⁶⁹ the situation has not undergone any substantive amendments, and in consequence ‘bad faith’ continued to be a non-mandatory ground for refusal and invalidation.¹⁷⁰ Moreover, even the numbering of the protagonist provision remained the same.¹⁷¹ It was only in 2015 when a major change occurred with the introduction of the current EUTMD.¹⁷² The previous Art. 3 (2) (d) changed into Art. 4 (2).¹⁷³ However, of crucial importance to this research paper is the fact that ‘bad faith’, as a ground for invalidation, changed its facultative status to a mandatory one.¹⁷⁴ Nevertheless, the same did not happen in case of ‘bad faith’ as a ground for refusal.¹⁷⁵

This paragraph continues to scrutinize the parallel development of Art. 51 (1) (b) of the 1994 CTMR, which is currently substituted by Art. 59 (1) (b) of the EUTMR. After analyzing the same provision which was replaced three times i.e., by Regulation of 2009,¹⁷⁶ the next Regulation adopted in 2015,¹⁷⁷ and the final replacement that

occurred in 2017, in the shape of the EUTMR,¹⁷⁸ it must be concluded that the wording of the provision has not been substantively amended. It means that ‘bad faith’ in EU Regulation has always maintained its status of merely a ground for invalidation. The only change appeared in the numerology since Art. 51 (1) (b) was transferred to Art. 52 (1) (b) in the Regulation of 2009,¹⁷⁹ and was so maintained in Regulation of 2015,¹⁸⁰ while from 2017 the provision can be found under Art. 59 (1) (b).¹⁸¹ This state of affairs attests to a major discrepancy between the wording of the EUTMD and the EUTMR, because although the Directive allows ‘bad faith’ to constitute (even if merely facultatively) a ground for refusal, the Regulation does not provide such an option. Experts in the legal field believe that such conjuncture is ‘debatable’.¹⁸² That is why, the author decided to put this divergence under a careful examination, and research whether aligning the EUTMR with the current approach of EUTMD could bring about a positive outcome for the EU trade mark regime.

4.2 Empirical Research of the Notion’s Practical Application

Turning now from theory to practice, the author decided to conduct her own empirical research aiming to present how particular EU Member States procedurally approach the application of ‘bad faith’ in their respective national laws. To this end, she contacted national trade mark offices of all of the twenty-seven EU Member States and posed the following question: “*I would like to make an enquiry about whether this country and its trade mark office examines ‘bad faith’ in its national trade mark law as: 1) merely a ground for invalidation (in accordance with Art. 59 (1) (b) of the Regulation 2017/1001) or 2) it also allows for the possibility for ‘bad faith’ to constitute a relative ground for refusal (in accordance with Art. 4 (2) of the Directive 2015/2436).*” She received responses from seventeen national offices, which accounts for over half of the EU Member States.

On the one hand, all of the Benelux countries, Czech Republic, Lithuania and Malta confirmed in no uncertain terms that their national offices treat ‘bad faith’ merely as a ground for invalidation. Consequently, around 35% of the respondent Member States do not consider the protagonist notion as a ground for refusal. On the other hand, a different position is claimed by Finland, Germany, Hungary, Ireland, Latvia, Slovakia and Sweden where the national offices answered, in black and white, that they approach ‘bad faith’ as both a ground for invalidation and refusal. This constitutes approximately 41% of the respondent EU countries. However, four more trade mark offices also approach the notion as a ground for both invalida-

¹⁶⁶ Ibid 58.

¹⁶⁷ Ibid 61; First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, OJ L 040 (TMD) Art. 3 (2) (d).

¹⁶⁸ Joanna Adamczyk, *Zgłoszenie znaku towarowego w złej wierze* (Wolters Kluwer, Warszawa 2023) 104; Alexander Tsoutsanis (n 29) 42.

¹⁶⁹ 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 L 299.

¹⁷⁰ Joanna Adamczyk (n 168) 108.

¹⁷¹ Ibid.

¹⁷² Directive (n 14).

¹⁷³ Joanna Adamczyk (n 168) 110; Directive (n 14) Art. 4 [2].

¹⁷⁴ Joanna Adamczyk (n 168) 109.

¹⁷⁵ Ibid.

¹⁷⁶ Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark, OJ L 78.

¹⁷⁷ Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 on the Community trade mark, OJ L 341.

¹⁷⁸ Regulation (n 13).

¹⁷⁹ Council Regulation (n 176).

¹⁸⁰ Regulation (n 177).

¹⁸¹ Regulation (n 13).

¹⁸² Joanna Adamczyk (n 168) 135; Alexander Tsoutsanis (n 29) 152.

tion or refusal, nonetheless these authorities provided extensive explanations regarding the national procedures. Consequently, without an immersion into the additional explanations from Bulgaria, Denmark, Poland and Portugal, one can calculate that in theory the numbers rise when it comes to EU Member States approaching 'bad faith' as a ground for both invalidation and refusal. Therefore, while circa 35% of the respondent states allow 'bad faith' to be invalidated only after the registration stage, almost 65% enable the additional option of the concept being a ground for refusal.

In the quest for complementing the missing data, the author turns to International Trademark Association's (INTA) International Survey on 'Bad Faith Trademark Filing Across the Globe'.¹⁸³ Nevertheless it shall be taken into account that this collected data is accurate as of December 2019.¹⁸⁴ It follows from the report that 6 more EU Member States treat 'bad faith' as merely a ground for invalidation and these are: Austria, Croatia, Italy, France, Slovenia and Spain.¹⁸⁵ Meanwhile, the more inclusive path is taken by: Estonia, Greece and Romania.¹⁸⁶ It must be noticed however that both Estonia and Greece stressed that using the notions as a ground for refusal is rather uncommon and unlikely.¹⁸⁷ Nevertheless, there still remains one more EU country that has neither responded to the author's empirical research nor was taken into consideration in the INTA's Survey i.e., Cyprus. This country takes the broader approach and treats 'bad faith' also as a ground for refusal, as follows from its national legislative provisions.¹⁸⁸

When the results of all the sources are blended in together, the ratio indicates that in practice the majority i.e., around 56% of the national trade mark offices, from the entire EU, already treats 'bad faith' as both a ground for invalidation and refusal. In consequence, this finding strongly reiterates the proposal to align the wording of the EUTMR with the legislative text of the EUTMD, so that 'bad faith' should additionally be worded as a ground for refusal. The author believes that the status of 'bad faith' within the EUTMD shall be adjusted so that it does not constitute merely an optional, but rather a mandatory ground for refusal and she propounds for the EUTMR to be aligned accordingly. This way, the ambiguous legal landscape could be avoided in favor of a more uniform and legally certain trade mark procedure across the entire EU environment.

4.3 Rationale Behind the Idea of Bringing EUTMR in Line with EUTMD

The current state of art might bring about severe repercussions for the functioning of the trade mark system within the EU law ambient, but also the global trade mark law position at large. First and foremost, leaving the legislative situation unchanged contributes negatively to the cluttering of the trade mark register.¹⁸⁹ Such marks remain inscribed in the register, despite their abusive character, for a considerable period of time before they can be eventually invalidated after the mark's registration and the initiation of infringement proceedings targeting it.¹⁹⁰ This means that certain words become less available or less likely to be opted for, which in turn brings about further consequences in the shape of trade mark depletion. The practical implication of depletion is that since 'all the good brand names are already taken', it becomes a troublesome task to find a good name that can be registered for one's commercial practice.¹⁹¹ This issue will, undoubtedly, not be utterly solved by introducing solely the suggested amendment,¹⁹² however it could be significantly mitigated.

The scarcity of available names within the EU has been thoroughly studied by legal scholars – Barton Beebe and Jeanne C. Fromer. Their research from May 2023 presents the seriousness of depletion across the EU by empirically examining the abundance of words in five major EU languages (English, French, German, Italian and Spanish)¹⁹³ and later contrasting it with their actual availability in the EUIPO register.¹⁹⁴ The results are rather astounding and they emphatically emphasize the gravity of the problem. It has been found that 'when we use English, more than three-quarters of the time we are using a word that identically matches a registered trademark at the EUIPO'.¹⁹⁵ Furthermore, 'by 2017, 55.4% of French word usage consisted of words identically matching a registered mark', while the percentage was even higher for Spanish (62.8%) and Italian (65.7%).¹⁹⁶ The greatest availability of names was acknowledged for the German language 'with only 46.2% of word usage consisting of words identically matching a registered mark in 2017'.¹⁹⁷

The described contention prompts a yet further outgrowth. Because of the difficulties in finding an available name that can be registered, the applicants are left with

¹⁸³ International Trade Mark Association, 'Bad Faith Trademark Filing Across the Globe – Summary of Survey Responses' [Bad Faith Task Force of the Enforcement Committee, April 2021].

¹⁸⁴ Ibid 1.

¹⁸⁵ Ibid 3–4.

¹⁸⁶ Ibid 4.

¹⁸⁷ Ibid 3.

¹⁸⁸ The Trademarks Law, Cap. 268, as amended by Law Nos 63 of 1962, 69 of 1971, 206 of 1990, 176(I) of 2000, 121(I) of 2006, 63(I) of 2020 and 107 of 2021, Section 6 <<https://iclg.com/practice-areas/trade-marks-laws-and-regulations/cyprus>> 2.2 accessed on 10 May 2024.

¹⁸⁹ Tamar Khuchua [n 15] 124–125.

¹⁹⁰ Ibid.

¹⁹¹ Barton Beebe and Jeanne C. Fromer, 'The Future of Trademarks in a Global Multilingual Economy: Evidence and Lessons from the European Union' (New York University School of Law, May 2023) 902, 934.

¹⁹² Ibid 908–909.

¹⁹³ Victor Ginsburgh, Juan D. Moreno-Ternero and Shlomo Weber 'Ranking Languages in the European Union: Before and After Brexit' (European Economic Review, 93, 2017) 1, 18.

¹⁹⁴ Barton Beebe and Jeanne C. Fromer [n 191] 940.

¹⁹⁵ Ibid 941 [The research has been conducted on all active registrations, at the EUIPO, in 2017].

¹⁹⁶ Ibid 943.

¹⁹⁷ Ibid.

two choices i.e., they can either continue their 'hunt' for an available name that has not yet been registered (which again reduces the general availability of names) or they may apply for the name regardless of previous registrations, hoping that it will proceed to be registered anyway.¹⁹⁸ While the former option leads to a deeper trade mark depletion, the latter path results in the so-called 'trade mark crowding'.¹⁹⁹ It is claimed that such crowding of highly similar or identical marks not only causes the consumers to be confused regarding the origin of the particular goods or services with the consequent rise in their search cost, but it also negatively impacts the trade mark owners who 'suffer the resulting loss in brand differentiation and selling power'.²⁰⁰ This can be particularly harsh for smaller businesses lacking 'the resources to compensate for their mark's loss of distinctiveness through greater advertising'.²⁰¹

The above-mentioned problem, resulting from the cluttering of the trade mark register, leads directly to another concerning issue, being one of the consequent unfair competition. The described limited choice of 'competitively effective'²⁰² names that can be registered and the ensuing need to settle for less attractive options equals an uneven position between the competitors on the market.²⁰³ Before applying for a mark, the applicants usually have to undergo costly clearance processes that become more and more lengthy and complex.²⁰⁴ Moreover, the adverse effects are especially prejudicial to smaller businesses which often lack the financial resources for complex IP clearance, costly litigation or invalidity proceedings.²⁰⁵ Such a detrimental situation was long feared of within the trade mark law landscape, which 'has traditionally operated according to the principle that it will grant exclusive rights in a trademark only if competitors still have access to "a latitude of competitive alternatives", to adequate alternative means of describing and designating the source of their products'.²⁰⁶ The current situation puts the competitors in an unfair position because they are forced to choose the lesser evil, and therefore they are not on an equal footing with each other.

Moreover, when 'bad faith' is treated as merely a ground for invalidation, as per Art. 59 (1) (b) EUTMR, it can also mean a significant impairment to the principle of sound administration.²⁰⁷ This is due to the fact that even in

cases of blatant 'bad faith' on the part of the applicant, the EUIPO first undergoes the entire procedure of the mark's registration. Legal scholar – Tamar Khuchua holds a strong opinion on the current state of art and claims '[...] all that time and resources spent on the registration by the EUIPO is certainly wasted, let alone the time and resources of the courts that need to hear the invalidity claims as well as the parties themselves'.²⁰⁸ Therefore, it can be concluded that aligning the EUTMR with the wording of the EUTMD and allowing for 'bad faith' to also become a ground for refusal, would additionally concur to economizing the procedural application of the notion by 'conserving judicial and administrative resources',²⁰⁹ and the interested parties' finances, to a considerable extent. It shall be stressed that a uniform landscape of EU law is imperative for the proper functioning of such a diverse legal environment and for ensuring homogeneity of IP law across all EU Member States.²¹⁰

The author would additionally like to suggest that for the legislative change, of adding 'bad faith' as a ground for refusal into the EUTMR, to be legally certain and efficient, a non-exhaustive list of 'bad faith' indicators shall be added into the wording of the same legal document. Such a solution was also put forward by legal scholar – Tamar Khuchua, who stated that 'circumstances constituting 'bad faith' must be provided in legislation'.²¹¹ This solution would enable the officers, at the trade mark application stage, to conduct a legally certain examination that is based on an objective assessment. Such a list of 'bad faith' indicators could be created on the grounds of factors that have already been found in the CJEU case law. The author believes that the non-exhaustive index shall include all the factors from CJEU cases on 'bad faith', which were neatly summarized in the CP 13.

5. CONCLUSION

This article endeavors to provide a portrayal of the concept of 'bad faith' in the context of the EU trade mark legal regime. The research put a limelight on the matter of legal certainty, within the discussed problem, in a two-faceted manner. Consequently, the paper can be compared to a road that splits into two seemingly separate paths, but at the end eventually leads to a crossroad with a common conclusion.

The reader was taken on a bumpy ride through 'bad faith's' intricate interpretation and application. All sections sought to demonstrate the disruption of legal certainty on multiple tiers within the understanding and application of the concept of 'bad faith' in the EU trade

¹⁹⁸ Ibid 960.

¹⁹⁹ Ibid.

²⁰⁰ Ibid 962.

²⁰¹ Ibid 976.

²⁰² Ibid 938.

²⁰³ Tamar Khuchua (n 15) 124–125.

²⁰⁴ Barton Beebe and Jeanne C. Fromer (n 191) 938.

²⁰⁵ Max Walters, 'Counsel demand bad faith to be used in trademark oppositions' (Managing IP 2023) <<https://www.managingip.com/article/2b75v357c0hjtoem1u29s/counsel-demand-bad-faith-to-be-used-in-trademark-oppositions>> accessed on 10 May 2024 1.

²⁰⁶ Barton Beebe and Jeanne C. Fromer (n 191) 973; Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1119 (5th Cir. 1991); Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992).

²⁰⁷ Tamar Khuchua (n 15) 125.

²⁰⁸ Ibid.

²⁰⁹ International Trademark Association Resolution, 'Bad Faith Trademark Applications and Registrations' (The Enforcement Committee, November 2020) 1, 4.

²¹⁰ Pinja Hoffrichter (n 28) 38; Tamar Khuchua (n 15) 126.

²¹¹ Tamar Khuchua (n 15) 125.

mark law regime. That is why the author has not only attested to that problematic aspect but also put forward certain ideas and solutions on how the matter could be further developed. She hopes that her proposals regarding the creation of a normative model to be used for the assessment of 'bad faith', and her suggestion to bring the wording of EUTMR with the EUTMD, so that the concept constitutes both a ground for invalidation and refusal, might positively contribute to increasing legal certainty within the understanding and application of 'bad faith', and the overall efficiency of the EU trade mark system.

The author proposes that the notion of 'bad faith' should be put under a further magnifying glass of scholars who could further contribute to the debate on increasing the concept's legal certainty. The issue shall not be left for the mere case by case adjudication since while the judges' role is to [...] apply, and thus not fundamentally question a valid legal rule at hand, it is part of the scholars' professional business to take a critical, evaluative perspective on their legal system'.²¹² This would be especially vital because, as follows from this research, 'bad faith' in EU trade mark law should be considered as a road under construction, meaning one that is in constant progress and development. And it is commonly known that taking the way with construction works on it, usually results in unpredictable turns and unexpected maneuvers. The author of this article identified such possible dysfunctions, and aimed at proposing ideas for solving them. She and all the potential legal scholars who decide to participate in the discussion, can be perceived as the 'actors in the process of building European private law'.²¹³ The author feels honored that she could participate as the 'builder', and she would like to express her hopefulness for the creation of a steady and clear path towards the overall understanding of 'bad faith', within EU trade mark law, to emerge sooner rather than later.



Julia Zwiech

Julia is a Pan-European Seal Trainee at the Operations Department of the European Union Intellectual Property Office in Alicante, Spain. She graduated from Stockholm University and obtained her LL.M degree in European Intellectual Property Law in 2024, after successfully defending her thesis on the topic of interpretation and application of 'bad faith' with regards to

European Union trade marks. Previously, Julia obtained her LL.B title in European Law in 2023 from Maastricht University, where she was awarded with a *Cum Laude* distinction.

²¹² Nils Jansen (n 71) 243.

²¹³ *Ibid.*

