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# Welcome

Sky v SkyKick - Trade Mark specifications:  
what do you need to do now?

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# Sky v SkyKick

- Very important recent case law developments decisions stemming from CJEU and UK Court decisions
- Dealing with “**broad terms**” and the concept of “**bad faith**” which has not always been clearly pinned-down in case law stemming from referrals of national courts up to the CJEU. Skykick does not cover evergreening, but we shall touch on this at the end.
- **Practical impact:** application specification drafting, opposition strategy, and behaviour when enforcing against third parties

## Background:

- Sky had sued SkyKick for trade mark infringement relying on a number of registrations with specifications covering broad terms such as “computer software” goods and “telecommunications services”.
- SkyKick counterclaimed that those registrations were wholly or partially invalid on the basis that
  - a) the goods/services lacked clarity and precision; and
  - b) they had been filed in bad faith.
- For the sake of time and clarity we focus on “computer software”, “telecommunications” and “electronic mail services”.



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Referral



These significant developments stem from the UK infringement case where the judge referred certain questions up to the CJEU for clarification and the CJEU answered as follows....



**Q**

**Whether an EU or national trade mark may 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**

**A**

**A EU or 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;**



## Practical implications:

- Terms such as “computer software” and “telecommunications services” still acceptable, unless practice changes at initial examination stage



**Q**

**Whether it is bad faith simply to apply to register a trade mark without any intention to use it in relation to the specified goods or services;**

**A**

**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, 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.**



Practical implications - note that:

“...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”



**Q**

**If so, whether it is 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;**

**A**

**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;**



## Practical implications:

- Useful to use both broad and specific terms when drafting new descriptions of goods and services – if broad term should be declared invalid or revoked, narrower term may still remain



**Q**

**Intention to use - whether section 32(3) of the UK Trade Marks Act 1994 is compatible with the EU Trade Mark Directive and its predecessors.**

**A**

EU law **does not preclude** 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.



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Practical implications - UK “bona fide intent to use” statement not wholly irrelevant – Arnold LJ states that :

“there is the additional factor that Sky made a partly false section 32(3) declaration in order to obtain such protection. That is plainly inconsistent with honest practices in industrial and commercial matters, and thus strengthens the conclusion that, to that extent, Sky made that application in bad faith.



## Based on this – what happened to the UK case?

- SkyKick found to infringe based on Sky’s retention of “electronic mail services”.
- The High Court judgment does not preclude brand owners from continuing to file trade marks for broad specifications - although doing so will now run a very real risk of attack



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While Lord Justice Arnold found in favour of Sky on its infringement claim, he held that Sky had applied for its trade marks “***pursuant to a deliberate strategy of seeking very broad protection of the trade marks regardless of whether it was commercially justified...with the intention of obtaining an exclusive right for purposes other than those falling within the functions of a trade mark, namely as a legal weapon against third parties...***”.

Furthermore, he held that not only had Sky not intended to use its trade marks in relation to some of the goods and services covered by its specifications, but “***there was no foreseeable prospect that [Sky] would ever intend to use the Trade Marks in relation to such goods and services***”.





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He therefore held that Sky's registrations were **partially invalid on the grounds that they had been filed in bad faith, and, importantly, that it was the task of the High Court to determine** (in the absence of proposals from Sky) the extent to which the specifications of Sky's registrations should be reduced.

Included among the broad terms held to have been applied for in bad faith was "**computer software**", which Lord Justice Arnold decided was to be limited, as follows, so as to arrive at what he considered to be a fair specification:

*"computer software supplied as part of or in connection with any television, video recording or home entertainment apparatus or service; computer software supplied as part of or in connection with any telecommunications apparatus or service; electronic calendar software; application software for accessing audio, visual and/or audio-visual content via mobile telephones and/or tablet computers; games software".*





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Crucially, in line with CJEU, Lord Justice Arnold made clear in his decision that **while it was right that Sky's specification was to be narrowed to reflect the finding of bad faith, it was only to be narrowed to the extent of the bad faith proved, and no more.**

He went on to note that Sky's registrations should not necessarily be limited to the goods and services in respect of which Sky has actually used the trade marks, as this would ignore the fact that:

- A. applicants may have **justifiable commercial reasons for seeking to register trade marks for goods and services that may be offered under the mark in the future;** and
- B. applicants have a legitimate interest in seeking a **modest penumbra of protection extending beyond the specific goods and services** in relation to which they intend to use their mark.



## So where do we go from here?

- Specification drafting for the application on filing
  - Do we have a broad term? Should we limit *ab initio* / at filing - as seen in very clear spec drafting such as at the USPTO? Or keep broad for strategic purposes?
  - Is it bad faith to claim similar goods/services for “future proofing”?
- Opposition practices: how much you decide to oppose and how this affects how your behaviour is seen
  - TM7 – list computer software in relation to.... ?

## So where do we go from here?

- Enforcement before the courts: how you enforce vs. “over enforcement”
- How do you act if you receive a pre action letter or notice of opposition based on such broad terms
  - Proof of Use request vs. Strategic invalidity action

## MONOPOLY

- Further clarity is also hoped for from a case involving the owners of the board game Monopoly – “evergreening”

Board of Appeal of EUIPO in R1849/2017-2:

“Holding a registration, not to use it, to drop it after five years and to file a new application with the aim of obtaining a fresh five-year period, artificially extends the grace period of five years, ultimately infinitely, as this pattern could be repeated as often as imaginable”

## MONOPOLY

- “It is not acceptable that the EUTM proprietor could circumvent the use requirement by disguising a re-filed mark through merely adding additional goods and services”
- “the fact that a filing is not only motivated by the advantage of not having to prove the genuine use of the mark, but other reasons as well, does not, in itself, make such a strategy acceptable”

## General considerations

- Courts now seem willing to deal with very broad descriptions of goods
- Broad descriptions can be dealt with by non-use revocation (CJEU, para 70)
- And also by bad faith but in certain circumstances only
- And these solutions allow very broad descriptions to stay on the register for five years

## General considerations

- Problems when clearing new marks
- Problems when trying to determine the scope of protection of marks, even if they are more than five years old
- Necessary for applicants who are opposed, or parties who receive a cease and desist letter, to consider more aggressive retaliation strategies

Questions?

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