

Case C-529/07

Chocoladefabriken Lindt & Sprüngli AG

v

Franz Hauswirth GmbH

(Reference for a preliminary ruling
from the Oberster Gerichtshof)

(Three-dimensional Community trade mark — Regulation (EC) No 40/94 —
Article 51(1)(b) — Criteria relevant to determining whether an applicant is ‘acting in
bad faith’ when filing an application for a Community trade mark)

Opinion of Advocate General Sharpston delivered on 12 March 2009 I - 4896
Judgment of the Court (First Chamber), 11 June 2009 I - 4918

Summary of the Judgment

*Community trade mark — Surrender, revocation and invalidity — Absolute grounds for
invalidity*

(Council Regulation No 40/94, Art. 51(1)(b))

In order to determine whether the applicant is acting in bad faith within the meaning of Article 51(1)(b) of Regulation No 40/94 on the Community trade mark, the national court must take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of the sign as a Community trade mark, in particular:

- the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought;
- the applicant's intention to prevent that third party from continuing to use such a sign; and
- the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.

A presumption of knowledge, by the applicant, of the use by a third party of an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought may arise *inter alia* from general knowledge in the economic sector concerned of such use, and that knowledge can be inferred, *inter alia*, from the duration of such use. The more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it. However, that presumption is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith.

The applicant's intention to prevent a third party from continuing to use such a sign is a subjective factor which must be determined by reference to the objective circumstances of the particular case. Accordingly, 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, in particular where the applicant does not intend to use the sign, but wants only to prevent a third party from entering the market.

The fact a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal

protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith. In such a case, the applicant's sole aim in taking advantage of the rights conferred by the Community trade mark might be to compete unfairly with a competitor who is using a sign which, because of characteristics of its own, has by that time obtained some degree of legal protection. That said, it cannot however be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant's registration of the sign may be in pursuit of a legitimate objective. That may in particular be the case where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

Moreover, the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case

where the sign concerned consists of the entire shape and presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitors' freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent his competitors not merely from using an identical or similar sign, but also from marketing comparable products.

Furthermore, in order to determine whether the applicant is acting in bad faith, consideration may be given to the extent of the reputation enjoyed by a sign at the time when the application for its registration as a Community trade mark is filed. The extent of that reputation might justify the applicant's interest in ensuring a wider legal protection for his sign.

(see paras 39-44, 46-52, operative part)