

Bad Faith Trademarks: An INTA Perspective



**Nick Redfearn,
Enforcement Head, Rouse
INTA Asia Bad Faith Task
Force head**

INTA and bad faith:

- Bad faith filings have become a worldwide issue – every jurisdiction is a target - digital world makes ALL brands very visible
- Priority focus for INTA
- Enforcement Committee created a special Task Force in 2018
- Survey across 90 jurisdictions, leading to a report on bad faith
- Based on the results of the report, Board Resolution on bad faith was adopted by the INTA Board of Directors in 2020

Survey takeaways: Most countries....

-recognize bad faith as a serious issue
- ...do not provide option to reject bad faith applications during prosecution, or have evidentiary burden that hinders successful claim
- ...allow bad faith to be raised as grounds in opposition or cancellation proceedings, but not always both
- ...require at times burdensome evidence to support bad faith claim

Key Conclusion: Awareness confirmed but tools often ineffective or insufficient

→ INTA must take a formal position on bad faith trademarks – approved by the Board with Resolution November 2020

INTA's Board Resolution – best practices

- **Best Practices:**

1. Bad faith must be a standalone ground for refusal, including *ex officio*
 2. Explicitly recognize bad faith as a standalone ground for opposition and invalidation
 3. Shift the burden of proof in certain circumstances – require applicant to prove good faith
 4. Maintain records on bad faith filers
 5. Damage awards and fines
- Illustrative list of factors to be considered when assessing bad faith

INTA's Board Resolution: Illustrative Factors

1. Previously identified as a bad faith filer
2. Prior relationship with legitimate rights holder
3. Attempt to sell, at elevated price
4. Identical or highly similar marks
5. Rightful owner has other relevant IP rights
6. Similar pattern of behavior
7. Indiscriminate coverage obviously incompatible with honest interest
8. Multiple filings of various marks
9. Multiple “nuisance” filings (reference 2015 BR)
10. Lack of evidence of genuine business activity or *bona fide* intent to use

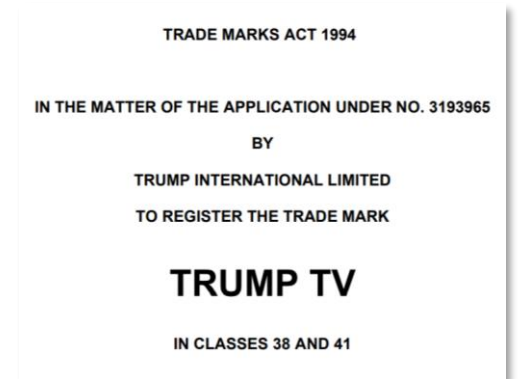
INTA's rationale

- Address cases of bad faith filings at prosecution level
- Administrative proceedings versus judicial proceedings – less costly, less time intensive
- Prevent initial registration of bad faith filings
- Option of swiftly preventing registration acts as deterrent against other bad faith filers
- Office based oppositions and cancellations are second option
- Keep cases out of courts
- Damages and fines increase the deterrent effect

Case Study: United Kingdom

“...a pattern of behaviour by companies under Mr. Gleissner’s control making it highly improbable that [he] had a bona fide intention to use the mark...motivation on the part of the Applicant to interfere with the legitimate business interests...”

I find the combination easily overcomes the presumption of good faith and finds a prima facie basis for bad faith.”



Case Study: Canada

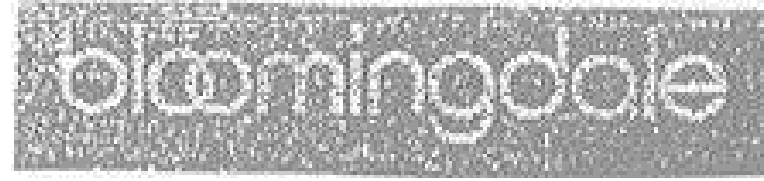
- “Indeed, there is no evidence from the Respondent to rebut the inference created by the circumstantial evidence or to indicate any intention to use the JU DIAN & Design Mark as a trademark in association with its own restaurant services...

The evidence demonstrates that the Respondent registered the JU DIAN & Design Mark without a legitimate commercial purpose. In my view, the circumstances here constitute bad faith....”



Case Study: Indonesia **cancellation case**

- Applicant sought to register marks...



- that were confusingly similar to existing, well-known marks...

BLOOMINGDALES

bloomingdale's

- already registered / used in numerous classes and across numerous jurisdictions

SE Asia approaches

Country	BF in examination	BF in Opps	BF in court
Indonesia	Y	Y	Y
Vietnam *	Y	Y	Y
Philippines	Y	Y	Y
Malaysia °	N	N, but alternatives	N, but alternatives
Singapore	Y	Y	Y
Thailand °	N	N, but alternatives	N, but alternatives

* Law recently amended, guidance still to follow

° In practice, other grounds have been interpreted to include BF

Malaysia detailed example:

- Bad faith not grounds for rejection of application in prosecution
- Bad faith not grounds for rejection of application in opposition
- Expungement suits against registered TM based on bad faith – S 45 1 (a) TMA (1976)/47 (3) TMA (2019) expungement by the court
- Prior rights/fraud

SE Asia INTA's plans

- Vietnam – work with IPV on new Circular for its new IP law which covers BF for the first time
- Philippines – continue engagement with IPOPHL following BF training last year
- Indonesia – explore BF training needs for DGIP
- Thailand – set up engagement on BF with IPD
- Malaysia follow up recent BF training with MyIPO

Thank you!

