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# **Protecting Well-Known Trademarks and Measures to prevent Bad Faith Registrations**

## **The Irish Experience**

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## **Legal Basis for Refusal- Bad Faith**

- Sect 8 (4)(b) of the Trade Marks Act
- A trade mark shall not be registered if or to the extent that the application for registration is made in bad faith by the applicant



## Trade Mark Directive (EU) 2015/2436

- Trade Mark Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015
- Provisions further aligning the laws of the Member States relating to trade marks with regard to both substantive and procedural matters
- Article 4 "A trade mark shall be liable to be declared invalid where the application for registration was made in bad faith by the applicant. Any Member State may also provide that such a trade mark is not to be registered."



## Effect of TM Directive on Bad Faith

- Requirement for Member States to transpose the Directive within agreed deadline of 14 January 2019
- Previously some Member States including Ireland allowed for the filing of Oppositions on the basis of bad faith
- No longer possible. Now must be subject of invalidity action after Registration
- Not ideal situation



## What is Bad Faith?

- No legal definition
- Understood as dishonesty
- Opposite of good faith, it falls short of standards of acceptable commercial behavior observed by reasonable and experienced people in the particular area being examined
- Usually involves constructive fraud designed to mislead



## What is not Bad Faith?

- Often alleged where there is identity or similarity between the application and an earlier mark
- Rarely bad faith per se
- Applications for a mark that is the same or similar to one registered in a foreign jurisdiction are not prima facie bad faith
- The fact of a previous awareness of and dispute with another party doesn't necessarily mean an application made by one of them is in bad faith



## Determining Bad Faith

- Applicant's intention at the time of filing must be investigated and established. Relevant factors include:
- Knowledge of third party use
- Intention to prevent a third party marketing a product
- Lack of intention to use the mark
- Reputation of third party's mark at time of application



## Other considerations

- Bad faith is a serious charge that must be proven by cogent evidence on the balance of probabilities
- There is a presumption of good faith unless otherwise proven
- Failure to respond to a charge of bad faith
- Is the Applicant the rightful owner of the mark?
- Is the mark being used for its essential purpose?



## Some examples of Bad Faith findings in Ireland

### Quin and Donnelly

- Applicants were judged to have already given an interest in their brand to a third party who later successfully opposed the registration of the mark. The Controller found that “in seeking to register the mark in its name alone the Applicant intended to deprive the Opponent of its stake in the mark. Therefore, I must reach the conclusion that the Applicant acted in bad faith. Accordingly, the application offends against Sect 8(4)(b) of the Act and must be refused”



## PINERGY

- Applicant sought to obtain registration for the mark of a new entrant and competitor into the electricity market, prior to the new entrant's own application
- The application was refused on the basis that "the application was not made with the intention to use the mark with the essential functions of a trade mark."
- The Applicant was found to have acted in Bad Faith and the application was therefore refused



## AllenkeyGuard

- Applicant created a very similar mark to the brand which it distributed for many years with the intention of seeking to convey to its customers that the brand was linked with the original brand
- The application was refused on the basis of Bad Faith
- The Applicant was found to have adopted the mark with the conscious and deliberate purpose of maintaining a link to the Opponent's earlier mark, use of which had for many years provided the Applicant with income through its exclusive distributorship deal



## Well-known Trademarks

- Generally or widely known or recognised by many people
- Best form of protection is to register the mark in the relevant territory or territories
- Makes it easier to prevent others from benefiting from the reputation established by the use of a trade mark
- The proprietor of a registered trade mark may take infringement proceedings to protect their interests



## Means of Protection

- The Irish Office also examines on Relative Grounds
- Examiners have refused applications based on the unregistered rights of many entities such as a major corporate law firm, a leading supplier of medical services and a well known restaurant chain etc.
- Third parties may seek a Declaration of Invalidity from the Office
- May seek legal remedy via the Courts



## Legal Basis for Refusal- Passing Off

Sect 10 (4)(a) of the Trade Marks Act

A trademark shall not be registered if, or to the extent that, its use in the State is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trademark or other sign used in the course of trade



## McCambridge Limited v Joseph Brennan Bakeries Irish Supreme Court Case – July 2012

- Three part test must be established in order to succeed in a claim for passing off
- **Goodwill** or reputation in a product
- **Misrepresentation** by someone which may lead to confusion between one product and another in the minds of the public
- **Damage** to the goodwill or reputation as a consequence of the misrepresentation



**THANK YOUR FOR YOUR ATTENTION!**

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