Bad Faith in the context of EUTM's

European Union trade marks (EUTMs) are of increasing commercial importance to manufacturers, retailers and service providers, and are also of increasing importance to consumers for distinguishing and choosing goods and/or services. Trade mark law infringement, including unjustifiable registration of trade marks that are not yet registered as EUTMs, while the same or a similar mark is used and/or registered on the national level or outside EU jurisdiction, is a common issue in commerce and in trade mark law practice. This article will present part of the current practice on the issue of EUTM registrations applied for in bad faith. The broadness of the topic and the concise format of this article do not permit an exhaustive presentation of the issue, and the article mentions only a selection of relevant cases. Nevertheless, the intention is to portray how much the issue of bad faith has been addressed in European Union trade mark law and how European Union case-law has been shaped over the last 20 years with a goal of uniformly defining the concept of bad faith to facilitate proper functioning of the European Union's common market. In achieving that goal, the Boards of Appeal have provided clarity and have made an indelible mark on trade mark law.

The concept of 'good faith' is well established in all aspects of law. There is no precise statutory legal definition of the term 'bad faith' in relation to trade marks, and therefore it has been open to definition by the Court of Justice and General Court of the European Union and the EUIPO's Cancellation Division and Boards of Appeal. National legislation regulating bad faith needs to be in line with the relevant provisions of 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 [1] (the Directive). Bad faith can be interpreted as 'dishonesty which would fall short of the standards of acceptable commercial behaviour'. Furthermore, bad faith can be broadly understood as 'dishonest intention'. The concept of 'bad faith' may be understood as the obligation of third parties to act fairly and honestly in relation to the rights of the trade mark owner. Good faith is presumed until proof to the contrary is adduced, and it is up to the invalidity applicant to prove that there was bad faith on the part of the EUTM owner at the time of filing the EUTM application.

Repeat applications can amount to bad faith. Where the proprietor of an EUTM makes a repeated filing for an identical mark covering identical goods and/or services, with the intention of avoiding the consequences of revocation for non-use of earlier EUTMs, whether in whole or in part, the proprietor is deemed by the courts to be acting in bad faith. In the event of identical repeat filings, Article 42(2) EUTMR (submitting proof of use by the owner of the earlier mark) applies even when a refiled mark is less than five years old.

The remarks and findings of the General Court in *Carrols* v *OHIM – Gambettola* (01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39 [2]) and *PayPal* v *EUIPO* (05/05/2017, T-132/16, VENMO, EU:T:2017:316 [3]) may indicate that swift action from an invalidity applicant outside the EU, not having an EUTM or national mark, and submission of quality evidence regarding reputation of the mark outside the EU may result in a better chance of invalidating an EUTM on the grounds of bad faith.

As stated above, there is no precise statutory legal definition of the term 'bad faith', which has therefore been open to various interpretations. Bad faith most commonly occurs when a trade mark is used and/or registered in one or more, but not all, jurisdictions, and a third party other than the trade mark proprietor applies for an identical or confusingly similar trade mark in a jurisdiction where the trade mark is not registered. Motives for such action may be to exploit the reputation of the existing mark, to profit by selling the newly registered trade mark to the existing trade mark proprietor, or to deny the owner access to the market. Registrations made in bad faith may be declared invalid.

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[1] OJ L 336, 23.12.2015, p. 1.
[2] From now on referred to as the *Pollo Tropical* case.
[3] From now on referred to as the *Venmo* case.

Article 4(2) of the Directive provides that a trade mark 'shall be liable to be declared invalid where the application for registration of the trade mark was made in bad faith by the applicant. Any Member State may also provide that such a trade mark is not to be registered.' Furthermore, pursuant to Article 5(4) of the Directive, 'any Member State may provide that a trade mark is not to be registered or, if registered, is liable to be declared invalid where, and to the extent that … (c) the trade mark is liable to be confused with an earlier trade mark protected abroad, provided that, at the date of the application, the applicant was acting in bad faith.'

Article 52(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark, as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 [4] (EUTMR), establishes that 'an EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings … (b) where the applicant was acting in bad faith when he filed the application for the trade mark.' The EUTMR does not define the concept of bad faith; however, the EUIPO does provide some guidelines on how it will interpret it. For example, the Guidelines, Part D, Cancellation, Section 2, Substantive Provisions, paragraph 3.3.2, state that bad faith can be interpreted as 'conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices' as observed in *Chocoladenfabriken Lindt & Sprüngli* (opinion of 12/03/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 60 [5]). The Guidelines, Part D, Cancellation, Section 2, Substantive Provisions, paragraph 3.3.2.1, point 3, also state that conceptually, bad faith can be understood as 'dishonest intention on the part of the EUTM owner' (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 42). The notion of bad faith can be linked to Article 12 EUTMR, which, in relation to limited enforceability of an EUTM, establishes permitting 'honest practices in industrial or commercial matters', which can be interpreted, conversely, as stating the obligation of third parties to act fairly and honestly in relation to the rights of the trade mark owner.

National v EU concept: *Malaysian Dairy* case

In the *Malaysia Dairy Industries* ruling *(*27/06/2013, C-320/12, Malaysia Dairy, EU:C:2013:435 [6]), the Court of Justice considered the question of the Danish Supreme Court — whether bad faith is a concept of European Union law that must be given uniform interpretation across all EU countries — the Court answered affirmatively. In its ruling, the Court stated that the concept of bad faith, within the meaning of Article 4(4)(g) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 (now Article 5(4)(c) of the Directive), 'is an autonomous concept of European Union law which must be given a uniform interpretation in the European Union' and that 'the Directive … provides for harmonisation in relation to substantive rules of central importance … concerning the provisions of national law which most directly affect the functioning of the internal market'. Further on in the decision, answering the question whether Article 4(4)(g) of the Directive allows Member States to introduce specific protection of foreign marks, based on the fact that the applicant knows or should know a foreign mark, the Court answered that 'Directive 2008/95 prohibits Member States from introducing grounds of refusal or invalidity other than those set out in that Directive'. This makes it clear that Article 5(4)(c) of the Directive should be interpreted uniformly throughout the EU, and not differently at national level.

Factors implying 'bad faith'

The concept of bad faith has been the subject of a number of EU cases. In the landmark *Lindt Goldhase* case, the Court of Justice handed down its first decision on the interpretation of the bad

[4] OJ L 341, 24.12.2015, p. 21.
[5] From now on referred to as the *Lindt Goldhase* case.
[6] From now on referred to as the *Malaysia Dairy* case.

faith ground for invalidity under Article 51(1)(b) of Council Regulation No 40/94 on the Community trade mark (now Article 52(1)(b) EUTMR).

There is no precise statutory legal definition of the term ‘bad faith’, which has therefore been open to various interpretations. Bad faith is a subjective state based on the applicant’s intentions when filing an EUTM. As a general rule, intentions on their own are not subject to legal consequences. For a finding of bad faith, first there must be some action by the EUTM proprietor/applicant that clearly reflects a dishonest intention and, second there must be an objective standard against which such action can be measured and subsequently qualified as constituting bad faith. There is bad faith when the conduct of the applicant for a European Union trade mark ‘departs from accepted principles of ethical behaviour or honest commercial and business practices, which can be identified by assessing the objective facts of each case against such standards’ (opinion of 12/03/2009, C-529/07, Lindt Goldhase, EU:C:2009:148, § 60).

The Court of Justice ruled in the *Lindt Goldhase* case that in order to determine whether the applicant is acting in bad faith, the court must conduct ‘an overall assessment, taking into account all the factors, relevant to the particular case … factors specific to the particular case which pertained at the time of filing the application for registration of the sign as a Community trade mark’ (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 37, 53).

Practice shows that in particular three factors are especially important.

a) The fact that the applicant *knows or must know* that a third party is using an identical or similar sign for an identical or similar product that gives rise to confusion

As regards the term ‘must know’, it should be pointed out that a presumption of the applicant’s knowledge of the use by a third party of an identical or similar sign for identical or similar goods capable of being confused with the sign for which registration is sought may arise, inter alia, from general knowledge in the economic sector concerned with such use, and that knowledge can be inferred, inter alia, from the duration of such use by the third party. The more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 39).

However, ‘the fact that the applicant knows or must know that a third party has long been using … an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, **in itself**, to permit the conclusion that the applicant was acting in bad faith’ (see, to that effect, judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 40).

It is more difficult to presume such knowledge if the sign was registered in a first country outside the EU and a short period of time has gone by between the application for registering the mark in that first country (e.g. the USA) and the application for registering the mark in a second country or at the EUIPO. Even when there is a period of three and a half years between the first use of the mark and a second filing, knowledge of the mark by the applicant cannot be presumed (01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 61).

b) Applicant’s *intention* of unfair competition including willingness to prevent a third party from continuing to use a sign

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 (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 42).

An EUTM applicant can act in bad faith within the meaning of Article 52(1)(b) EUTMR even though it believes that it is morally and legally entitled to act as it has done (decision of 04/06/2009, R 916/2004-1, Gerson, § 53).

Even if the applicant signed a licensing agreement for the mark ‘Pollo Tropical chicken on the grill’, and the agreement has not been put into practice, ‘it may be regarded as expressing the intervener’s intention to develop his commercial activities’ (01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 66, 67).

In the context of the overall analysis undertaken pursuant to Article 52(1)(b) EUTMR, ‘account may also be taken of the origin of the sign at issue and its use since its creation, and of the commercial logic underlying the filing of the application for registration of that sign as a Community trade mark’ (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 21 [7]).

In summary, the determination by the court of the applicant’s intentions (fair or unfair) is subjective and must be made based upon all the relevant facts of the case.

c) The degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought

However, it is to be noted that in *Simca Europe* v *OHIM*, the General Court confirmed that ‘the Board of Appeal was correct to refer to the commercial logic underlying the filing of the application SIMCA by the former proprietor for registration of the sign as a Community trade mark, taking account of the fact that the logic of his approach as described to his commercial partners consisted in the intention of using a mark adapted to the goods covered by the registration, even if that mark was unregistered or a mark which, although registered, had lost all legal protection, inter alia, because it had not been put to genuine use by its holder’ (judgment of 08/05/2014, T-327/12, Simca, EU:T:2014:289, § 61 [8]).

The abovementioned three factors (reference is made to the *Lindt Goldhase* case; see also judgment of 08/05/2014, T-327/12, Simca, EU:T:2014:289, § 36) are only examples drawn from a number of factors that can be taken into account in order to decide whether the applicant was acting in bad faith at the time when the application was filed (judgment of 14/02/2012, T-33/11, Bigab, T-33/11, EU:T:2012:77, § 20).

Factors that should be taken into consideration and regarded as indicative of bad faith are: the identical nature or similarity for the marks that are likely to create likelihood of confusion; if a registrant has no intention of using the mark or not for all the goods and/or services at issue; degree of distinctiveness of the sign, as well as the extent of its reputation; sending aggressive cease-and-desist letters to a third party that has an interest in using the registered EUTM; demand for financial compensation to a third party by the registrant; intention of preventing certain goods or service being marketed; if the registration is contrary to contractual obligations; lack of consent from a party having an interest in using the mark; and other factors depending on the particulars of the subject case (for this last factor, see T-321/10, Gruppo Salini, EU:T:2013:372).

The fact remains that the issue of bad faith may not be strictly defined and that it is to be determined on a case-by-case basis.

On another note, and as an example, the fact of extension of protection of a national mark by registering it as an EUTM may not be an indicator of bad faith, as it falls within a company’s normal commercial strategy (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 23). Nor can bad faith be found on the basis of the length of the list of goods and services set out in the application for

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[7] From now on referred to as the *Bigab* case.
[8] From now on referred to as the *Simca* case.

registration (judgment of 07/06/2011, T-507/08, 16PF, EU:T:2011:253, § 88). The fact that the owner of several national marks decides to apply for an EUTM for only one type of goods and not all of them cannot be an indication of bad faith. The decision to protect a mark at both national and Union level is a choice dictated by the proprietor's marketing strategy. It is not for the Office or the Court to interfere with this choice (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 29). The act of filing an application for cancellation of the earlier trade mark while opposition proceedings brought on the basis of that earlier trade mark are still pending is not evidence of bad faith (judgment of 25/11/2014, T-556/12, KAISERHOFF (fig.) / KAISERHOFF, EU:T:2014:985, § 12).

Burden of proof

As ruled in *pelicantravel.com* v *OHIM*, good faith is presumed until proof to the contrary is adduced (judgment of 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 57[9]).

Where the applicant for a declaration of invalidity seeks to rely on that ground [of bad faith], it is for that party to prove the circumstances which substantiate a finding that the Community trade mark proprietor had been acting in bad faith when it filed the application for registration of that mark (judgment of 13/12/2012, T 136/11, Pelikan, EU:T:2012:689, § 21, citing the *Bigab* case).

The invalidity applicant needs to prove that there was bad faith on the part of the EUTM owner at the time of filing the EUTM; for example, by proving that the EUTM owner had no intention of using the EUTM or that its intention was to prevent a third party from entering the market. The decisions of the Board of Appeal of 12/07/2013 in the *URB* cases (decisions of 12/07/2013, R 1306/2012-4, URB EUROPE; R 1309/2012-4, URB; and 12/07/2013, R 1310/2012-4, URB BEARINGS) make it clear that bad faith has to be clearly proven by the applicant who invokes the ground of bad faith in his application for a declaration of invalidity (Guidelines for Examination in the Office, Part D, Cancellation, Section 2, Substantive Provisions, paragraph 3.3.3)

The invalidity applicant has to demonstrate bad faith on the part of the applicant for the mark and must demonstrate that the applicant did not have the intention of putting the mark to genuine use at the time the application was filed, or that the applicant's intention at the time of filing the application was to prevent a third party entering the market.

Consequence of a bad faith application for a trade mark

In a claim for a declaration of invalidity of an EUTM filed in bad faith, if bad faith on the part of the EUTM holder/applicant (the appellant) is shown to exist, the EUTM is then declared invalid in its entirety, including for goods and services that are not related to those protected by the intellectual property rights of the invalidity applicant (claimant), as decided in *SA.PAR.* v *OHIM*, (11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 48). If, however, the claimant requests a declaration of invalidity against only a subset of those goods and/or services, only that subset of goods and/or services will be covered by the invalidation.

Bad faith — the question of use

The EUTMR does not need the trade mark applicant to have intention to use the mark at the time of filing. Nor is the applicant required to have an intention to use the mark to protect goods and services applied for at the filing date (14/12/2004, 813 C, NAKED). As a matter of fact, EUTM registrants have a grace period of five years from the date of registration to start using the mark in EU territory in relation to all goods and services covered.

[9] From now on referred to as the *Pelikan* case.

Under Article 51(1)(a) EUTMR, a third party may revoke (or partially revoke) an EUTM registration for a mark that is not put to genuine use in the EU during the interval between expiry of the five-year period and filing of the later (EUTM) application.

According to Article 42(2) EUTMR, the proprietor of an earlier EUTM relied upon in opposition proceedings may be requested by the invalidity applicant (oppose/claimant) to provide proof that, during the five-year grace period, the earlier EUTM has been put to genuine use in the EU in connection with the goods or services for which it is registered and which are cited as justification for the opposition, or that there are proper reasons for non-use, provided the earlier EUTM has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition will be rejected. If the earlier EUTM has been used for only part of the goods or services for which it is registered it will, for the purposes of the examination of the opposition, be deemed to have been registered only for that part of the goods or services.

Bad faith — non-use

'Genuine use' is interpreted as use of the mark by the proprietor or an authorised third party. Genuine use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the mark, and must be in line with the function of the trade mark, which is to guarantee and distinguish the identity of the origin of goods or services to consumers or end users by enabling them, without any possibility of confusion, to distinguish the product or service from others that have another origin. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns (11/03/2003, C-40/01, Minimax, EU:C:2003:145, § 36-37).

Even minimal use of the mark or use by only a single importer in the Member State concerned can be sufficient to establish genuine use within the meaning of the Directive (27/01/2004, C-259/02, Laboratoire de la mer, EU:C:2004:50, § 27).

Defensive marks

The refiling of a very similar or identical trade mark by a trade mark owner can amount to bad faith, if the mark(s) are not put to 'genuine use', but instead the new mark is applied for purely to prevent the use and/or registration of the mark or a similar mark by a third party. Such refiling should be considered to be defensive and thus should be invalidated. Note that defensive trade marks are distinguished from 'repeat trade marks'. In the case of a 'repeat filing', there is actual or intended commercial activity by the trade mark applicant, but in the case of defensive trade marks there is no such activity.

Repeat filings

Repeat filings involve the applicant refiling a trade mark exclusively to avoid or evade genuine use requirements.

It is an often-used strategy by some registrants to refile a trade mark for the same goods or services and to try to obtain a further five years to begin using the mark. This strategy is not always without risk and refiled marks may be declared invalid due to a finding of being filed in bad faith, or the registrant may be unsuccessful in avoiding the requirement to furnish proof of use in opposition proceedings.

In *PATHFINDER* v *MARS PATHFINDER*, (15/11/2011, R 1785/2008-4, *PATHFINDER* (fig.) */ MARS PATHFINDER*[10]), the proprietor of an earlier Spanish refiling for MARS PATHFINDER, which was registered in 1998, was requested by the applicant to submit evidence of use of the mark, even though the mark had been registered for less than five years. The EUIPO accepted the applicant's argument and asked the opponent to submit proof of use in accordance with Article 42(2) EUTMR. The EUIPO went on to find that the refiling was identical in all respects to the earlier mark and should be treated simply as an extension of the earlier right. Therefore, Article 42(2) EUTMR would apply **even though the refiled mark was less than five years old**. The opposition failed for proof of use of the earlier mark by the applicant, on which the opposition relied.

Thus it can be seen that providing evidence of prior use of a mark can be a requirement placed on both the proprietor that refiles a mark and a claimant that opposes the registration of a mark. Put simply, lack of genuine use of a mark can be an indicator of the mark's proprietor acting in bad faith, whether that mark is being defended or it is being used to oppose another mark.

In *KABELPLUS* v *CANAL PLUS* et al. (13/02/2014, R 1260/2013-2, KABELPLUS / CANAL PLUS et al.), the EUIPO required the proprietor of recent refilings to submit proof of use. This case represents an extension of the *Pathfinder* principle because the goods and services covered by the later refilings were not exact reproductions of those specified in the earlier marks. However, the EUIPO found that this did not matter because the differences were not such as to exclude a finding of identity because the later refilings did include identical goods and services, while the non-identical goods and services could always be limited or the trade mark divided to cover identical goods and services at some future date.

The abovementioned cases are important for interpreting the issues of refiling and bad faith. The decisions follow Boards of Appeal case-law, which states that an applicant that files an identical trade mark to a trade mark that it previously filed for identical goods and/or services (i.e. refiles) cannot circumvent genuine use requirements by such refiling — the applicant must demonstrate genuine use for the goods/services covered by the earlier registration (13/02/2014, R 1260/2013-2, KABELPLUS / CANAL PLUS et al.). In the *Pathfinder* case (15/11/2011, R 1785/2008-4, PATHFINDER (fig.) / MARS PATHFINDER), it is stated that 'where the proprietor of a CTM makes repeated applications for the same mark with the effect of avoiding the consequences of revocation for non-use of earlier CTMs, whether in whole or in part, the proprietor is acting in bad faith' (para 24).

In the *Pelikan* case, the Board stated that, as to the alleged refilings, a repetitive nature of conduct may be taken into account in order to assess whether or not there is bad faith (03/06/2010, C-569/08, Internetportal, EU:C:2010:311, § 46, 51), On the other hand, the Board stated that differences between the old and the new mark may be sufficient to avoid a finding of bad faith. This could apply even if the difference is insignificant from a trade mark point of view. The Board indicated that allowances will be made, on a case-by-case basis, for legitimate trade mark tactics employed by companies competing in an evolving market.

Bad faith — marks registered outside the EU and then applied-for in the EU

Regarding marks that are originally filed by a third party outside the EU and then filed in the EU, until recently the Courts seemed to be less willing to consider these registrations as 'bad faith' registrations.

When answering the question presented to the Court of Justice in the *Malaysia Dairy* case as to whether knowledge or presumed knowledge, on the part of the applicant, of a mark in use abroad at the time that its application is filed, which is liable to be confused with the mark whose registration has been applied for, is sufficient to establish that the applicant was acting in bad faith, or whether it is necessary to take account of other subjective factors in relation to the applicant, the Court answered

[10] From now on referred to as the *Pathfinder* case.

that the fact that the person making that application knows or should know that a third party is using a mark abroad at the time of filing the application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the person making that application is acting in bad faith within the meaning of that provision.

In the *Pollo Tropical* case (T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39), the General Court decided that a Spanish applicant did not act in bad faith when registering an EUTM almost identical to a mark already used by a restaurant in Florida. The Court accepted arguments from the EUTM applicant and rejected arguments from the invalidation applicant, based on the particular circumstances of the case.

According to another aspect, in the recent *Venmo* case (05/05/2017, T-132/16, VENMO, EU:T:2017:316), the General Court annulled the decision of the Fifth Board of Appeal, which reversed an EUIPO decision that declared the VENMO EUTM invalid, thereby confirming that the EUTM was invalid. The Court annulled the BoA decision by finding that the registrant had the intention of preventing an earlier unregistered sign in the United States from using its services in the EU. The Court stated that ‘although, in accordance [with] the “first-to-file” principle, the mere use by a third party of a non-registered mark does not preclude an identical or similar mark from being registered as an EU trade mark for identical or similar goods or services, that does not rule out the possibility for the proprietor of such an unregistered trade mark to rely on the bad faith of the applicant for registration of the EU trade mark’ (para. 67). The Court also explained that ‘as it is undisputed that the intervener knew about Venmo’s use of the sign VENMO, the assessment of the reputation of Venmo and its sign is irrelevant for the purpose of determining whether the intervener knew or should have known that a third party was using an identical or similar sign for identical or similar goods …’ (para. 68). It is also interesting to note that even though the invalidity applicant explicitly stated, in its letter of 8 December 2010 to the registrant, before the registrant filed the EUTM that ‘Venmo [was] not currently at a point that it was seeking to have global operations, but that it [was] rather trying to confine its services to specific cities within the United States’, the Court noted that it is apparent from the terms of that letter that Venmo **had not entirely excluded** the intention of having ‘global operations’ in the near or more distant future.

The *Pollo Tropical* and *Venmo* cases may indicate that swift action from the invalidity applicant outside the EU, not having an EU or national mark, may result in a better chance of invalidating the EUTM. While in the *Pollo Tropical* case, the applicant raised the invalidity request almost four years after the mark was applied for and unsuccessfully demonstrated reputation of its mark, in the *Venmo* case, the swift action and undisputed fact that the registrant had knowledge of the competitor’s mark with which it negotiated a possible business venture and made remarks on the possibility of confusion between their marks proved to result in a positive outcome for the invalidity applicant. It could be said that the courts employed equitable principles when making the decisions, but equally the outcome of each case depended to a large degree on the circumstances of the case.

In summary, it is evident that the concept of bad faith is multifaceted and that finding bad faith will always depend on the details and circumstances of the individual case. It is evident that the practical definition of the concept is of great importance for the functioning of the European Union as a global economic leader and that the definition of the concept potentially has a vast impact on the global economy. It needs to be recognised that, to that end, the Boards of Appeal in only twenty years, with their major role in defining the concept of bad faith, have helped to bring certainty and predictability to both the European Union internal market and the global market.

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