As broad as it is long: CJEU rules that trade mark owners need not amend broad specifications

Sunday, February 23, 2020

On 29 January 2020, brand owners across the EU were reassured in relation to the content of their trade mark specifications following the decision of the Court of Justice of the EU (CJEU) in Sky v SkyKick (C-371/18). The CJEU provided welcome confirmation that trade mark registrations with specifications comprising of broad terms such as “internet portal services” and “computer software” were not capable of being invalidated simply on the basis that they were contrary to public policy or lacked clarity or precision.

Background

Originally heard in the High Court in April 2018, this case concerned an infringement claim brought by Sky, the well-known broadcaster, against SkyKick (a US cloud management software company). Sky sued SkyKick for the unauthorised use of the word SKYKICK, which Sky said was an infringement of its UK and EU trade mark registrations for the word SKY.

SkyKick made a counterclaim against Sky, challenging the validity of Sky’s registrations in classes 9 and 38, on the basis that they lacked sufficient clarity and
precision. SkyKick also alleged that Sky’s registrations were made in bad faith, saying that Sky had no intention of using the marks for all of the goods and services for which they had been registered, including obscure items such as dog whistles and life jackets.

The High Court found in favour of Sky, ruling that SkyKick had infringed Sky’s marks, but referred the issue of invalidity to the CJEU.

**Decision of the CJEU**

The Advocate General had previously advised the CJEU that, whilst there is no legal provision requiring that trade mark specifications must be clear and precise, such trade marks may be considered against public policy. The CJEU disagreed with the Advocate General Opinion. Instead, the CJEU found that marks that are not sufficiently clear or precise do not, for that reason alone, contravene public policy. The CJEU said that an imprecise specification of a trade mark is not a ground for revocation under the old form of the current legislation (which, by implication, also covers the recently updated legislation).

In accordance with the famous IP Translator case, the CJEU confirmed its position that all applications for new trade marks must contain specifications that are clear and precise. However, in this case, since Sky’s mark was already registered, it cannot be declared invalid simply because it fails to meet those criteria.

In any event, the court was cognisant of the fact that any trade mark which has not been used in accordance with its registered specification may be revoked after five years on the basis of continuous non-use. However, such revocation would not necessarily be for the mark in its entirety. Depending on the goods/services for which non-use has been proven, revocation may only be partial: i.e. in relation to those specific goods and services for which the trade mark owner has failed to use its mark. As such, any mark registered with an insufficiently clear specification can be revoked either partially or entirely if, after five years, the proprietor has failed to use the mark across the entire specification of goods/services.

Furthermore, the CJEU confirmed that registering a trade mark without any intention of using it for certain goods and services could constitute bad faith but only if, by their application for a trade mark, the applicant intended:

- to “undermine third parties in a manner inconsistent with honest practices”; or
- to obtain an exclusive right for purposes which are not connected to the essential function of a mark (i.e. of guaranteeing the origin of goods or services to enable the public to distinguish between differing offerings).

Although not required by either the relevant EU Regulation or EU Directive, English law imposes an additional requirement on applicants for a trade mark to confirm either that the mark is being used in relation to the goods/services applied for, or that the applicant has a genuine intention to use the mark for those goods/services. In light of the above, the CJEU therefore held that those additional provisions are not inconsistent with EU law.

**What does this mean for trade mark owners?**
The case will now return to the High Court for it to decide whether Sky’s marks were filed in bad faith. Had the CJEU followed the Opinion of the Advocate General, many EU trade marks may have faced cancellation with the need to refine existing specifications to mirror genuine use. Such a move would have aligned the EU trade mark system with the US, where specifications are more stringently scrutinised. Despite broad specifications being safe for now, trade mark owners should still ensure that specifications meet only the scope of protection required for their marks and are not drafted to cover unlikely eventualities.

The impact of Brexit, the UK’s exit from the EU, on domestic trade mark law is yet to be fully realised. When this case returns to the UK courts, it may be the first opportunity for a high-profile consideration of this most difficult issue. It seems likely that, in the short term at least, continued convergence will continue. Brexit, in particular after the transition period expires on 31 December 2020, will certainly offer the opportunity for divergence from the EU however.

© Copyright 2020 Squire Patton Boggs (US) LLP