Court of Justice EU, 29 January 2020, Sky v Skykick

TRADE MARK LAW

The lack of clarity and precision of terms used to designate the goods and services is a ground for refusal but not a ground for invalidity

- **the lack of clarity and precision of terms used to designate the goods and services isn't a part of the exhaustive list of the absolute grounds for invalidity**
- **there isn't an additional ground for invalidity recognized in the IP Translator-judgement (IPPT20120619)**

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

- **a lack of clarity and precision is not covered by the requirement of graphic representability**

Admittedly, the Court held, in paragraph 51 of the **judgment of 12 December 2002, Sieckmann** (C-273/00, EU:C:2002:748), as regards the requirement of graphic representability, that operators must, with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties. Nonetheless, those considerations apply only in order to identify the signs of which a trade mark may consist and it cannot be inferred from this that such a requirement of clarity and precision should also apply to the terms used to refer to the goods and services in respect of which the trade mark in question has been registered.

- **a deficiency of clarity and precision is contrary to public policy**

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

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.

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

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

77 However, as the Advocate General observed in point 109 of his Opinion, the registration of a trade mark by an applicant without any intention to use it in relation to the goods and services covered by that registration may constitute bad faith, where there is no rationale for the application for registration in the light of the aims referred to in Regulation No 40/94 and First Directive 89/104. Such bad faith may, however, be established only if there is objective, relevant and consistent indicia tending to show that, when the application for a trade mark was filed, the trade mark applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

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

- **when the absence of the intention to use a trade mark in accordance with its essential functions concerns only certain goods or services covered by the registration, the invalidity of that trade mark covers those goods or services only**

The Trade Mark Directive doesn't 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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Court of Justice EU, 29 January 2020
(M. Vilaras,nS. Rodin, D. Šváby, K. Jürimäe and N. Piçarra)
JUDGMENT OF THE COURT (Fourth Chamber)
29 January 2020 (*[1])
(Reference for a preliminary ruling — Approximation of laws — Community trade mark — Regulation (EC) No 40/94 — Articles 7 and 51 — First Directive 89/104/EEC — Articles 3 and 13 — Identification of the goods or services covered by the registration — Failure to comply with the requirements of clarity and precision — Bad faith of the applicant — No intention to use the trade mark for the goods or services covered by the registration — Total or partial invalidity of the trade mark — National legislation requiring the applicant to state that he or she intends to use the trade mark applied for)
In Case C-371/18,
REQUEST for a preliminary ruling under Article 267 TFEU from the High Court of Justice (England & Wales), Chancery Division (United Kingdom), made by decision of 27 April 2018, received at the Court on 6 June 2018, in the proceedings
Sky plc,
Sky International AG,
Sky UK Ltd
v
SkyKick UK Ltd,
SkyKick Inc.,
THE COURT (Fourth Chamber),
composed of M. Vilaras, President of the Chamber, S. Rodin, D. Šváby, K. Jürimäe (Rapporteur) and N. Piçarra, Judges,
Advocate General: E. Tanchev,
Registrar: M. Aleksejev, Head of Unit,
having regard to the written procedure and further to the hearing on 20 May 2019, after considering the observations submitted on behalf of:
– Sky plc, Sky International AG and Sky UK Ltd, by P. Roberts QC and G. Hobbs QC, instructed by D. Rose, A. Ward and E. Preston, Solicitors,
– SkyKick UK Ltd and SkyKick Inc., by A. Tsoutsanis, advocaat, and by T. Hickman QC, S. Malynicz QC, and S. Baran, Barrister, instructed by J. Linneker and S. Sheikh-Brown, Solicitors,
– the United Kingdom Government, by Z. Lavery and S. Brandon, acting as Agents, and by N. Saunders QC,
– the French Government, by R. Coesme, D. Colas, D. Segoin, A.-L. Desjonquères and A. Daniel, acting as Agents,
– the Hungarian Government, by M.Z. Fehér and D.R. Gesztelyi, acting as Agents,
– the Polish Government, by B. Majczyna, acting as Agent,
– the Slovak Government, by B. Ricziová, acting as Agent,
– the Finnish Government, by H. Leppo, acting as Agent,
– the European Commission, by S.L. Kalėda and J. Samnadda, acting as Agents, after hearing the **Opinion of the Advocate General** at the sitting on 16 October 2019,
gives the following
Judgment
1 This request for a preliminary ruling concerns the interpretation of EU trade mark law and the approximation of the Member States' laws on trade marks.
2 The request has been made in proceedings between Sky plc, Sky International AG and Sky UK Ltd (together, *'Sky and Others'*) and SkyKick UK Ltd and SkyKick Inc. (together, '*the SkyKick companies*'), concerning the alleged infringement by the SkyKick companies of EU trade marks and a national United Kingdom trade mark belonging to Sky and Others.
Legal context
International law
3 At the international level, trade mark law is governed by the Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883, as last revised at Stockholm on 14 July 1967 and amended on 28 September 1979 (United Nations Treaties Series, vol. 828, No 11851, p. 305; '*the Paris Convention*'). All the Member States of the European Union are parties to that convention.
4 Under Article 19 of the Paris Convention, the States to which that convention applies reserve the right to make separately between themselves special agreements for the protection of industrial property.
5 That provision served as a basis for the adoption of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, concluded at the Nice Diplomatic Conference on 15 June 1957, last revised in Geneva on 13 May 1977 and amended on 28 September 1979 (United Nations Treaty Series, vol. 1154, No I 18200, p. 89; '*the Nice Agreement*').
6 Under Article 1 of the Nice Agreement:
'*(1) The countries to which this Agreement applies constitute a Special Union and adopt a common classification of goods and services for the purposes of the registration of marks (hereinafter designated as "the Classification").*
(2) The Classification consists of:
(i) a list of classes, together with, as the case may be, explanatory notes;

[1] Language of the case: English

(ii) an alphabetical list of goods and services … with an indication of the class into which each of the goods or services falls.
…'

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

'*(1) Subject to the requirements prescribed by this Agreement, the effect of the Classification shall be that attributed to it by each country of the Special Union. In particular, the Classification shall not bind the countries of the Special Union in respect of either the evaluation of the extent of the protection afforded to any given mark or the recognition of service marks.*
(2) Each of the countries of the Special Union reserves the right to use the Classification either as a principal or as a subsidiary system.
(3) The competent Office of the countries of the Special Union shall include in the official documents and publications relating to registrations of marks the numbers of the classes of the Classification to which the goods or services for which the mark is registered belong.
(4) The fact that a term is included in the alphabetical list [of goods and services] in no way affects any rights which might subsist in such a term.'

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

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

EU law

The regulations on the EU trade mark

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

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

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

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

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

'*The following shall not be registered:*
(a) signs which do not conform to the requirements of Article 4;
(b) trade marks which are devoid of any distinctive character;
(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
(e) signs which consist exclusively of:
(i) the shape which results from the nature of the goods themselves; or
(ii) the shape of goods which is necessary to obtain a technical result; or
(iii) the shape which gives substantial value to the goods;
(f) trade marks which are contrary to public policy or to accepted principles of morality;
(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
(h) trade marks which have not been authorised by the competent authorities and are to be refused pursuant to Article 6ter of the Paris Convention;
(i) trade marks which include badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention and which are of particular public interest, unless the consent of the appropriate authorities to their registration has been given.
…'

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

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

15 Under Article 38(1) of that regulation:

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

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

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

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

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

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

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

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

...

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

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

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

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

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

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

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

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

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

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

...

Whereas attainment of the objectives at which this approximation of laws is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States; whereas, to this end, it is necessary to list examples of signs which may constitute a trade mark, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings; whereas the grounds for refusal or invalidity concerning the trade mark itself, for example, the absence of any distinctive character, or concerning conflicts between the trade mark and earlier rights, are to be listed in an exhaustive manner, even if some of these grounds are listed as an option for the Member States which will therefore be able to maintain or introduce those grounds in their legislation; whereas Member States will be able to maintain or introduce into their legislation grounds of refusal or invalidity linked to conditions for obtaining and continuing to hold a trade mark for which there is no provision of approximation, concerning, for example, the eligibility for the grant of a trade mark, the renewal of the trade mark or rules on fees, or related to the non-compliance with procedural rules;

Whereas in order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation; whereas it is necessary to provide that a trade mark cannot be invalidated on the basis of

the existence of a non-used earlier trade mark, while the Member States remain free to apply the same principle in respect of the registration of a trade mark or to provide that a trade mark may not be successfully invoked in infringement proceedings if it is established as a result of a plea that the trade mark could be revoked;
whereas in all these cases it is up to the Member States to establish the applicable rules of procedure'.
23 According to Article 2 of that directive:
'*A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.*'
24 Article 3(1) and (2) of First Directive 89/104 provided:
'*1. The following shall not be registered or if registered shall be liable to be declared invalid:*
(a) signs which cannot constitute a trade mark;
(b) trade marks which are devoid of any distinctive character;
(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
(e) signs which consist exclusively of:
– the shape which results from the nature of the goods themselves, or
– the shape of goods which is necessary to obtain a technical result, or
– the shape which gives substantial value to the goods;
(f) trade marks which are contrary to public policy or to accepted principles of morality;
(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;
(h) trade marks which have not been authorised by the competent authorities and are to be refused or invalidated pursuant to Article 6 ter of the [Paris Convention]
2. Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that:
...
(d) the application for registration of the trade mark was made in bad faith by the applicant.'
25 Article 12(1) of that directive stated:
'*A trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use ...*'
26 Article 13 of First Directive 89/104 provided:
'*Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.*'
27 Article 18 of Directive 2008/95 provided:
'*This Directive shall enter into force on the 20th day following its publication in the Official Journal of the European Union.*'

United Kingdom law

28 The Trade Marks Act 1994 transposed First Directive 89/104 into United Kingdom law. Section 32(3) of the Trade Marks Act 1994 does not correspond to any provision of that directive. Section 32(3) provides:
'*The application [for registration of a trade mark] shall state that the trade mark is being used, by the applicant or with his consent, in relation to [the goods or services in relation to which it is sought to register the trade mark], or that he has a bona fide intention that it should be so used.*'

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

29 Sky and Others are the proprietors of four Community figurative and word marks and one national United Kingdom word mark which include the word '*Sky*' (together, '*the trade marks at issue in the main proceedings*'). Those trade marks were registered in respect of a large number of goods and services in a number of classes of the Nice Classification, in particular Classes 9 and 38.
30 Sky and Others brought an action for infringement of the trade marks at issue in the main proceedings against the SkyKick companies before the referring court, the High Court of Justice (England & Wales), Chancery Division (United Kingdom). For the purposes of their action for infringement, Sky and Others rely on the registration of the trade marks at issue in the main proceedings in respect of goods in Class 9 within the meaning of the Nice Classification, namely computer software, computer software supplied from the Internet, computer software and telecommunications apparatus to enable connection to databases and the Internet, and data storage, and services in Class 38 within the meaning of that classification, namely telecommunications services, electronic mail services, Internet portal services, and computer services for accessing and retrieving information, messages, text, sound, images and data via a computer or computer network. The referring court emphasises that not every trade mark at issue in the main proceedings is registered in respect of those goods and services.
31 The referring court also states that Sky and Others made extensive use of the trade marks at issue in the main proceedings in relation to a range of goods and services relating to their core business areas of television broadcasting, telephony and broadband provision. It is not in dispute that those trade marks are a household name in the United Kingdom and Ireland in those areas. However, Sky and Others do not offer email migration or cloud backup goods or services, nor is there is any

evidence that they plan to do so in the immediate future. The three main products offered by the SkyKick companies are based on Software as a Service (SaaS) and concern Cloud Migration, Cloud Backup and Cloud Management.

32 In the context of those proceedings, the SkyKick companies filed a counterclaim for a declaration that the trade marks at issue in the main proceedings are invalid. In support of that counterclaim, they contend that those trade marks were registered in respect of goods or services that are not specified with sufficient clarity and precision. The SkyKick companies rely in that regard on **the judgment of 19 June 2012**, Chartered Institute of Patent Attorneys (C-307/10, EU:C:2012:361).

33 In that context, the referring court questions, in the first place, whether such a ground for invalidity may be asserted against a registered trade mark. In that regard, it recalls that the Court held, in that judgment, that an applicant for a trade mark must designate with sufficient clarity and precision the goods and services in respect of which protection for the trade mark is sought in order to enable the competent authorities and third parties to determine the extent of the protection conferred by the trade mark. If the applicant fails to do so, the national office or the European Union Intellectual Property Office (EUIPO) should refuse to allow the application to proceed to registration without the specification being amended to make it sufficiently clear and precise.

34 The referring court considers that it does not, however, follow from the case-law arising from that judgment that the trade mark concerned may be declared invalid after registration on the ground that the specification lacks clarity or precision.

35 It states that, in the case of an EU trade mark, Article 128(1) of Regulation 2017/1001 provides that a counterclaim for a declaration of invalidity '*may only be based on the grounds for … invalidity mentioned in this Regulation*'. In the present case, the SkyKick companies rely on the ground provided for in Article 59(1)(a) of that regulation, read in the light of Article 4 and Article 7(1)(a) of the regulation, which do not require that the specification of goods and services in an EU trade mark application be clear and precise. The position is the same in relation to a national trade mark.

36 In the second place, if such a ground may be asserted, the referring court is uncertain whether the specifications of the goods and services may be objected to in respect of all of the trade marks at issue in the main proceedings. It states that the SkyKick companies contend that, in the case in the main proceedings, the identification of the goods and services covered by those trade marks lacks clarity and precision, except for '*telecommunications services*' and '*electronic mail services*' in Class 38. The SkyKick companies and Sky and Others disagree as to whether the specifications '*computer software*', '*computer software supplied from the Internet*' and '*computer software and telecoms apparatus to enable connection to databases and the Internet*' are clear and precise.

37 In that regard, the referring court considers that registration of a trade mark for '*computer software*' is too broad and, therefore, contrary to the public interest because it confers on the proprietor a monopoly of immense breadth which cannot be justified by a commercial interest. However, in the referring court's view, it does not necessarily follow that the term '*computer software*' is lacking in clarity and precision. Nonetheless, it is uncertain to what extent the indications in the European Trade Mark and Design Network (ETMDN) Common Communication on the Common Practice on the General Indications of the Nice Class Headings, of 28 October 2015, in relation to '*machines*' in Class 7 within the meaning of the Nice Classification, could not equally apply to '*computer software*'.

38 In the third place, the referring court is uncertain whether the validity of the trade marks at issue in the main proceedings may be affected by the trade mark applicant's bad faith at the time of filing the application for protection.

39 Before that court, the SkyKick companies contend that the trade marks at issue in the main proceedings were registered in bad faith because Sky and Others did not intend to use them in relation to all of the goods and services covered by the registration of those trade marks. The trade marks should, therefore, all be cancelled or, at the very least, cancelled in part as regards the goods and services for which Sky and Others had no intention to use those marks.

40 In the referring court's view, to register trade marks without requiring actual use of them would facilitate the registration process and enable brand owners to obtain protection of their trade marks more easily in advance of a commercial launch. However, the result of facilitating registration or allowing it to be obtained too broadly would be mounting barriers to market entry for third parties and an erosion of the public domain. Accordingly, the possibility of registering a trade mark without the intention to use it in relation to all or some of the specified goods and services would enable abuse, which would be harmful, if there were indeed no possibility of challenging an abusive registration by relying on the bad faith of the proprietor of the trade mark concerned. The referring court notes that, in their case-law, the United Kingdom courts and tribunals have focused more closely on the requirement of intention to use the trade mark concerned for the goods and services specified in the application for registration, because of the existence of Section 32(3) of the Trade Marks Act 1994 in that Member State's law.

41 The referring court is uncertain whether that provision is compatible with EU law. Assuming that it is compatible with EU law, the referring court is also uncertain as to the scope of the condition relating to the intention to use the trade mark for the goods and services for which it was registered.

42 First, although there is no express requirement of an intention to use in EU law, and a registered trade mark cannot, as the law currently stands, be revoked for non-use until 5 years have expired, the caselaw of the Court of Justice and of the General Court of the European Union suggests that, in certain circumstances, applying to register a trade mark without any intention to use it in

relation to the specified goods or services may constitute bad faith on the part of that trade mark's proprietor at the time the application for protection is filed.
43 Secondly, it is apparent from that case-law that the fact that the applicant has applied for registration of the trade mark in question in respect of a broad range of goods or services is not sufficient to demonstrate bad faith if the applicant has a reasonable commercial rationale for seeking such protection having regard to that trade mark's use. Nor is it sufficient to demonstrate the absence of good faith that the applicant may potentially use the trade mark.
44 Thirdly, the case-law permits the inference that, in an appropriate case, the applicant could have made the application partly in good faith and partly in bad faith, if he or she had an intention to use the trade mark solely in relation to some of the goods or services in respect of which it was registered.
45 If a trade mark applicant made the application for registration in bad faith in so far as the application covers certain goods and services, but in good faith in so far as it covers other goods and services, the referring court enquires whether the invalidity must be total or partial.
46 It considers that, in the case in the main proceedings, there is evidence showing that, at the time of registration of the trade marks at issue in the main proceedings, Sky and Others did not intend to use them in relation to all of the goods and services covered by the registrations. Those registrations cover goods and services for which Sky and Others had no commercial rationale for seeking protection, so that the inclusion of such goods and services formed part of their strategy of seeking very broad protection of the trade marks.
47 In those circumstances the High Court of Justice (England & Wales), Chancery Division decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:
'*(1) Can an EU trade mark or a national trade mark registered in a Member State be declared wholly or partially invalid on the ground that some or all of the terms in the specification of goods and services are lacking in sufficient clarity and precision to enable the competent authorities and third parties to determine on the basis of those terms alone the extent of the protection conferred by the trade mark?*
(2) If the answer to question (1) is yes, is a term such as "computer software" too general and covers goods which are too variable to be compatible with the trade mark's function as an indication of origin for that term to be sufficiently clear and precise to enable the competent authorities and third parties to determine on the basis of that term alone the extent of the protection conferred by the trade mark?
(3) Can it constitute bad faith simply to apply to register a trade mark without any intention to use it in relation to the specified goods or services?
(4) If the answer to question (3) is yes, is it possible to conclude that the applicant made the application partly in good faith and partly in bad faith if and to the extent that the applicant had an intention to use the trade mark in relation to some of the specified goods or services, but no intention to use the trade mark in relation to other specified goods or services?
(5) Is section 32(3) of the UK Trade Marks Act 1994 compatible with [Directive 2015/2436] and its predecessors?'

Consideration of the questions referred

Preliminary observations

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

The first and second questions

54 By its first and second questions, which must be examined together, the referring court asks, in essence, whether Articles 7 and 51 of Regulation No 40/94 and Article 3 of First Directive 89/104 must be interpreted as meaning that a Community trade mark or a national trade mark may be declared wholly or partially invalid on the ground that terms used to designate the goods and services in respect of which that mark was registered are lacking in clarity and precision. If that is the case, the

referring court enquires whether the term '*computer software*' meets that requirement of clarity and precision.

55 In order to answer those questions, it must be examined, in the first place, whether the lack of clarity and precision of the terms used to designate the goods and services covered by a trade mark constitutes, in itself, an absolute ground for invalidity of a national trade mark or a Community trade mark.

56 As regards, first, the provisions of First Directive 89/104, it must be noted that Article 3 of that directive provides a list of the grounds for invalidity which do not include the lack of clarity and precision of the terms used to designate the goods and services covered by the registration of a national trade mark. The seventh recital of that directive states that those grounds for invalidity are listed in an exhaustive manner, even if some of those grounds are optional for the Member States (see, to that effect, **judgments of 18 June 2002, Philips**, C-299/99, EU:C:2002:377, paragraph 74; of **12 February 2004, Koninklijke KPN Nederland,** C-363/99, EU:C:2004:86, paragraph 78; and of **9 March 2006, Matratzen Concord**, C-421/04, EU:C:2006:164, paragraph 19). Consequently, First Directive 89/104 prohibits Member States from introducing grounds for invalidity other than those expressly provided for in that directive (see, by analogy, **judgment of 27 June 2013, Malaysia Dairy Industries**, C-320/12, EU:C:2013:435, paragraph 42).

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

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

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

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

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

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

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

64 Admittedly, the Court held, in paragraph 51 of the **judgment of 12 December 2002, Sieckmann** (C-273/00, EU:C:2002:748), as regards the requirement of graphic representability, that operators must, with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties. Nonetheless, those considerations apply only in order to identify the signs of which a trade mark may consist and it cannot be inferred from this that such a requirement of clarity and precision should also apply to the terms used to refer to the goods and services in respect of which the trade mark in question has been registered.

65 Secondly, it must be determined whether the lack of clarity and precision of the terms used to designate the goods and services in respect of which a trade mark has been registered is capable, in itself, of giving rise to the

invalidity of the trade mark concerned on the basis of Article 7(1)(f) of Regulation No 40/94 and Article 3(1)(f) of First Directive 89/104, on the ground that such a deficiency is contrary to public policy.

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

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

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

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

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

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

The third and fourth questions

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

73 As regards, in the first place, the question whether Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith within the meaning of those provisions, it must be borne in mind that those provisions state, in essence, that a trade mark may be declared invalid where the applicant was acting in bad faith when he or she filed the application for the trade mark. Neither that regulation nor that directive provides a definition of the concept of '*bad faith*'. It must, however, be pointed out that that concept is an autonomous concept of EU law and that, in the light of the need for a coherent application of the national systems and the EU system of marks, the concept of '*bad faith*' must be interpreted in the context of First Directive 89/104 in the same manner as in the context of Regulation No 40/94 (see, by analogy, **judgment of 27 June 2013, Malaysia Dairy Industries**, C-320/12, EU:C:2013:435, paragraphs 34 and 35).

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

75 Consequently, the absolute ground for invalidity referred to in Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 applies where it is apparent from relevant and consistent indicia that the proprietor of a trade mark has filed the application for registration of that mark not with the aim of engaging fairly in competition but with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties, or with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin recalled in the previous paragraph of the present judgment (**judgment of 12 September 2019, Koton Mağazacilik Tekstil Sanayi ve Ticaret v EUIPO**, C-104/18 P, EU:C:2019:724, paragraph 46).

76 Admittedly, the applicant for a trade mark is not required to indicate or even to know precisely, on the

date on which his or her application for registration of a mark is filed or of the examination of that application, the use he or she will make of the mark applied for and he or she has a period of 5 years for beginning actual use consistent with the essential function of that trade mark (see, to that effect, **judgment of 12 September 2019, *Deutsches Patent- und Markenamt (#darferdas?)***, C-541/18, EU:C:2019:725, paragraph 22).

77 However, as the Advocate General observed in point 109 of his Opinion, the registration of a trade mark by an applicant without any intention to use it in relation to the goods and services covered by that registration may constitute bad faith, where there is no rationale for the application for registration in the light of the aims referred to in Regulation No 40/94 and First Directive 89/104. Such bad faith may, however, be established only if there is objective, relevant and consistent indicia tending to show that, when the application for a trade mark was filed, the trade mark applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

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

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

80 In that regard, it is sufficient to note, as the Advocate General observed in point 125 of his Opinion, that it follows clearly from those provisions that, where the ground for invalidity exists in respect of only some of the goods or services for which the trade mark is sought to be registered, the trade mark is to be declared invalid as regards those goods or services only.

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

The fifth question

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

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

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

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

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

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

Costs

88 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that

court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.
On those grounds, the Court (Fourth Chamber) hereby rules:
1. Articles 7 and 51 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, as amended by Council Regulation (EC) No 1891/2006 of 18 December 2006, and Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that a Community trade mark or a national trade mark cannot be declared wholly or partially invalid on the ground that terms used to designate the goods and services in respect of which that trade mark was registered lack clarity and precision.
2. Article 51(1)(b) of Regulation No 40/94, as amended by Regulation No 1891/2006, and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith, within the meaning of those provisions, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark. When the absence of the intention to use the trade mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that application constitutes bad faith only in so far as it relates to those goods or services.
3. First Directive 89/104 must be interpreted as not precluding a provision of national law under which an applicant for registration of a trade mark must state that the trade mark is being used in relation to the goods and services in relation to which it is sought to register the trade mark, or that he or she has a bona fide intention that it should be so used, in so far as the infringement of such an obligation does not constitute, in itself, a ground for invalidity of a trade mark already registered.
Vilaras Rodin Šváby
Jürimäe Piçarra
Delivered in open court in Luxembourg on 29 January 2020.
A. Calot Escobar
M. Vilaras
Registrar President of the Fourth Chamber

OPINION OF ADVOCATE GENERAL TANCHEV
delivered on 16 October 2019(1)
Case C-371/18
Sky plc,
Sky International AG,
Sky UK Limited
v
SkyKick UK Limited,
SkyKick Inc
(Request for a preliminary ruling from the High Court of Justice (Chancery Division) (United Kingdom))
(Reference for a preliminary ruling — Approximation of laws of the Member States — Trade marks — Identification of the goods or services for which the protection of a trade mark is sought — Requirement of clarity and precision — Bad faith — Bad faith due to the lack of intent to use the trade mark for the goods or services specified — Interpretation of the judgment of 19 June 2012, Chartered Institute of Patent Attorneys (C-307/10, EU:C:2012:361))
1. This request for a preliminary ruling from the High Court of Justice (England and Wales) raises some important issues of EU trade mark law. This is also reflected in the judgment of the referring court in the main proceedings of 6 February 2018 ([2018] EWHC 155 (Ch), Arnold J), which was handed down after a five-day trial and runs to 94 pages (358 paragraphs) (*'the judgment in the main proceedings'*).
2. In the main proceedings, the claimants (collectively *'Sky'*, who are, in essence, satellite and digital television broadcasters) claim that the defendants (collectively *'SkyKick'*, SkyKick Inc being a start-up company which supplies cloud migration information technology services (2)) have infringed four EU trade marks owned by the second claimant (*'Sky AG'*) and one UK trade mark owned by the first claimant (*'Sky plc'*) consisting of the word SKY (*'the trade marks'*) through use of the sign *'SkyKick'* and variants thereof.
3. The case is quite complex but, in essence, SkyKick deny infringement and counterclaim for a declaration that the trade marks were invalidly registered, in whole or in part, on the grounds that: (i) the specifications of goods and services *lack clarity and precision and* (ii) the applications *were made in bad faith.*
4. The case is significant since it allows the Court to address issues relating to a number of deficiencies that have emerged in the EU trade mark system. As SkyKick observe, all five of the referring court's questions concern one of the most problematic aspects of a trade mark — the role and function of the so-called *'specification'* of goods or services. Most of the Court's case-law in the field of trade marks has concerned the sign that is registered as a trade mark. The law is now relatively well settled in that area. However, gaps and inconsistencies remain in the law relating to *specifications of goods and services*. EU trade mark protection is granted according to a principle of speciality, (3) that is to say, in relation to specific goods or services whose nature and number determine the extent of protection afforded to the trade mark proprietor, in conjunction with the sign.
5. The referring court stresses that the issue is notably that SkyKick do not appear to have a

defence to Sky's claims for trade mark infringement under the applicable EU and national trade mark legislation. This raises the question whether we have arrived at a point in trade mark law that grants the trade mark proprietor a position of absolute monopoly in the face of which one can no longer defend himself in infringement proceedings — in spite of the fact that the mark has not been used, and is not likely to be used, for many of the goods and services in respect of which it was registered. Thus, this case illustrates the tension that exists today between the various interests which need to be balanced.

I. Facts giving rise to the dispute in the main proceedings and the questions referred for a preliminary ruling

6. Sky's trade marks at issue are: (i) EU figurative mark No 3 166 352 filed on 14 April 2003 and registered on 12 September 2012 (*'EU352'*) in respect of goods and services in Classes 9, 16, 18, 25, 28, 35, 38, 41 and 42; (ii) EU figurative mark No 3 203 619 filed on 30 April 2003 and registered on 6 September 2012 (*'EU619'*) in respect of goods and services in Classes 9, 16, 18, 25, 28, 35, 38, 41 and 42; (iii) EU word mark SKY, No 5 298 112, filed on 6 September 2006 and registered on 18 June 2015 (*'EU112'*) in respect of goods and services in Classes 9, 16, 28, 35, 37, 38, 41; (iv) EU word mark SKY, No 6 870 992, filed on 18 April 2008 and registered on 8 August 2012 (*'EU992'*) in respect of goods and services in Classes 3, 4, 7, 9, 11, 12, 16, 17, 18, 25, 28 and 35 to 45; and (v) UK word mark SKY, No 2 500 604, filed on 20 October 2008 and registered on 7 September 2012 (*'UK604'*) in respect of goods and services in Classes 3, 4, 7, 9, 11, 12, 16, 17, 18, 25, 28 and 35 to 45.

7. Sky brought an action alleging that SkyKick had infringed those trade marks. For the purposes of their infringement claims, Sky rely upon the registrations of the trade marks in respect of the following goods and services (although not every trade mark is registered for all these goods and services): (i) computer software (Class 9); (ii) computer software supplied from the internet (Class 9); (iii) computer software and telecoms apparatus to enable connection to databases and the internet (Class 9); (iv) data storage (Class 9); (v) telecommunications services (Class 38); (vi) electronic mail services (Class 38); (vii) internet portal services (Class 38); and (viii) computer services for accessing and retrieving information/data via a computer or computer network (Class 38).

8. Sky have made extensive use of the trade mark SKY in connection with a range of goods and services, and in particular goods and services relating to Sky's core business areas of (i) television broadcasting, (ii) telephony and (iii) broadband provision. SkyKick accept that, by November 2014, SKY was a household name in the United Kingdom and Ireland in those areas. However, Sky do not offer any email migration or cloud backup goods or services, nor is there any evidence that they plan to do so in the immediate future.

9. SkyKick contend that each of the trade marks should be declared (partly) invalid on the ground that they are registered for goods and services that are not specified with sufficient clarity and precision.

10. The referring court states that that contention raises two issues. The first issue is whether that ground for invalidity may be relied upon against a registered trade mark.

11. The judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361) established (and Article 33(2) of Regulation (EU) 2017/1001 (4) now requires) that an applicant for a trade mark must specify the goods and services in respect of which registration is sought *with sufficient clarity and precision to enable the competent authorities and third parties to determine on the basis of that term alone the extent of the protection conferred by the trade mark*. If the applicant fails to do so, the competent authority should refuse to allow the application to proceed to registration without the specification being amended to make it sufficiently clear and precise.

12. According to the referring court, it does not necessarily follow that, if the applicant fails to do so and the authority fails to ensure that the applicant rectifies the lack of clarity or precision during the examination of the application, the trade mark can be declared invalid on that ground after registration. The grounds for invalidity listed in the regulation do not contain any express requirement that the specification of goods and services in an application for registration of an EU trade mark should be clear and precise. The position is, in essence, the same in relation to a national trade mark.

13. The second issue raised by the referring court is whether, if the ground for invalidity can be relied upon, the specifications of any of the trade marks are objectionable.

14. The referring court considers that registration of a trade mark for *'computer software'* is too broad, unjustified and contrary to the public interest. However, it also states that it does not necessarily follow that that term is lacking in clarity and precision. Indeed, it appears prima facie to be a term whose meaning is reasonably clear and precise. Thus, it is sufficiently clear and precise to make it possible to decide whether SkyKick's goods are identical to it. On the other hand, the referring court finds it difficult to see why the reasoning of the Trade Mark Offices forming the European Trade Mark and Design Network (TMDN), as set out in the Common Communication of 20 November 2013, with regard to *'machines'* in Class 7 is not equally applicable to *'computer software'*. (5)

15. Moreover, the referring court queries whether the validity of the marks at issue may be affected

by the applicant's bad faith at the moment of applying for registration of the trade marks.

16. SkyKick contend in the main proceedings that the trade marks were registered in bad faith because Sky did not intend to use the trade marks in relation to all of the goods and services specified in the respective specifications. SkyKick accept that Sky intended to use the trade marks in relation to some of the goods and services specified. Nevertheless, SkyKick's primary case is that the trade marks are invalid in their entirety. In the alternative, SkyKick's secondary case is that the trade marks are invalid to the extent to that the specifications cover goods and services for which Sky had no intention to use the trade marks.

17. The referring court states that, in comparison with the case-law of the Courts of the European Union, UK courts and tribunals have focused more closely on the requirement of intention to use, on account of the role that section 32(3) of the United Kingdom Trade Marks Act 1994 (*'the 1994 Act'*) plays in the UK trade mark system. (6)

18. However, the referring court queries whether that provision is compatible with EU law. Should it be held to be compatible, then the referring court also has doubts as to the scope of the requirement of intention to use the trade mark.

19. Therefore, the High Court of Justice (England and Wales), Chancery Division, decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'(1) Can an EU trade mark or a national trade mark registered in a Member State be declared wholly or partially invalid on the ground that some or all of the terms in the specification of goods and services are lacking in sufficient clarity and precision to enable the competent authorities and third parties to determine on the basis of those terms alone the extent of the protection conferred by the trade mark?

(2) If the answer to [the first] question is [in the affirmative], is a term such as "computer software" too general and [does it cover] goods which are too variable to be compatible with the trade mark's function as an indication of origin for that term to be sufficiently clear and precise to enable the competent authorities and third parties to determine on the basis of that term alone the extent of the protection conferred by the trade mark?

(3) Can it constitute bad faith simply to apply to register a trade mark without any intention to use it in relation to the specified goods or services?

(4) If the answer to [the third] question is [in the affirmative], is it possible to conclude that the applicant made the application partly in good faith and partly in bad faith if and to the extent that the applicant had an intention to use the trade mark in relation to some of the specified goods or services, but no intention to use the trade mark in relation to other specified goods or services?

(5) Is section 32(3) of the UK Trade Marks Act 1994 compatible with [Directive (EU) 2015/2436 (7)] and its predecessors?'

II. Analysis

20. Sky, SkyKick, the United Kingdom, Finnish, French, Hungarian, Polish and Slovak Governments and the European Commission submitted written observations to the Court. All the parties attended the oral hearing, except for the Hungarian, Polish, Slovak and Finnish Governments.

A. First and second questions referred

1. Brief summary of the parties' arguments

21. Sky claim that the requirement of clarity and precision, which stems from the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361), is linked only to the application for registration. Thus, the only possible sanction for not meeting that requirement is an action taken *ex officio* by the authorities so as to ensure that that application does not lead to a registration of goods and services worded in terms that are neither clear nor precise. Sky submit that the grounds for refusal and invalidity are set out exhaustively by national and EU law and that those grounds do not include the requirement that the specification be clear and precise. Moreover, in the judgments of 16 February 2017, *Brandconcern v EUIPO and Scooters India* (C-577/14 P, EU:C:2017:122, paragraphs 29 and 30), and of 11 October 2017, *EUIPO v Cactus* (C-501/15 P, EU:C:2017:750, paragraph 38), the Court ruled that the requirement of clarity and precision stemming from the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361) should not be invoked for trade marks that have already been registered. Sky propose that the second question should be answered in the negative, since terms such as *'computer software'* on which the claim for infringement of the registered trade mark is based satisfy the practical test for clarity and precision.

22. SkyKick propose that the first question should be answered in the affirmative. Otherwise, companies such as SkyKick would have no practical remedy or recourse in infringement proceedings brought against them, where a trade mark proprietor relies on a term which lacks the clarity and precision required by EU law. The Court therefore made clear that Directive 2008/95/EC (8) (and, by analogy, Regulation (EC) No 207/2009 (9)) requires specifications to be clear and precise. However, the Court did not expressly address the consequences if a registered trade mark's specification did not comply with those requirements. If Sky were correct, then the significance of the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361) would be very limited in practice.

23. According to SkyKick, the requirement of clarity and precision may be inferred from Article 4,

Article 7(1)(a) and Article 8 of Regulation 2017/1001 and Articles 3, 4 and 5 of Directive 2015/2436, read in the light of the judgment of 12 December 2002, *Sieckmann* (C-273/00, EU:C:2002:748).

SkyKick argue that it is noticeable that the Court itself refers, in the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361, paragraphs 43 to 45), to those provisions and the fact that they lay down grounds for refusal or invalidity.

24. SkyKick submit, in essence, that the second question should be answered in the affirmative.

They argue that imprecision caused by a term's generality and application to a variety of different types of goods and services falls within the vice identified by the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361).

25. The United Kingdom, French, Hungarian, Polish, Slovak and Finnish Governments propose to answer the first question in the negative, since the grounds for refusal of registration are listed exhaustively and there is no express requirement anywhere in the legislation that the specification of goods and services must be clear and precise. Moreover, it follows from the case-law (point 21 of the present Opinion) that the requirement of clarity and precision is only applicable at the stage of registering a trade mark.

26. The United Kingdom and Finnish Governments do not consider it necessary to answer the second question, given the answer they propose to the first question.

27. The Hungarian, French, Polish and Slovak Governments argue, in essence, that the term *'software'* is not too general and does not designate goods which are too varied for the purposes of identifying the goods and services concerned by the registration.

28. The Commission contends, in essence, on the basis of similar arguments to those of the intervening governments, that the first question should be answered in the negative. The Commission adds that the examination of distinctive character is based on the relationship existing between a *'sign'* and *'goods or services'*, not on the precision or imprecision of the specification of those goods or services. (10) If the specification of goods is vague, it will be interpreted to the detriment of its proprietor and the conclusion will be that distinctive character is lacking. The Commission submits that, given the answer to the first question, there is no need to answer the second question. However, it considers that the Common Communication does not apply ratione temporis to the contested marks.

2. Assessment

29. By its first and second questions, which it is appropriate to consider together, the referring court asks, in essence, whether the lack of clarity and precision of the terms specifying the goods and services covered by a trade mark may constitute a ground for invalidity of a registered mark. If the answer is yes, it wishes to know whether the term *'computer software'* at issue in the main proceedings is sufficiently clear and precise to enable the competent authorities and third parties to determine on the basis of that term alone the extent of the protection conferred by the trade mark.

30. Having said that, I consider that the latter question should be answered by the Court even if the answer to the first question is no. That is because it is necessary to examine whether the lack of clarity and precision of the specification of the goods and services covered by the registration of a trade mark may be connected with one of the grounds of invalidity that are explicitly provided for by the applicable EU legislation.

31. Before I turn to the substance of the questions, when considering these issues the referring court will have to assess which specific EU legislative framework is applicable ratione temporis, since in its request for a preliminary ruling unfortunately it does not refer specifically to any act in particular.

32. The proceedings concern both EU trade marks, on the one hand, and a national trade mark, on the other, for the period from 2003 to 2018. The nature of the main claim (infringement) and the counterclaim for invalidity together mean that more than one regulation and directive in the EU trade mark *acquis* may apply to the proceedings.

33. As pointed out by the Commission, the relevant date for the assessment of the counterclaim raised in infringement proceedings is the date on which the application for registration was made. The claimants applied for the trade marks in the period from 14 April 2003 to 20 October 2008. For the EU trade marks, this would mean that the relevant legislation is Regulation (EC) No 40/94 (11) (not Regulation No 207/2009) and, in the case of the national trade mark, it is Directive 89/104/EEC (12) (not Directive 2015/2436).

34. As regards the claims of infringement, for the EU trade marks in issue, the proceedings relate to periods covered by Regulation No 207/2009; for the national trade mark, the relevant legislation is Directive 2008/95.

35. It follows that, subject to the verification by the referring court, in relation to the EU trade marks, Regulation No 207/2009 applies to the infringement and Regulation No 40/94 to the application for registration; and for the national trade mark, Directive 2008/95 applies to the infringement and Directive 89/104 to the application for registration.

36. For ease of reference, it is sufficient for the Opinion primarily to discuss the provisions of Directive 89/104 and of Regulation No 40/94, not least because there is no material difference for present purposes between the relevant provisions of the earlier Regulation No 40/94 and its successor, Regulation No 207/2009, although some of the numbering of the articles has changed; the same applies

to Directive 89/104 and Directive 2008/95. (13)

(a) The requirement of clarity and precision is not among the grounds of invalidity exhaustively laid down by the EU legislation

37. The first question referred for a preliminary ruling requires the Court to clarify the scope of the case-law stemming from the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361). In particular, the referring court is asking about the consequences to be drawn from that case-law when a registered trade mark does not meet the requirement of clarity and precision.

38. I have come to the conclusion — and there is a large consensus among all the intervening Member States and the Commission — that the first question should be answered in the negative.

39. The reason for this is straightforward: there is no provision in any of the relevant legislation for the invalidity of a registered trade mark on the ground that some or all of the terms in the specification of goods or services lack sufficient clarity and precision.

40. While it is true that the lack of clarity and precision of the representation of the sign is a ground for invalidity under Article 3(1)(a) of Directive 89/104 (and Directive 2008/95) and Article 7(1)(a) of Regulation No 40/94, the fact remains that that is not the case where the specification of goods and services is concerned. Any other interpretation would deprive the proviso to Article 2 of Directive 89/104 and to Article 4 of that regulation of much of its practical effect.

41. As regards national trade marks, Article 3 of Directive 89/104 (grounds for refusal or invalidity) simply does not lay down a specific ground for invalidity based on the lack of clarity and precision of the specification of the goods or services covered by the registration. The referring court recognises as much (see paragraph 159 of the judgment in the main proceedings).

42. The case-law, too, stresses that *'as is clear from the seventh recital in the preamble, the Directive lists in an exhaustive manner the grounds for refusal or invalidity of registration concerning the trade mark itself*'. (14) It also makes clear, as regards Directive 2008/95, which codified Directive 89/104, that it *'prohibits Member States from introducing grounds of refusal or invalidity other than those set out in that directive'*. (15)

43. Thus, in so far as the lack of clarity and precision of the terms used in the specification of the goods and services covered by the registration of a national mark is not expressly laid down in Article 3 of Directive 89/104, it cannot be considered to constitute an additional ground for invalidity to those laid down in that article.

44. Likewise, in respect of EU trade marks, it should be noted that the list of absolute grounds for invalidity set out in Article 51 of Regulation No 40/94 and Article 7 of that regulation, to which Article 51 refers, does not include a ground for invalidity based on the lack of clarity or precision of terms used to specify the goods and services covered by the registration of an EU trade mark.

45. Article 96 of Regulation No 40/94, entitled *'Counterclaims'*, provides that *'a counterclaim for revocation or for a declaration of invalidity may only be based on the grounds for revocation or invalidity mentioned in this Regulation'*.

46. The case-law cited in point 42 of the present Opinion clearly also applies to the EU trade mark regulations and to EU trade marks.

47. It follows that the list of absolute grounds for invalidity in Article 51 of Regulation No 40/94 is exhaustive and that the lack of clarity and precision in the specification of the goods and services covered by the registration of an EU trade mark cannot be considered to constitute an additional ground for invalidity to those laid down by the EU legislature in that regulation.

48. Indeed, I agree that issues such as a lack of clarity and precision are important in trade mark law, but they are issues that must be examined by the competent trade mark offices when they are dealing *with an application* for registration of a mark.

49. Even though existing registrations that do not meet the requirement of clarity and precision may not be declared invalid on that basis, the fact remains that it will have repercussions on the scope of protection of the registered mark.

50. The above consideration is supported by a systemic analysis of the EU legislative framework.

As pointed out by the Commission, one may question why the legislature came to the conclusion that a lack of clarity and precision of the representation of the sign should be a ground for invalidity, while it should not where the *specification of goods and services* is concerned. The reason is that the representation of the sign, once the mark has been applied for, cannot be amended as a matter of principle (except for a few very narrow exceptions) for reasons of legal certainty. Thus, a finding that the sign was applied for or registered in breach of Article 3(1)(a) of Directive 89/104 or Article 7(1)(a) of Regulation No 40/94 cannot be remedied *ex post.* Refusal (before registration) or cancellation (after registration) are the only options available in those circumstances.

51. By contrast, under Regulation No 40/94, the specification of goods and services may always be subject to a restriction or a partial surrender (the proprietor can a posteriori further specify and narrow down, but never expand upon, the list of goods and services, and so remedy any lack of clarity and precision). Therefore, any lack of clarity and precision in the specification of goods and services can be remedied before or after registration. Directive 89/104 provides procedural autonomy that allows Member States to do the same.

(b) May the requirement of clarity and precision be connected with a ground for invalidity that is

laid down by the EU legislation?

52. It is now necessary to examine whether the lack of clarity and precision in the specification of the goods and services covered by the registration of a trade mark may be connected with one of the grounds for invalidity that are exhaustively laid down by the applicable EU legislation.

53. SkyKick put forward two possibilities in that regard.

54. First, they submit that, while the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361) does not specify where exactly in the text of the applicable directives and regulations the words should be implied, so as to give effect to the implied condition of clarity in specification identified in that case, *'it very clearly does find that [clarity] is an implied requirement for registration, and indeed for validity, of a trade mark and as a condition for registration'*.

A natural place for such implication is as an implied condition, for national marks, in Article 2 read in conjunction with Article 3(1)(a) of Directive 89/104 and, for EU trade marks, Article 4 read in conjunction with Article 7(1)(a) of Regulation No 40/94.

55. In the judgment of 12 December 2002, *Sieckmann* (C-273/00, EU:C:2002:748, paragraphs 51 and 52), the Court held, in relation to graphic representation of signs, that *'economic operators must, with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties'* and *'if the users of that register are to be able to determine the precise nature of a mark on the basis of its registration, its graphic representation in the register must be self-contained, easily accessible and intelligible'*.

56. SkyKick argue that the same should apply in relation to the requirement of clarity and precision in the specification of goods and services covered by the registration.

57. Suffice it to state that, as was argued, in essence, by all the parties except SkyKick, the case-law stemming from the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361) — notwithstanding the strength of the language used by the Court — simply cannot be interpreted as meaning that it introduces a new ground for invalidity, in particular as the legislation itself is so clear that the list of the grounds for invalidity is exhaustive.

58. I consider (as does the Commission) that, in drawing the analogy with the judgment of 12 December 2002, *Sieckmann* (C-273/00, EU:C:2002:748), in *Chartered Institute of Patent Attorneys*, the Court took great care to specify that the purpose of the requirement for clarity and precision applied to signs was to determine the subject matter of the protection in order to determine t*he extent of the protection* sought. (16) The registration of a sign as a trade mark must always be applied for in connection with certain goods or services. Although the function of the graphic representation requirement is, in particular, to define the mark itself in order to determine the precise subject of the protection afforded by the registered mark, (17) the extent of that protection is determined by the nature and the number of goods and services specified in that application. Accordingly, the Chartered Institute of Patent Attorneys judgment shows that it is only a ground for opposition to registration of a trade mark and there is no basis in that judgment for a claim for a declaration of invalidity once registration has occurred. The Court did not rule on the consequences of registration of a trade mark that fails to comply with the requirement of clarity and precision.

59. Secondly, SkyKick submit that that requirement could also be covered by the ground for refusal or invalidity of marks which are contrary to public policy or public order laid down in Article 3(1)(f) of Directive 89/104 and Article 7(1)(f) of Regulation No 40/94.

60. I have come to the conclusion that that is the case in the present proceedings and, as I will explain below (point 79 of the present Opinion), I agree with the referring court that the registration of a trade mark for *'computer software'* is unjustified and contrary to the public interest.

61. It is also possible to infer from the case-law that a trade mark which does not satisfy the requirement of clarity and precision infringes public order (see, in particular, judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361, paragraphs 46 to 48)).

62. Moreover, if registration can be obtained too easily and/or too widely, then the result will be mounting barriers to entry for third parties as the supply of suitable trade marks is diminished, increasing costs which may be passed on to consumers, and an erosion of the public domain (see point 95 of the present Opinion).

63. I consider, first, that in the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361), the Court expressly contemplated that broad terms that may apply to a variety of different goods and services lack clarity and precision. Secondly, as pointed out by SkyKick, overly general terms plainly give rise to the same public policy concern as other forms of vague and imprecise terms. Recital 28 of Regulation 2017/1001 articulates this public policy issue. Thirdly, allowing registrations for such broadly defined goods and services is not consistent with the essential function of the trade mark, as set out in the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442, paragraph 28).

64. The referring court found that, assuming that the marks validly covered the goods and services in question, it would be forced to find a trade mark infringement on the basis of a comparison between

the very broadly defined goods and services registered by Sky (irrespective of Sky's actual use and reputation for such goods and services; in fact, as we will see later, one may speak of marks used on *'an enormous and enormously diffuse range of products'*) and the goods and services of SkyKick. The referring court was clearly uncomfortable with that conclusion.

65. The referring court made findings of facts about the breadth of the range of goods and services specified in the trade mark applications (see the order for reference, paragraph 4): for instance, at the dates of filing Sky's EU trade marks, Sky had no intention of using its EU trade marks in respect of all of the goods and services covered by the specifications (see the judgment in the main proceedings, paragraph 250). Sky's declaration as regards the UK trade mark made under section 32(3) of the 1994 Act that it was using the mark (or intended to) in connection with goods/services for which it was seeking trade mark protection was, in part, false (see the judgment in the main proceedings, paragraph 254).

66. Next, the specifications include goods/services in respect of which Sky had no reasonable commercial rationale for seeking registration. According to the judge hearing the case in the main proceedings, after considering all the evidence and the trial, *'I am forced to conclude that the reason for including such goods and services was that Sky had a strategy of seeking very broad protection of the trade marks regardless of whether it was commercially justified'* (the judgment in the main proceedings, paragraph 250). For instance, the specifications are extremely broad for the application for EU112 (2 836 words), EU992 (8 127 words) and UK604 (8 255 words) (order for reference, paragraph 4). Sky's witness was frequently unable to state that Sky had any intention to use the trade marks in connection with particular goods and services covered by the specifications (the judgment in the main proceedings, paragraph 246).

67. In that regard, I stress that the referring court examined the various categories and drew conclusions from that analysis, heard witnesses and established the facts, which is indeed the kind of examination that should be carried out in a case such as this one.

68. I consider that, while use is not a prerequisite for registration of a mark, at the end of the day the entire system works on the basis of assigning (some) use sooner or later.

69. In that regard, I recall recital 9 to Directive 2008/95 and recital 10 to Regulation No 207/2009.

70. The Court (18) has held that *'it follows ... from [those recitals] that the [EU] legislature intended to make the preservation of the rights connected to the trade mark conditional upon it actually being used. ... [an EU] trade mark which is not used could obstruct competition by limiting the range of signs which can be registered as trade marks by others and by denying competitors the opportunity to use that trade mark or a similar one when putting onto the internal market goods or services which are identical or similar to those covered by the mark in question. Consequently, non-use of [an EU] trade mark also risks restricting the free movement of goods and services'*. While it is true that those comments refer to the purpose of revocation after five years of non-use, the sentiments expressed apply to the requirement of use throughout the life cycle of a mark, and so concerns about the cluttering of the register further lend support to a need for greater precision. (19) The Court has previously held that the register of trade marks needs to be *'appropriate and precise'*. (20) Indeed, register clutter imbalances the IP *'bargain'* against the public interest, which requires those seeking protection to specify with clarity what it is they seek validly to protect. (21)

71. Moreover, I note that the new Directive 2015/2436 is worded in even stronger terms. Its recitals 31 and 32 read as follows: *'trade marks fulfil their purpose of distinguishing goods or services and allowing consumers to make informed choices only when they are actually used on the market. A requirement of use is also necessary in order to reduce the total number of trade marks registered and protected in the Union and, consequently, the number of conflicts which arise between them. It is therefore essential to require that registered trade marks actually be used in connection with the goods or services for which they are registered, or, if not used in that connection within five years of the date of the completion of the registration procedure, be liable to be revoked'* (emphasis added) and thus *'a registered trade mark should only be protected in so far as it is actually used'*. Indeed, there is no reason why an EU trade mark should be protected unless it is genuinely used. (22)

72. If terms which are not applicable, but which anyway appear in the register, are vague and uncertain, then this will also lead to a dissuasive effect on competitors considering entering the market, (23) in so far as a company such as Sky will appear larger on the market than it is in reality.

73. In summary, Sky had no intention to use the trade marks for goods and services covered by the registrations, in three different respects (the judgment in the main proceedings, paragraph 251): (i) the specifications include specifically named goods and services in relation to which Sky had no intention to use the trade marks at all, such as *'bleaching preparations'*, *'insulation materials'*, and *'whips'*; (ii) the specifications include categories of goods and services that are so broad that Sky did not intend to use the trade marks across the breadth of the category: the paradigm example is *'computer software'*, but there are others such as *'telecommunications/telecommunications services'* in all five registrations;

and (iii) the specifications were intended to cover all goods/services in relevant classes (for instance, all types of computer software intended to be covered in Class 9, irrespective of the fact that Sky did not and never could provide all types of software) but Sky intended to cover all goods in Class 9. That class contains hundreds of diverse goods from electric door bells to egg timers and fire alarms to fuse wire. Sky have used the trade marks (and other trade marks that they own) to oppose parts of trade mark applications by third parties that cover goods and services in relation to which Sky had no intention of using the trade marks (the judgment in the main proceedings, paragraph 255).

74. While, in one sense, the term *'computer software'* is clear (it comprises computer code), it undoubtedly lacks precision in the sense of covering goods that are too variable in their function and field of use to be compatible with the function of a trade mark.

75. As the Court held in the judgment of 19 June 2012, *Chartered Institute of Patent Attorneys* (C-307/10, EU:C:2012:361, paragraph 54), *'some of the general indications in the class headings of the Nice Classification ... are not such as to meet [the requirement of being sufficiently clear and precise] where they are too general and cover goods or services which are too variable to be compatible with the trade mark's function as an indication of origin'* (emphasis added).

76. That is precisely the situation with which we are faced in the present case. Indeed, I agree with the referring court that registration of a trade mark for *'computer software'* is too broad for the reasons given by Laddie J in Mercury v Mercury, (24) which apply with even more force nearly a quarter of a century later, now that computer software is much more ubiquitous than it was in 1995.

77. In that judgment, Laddie J held that *'the defendant argues that on its present wording, the plaintiff's registration creates a monopoly in the mark (and confusingly similar marks) when used on an enormous and enormously diffuse range of products, including products in which the plaintiff can have no legitimate interest. In the course of argument I put to [the plaintiff] that the registration of a mark for "computer software" would cover any set of recorded digital instructions used to control any type of computer. It would cover not just the plaintiff's type of products but games software, accounting software, software for designing genealogical tables, software used in the medical diagnostic field, software used for controlling the computers in satellites and the software used in the computers running the London Underground system. I think that in the end he accepted that some of these were so far removed from what his client marketed and had an interest in that perhaps a restriction on the scope of the registration to exclude some of the more esoteric products might be desirable. In any event, whether that was accepted or not, in my view there is a strong argument that a registration of a mark simply for "computer software" will normally be too wide. In my view the defining characteristic of a piece of computer software is not the medium on which it is recorded, nor the fact that it controls a computer, nor the trade channels through which it passes but the function it performs. A piece of software which enables a computer to behave like a flight simulator is an entirely different product to software which, say, enables a computer to optically character read text or design a chemical factory. In my view it is thoroughly undesirable that a trader who is interested in one limited area of computer software should, by registration, obtain a statutory monopoly of indefinite duration covering all types of software, including those which are far removed from his own area of trading interest.'*

78. In that regard, SkyKick correctly observe that in modern society a practically limitless array of *'smart'* goods incorporate, or are supplied with, computer software: games consoles, e-books, domestic appliances, toys, televisions, clocks, etc. (let alone such applications as the control software for operating the Large Hadron Collider apparatus). All contain computer software, yet they are entirely dissimilar types of goods. After all, it is not the intention of the EU trade mark rules that a company supplying a smart fridge should be assessed for trade mark infringement on the basis that they supply identical goods — computer software — to that of the supplier of a market trading platform.

79. In short, in my view, registration of a trade mark for *'computer software'* is unjustified and contrary to the public interest because it confers on the proprietor a monopoly of immense breadth which cannot be justified by any legitimate commercial interest of the proprietor.

80. It is notable, as stated by the referring court, that the above view is also recognised in the practice of the United States Patent and Trademark Office (*'USPTO'*) and its Trademark Manual of Examining Procedure (*'TMEP'*) (in the US trade mark system, it is not permissible to apply for *'computer software'* as such — rather, in the interests of precision, the applicant must also specify the type/purpose of software and the field of use). (25) On 21 June 2012 the examiner of the USPTO issued objections to the terms *'computer software'* and *'computer services'*: *'the wording "computer software" ... is indefinite and must be clarified because its purpose must be listed ... An identification for computer software must specify the purpose or function of the software'*.

81. I also agree with the referring court that it is difficult to see why the reasoning of the TMDN with regard to *'machines'* in Class 7 is not equally applicable to *'computer software'* (see footnote 5 of the present Opinion); *'telecommunications services'* (see the judgment in the main proceedings,

paragraph 163); or *'financial services'* (26) for that matter.

(c) What are the relevant criteria for establishing whether a term is sufficiently clear and precise?

82. I have come to the conclusion that the starting point for the analysis of the relevant criteria for establishing clarity and precision is to be found in existing case-law of the Courts of the European Union on establishing whether the *'use'* requirement has been satisfied in relation to some, but not all, goods or services. As has been suggested by legal commentators, (27) this is important as it explains how the parts of a trade mark which have not been used are separated from those parts which have. It spells out the level of specificity that ideally would be required for the mark to be valid and, in any event, how precise it needs to be after five years.

83. So far only the General Court had an opportunity to rule on that issue. In the judgment of 14 July 2005, *Reckitt Benckiser (España) v OHIM — Aladin* (ALADIN) (T-126/03, EU:T:2005:288; not appealed), (28) it set out the basic approach to partial use of a good or service. It identified the two forces restraining the scope of use. Where a trade mark has been used in connection with only some goods or services, it cannot be considered to be used across all the goods or services for which it has been registered (paragraph 44 of that judgment). I consider the approach correct in so far as it considers particular goods in terms of categories and subcategories. Use in a category is sufficient to maintain the entire category where it cannot be divided into sufficiently distinct subcategories (paragraphs 45 and 46) other than in an arbitrary manner. (29) Thus, it is necessary to determine whether or not a category includes independent subcategories so that the Court of Justice can rule whether use has been proven only in respect of that subcategory of goods and services or, on the other hand, where no subcategory can be identified, use can be established across the whole category. (30)

84. Therefore, I consider that the Court should rule that intention to use should mirror revocation on the ground of non-use. (31)

85. Indeed, the Commission already proposed such an approach some 11 years ago in the case that gave rise to the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361, see paragraphs 31 and 32), (32) whereby EUIPO must check, in the process of registering a sign as a trade mark, whether the mark is being applied for with a view to it being actually used. On the other hand, if EUIPO registers a sign as a trade mark which is not then actually used, it is then also open to third parties, on the basis of Article 51(1)(b) of Regulation No 40/94, to claim, within a period of five years, that the applicant was acting in bad faith at the time of registration of that sign as a trade mark and to request a declaration of invalidity of the mark on that ground. As regards the criteria relevant to determining whether the applicant was acting in bad faith, the Commission refers to the applicant's conduct on the market, the conduct of other operators in relation to the sign submitted for registration, the fact that the applicant, at the time of filing, may have a portfolio of trade marks, and all the other specific circumstances of the particular case.

86. That is a sensible approach in so far as *'at the date of filing, the intended use of a mark would not be sufficient to survive a revocation action five years later, a court should conclude that the application was made in bad faith. Nothing would change during examination, the Trade Mark Office would still have no obligation to determine whether there was an intention to use on filing, … rather it would be left to third parties to apply to invalidate the mark after grant [or in opposition proceedings before Trade Mark Offices where objections on absolute grounds can be raised]. … In practice this would (usually) mean that only where a third party actually wants to use the unused mark [— such as in the main proceedings —] would invalidity be sought; otherwise, the unused marks (including those with no intention to ever use) would simply remain on the register (as they do now)'*. (33)

B. Third question referred

1. Brief summary of the parties' arguments

87. Sky contend that there are no requirements for use of a trade mark registered either at the Member State or EU level other than those specifically established by the applicable EU legislation, to be assessed entirely objectively in the context of an inter partes request for the imposition of sanctions, made after expiry of an uninterrupted period of five years of non-use. The application of sanctions for non-use does not depend on the existence of a subjective intention of the trade mark proprietor. Sky add that it is not permissible to adopt or apply any rule to the effect that the protection of trade marks by registration is or has ever been conditional upon the existence of an express or implied *'declaration of intention to use the mark'* at the date of application for registration, either at Member State level or at EU level. The United Kingdom may not adopt or apply any different rule of its own on the basis of the notification it has given pursuant to Rule 7(2) of the Common Regulations under the Madrid Agreement and Madrid Protocol. (34) It is not permissible to adopt or apply any rule to the effect that the existence of bad faith can simply be equated with the absence of an intention to use a trade mark for goods or services covered by an application for registration of that mark filed either at Member State level or at EU level.

88. SkyKick submit, in essence, that the third question should be answered in the affirmative in so far as Sky acted in bad faith.

89. The United Kingdom Government proposes to answer the third and fourth questions jointly and in the affirmative.

90. The French Government submits that the third, fourth and fifth questions should be dealt with together and answered in the negative. In particular, it argues that the Court also requires that the applicant has an intention to harm a third party, with the result that the mere fact of having made an application for registration of a trade mark without the intention of using that trade mark does not constitute a sufficient ground for establishing bad faith. Moreover, that government argues that if, within the grace period of five years, the proprietor has not put the EU trade mark to genuine use in connection with the goods or services for which it is registered, then the trade mark is subject to a sanction for non-use and such a sanction is to apply regardless of whether or not the proprietor of the trade mark intends to use the goods and services listed in its application for registration.

91. The Hungarian, Polish and Slovak Governments do not propose an answer to this question.

92. The Finnish Government submits that the third question should be answered in the negative.

The Finnish Government and the Commission make similar arguments and contend that the intention of the applicant may be an *'element of bad faith'* in certain circumstances where the sole objective is to prevent a third party from entering the market. The lack of genuine intention to use the mark may *'in certain circumstances'* support the conclusion that the application was filed in bad faith when it is established that the sole objective pursued by the applicant for the trade mark was to prevent third parties from *'entering the market'*. (35)

2. Assessment

93. The third question examines whether the trade marks were registered in bad faith on the ground that Sky did not intend to use them in connection with all of the goods and services listed in the respective specifications and, in fact, applied to register some of the marks without any intention to use them in connection with the specified goods or services. Therefore, in the present case the Court will have to rule on the meaning and scope of the concept of *'bad faith'* as referred to in Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of Directive 89/104. (36)

94. In my view, where the applicant — as Sky here — was found by the referring court to have had a *deliberate* intention to acquire rights it had no intention to use, potentially, inter alia, to prevent third parties from using the registered mark for the sale of those goods and services, then there is bad faith. (37) That is because the deliberate seeking of registration in respect of goods and services for which there is no intention to trade reflects an intention to abuse the trade mark system. Allowing a mark to be declared invalid on the ground of bad faith for lack of intent to use it in connection with some of the specified goods and services is not only in line with the very objective of Regulation No 40/94 and Directive 89/104 (and their successors), but also with the legislative history surrounding that concept (see point 115 of the present Opinion).

95. The referring court correctly points out that these are important issues: the circumstances in which registration of a trade mark may be achieved, and the scope of the coverage thereby obtained, are key features of any trade mark system and are critical to the balancing of the system. There are undoubtedly advantages to permitting registration of trade marks without requiring actual use of them, as the European system does (unlike, for example, the US system). Two of the key advantages are that it makes it easier for brand owners to obtain protection of their trade marks in advance of a commercial launch and that it makes the registration process simpler, faster and cheaper. However, if registration can be obtained too easily and/or too broadly, as in the present case, the result will be mounting barriers to entry for third parties as the supply of suitable trade marks is diminished, increasing costs that will likely be passed on to consumers, and an erosion of the public domain.

96. I also share the view of the referring court that if the applicant applies for registration of a trade mark without intending to use it in connection with the specified goods and services, there is nothing to stop the trade mark being registered (assuming that the trade mark is otherwise registrable). The only way in which the registration can be cancelled, or restricted in scope, prior to the expiry of the fiveyear period required for a challenge on the basis of non-use is on the ground that the application was made in bad faith. If a trade mark can be registered without any intention to use it in connection with all or some of the specified goods and services, and the registration cannot be challenged or restricted on the ground of bad faith, then the system will be open to abuse. Examples of such abuses can be seen in the case-law. (38)

97. Rather conveniently, these issues were examined by the Court in a recent case. I agree with Advocate General Kokott, who proposes a test for bad faith on the basis that bad faith is established from the moment when an actor obtains an undue advantage from the EU trade mark system. (39)

98. In the judgment in that case (judgment of 12 September 2019, *Koton Mağazacilik Tekstil Sanayi ve Ticaret v EUIPO* (C-104/18 P, EU:C:2019:724, paragraph 45)), the Court first recalled that EU trade mark rules are aimed at contributing to the system of undistorted competition in the European Union. In that system, each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin.

99. Then, in paragraph 46 of that judgment, it ruled that *'the absolute ground for invalidity referred*

to in Article 52(1)(b) of Regulation No 207/2009 applies where it is apparent from relevant and consistent indicia that the proprietor of an EU trade mark has filed the application for registration of that mark not with the aim of engaging fairly in competition but with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties, or with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin'.

100. In that regard, the Court has previously ruled that *'whether the applicant is acting in bad faith, within the meaning of Article 51(1)(b) of Regulation No 40/94, must be the subject of an overall assessment, taking into account all the factors relevant to the particular case' and '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'*. (40)

101. Moreover, in the judgment of 12 September 2019, *Koton Mağazacilik Tekstil Sanayi ve Ticaret v EUIPO* (C-104/18 P, EU:C:2019:724, paragraph 62 et seq.), the Court of Justice also considered it important to rule that, in that case, the General Court *'did not examine whether the application for a trade mark containing the stylised word "KOTON" for goods and services in Classes 25, 35 and 39 of the Nice Agreement had a commercial logic in the light of the intervener's activities'*. Furthermore, it held that, even though the General Court had mentioned *'the commercial logic underlying the filing of the application for registration'* and *'the chronology of events leading to that filing'* as factors that might be relevant, the General Court failed to examine them fully later in its judgment. The Court of Justice upheld the ground of appeal and set aside the General Court's judgment.

102. Unlike the Court of Justice, there is already a body of case-law on bad faith from the General Court. While it is true that many cases may depend on their individual facts, the General Court's caselaw also recognises that, at least in some circumstances, registering a trade mark with no (genuine) intention of using it can constitute bad faith. (41)

103. I consider that the above case-law of the General Court correctly confirms that it is relevant to enquire into the applicant's commercial logic for filing its application. (42) For instance, the General Court considered that conduct which was not legitimate business activity, but contrary to the objectives of Regulation No 207/2009, amounted to bad faith because it was akin to abuse of the law. That judgment also supports the view that filing a trade mark without intending to use it in connection with the specified goods and services in principle amounts to bad faith. (43)

104. Contrary to the view of the French Government, I consider that my approach and interpretation of the concept of *'bad faith'* on the part of the applicant — covering cases where he registers a sign for goods and services without the intention to use that sign for those goods and services — does not risk ridding the revocation mechanism of its *effet utile*. As the example put forward by the United Kingdom Government at the hearing explains, if someone filed an application for registration of the trade mark *'Taxi'* in respect of three types of foodstuffs: biscuits, yoghurts, and cooked meats, he has the intention to use the mark for all three types. If, then, five years later, the applicant did not use it for biscuits, then his mark risks simply being revoked for biscuits on the ground of non-use. In other words, the applicant will have difficulties relying on that mark *vis-à-vis* another producer. In that example, there is no incompatibility with bad faith. There was a commercial justification in that the applicant wanted to cover the eventuality of using or extending the use of his mark to other products in the future. On the other hand, if the applicant applied for registration of the same mark *'Taxi'* for biscuits, yoghurts, cooked meats, airplanes and surgical instruments, then his monopoly would prevent any producer of airplanes and surgical instruments from using the term *'Taxi'* as a trade mark for their company.

Therefore, if the applicant's filing sought to prevent third parties from using that term even though he had no intention of using that term as a mark, the application for registration is abusive as it has nothing to do with the applicant's commercial activities.

105. Moreover, the focus is on the motivation at the moment of filing the application for registration of the mark, whereas for revocation it is necessary to focus on the use which had or had not been made over the first five years.

106. Instead, I am of the opinion that, in reality, it may be the revocation mechanism that potentially risks ridding the bad faith mechanism of its own scope of application.

107. The General Court also ruled that *'the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of [the] applicant, when it becomes apparent, subsequently, that the applicant applied for registration of a sign as an EU trade mark without intending to use it'*. (44) That is arguably a clear ruling that applying for registration of a trade mark without intending to use it in connection with the specified goods or services in and of itself constitutes bad faith.

108. I also share the view in the UK case-law (45) that bad faith *'includes dishonesty and ... some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined'*. (46)

109. It may already be inferred from the Court's existing case-law that registering a trade mark without any intention to use it may constitute bad faith. (47) Indeed, I consider (as does the referring court)

that, first, although there is no express requirement of an intention to use in either the applicable regulations or the directives, and a registered trade mark cannot be revoked for non-use until five years have passed, the case-law of the Court of Justice and the General Court suggests that, at least in certain circumstances, applying for registration of a trade mark without any intention to use it in connection with the specified goods and services may constitute bad faith, in so far as it is an abuse of the trade mark system (that is also the position of the United Kingdom Government and the Commission).

Secondly, according to the case-law, the fact that the applicant has applied for registration of the trade mark in respect of a broad range of goods or services is not sufficient to demonstrate bad faith if the applicant has a reasonable commercial rationale for seeking such protection in the light of his use or intended use of the trade mark.

110. I would add that, when an applicant files an application for registration of a trade mark without any intention to use it, the rationale for the application for registration falls away. In that case, it is not an application for registration of a trade mark that has an essential function, but bears greater resemblance to an anticompetitive application to prevent third parties from developing their own commercial activities. That is clearly not the objective of the trade mark system.

111. The Court has also recognised that applying for a trade mark without the intention of using it in trade but for the sole purpose of using it to register an internet domain name may constitute bad faith. (48) The appellant in that case wanted to register the domain name *'.eu'* for a German word (for car tyres) by registering it as a Swedish mark (for car seat belts or *'safety belts'*), in order then to convert it to a domain name under the applicable regulation. The Court applied the rule in *Lindt* (49) and held that it was apparent from the order for reference that, although the appellant had registered the word mark &R&E&I&F&E&N& in Sweden for safety belts, it had no intention of using that mark in so far as *'it actually intended to operate an internet portal for trading in tyres, which it intended to register'*. Therefore, what was in fact happening in that case was rather an attempt to *'play'* the trade mark rules. (50) In other words, the Court concluded that applying for trade marks in order to *'cybersquat'* could constitute bad faith in the context of that regulation. As I argue in the present Opinion, similar reasoning applies more generally to the trade mark registration system.

112. It has also been recognised by the General Court that filing an application for registration of an EU trade mark with the European Union Intellectual Property Office as part of a blocking strategy can constitute bad faith. (51)

113. The General Court held in paragraph 51 of that judgment that *'the successive chain of applications for registration of national trade marks for the same sign in respect of goods and services covered by classes which are at least partially identical seeks to grant Mr A. a blocking position. When a third party files an application for registration of an identical or similar [EU] trade mark, Mr A. applies for registration of [an EU] trade mark, claims priority for it by relying on the last link of the chain of applications for registration of national trade marks and brings opposition proceedings on the basis of that application for [an EU] trade mark. The successive chain of applications for registration of national trade marks is designed therefore to grant him a blocking position for a period exceeding the six-month period of reflection provided for by Article 29(1) of Regulation No 207/2009 and even the five-year grace period provided for by Article 51(1)(a) of that regulation'*.

114. I consider that if the applicant does not intend to use the mark, it is immaterial whether the applicant intends to prevent a specific third party from using the mark, or all third parties. In those circumstances, the applicant is improperly seeking a monopoly to exclude potential competitors from using a sign which he has no intention of using. That amounts to an abuse of the trade mark system.

115. Lastly, in my view, the *travaux préparatoires* support the above analysis. They suggest, as regards the concept of bad faith, that declaring a mark invalid on the ground of bad faith also encompasses situations in which such a trade mark application is filed without intent to use all/some of the specified goods/services. In 1984, in the Council Working Group for a trade mark regulation, the German delegation expressly proposed requiring a *'bona-fide intent to use'* upon filing an application for an EU trade mark (Schreiben der deutschen Delegation doc. 12 October 1984 9755/84, pp. 7 to 8). This proposal was subsequently accepted in 1985 and, in 1986, it was adopted in Article 41(1)(b) as an absolute ground for invalidity. In subsequent versions of that provision, the wording of a lack of *'bona fide'* intention to use was replaced with the more general term of bad faith, which ultimately resulted in Article 51(1)(b) of Regulation No 40/94 (now Article 59(1)(b) of Regulation 2017/1001).

116. Some legal commentators (52) took the view that the replacement of an explicit requirement to have a bona fide intention to use a mark with simply *'bad faith'* was done to exclude the requirement of intention to use from the regulation (and directive). I consider that view to be incorrect.

117. I do not see anything in the *travaux préparatoires* to suggest that that is the case and I find much more convincing the view of the other legal commentators (53) that the replacement of the explicit requirement with the more general *'bad faith'* was done to broaden the scope of the provision, in that it was believed it encompassed a bona fide intention to use and other types of bad faith. (54)

C. Fourth question referred

1. Brief summary of the parties' arguments

118. Sky submit that, where an objection on the ground of bad faith is upheld, it is mandatory for it to be applied in respect of the specific goods or services only. It is settled case-law that an examination of grounds for refusal or invalidity must be carried out in relation to each of the goods or services for which trade mark registration has been sought or obtained. (55)

119. SkyKick's primary case is that, where a trade mark has been applied for without an intention to use it across all the goods and services for which the applicant sought registration, and where seeking overly broad rights was its deliberate strategic decision, the consequence must be that the registration is wholly invalid. Skykick rely on Article 59(1)(b) of Regulation 2017/1001, which provides that an EU trade mark *'shall be declared invalid'* where *'the applicant was acting in bad faith when he filed the application for the trade mark'*. They submit that the only EU Court judgment (of which they are aware) which deals with this point directly supports SkyKick's primary case. In GRUPPO SALINI, (56) the General Court held that *'the existence of bad faith at the time the application for registration is filed entails of itself the nullity in its entirety of the mark at issue'*. This is also consistent with the principle of *fraus omnia corrumpit* (fraud invalidates/unravels everything), common in the law of many Member States, including English common law. (57)

120. By their alternative case, SkyKick contend that the answer to the question whether bad faith entails the invalidity of a trade mark depends on a case-by-case analysis, which in turn depends on a multi-factorial analysis. The factors to be taken into account include the existence of commercial justifications; the extent to which the applicant disregarded legal certainty for third parties and the authorities; the size of, and resources available to, the proprietor; the number of listed goods and services and the extent to which they overlap with each other; the extent to which the mark covers goods/services for which the applicant had no intention to use; the distinctiveness of the mark; whether the rights in question are duplicative/have been *'evergreened'*; any enforcement action pursued on the basis of the marks in respect of goods/services it did not intend to use; and whether the proprietor has a reasonable justification for its application despite lack of intention.

121. The United Kingdom Government proposes an answer to this question in the context of its response to the third question. The French Government proposes to answer the question jointly with the third and fifth questions. The Hungarian, Polish and Slovak Governments do not propose to answer this question.

122. The Finnish Government and the Commission contend, in essence, that the answer to the fourth question must be in the affirmative. To extend the effect of the ground for invalidity also to the goods or services for which the trade mark is actually used would be a consequence in the nature of a sanction, which is not supported by the wording of the provisions.

2. Assessment

123. Given that the third question is answered in the affirmative, it is necessary to clarify what the consequences of bad faith on the part of an applicant when filing the application are, where that bad faith only concerns some of the goods and services covered by the registration.

124. In my view, the referring court is correct when it suggests that a trade mark may be declared to be partly invalid if the application was made partly in bad faith.

125. It is sufficient to note that it clearly follows from Article 51(3) of Regulation No 40/94 and Article 13 of Directive 89/104 that, where the ground for invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark is to be declared invalid as regards those goods or services only.

126. Therefore, I consider that the case-law of the General Court (58) which suggests the contrary (that is, that the existence of bad faith entails the invalidity of the mark in its entirety) is incorrect.

127. It follows that, in the light of Article 13 of Directive 89/104 and Article 51(3) of Regulation No 40/94, where the ground for invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark is to be declared invalid as regards those goods or services only.

D. Fifth question referred

1. Brief summary of the parties' arguments

128. Sky submit that section 32(3) of the 1994 Act is incompatible with the scheme of the EU legislation applicable to the protection of trade marks by registration at the Member State level and EU level. It is, in any event, impermissible to interpret or apply a national legislative measure such as section 32(3): (i) so as to result in a finding of bad faith not otherwise countenanced by the autonomous EU law concept of bad faith; or (ii) so as to establish directly or indirectly a different or more onerous requirement for use of registered trade marks than that which is substantively imposed and regulated, with effect only from and after registration, by the EU legislation applicable to revocation of registrations and *'proof of use'* as a prerequisite for enforcement of the rights conferred by registration.

129. The United Kingdom Government contends that this question is inadmissible in so far as Directive 2015/2436 has not yet been transposed in UK law.

130. SkyKick and the United Kingdom Government (as its alternative argument) submit that section 32(3) imposes a procedural requirement that the application must state that the trade mark is

actually being used or that the applicant intends to use the mark and so is compatible with EU legislation on national and EU trade marks.

131. The French Government proposes to answer this question jointly with the third and fourth questions. The Hungarian, Polish, Slovak and Finnish Governments do not propose any answer to this question.

132. The Commission argues, in essence, that section 32(3) of the 1994 Act is compatible with EU law.

2. Assessment

133. The referring court explains that the UK courts and tribunals consider that violation of section 32(3) of the 1994 Act by filing a false declaration may be alleged in the context of an application for invalidity of a mark based on the basis of the prohibition of bad faith. In other words, in the United Kingdom the declaration submitted under section 32(3) may be used as evidence to show potential bad faith on the part of the applicant, which is an absolute ground for invalidity.

134. The referring court asks about the compatibility of that section with Directive 2015/2436 *and its predecessors*, and so the United Kingdom Government's argument of inadmissibility should be rejected.

135. The relevant directives leave matters of procedural autonomy to the Member States, but there are also certain substantive matters which are not subject to harmonisation. Indeed, according to recital 5 of Directive 89/104 (which corresponds to recital 6 of Directive 2008/95), *'Member States also remain free to fix the provisions of procedure concerning the registration, the revocation and the invalidity of trade marks acquired by registration; ... they can, for example, determine the form of trade mark registration and invalidity procedures, decide whether earlier rights should be invoked either in the registration procedure or in the invalidity procedure or in both and, if they allow earlier rights to be invoked in the registration procedure, have an opposition procedure or an ex officio examination procedure or both; whereas Member States remain free to determine the effects of revocation or invalidity of trade marks'* (emphasis added).

136. In addition, recital 7 of that directive (which corresponds to recital 8 of Directive 2008/95) states inter alia that *'Member States will be able to maintain or introduce into their legislation grounds of refusal or invalidity linked to conditions for obtaining and continuing to hold a trade mark for which there is no provision of approximation, concerning, for example, the eligibility for the grant of a trade mark, the renewal of the trade mark or rules on fees, or related to the non-compliance with procedural rules'*. (59)

137. In any event, what is important for the purposes of the present case is that, in my view, section 32(3) of the 1994 Act does not lay down a new ground for invalidity.

138. Rather, it lays down only the procedural requirements pertaining to applications, since it sets out the elements that must accompany a trade mark application. A provision such as section 32(3) may also serve a number of purposes related to revocation or invalidity including non-compliance with procedural or substantive rules.

139. While it is true that infringement of the procedural obligation in that section may entail the invalidity of a registered mark, the fact remains that such invalidity, if it is established, will be based on the bad faith requirement under Article 3(2)(d) of Directive 89/104.

140. I consider (as does the Commission) that section 32(3) as such is merely a procedural requirement for non-compliance which assists in adducing evidence of bad faith in all the circumstances of the case. section 32(3) does not specify the legal consequences of an inaccurate statement by the applicant for the trade mark. This should in itself be equated with a ground for invalidity whereby bad faith is found if the applicant had no bona fide intention to use the mark for all the specified goods and services. In other words, a ground for invalidity on the basis of bad faith could not be found to apply only on the basis of making a false declaration under section 32(3) of the 1994 Act. It could, however, form part of the evidence.

141. Therefore, I do not see how section 32(3) could be an obstacle to the referring court's fulfilment of its obligation to interpret national law in conformity with the directive, to the extent that section 32(3) does not specify the legal consequences of an inaccurate statement by the applicant for the trade mark.

142. It follows that section 32(2) of the 1994 Act is compatible with Directive 89/104, provided that it is not the sole basis for a finding of bad faith.

III. Conclusion

143. On those grounds, I propose that the Court should answer the questions referred for a preliminary ruling by the High Court of Justice (England and Wales), Chancery Division (United Kingdom) as follows:

(1) A registered EU trade mark or national trade mark may not be declared wholly or partially invalid on the sole ground that some or all of the terms in the specification of goods and services lack sufficient clarity and precision. A lack of clarity and precision in the specification of goods and services may nevertheless be taken into account when assessing the scope of protection to be given to such a registration.

(2) However, the requirement of clarity and precision may be covered by the ground for refusal or invalidity of marks which are contrary to public policy, as laid down in Article 3(1)(f) of First Council Directive 89/104 of 21 December 1988 to approximate the laws of the Member States relating to trade marks and Article 7(1)(f) of Council Regulation No 40/94 of 20 December 1993

on the Community trade mark, in so far as registration of a trade mark for *'computer software'* is unjustified and contrary to the public interest. A term such as *'computer software'* is too general
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curia.europa.eu/juris/document/document_print.jsf?docid=219223&text=&dir=&doclang=EN&part=1&occ=first&mode=req&pageIndex=0&cid=3… 19/23
and covers goods and services which are too variable to be compatible with the trade mark's function as an indication of origin for that term to be sufficiently clear and precise to enable the competent authorities and third parties to determine on the basis of that term alone the extent of the protection conferred by the trade mark.

(3) In certain circumstances, applying for registration of a trade mark without any intention to use it in connection with the specified goods or services may constitute an element of bad faith, in particular where the sole objective of the applicant is to prevent a third party from entering the market, including where there is evidence of an abusive filing strategy, which it is for the referring court to ascertain.

(4) In the light of Article 13 of Directive 89/104 and Article 51(3) of Regulation No 40/94, where the ground for invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark is to be declared invalid as regards those goods or services only.

(5) Section 32(3) of the United Kingdom Trade Mark Act 1994 is compatible with Directive 89/104 provided that it is not the sole basis for a finding of bad faith.

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1 Original language: English.

2 This type of service which *'migrates'* is also known as *'kick'*. The defendants' particular products are cloud migration, cloud backup and cloud management services. These are provided as an adjunct to the Microsoft Office 365 software. The name SkyKick was chosen because it sounded like *'sidekick'* and it was evocative of the company's service, in which users would *'kick'* (migrate) their data into the *'sky'* (cloud).

3 Opinion of Advocate-General Léger in Praktiker Bau- und Heimwerkermärkte (C-418/02, EU:C:2005:12, point 47).

4 Regulation of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1).

5 The Communication determined five terms included in the Class Headings which do not satisfy the requirement of clarity and precision: Class 7, machines; Class 37, repair; Class 37, installation services; Class 40, treatment of materials; and Class 45, personal and social services rendered by others to meet the needs of individuals. It states that *'the term "machines" does not provide a clear indication of what machines are covered. Machines can have different characteristics or different purposes, they may require very different levels of technical capabilities and know-how to be produced and/or used, could be targeting different consumers, be sold through different sales channels, and therefore relate to different market sectors'*.

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

7 Directive of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ 2015 L 336, p. 1).

8 Directive of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25).

9 Council Regulation of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).

10 Judgments of 12 February 2004, Koninklijke KPN Nederland (C-363/99, EU:C:2004:86, paragraph 34), and of 7 July 2005, Nestlé (C-353/03, EU:C:2005:432, paragraph 25).

11 Council Regulation of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 1891/2006 of 18 December 2006 (OJ 2006 L 386, p. 14).

12 First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

13 See judgment of 19 June 2014, Oberbank and Others (C-217/13 and C-218/13, EU:C:2014:2012, paragraph 31).

14 Judgment of 9 March 2006, Matratzen Concord (C-421/04, EU:C:2006:164, paragraph 19).

15 Judgment of 27 June 2013, Malaysia Dairy Industries (C-320/12, EU:C:2013:435, paragraph 42).

16 See also the Opinion of Advocate General Bot in Chartered Institute of Patent Attorneys (C-307/10, EU:C:2011:784, point 68).

17 Judgment of 12 December 2002, Sieckmann (C-273/00, EU:C:2002:748, paragraph 48).

18 Judgment of 19 December 2012, Leno Merken (C-149/11, EU:C:2012:816, paragraph 32).

19 Johnson, P., *'So Precisely What Will You Use Your Trade Mark For?'*, International Review of Intellectual Property and Competition Law, 49(8), 2018, pp. 940 to 970, Section 2.3. In addition, an independent study, commissioned and published by the UK IP Office, found that even marks which contained more than 1 000 words were used only at 0.08% of the total demanded at the registration. See Graevenitz, G., Ashmead, R., Greenhaigh, C., Cluttering and non-use of trade marks in Europe, UK IPO, August 2015.

20 Judgment of 12 December 2002, Sieckmann (C-273/00, EU:C:2002:748, paragraph 50).
21 As noted in Graevenitz, G., Ashmead, R., Greenhaigh, C., op. cit., p. 96.
22 With regard to the issue of a mark which has never been used and whether one can in abstracto rely on such a mark, see the currently pending Case C-622/18, Cooper International Spirits and Others. The Court will have to be consistent in dealing with that case and the present case.
23 See judgment of 11 June 2009, Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361, see paragraphs 43 and 44).
24 Mercury Communications Ltd v Mercury Interactive (UK) Ltd [1995] FSR 850 at 864-865.
25 The TMEP states in §1402.03(d): *'Any identification of goods for computer programs must be sufficiently specific to permit determinations with respect to likelihood of confusion. The purpose of requiring specificity in identifying computer programs is to avoid the issuance of unnecessary refusals of registration ... where the actual goods of the parties are not related and there is no conflict in the marketplace. ... Due to the proliferation and degree of specialization of computer programs, [even] broad specifications such as "computer programs in the field of medicine" or "computer programs in the field of education" will not be accepted, unless the particular function or purpose of the program in that field is indicated. ... "computer programs for use in cancer diagnosis" or "computer programs for use in teaching children to read" would be acceptable.'*
26 See another case of the referring court in FIL Ltd v Fidelis Underwriting Ltd [2018] EWHC 1097 (Pat) at [95], Arnold J.
27 Johnson, P., op. cit., Section 5.2. This part of the Opinion draws on the analysis already proposed by Professor Johnson.
28 This case-law of the General Court will be addressed by the Court of Justice in Case C-714/18 P, ACTC v EUIPO and in Joined Cases C-720/18 and C-721/18, Ferrari (these cases are currently pending).
29 See judgment of 13 February 2007, Mundipharma v OHIM — Altana Pharma (RESPICUR) (T-256/04, EU:T:2007:46, paragraph 24).
30 See judgment of 27 March 2014, Intesa Sanpaolo v OHIM — equinet Bank (EQUITER) (T-47/12, EU:T:2014:159, paragraph 20).
31 As already proposed by Johnson, P., op. cit., Section 5.3.
32 See also the Opinion of Advocate General Sharpston in Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:148, point 48).
33 Johnson, P., op. cit., Section 4.3, who explains how this is consistent with the travaux préparatoires.
34 The Madrid system concerning the international registration of marks is governed by the Madrid Agreement, initially concluded in 1891, and the Protocol Relating to the Madrid Agreement, initially concluded in 1989.
35 The Commission relies, in essence, on the judgments of 11 June 2009, Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361); of 13 December 2012, pelicantravel.com v OHIM — Pelikan (Pelikan) (T-136/11, not published, EU:T:2012:689; not appealed); and of 7 July 2016, Copernicus-Trademarks v EUIPO — Maquet (LUCEO) (T-82/14, EU:T:2016:396; appeal dismissed by order of 14 December 2017, Verus v EUIPO (C-101/17 P, not published, EU:C:2017:979)).
36 While the former provision of the regulation makes bad faith when filing the application for the trade mark an absolute ground for invalidity, that is not directly the case for Article 3(2)(d) of Directive 89/104. Indeed, that article allows the Member States discretion as to whether or not to transpose that ground for invalidity in their national law. In any event, the substance of those two provisions must be interpreted in the same way.
37 See judgment of 11 June 2009, Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361).
38 See, for instance, the judgment in LUCEO.
39 cf. her Opinion in Koton Mağazacilik Tekstil Sanayi ve Ticaret v EUIPO (C-104/18 P, EU:C:2019:287, point 32).
40 Judgment of 11 June 2009, Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361, paragraphs 37 and 42).
41 See, for instance, judgments of 7 June 2011, Psytech International v OHIM — Institute for Personality & Ability Testing (16PF) (T-507/08, not published, EU:T:2011:253, paragraphs 88 and 89; not appealed); of 14 February 2012, Peeters Landbouwmachines v OHIM — Fors MW (BIGAB) (T-33/11, EU:T:2012:77, paragraphs 24 to 26; not appealed); Pelikan (paragraphs 54 to 55 and 58 to 60); of 8 May 2014, Simca Europe v OHIM — PSA Peugeot Citroën (Simca) (T-327/12, EU:T:2014:240, paragraphs 38 and 39; not appealed); and LUCEO (paragraphs 28 to 33 and 48 to 52).
42 See, to that effect, judgment of 29 June 2017, Cipriani v EUIPO — Hotel Cipriani (CIPRIANI) (T-343/14, EU:T:2017:458, paragraphs 46 and 47; not appealed).
43 Judgment in LUCEO (paragraphs 28 to 33 and 48 to 52).
44 Judgment of 5 May 2017, PayPal v EUIPO — Hub Culture (VENMO) (T-132/16, not published, EU:T:2017:316, paragraphs 63 to 65; not appealed).
45 See the judgment in the main proceedings, paragraph 210. I consider that, in that regard, the fact that UK rules expressly require intention to use on account of section 32(3) of the 1994 Act is not necessarily decisive.
46 See Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd [1999] RPC 367, paragraph 379. See also DEMON ALE Trade Mark [2000] RPC 345, Decon Laboratories Ltd v Fred Baker Scientific Ltd [2001]

RPC 17, LABORATOIRE DE LA MER Trade Marks [2002] FSR 51, Knoll AG's Trade Mark [2003] RPC 10, Ferrero SpA's Trade Marks [2004] RPC 29, 32Red plc v WHG (International) Ltd [2012] EWCA Civ 19, Red Bull GmbH v Sun Mark Ltd [2012] EWHC 1929 (Ch), Total Ltd v YouView TV Ltd [2014] EWHC 1963 (Ch), Jaguar Land Rover Ltd v Bombadier Recreational Products Inc [2016] EWHC 3266 (Ch), HTC Corp v One Max Ltd (O/486/17), Paper Stacked Ltd v CKL Holdings NV (O/036/18).

47 Judgment of 11 June 2009, Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361).

48 Judgment of 3 June 2010, Internetportal und Marketing (C-569/08, EU:C:2010:311).

49 Judgment of 11 June 2009, Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361).

50 See also the recent decision of the Second Board of Appeal of EUIPO in Case R 1849/2017-2, Monopoly, 22 July 2019 (the contested EU trade mark covered numerous goods and services which were simply a repeat of the earlier, already existing EU trade marks *'MONOPOLY'*. All of the circumstances mentioned implied that the intention of the proprietor was to take advantage of the EU trade mark rules by artificially creating the situation where it would not have to prove genuine use of its earlier marks for the goods and services mentioned and so bad faith was partially proven).

51 Judgment in LUCEO.

52 Tsoutsanis, A., Trade mark registrations in bad faith, Oxford University Press, 2010, p. 65.

53 Johnson, P., op. cit., Section 4.3, who explains in more detail how there are at least five reasons why this view is the correct one.

54 The concept of bad faith is undoubtedly a broader concept encompassing other forms of abuse of the trade mark system, such as to combat trade mark trafficking, but also to ensure sound administration of the system of registration of trade marks and to avoid third parties being prevented from registering their (prospective) signs as trade marks (see Schreiben der deutschen Delegation, cited in point 115 of the present Opinion).

55 Judgment of 17 October 2013, Isdin v Bial-Portela (C-597/12 P, EU:C:2013:672, paragraphs 24 to 30).

56 Judgment of 11 July 2013, SA.PAR. v OHIM — Salini Costruttori (GRUPPO SALINI) (T-321/10, EU:T:2013:372; not appealed).

57 See, for example, Tsoutsanis, A., op. cit., paragraph 2.38 and citations therein.

58 See judgments of 14 February 2012, Peeters Landbouwmachines v OHIM — Fors MW (BIGAB) (T-33/11, EU:T:2012:77, paragraph 32; not appealed) and of 11 July 2013, SA.PAR. v OHIM — Salini Costruttori (GRUPPO SALINI) (T-321/10, EU:T:2013:372, paragraphs 47 and 48; not appealed).

59 See judgment of 7 July 2005, Praktiker Bau- und Heimwerkermärkte (C-418/02, EU:C:2005:425, paragraph 30). As the Commission pointed out, in the judgment of 27 June 2013, Malaysia Dairy Industries (C-320/12, EU:C:2013:435) that recital was interpreted rather restrictively, whereby it is limited to the grounds laid down in the directive itself and there was no interpretation of what is meant by the phrase *'maintain or introduce … for which there is no provision of approximation'*.