



Reports of Cases

OPINION OF ADVOCATE GENERAL
BIONDI

delivered on 6 February 2025¹

Case C-17/24

CeramTec GmbH

v

Coorstek Bioceramics LLC

(Request for a preliminary ruling from the Cour de cassation (Court of Cassation, France))

(Reference for a preliminary ruling – EU trade mark – Bad faith of the applicant – Absolute grounds for refusal of registration – Sign consisting exclusively of the functional form of the goods – No connection between the technical solution and the registered trade marks)

I. Introduction

1. In the present request for a preliminary ruling, the Cour de cassation (Court of Cassation, France) asks the Court of Justice for a ruling on the possible overlaps between the respective areas of application of the absolute grounds for invalidity of the Community trade mark (now EU trade mark) set out in Article 52(1)(a) and (b) of Regulation (EC) No 207/2009² based, respectively, on the existence of one of the absolute grounds for refusal of registration listed in Article 7(1) of that regulation and on the bad faith of the applicant.
2. In particular, the referring court is unsure whether the intention to perpetuate rights to a technical solution held under an expired patent is sufficient to demonstrate bad faith on the part of the applicant at the filing date of the application to register the trade mark, when it emerges, after that date, that the sign for which registration was sought does not incorporate any technical solution and that the trade mark in question is not therefore liable to be declared invalid on the basis of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with the absolute ground for refusal of registration set out in Article 7(1)(e)(ii) of that regulation, which seeks to prevent the registration of signs that give the trade mark proprietor a monopoly on such solutions.
3. To that end, that court asks the Court three questions, the first concerning the relationship between the absolute grounds for refusal set out in Article 52(1)(a) and (b) respectively of Regulation No 207/2009, and the second and third questions concerning the interpretation of Article 52(1)(b) of that regulation.

¹ Original language: French.

² Council Regulation (EC) of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1).

4. The reference for a preliminary ruling has been submitted in the context of infringement proceedings brought by CeramTec GmbH ('CeramTec') against Coorstek Bioceramics LLC ('Coorstek'), in which the latter raised a counterclaim for a declaration of invalidity of three EU trade marks held by CeramTec.

II. The legal framework

5. Regulation No 207/2009 was amended by Regulation (EU) 2015/2424,³ which came into force on 23 March 2016 and was then repealed and replaced, with effect from 1 October 2017, by Regulation (EU) 2017/1001.⁴ In this instance, all the facts in the main proceedings fall *ratione temporis* within the scope of Regulation No 207/2009 in its original version.⁵

6. Article 7(1)(e)(ii) of Regulation No 207/2009, in the version applicable to the facts in the main proceedings, provided that signs 'which consist exclusively of ... the shape of goods which is necessary to obtain a technical result' shall not be registered.

7. Article 52(1) of Regulation No 207/2009 was worded as follows:

'A[n EU] 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 [EU] trade mark has been registered contrary to the provisions of Article 7;
- (b) where the applicant was acting in bad faith when he [or she] filed the application for the trade mark.'

III. The dispute in the main proceedings, the questions referred and the proceedings before the Court

8. CeramTec is a company whose registered office is in Germany and which specialises in the development, manufacture and distribution of technical ceramic components intended, in particular, for use in hip or knee implants, which it sells to manufacturers of prostheses for the construction of complete hip prostheses, which are then sold to end users such as hospitals or orthopaedic surgeons.

9. Coorstek is an American company that manufactures advanced technical ceramics for medical purposes, in particular for artificial hip and back joints and for dental prostheses.

10. CeramTec was the proprietor of a European patent No EP 0 542 815, designating France and relating to a composite ceramic material, which expired on 5 August 2011.

³ Regulation 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21).

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).

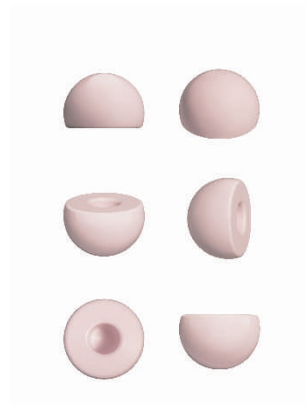
⁵ It is apparent from the order for reference that both the alleged acts of infringement and the date of the applications for registration of the contested marks, which date alone is relevant for the purposes of identifying the substantive law applicable to the counterclaim for a declaration of invalidity (see to that effect judgement of 29 January 2020, *Sky and Others* (C-371/18, 'the judgment in *Sky*', EU:C:2020:45, paragraph 49) were before 23 March 2016.

11. On 23 August 2011, CeramTec filed applications for three EU trade marks ('the contested marks'), namely:

- the mark corresponding to the colour pink Pantone 677C, edition 2010, registered on 26 March 2013 under number 010214195, with a priority claim by virtue of a German trade mark of 21 July 2011;
- the figurative mark represented below, claiming the colour pink Pantone 677C, registered on 12 April 2013 under number 010214112, with a priority claim by virtue of a German trade mark of 25 July 2011;



- the three-dimensional mark represented below, claiming the colour pink Pantone 677, registered on 20 June 2013 under number 010214179, with a priority claim by virtue of a German trade mark of 26 July 2011.



12. On 13 December 2013, CeramTec brought proceedings against Coorstek for trade mark infringement and parasitic competition. Coorstek then lodged a counterclaim for a declaration of invalidity of the contested marks.

13. By judgment of 25 June 2021, the cour d'appel de Paris (Court of Appeal, Paris, France) cancelled the contested marks on the ground that the application had been filed in bad faith ('the Paris Court of Appeal judgment').

14. That court noted that, at the filing date of the applications for registration of the contested marks, CeramTec was convinced that chromium oxide had the technical effect of ensuring the hardness and strength of the ceramic balls used in the construction of medical prostheses, and that CeramTec had been seeking to protect the pink colour of the balls, which was caused by the

presence of chromium oxide in the ceramic. The Court inferred that CeramTec's intention had been to extend the monopoly it held in the technical solution formerly protected by a patent, which had just expired, and to prevent competitors from entering the market which it dominated by virtue of that patent. CeramTec thus intended to obtain an exclusive right for purposes other than those commensurate with the function of a trade mark.

15. CeramTec appealed on a point of law against the Paris Court of Appeal judgment. It claimed that an interpretation of Article 52(1)(b) of Regulation No 207/2009, which would allow a trade mark to be cancelled for the simple reason that the applicant for that mark had the intention of extending rights over a technical solution, without it being proven that the right in that mark would actually ensure or perpetuate the protection of such a technical solution, would amount to circumvention of Article 7(1)(e)(ii) of that regulation and disregard for the respective areas of application of those two provisions. In the present case, CeramTec discovered, after its patent had expired and after it had applied for the contested marks, that chromium oxide, which causes the pink colour claimed by those marks, in fact produced no technical effect. Accordingly, the contested marks could not, in its view, run counter to the objective of trade mark law. It maintains that a mere intention on the part of the applicant is ineffective and that to adopt the opposite view would be tantamount to making the concept of 'bad faith' a back door for applying the ground for invalidity based on the joint application of Article 7(1)(e)(ii) and of Article 52(1)(a) of Regulation No 207/2009, without requiring the conditions for its application to be met.

16. Coorstek claims that Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(e)(ii) of that regulation, and Article 52(1)(b) thereof serve different purposes and that the former cannot be regarded as a special provision that takes precedence over the latter. These are two different cases for the cancellation of a trade mark and they rest upon entirely different premises. According to Coorstek, an application made to register a sign with a view to reserving a technical solution would undermine fair competition, even if the patented technical effect, since fallen into the public domain, ultimately proved to be non-existent.

17. The referring court considers that the appeal made by CeramTec raises the unprecedented issue of the relationship between Article 7 of Regulation No 207/2009, to which Article 52(1)(a) thereof refers, and Article 52(1)(b) of that regulation. It notes that CeramTec has also brought actions for infringement of the contested marks against Coorstek in Germany, the United States and Switzerland, and that, by judgment of 13 March 2023, in connection with the action brought in Germany, the Oberlandesgericht Stuttgart (Higher Regional Court, Stuttgart, Germany) took a different approach to that which emerges from the Paris Court of Appeal judgment.⁶ The referring court infers from this that the appellate courts of the Member States have arrived at different interpretations.

⁶ It is apparent from the national documents filed with the Registry of the Court of Justice that the decision of the Oberlandesgericht Stuttgart (Higher Regional Court, Stuttgart) of 13 March 2023 sought to lift the suspension of the infringement proceedings brought by CeramTec before the German courts, following the registration in 2019 of new EU trade marks corresponding to the contested marks and the application for cancellation of those trade marks, brought by Coorstek before the European Union Intellectual Property Office (EUIPO).

18. Those are the circumstances in which the Cour de cassation (Court of Cassation) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

- ‘(1) Are the grounds for invalidity arising, on the one hand, from registration of a trade mark contrary to the provisions of Article 7 [of Regulation No 207/2009], and, on the other hand, from the bad faith of the applicant when filing an application, which is the subject matter of Article 52(1)(a) and (b), respectively, of that regulation, independent and even is there no overlap between them?
- (2) If the first question is answered in the negative, may the bad faith of the applicant be assessed by reference solely to the absolute ground for refusal of registration set out in Article 7(1)(e)(ii) of Regulation No 207/2009 where no finding has been made that the sign for which registration as a trade mark was sought consists exclusively of the shape of the product which is necessary to obtain a technical result?
- (3) Is Article 52(1)(b) of Regulation No 207/2009 to be interpreted as meaning that bad faith is to be ruled out where the applicant has applied for registration of a trade mark with the intention of protecting a technical solution and, after the application was made, it is discovered that there was no connection between the technical solution in question and the signs which constitute the trade mark applied for?’

19. Written observations were submitted by the parties to the main proceedings, by the French Government and by the European Commission. Those parties made oral submissions at the hearing of 13 November 2024.

IV. Analysis

20. As requested by the Court, this Opinion will focus on the first and second questions referred for a preliminary ruling.

21. Before proceeding to examine them, I will consider in brief the case-law relevant to bad faith on the part of the applicant when registering an EU trade mark.

A. Brief overview of the relevant case-law

22. The concept of ‘bad faith’ in Article 52(1)(b) of Regulation No 207/2009 is an autonomous concept of EU law.⁷ In the absence of any definition in that regulation, the meaning and the scope of that concept must be determined by considering its usual meaning in everyday language, whilst also taking into account the context in which it occurs and the objectives pursued by that regulation.⁸

23. While, 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, it is appropriate, for the purposes of its interpretation, to take into account the particular context of trade mark law,

⁷ See, to that effect, the judgment in *Sky*, paragraph 73.

⁸ See judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO*, (C-104/18 P, ‘the judgment in *Koton*’, EU:C:2019:724, paragraph 43). See also the judgment in *Sky*, paragraph 74.

which is that of the course of trade.⁹ Hence the Court stated, in the judgment in *Koton*, 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.¹⁰

24. Whether the applicant is acting in bad faith, within the meaning of Article 52(1)(b) of Regulation No 207/2009, must be the subject of an overall assessment, taking into account all the factors relevant to the particular case.¹¹ The intention of an applicant for a trade mark is a subjective factor which must, however, be determined objectively by the competent administrative or judicial authorities.¹² In the Court's view, it is only in that manner that a claim of bad faith can be assessed objectively.¹³

25. Among the factors relevant to this assessment is the fact that the claimant knew or ought to have known of the circumstances relied upon in the allegation of bad faith made against him or her.¹⁴ As the Advocate General explains in her Opinion in the *Chocoladefabriken Lindt & Sprüngli* case,¹⁵ a priori an intention can be described as dishonest only if the party concerned is aware of the factual context in which that qualification becomes appropriate.¹⁶ However, such knowledge, or presumption of knowledge, is not sufficient, in itself, to permit a conclusion that there is bad faith.¹⁷

26. Many other factors have been considered relevant by the Court of Justice and the General Court of the European Union, such as, in particular, the application for the trade mark as it was filed and its scope,¹⁸ the origin and the earlier use of the sign for which registration is sought¹⁹ as well as the nature of the mark applied for,²⁰ the existing business relationships between the applicant for a declaration of invalidity and the proprietor of the contested mark, the commercial logic underlying the filing of the application for registration and the chronology of events leading up to that filing,²¹ and the extent of the reputation enjoyed by a sign at the time when the application for its registration is filed.²²

⁹ See the judgment in *Koton*, paragraph 45.

¹⁰ See the judgment in *Koton*, paragraph 46.

¹¹ See, as regards Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, 'the judgment in *Lindt*', EU:C:2009:361, paragraph 37).

¹² See the judgment in *Koton*, paragraph 47, and the judgment in *Lindt*, paragraph 42. See also, as regards the concept of 'bad faith' within the meaning of Article 21 of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (OJ 2004 L 162, p. 40). See also, judgment of 3 June 2010, *Internetportal und Marketing* (C-569/08, EU:C:2010:311, paragraph 45).

¹³ See the judgment in *Koton*, paragraph 47.

¹⁴ See, to that effect, the judgment in *Lindt*, paragraph 39.

¹⁵ C-529/07, 'the Opinion of Advocate General Sharpston in the *Lindt* case', EU:C:2009:148, point 60.

¹⁶ See the Opinion of Advocate General Sharpston in the *Lindt* case, point 61.

¹⁷ See the judgment in *Lindt*, paragraphs 40 and 41, and the judgment of 27 June 2013, *Malaysia Dairy Industries* (C-320/12, EU:C:2013:435, paragraph 37).

¹⁸ See the judgment in *Koton*, paragraph 65.

¹⁹ See the judgment of 8 May 2014, *Simca Europe v OHIM – PSA Peugeot Citroën (Simca)* (T-327/12, EU:T:2014:240, paragraphs 40 and 46); see also judgment of 21 April 2021, *Hasbro v EUIPO – Kreativni Dogadaji (MONOPOLY)* (T-663/19, 'the judgment in *Hasbro*', EU:T:2021:211, paragraph 38).

²⁰ See the judgment in *Lindt*, paragraph 50.

²¹ See the judgment in *Koton*, paragraphs 62 to 64.

²² See the judgment in *Lindt*, paragraph 51.

27. All these factors are however merely illustrations of a range of factors that may be taken into consideration.²³ As noted by Advocate General Sharpston in her Opinion in the *Lindt* case, the concept of ‘bad faith’, within the meaning of Article 52(1)(b) of Regulation No 207/2009, cannot be confined to a limited category of specific circumstances.²⁴

28. In conclusion, whilst the case-law of the Court of Justice and of the General Court provides clear guidance as to how bad faith on the part of the applicant for an EU trade mark is to be assessed, that concept remains undefined to this day. That does reflect the public interest objective underlying the corresponding absolute ground for invalidity, which is that of preventing trade mark registrations that are abusive or contrary to honest commercial and business practices. Such an objective would be compromised if bad faith had to be comprehensively defined and could be established only in circumstances exhaustively listed.²⁵

B. The first question referred for a preliminary ruling

29. By its first question, the referring court asks, in essence, the Court of Justice whether the absolute grounds for invalidity set out in Article 52(1)(a) and (b) respectively of Regulation No 207/2009 are ‘autonomous’ and ‘exclusive’.

30. I will address, first, the question as to the autonomy of those grounds for invalidity and second, the question as to whether they are exclusive.

1. Are the absolute grounds for invalidity set out in Article 52(1) of Regulation No 207/2009 autonomous?

31. Like all the interested parties who have submitted observations in these proceedings, I consider that the absolute grounds for invalidity set out in Article 52(1) of Regulation No 207/2009 are independent of each other and autonomous, in the sense that the application of one does not presuppose or depend on the application or non-application of the other. Each of them has its own scope of application and, on its own, warrants the cancellation of an EU trade mark when the conditions for its application are met.

32. First, such independence follows from the wording and structure of Article 52(1) of Regulation No 207/2009. The two absolute grounds for invalidity appear as separate phrases in the two paragraphs of a list in which they are the only items. Those are separated from each other by a semi-colon, which reflects, in semantic terms, the intention of the EU legislature to make a clear distinction between the two scenarios. Furthermore, that provision does not contain, either in its introductory wording or in the list that follows, any words indicating that their elements are cumulative.

33. Next, the autonomy of the absolute grounds for invalidity listed in Article 52(1) of Regulation No 207/2009 is confirmed, first, by analysis of the context in which they are registered and, second, the objectives they pursue.

²³ See, inter alia, judgment of 6 July 2022, *Zdút v EUIPO – Nehera and Others (nehera)* (T-250/21, EU:T:2022:430, paragraph 28).

²⁴ Opinion of Advocate General Sharpston in the *Lindt* case, point 60.

²⁵ With reference to the circumstances taken into consideration by the Court in the judgment in *Lindt*, see, to that effect, the judgment in *Hasbro*, paragraph 37. See also, as regards the concept of ‘bad faith’ in the domain name registration sector, judgment of 3 June 2010, *Internetportal und Marketing* (C-569/08, EU:C:2010:311, paragraph 37).

34. As regards the context, such autonomy may be inferred, first of all, from the fact that, unlike the ground for invalidity laid down in Article 52(1)(b) of that provision, the ground for invalidity laid down in Article 52(1)(a) refers to the absolute grounds for refusal of registration set out in Article 7 of that regulation and must be read and interpreted in conjunction with that article. Next, as several of the parties to these proceedings have submitted as observations, each of the grounds for refusal of registration listed in Article 7(1) of Regulation No 207/2009 is independent of the others and requires separate examination,²⁶ therefore Article 52(1)(a) of that regulation itself covers absolute grounds for invalidity that are autonomous from each other and each of which has its own scope of application. A fortiori, such autonomy should be recognised as regards the ground for invalidity set out under Article 52(1)(b) of that provision. Lastly, whilst, as a whole, Article 52(1) of Regulation No 207/2009 provides an exhaustive list of the grounds for invalidity of an EU trade mark,²⁷ the provisions it sets out under Article 52(1)(a) and (b) are of a different nature, the former being of a closed nature and applicable only in the cases listed exhaustively in Article 7(1) of that regulation, the latter referring to the open and evolving concept of 'bad faith', capable of being applied in an indeterminate number of situations.

35. As regards the objectives, whilst the absolute grounds for invalidity set out in Article 52(1)(a) and (b) of Regulation No 207/2009 share the objective pursued by the EU rules on trade marks, which is to contribute to the system of undistorted competition in the European Union,²⁸ they do, nevertheless, have distinct purposes.

36. The absolute ground for invalidity set out under Article 52(1)(a) of that provision is intended to invalidate trade marks that have been registered despite not meeting all the conditions set out in Article 7(1) of Regulation No 207/2009 and are, therefore, unfit for registration. It censures a *defect in the trade mark* and seeks to protect the public interest underlying the absolute ground for refusal with which it is aligned.

37. As regards, in particular, the ground set out in Article 7(1)(e)(ii) of Regulation No 207/2009, which is the only one relevant for the purposes of the present case,²⁹ the Court has ruled that the underlying public interest is to prevent trade mark law granting an undertaking a monopoly on technical solutions or functional characteristics of a product.³⁰ The Court has also stated that that provision strikes a balance between two requirements, both of which are likely to help establish a healthy and fair system of competition, namely, first, that of preventing the protection of a patented technical solution from being perpetuated beyond the expiry of the patent and, second, that of limiting unsuitability for registration only to trade marks that would actually impede the use of a technical solution by other undertakings.³¹

²⁶ See, as regards Regulation No 40/94, judgment of 8 May 2008, *Eurohypo v OHIM* (C-304/06 P, EU:C:2008:261, paragraph 54).

²⁷ See the judgment in *Sky*, paragraphs 57 and 58.

²⁸ See, inter alia, the judgment in *Sky*, paragraph 74 and the case-law cited.

²⁹ I would remind you that Article 7(1)(e)(ii) of Regulation No 207/2009, in its initial version, applicable to the dispute in the main proceedings, provided that signs which consist exclusively of 'the shape of goods which is necessary to obtain a technical result' were not to be registered. The scope of that absolute ground for refusal was amended by Regulation 2015/2424, which introduced the formulation currently used by Article 7(1)(e)(ii) of Regulation 2017/1001, referring to signs which consist exclusively of 'the shape ... or another characteristic, of goods which is necessary to obtain a technical result'. However, for the purposes of answering the questions referred for a preliminary ruling, it is not necessary to consider whether Article 7(1)(e)(ii) of Regulation No 207/2009 could be relied upon to prevent the registration of the colour of a product, given that those questions start from the premiss that the absolute ground for refusal set out in that provision is in any case not applicable in the circumstances of the case in the main proceedings.

³⁰ See judgment of 14 September 2010, *Lego Juris v OHIM* (C-48/09 P, EU:C:2010:516, paragraph 43).

³¹ See, to that effect, judgment of 14 September 2010, *Lego Juris v OHIM* (C-48/09 P, EU:C:2010:516, paragraphs 44 to 48).

38. In turn, the absolute ground for invalidity set out in Article 52(1)(b) of Regulation No 207/2009, aims to ensure that economic operators intending to use the EU trade mark system compete fairly. Its purpose is therefore to penalise *an inherent defect in the application for registration* and not in the trade mark itself.³²

39. The autonomy of the grounds for invalidity set out in Article 52(1)(a) and (b) of Regulation No 207/2009 does not necessarily imply that they are also exclusive.

2. Are the absolute grounds for invalidity set out in Article 52(1) of Regulation No 207/2009 exclusive?

40. I note, as a preliminary point, that the wording of Article 52(1) of Regulation No 207/2009 does not include, either in its introductory wording or in the list that follows, any phrases indicating that the two items in that list are mutually exclusive or, in contrast, that they can coexist. The question as to whether there is a logical relationship of exclusivity between those items must therefore be examined, in particular, in the light of the context and objectives of that provision.

41. In that regard, in the first place, it seems to me that there is nothing in Regulation No 207/2009 to prevent a trade mark being declared invalid on the basis of several absolute grounds for invalidity, referred to under Article 52(1)(a) or under Article 52(1)(a) and (b) of that regulation. That is unlikely to happen very often, given that, if the conditions for one of those grounds for invalidity are met, that is sufficient for an EU trade mark to be declared invalid³³ and that the consequences of invalidity are the same whatever the ground on which it was declared.³⁴ Nevertheless, a cumulative application of Article 52(1)(a) and (b) of Regulation No 207/2009, in particular, cannot be ruled out, having regard, inter alia, to the fact that, in accordance with Article 52(3) of that Regulation, where the ground for invalidity exists in respect of only some of the goods or services for which the EU trade mark is registered, that trade mark cannot be declared invalid altogether.³⁵

42. In the second place, nor does anything in Regulation No 207/2009 allow a finding that recognition of the inapplicability of one of the absolute grounds for invalidity referred to in Article 52(1)(a) or (b), respectively, of Regulation No 207/2009 constitutes an obstacle to the application of the other. It is apparent from points 31 to 38 of this Opinion that those grounds for invalidity differ as regards both their conditions of application and their objective and purpose. It cannot therefore be ruled out, a priori, that, where they have both been put forward in support of a counterclaim for a declaration of invalidity, and where one has been examined and rejected, the other applies nonetheless. So, for example, the fact that, in accordance with Article 52(2) of Regulation No 207/2009, an application for a declaration of invalidity based on Article 52(1)(a) of that regulation, read in conjunction with Article 7(1)(b), (c) or (d) thereof, cannot be upheld on the ground that the contested mark has in the interim acquired distinctive

³² See, to that effect, Opinion of Advocate General Sharpston in the *Lindt* case, point 41.

³³ See, to that effect, judgment of 11 July 2013, *SA.PAR. v OHIM – Salini Costruttori (GRUPPO SALINI)* (T-321/10, EU:T:2013:372, paragraph 46).

³⁴ See Article 55 of Regulation No 207/2009.

³⁵ I would remind you that, like the grounds for invalidity linked to the absolute grounds for refusal of registration, referred to in Article 52(1)(a) of Regulation No 207/2009, bad faith may concern only some of the goods or services for which the contested trade mark has been registered. See, to that effect, the judgment in *Sky*, paragraphs 79 and 80, and point 2 of the operative part.

character, is not an obstacle to that mark being declared invalid on application of Article 52(1)(b) of that regulation, also relied upon in support of that application, if it is established that its proprietor had registered it in bad faith.

3. Conclusion on the first question referred for a preliminary ruling

43. In conclusion, having regard to the foregoing considerations, I take the view that it is appropriate to respond to the first question referred for a preliminary ruling that the absolute grounds for invalidity set out in Article 52(1)(a) and (b) respectively of Regulation No 207/2009 are autonomous but not exclusive.

C. The second question referred for a preliminary ruling

44. By its second question referred for a preliminary ruling, which is asked in the event of the Court answering the first question in the negative, the referring court, in essence, is unsure whether the bad faith of an applicant whose intention is to protect a sign consisting exclusively of the shape of the product which is necessary to obtain a technical result may be determined regardless of whether the registration of that sign is contrary to the absolute ground for refusal set out in Article 7(1)(e)(ii) of Regulation No 207/2009.

45. It is apparent from the analysis of the first question referred for a preliminary ruling that the absolute grounds for invalidity of the EU trade mark based on the bad faith of the applicant has its own scope and purpose compared to the absolute grounds for invalidity linked to the existence of an absolute ground for refusal of registration.

46. Establishing bad faith does not depend on whether or not the sign that is the subject of the trade mark application is registrable but requires an assessment of the applicant's intention in the light of all the relevant circumstances and verification of its conformity with the standards of conduct recognised as being acceptable in the particular context of trade mark law and the course of trade.³⁶

47. Therefore, as the Commission rightly argues in its observations, bad faith cannot be inferred from the mere objective fact that the trade mark application was filed to protect a sign the registration of which is ruled out pursuant to one of the absolute grounds for refusal set out in Article 7 of Regulation No 207/2009. That would run counter both to the autonomy of the absolute grounds for invalidity set out in Article 52(1)(a) and (b) respectively of that regulation and to the principle according to which good faith must be presumed until proven otherwise.³⁷ Conversely, a finding that a sign was registered contrary to an absolute ground for refusal of registration implies that all objective conditions relating to the application of that ground are met, regardless of the applicant's intention.

³⁶ See, to that effect, judgment of 13 November 2019, *Outsource Professional Services v EUIPO* (C-528/18 P, EU:C:2019:961, paragraph 69), where it was a question of appropriation by the applicant of a descriptive sign used by a third party.

³⁷ The EU trade mark enjoys a presumption of validity (see Article 99(1) of Regulation No 207/2009). It is therefore incumbent on the applicant for a declaration of invalidity who seeks to rely on the ground referred to in Article 52(1)(b) of Regulation No 207/2009 to establish the circumstances that allow a finding of bad faith on the part of the applicant when the application for registration was filed. It is then for the latter, due to a reversal of the presumption of good faith from which it benefited, to provide plausible explanations concerning the objectives and commercial logic pursued by the application for registration of that trade mark. See, to that effect, the judgment in *Hasbro*, paragraphs 42 and 43.

48. The autonomy of the absolute grounds for invalidity does not, however, rule out possible overlaps when assessing the validity of the trade mark in a particular case.

49. By their nature, registrations made in bad faith may be characterised by a variety of factual and legal circumstances. That makes it particularly difficult to define in an abstract manner what constitutes such a registration and leads, as we have seen, to assessing each allegation of bad faith on the basis of all the relevant factors put forward by the applicant for a declaration of invalidity.

50. In that context, it is conceivable that some of the factors to be taken into consideration in that assessment are also likely to be taken into account when assessing whether the trade mark was registered in disregard of one of the absolute grounds for refusal of registration, without, however, requiring that all the conditions for the application of that ground be met.

51. Indeed, the Court reached a similar conclusion in the judgment in *Koton*, when it was led to explore the possible overlaps between the absolute ground for invalidity based on the bad faith of the applicant and the relative ground for invalidity set out in Article 53(1)(a) of Regulation No 207/2009, as to the existence of an earlier trade mark causing confusion with the sign applied for.³⁸

52. In a situation such as the one in the main proceedings where, in the context of a counterclaim for a declaration for invalidity, essentially it is disputed that the proprietor of an EU trade mark has, by registering it, pursued a strategy that seeks to prevent its competitors from offering goods on the market which incorporate a technical solution over which it enjoyed a monopoly thanks to a patent that had just expired, the question of whether such a registration must be regarded as having been made in bad faith is distinct from the question of whether the trade mark concerned consists exclusively of the shape of goods which is necessary to obtain a technical result and, for that reason, falls within the scope of application of the absolute ground for invalidity set out in Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(e)(ii) of that regulation. In the first case, it is the legitimacy of the objectives pursued by the applicant that is called into question, whereas in the second case, it is the validity of the trade mark.

53. It follows that conditions not being met for the joint application of Article 52(1)(a) of Regulation No 207/2009 and Article 7(1)(e)(ii) of that regulation does not in itself constitute an obstacle to the national court hearing such an action finding that the trade mark concerned had been registered in bad faith, when it had to be clear from relevant and consistent evidence that its proprietor had filed the application for registration of that trade mark not with a view to competing fairly but with dishonest intent.

54. In the context of assessing the existence of such an intention, the national court hearing the action may take into consideration circumstances which could have been taken into account in order to verify the validity of the trade mark concerned under Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(e)(ii) of that regulation, such as, for example, the nature of the mark concerned and the fact that certain characteristics of that mark were protected by a patent that has since expired. Allowing for that possibility does not lead to

³⁸ In the judgment in *Koton*, whilst pointing out that the absolute ground for invalidity covered by Article 52(1)(b) of Regulation No 207/2009 is fundamentally different from the relative ground for invalidity referred to in Article 53(1)(a) of that regulation, the Court nevertheless accepted that one of the conditions for the application of the latter provision, namely the use by a third party of a mark identical or similar to the contested mark, could well constitute an element of the relevant context for the purposes of assessing bad faith, without, however, implying that it is necessary to establish that all of those conditions for application have been met and, in particular, that there is a likelihood of confusion. See the judgment in *Koton*, paragraphs 49, 53 and 54; see also judgment of 13 November 2019, *Outsource Professional Services v EUIPO* (C-528/18 P, EU:C:2019:961, paragraph 61).

assessing the bad faith of the applicant ‘by reference solely to the absolute ground for refusal of registration set out in Article 7(1)(e)(ii) of Regulation No 207/2009’, nor to endorsing a ‘combined’ reading of that provision and of Article 52(1)(b) of that regulation,³⁹ nor to compensating, by reference to the concept of ‘bad faith’, for the failure to meet the conditions for application of that ground.

55. That said, in circumstances such as those that I have just described, bad faith cannot, to my mind, be inferred from the mere fact that the application to register that sign at issue had been made with a view to protecting physical characteristics of a product protected by an earlier patent, when it transpires that that sign does not fall within the scope of Article 7(1)(e)(ii) of Regulation No 207/2009.⁴⁰ Other relevant factors must then support the allegation that the applicant had acted not with a view to participating fairly in the competitive process but with dishonest intent.

56. I recognise that, in such a context, the dividing line between a legitimate commercial strategy and bad faith may in practice prove to be quite fine.

57. In order to establish the applicant’s true intention, it is for the national court hearing the matter to assess all of the factors relevant to the case at hand, including, in particular, the nature of the trade mark in question,⁴¹ the origin of the protected sign and its use since its creation, the scope of the patent and the chronology of events. Many factors, if substantiated, may constitute evidence of bad faith: the belief of the proprietor of the trade mark at the date of the filing of the application for trade mark registration was filed that the sign applied for covered the technical solution previously protected by its patent; the fact that, on the same date, that belief was shared by its competitors, by users of the goods in question and by the scientific community and the fact that it tried to maintain such a belief among its customers, for example, by intentionally linking the sign covered by its trade mark with the technical solution protected by its patent, thus diverting the trade mark from its functions, in particular that of an indicator of origin. More generally, any action taken by the trade mark proprietor that demonstrates its intention to use the application for registration for purposes other than those pursued by EU trade mark regulations and, in particular, with a view to preventing the competitors from entering the market by using the technical solution over which it held a monopoly due to its patent, is likely to be taken into account in such an assessment.

58. Where there is evidence to support a finding of dishonest intent and to rebut the presumption that the filing was made in good faith, the onus will be on the proprietor of the trade mark to prove that its registration was part of a legitimate commercial strategy or that it acted for reasons relating to the defence of its legitimate interests.⁴² In that context, however, bad faith cannot be

³⁹ In any case, such a combined reading should be ruled out; see, by analogy, judgment of 16 September 2015, *Société des Produits Nestlé* (C-215/14, EU:C:2015:604, paragraph 50).

⁴⁰ The fourth Board of Appeal of EUIPO essentially ruled to that effect in a decision of 6 December 2024, Case R 12/2024-4, available at: https://euipo.europa.eu/eSearchCLW/#key/trademark/APL_20241206_R0012_2024-4_001620566. After finding that the trade mark in question did not fall within the scope of Article 7(1)(e)(ii) of Regulation 2017/1001, that Board of Appeal – whilst noting that the allegation of bad faith was based on a single argument, namely that an application had been made to register the mark for the purpose of artificially substituting patent protection by trade mark protection – found that it should be rejected because it was based on an incorrect premiss.

⁴¹ As regards the nature of the mark, it should be recalled that, in the judgment in *Lindt*, the Court stated that, in a case where the sign for which registration is sought 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 as to those factors is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent its competitors not merely from using an identical or similar sign but also from marketing comparable products. See paragraph 50.

⁴² See the judgment in *Lindt*, paragraphs 47 and 48. See also the judgment of 13 December 2023, *Good Services v EUIPO – ITV Studios Global Distribution* (EL ROSCO) (T-383/22, not published, EU:T:2023:801, paragraph 29).

ruled out simply because the technical solution presumed by the trade mark proprietor at the date on which the application for registration was filed has, since that date, turned out not to exist. Circumstances that arise only after the date relevant to the assessment of bad faith can be taken into account only to the extent that they are indicative of the applicant's intention at that date.⁴³ Moreover, the mere fact that a trade mark registered in bad faith fulfils the essential functions of a trade mark, and in particular the function of indicating origin, does not in itself prevent its invalidation, as is clearly demonstrated by the rule set out in Article 52(2) of Regulation No 207/2009 not being applicable to registrations made in bad faith.

59. Before concluding, I would like to address briefly an issue raised by CeramTec in its observations. That company submits that bad faith is demonstrated in the context of abusive conduct and requires objective harm to competition, which would be ruled out where the trade mark concerned, first, does not prevent the proprietor's competitors from using a technical solution and, second, fulfils the trade mark's essential function of indicating origin.

60. In that regard, I would point out that, as applied to trade mark law, bad faith is characterised by an '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'.⁴⁴ The Court has therefore distinguished two categories of cases likely to justify the application of Article 52(1)(b) of Regulation No 207/2009, the second covering situations in which the exclusive right sought by the application for registration is inconsistent with one of the functions of the trade mark.

61. Whilst that category covers any abusive filing strategy,⁴⁵ on the other hand it does not appear from the case-law of the Court of Justice and of the General Court that it is limited only to conduct that can be characterised as an 'abuse of law'.⁴⁶ Nor is it apparent from that case-law that establishing bad faith, in cases falling into that second category, is subject to proof of the existence of an infringement or risk of infringement of competition or proof that the trade mark proprietor has been able to derive an undue advantage from its abusive conduct.⁴⁷ In any event, since the relevant time for determining whether there was bad faith on the part of the applicant

⁴³ See, to that effect, the judgment in *Lindt*, paragraphs 35 and 41. That question is more particularly the subject of the third question referred for a preliminary ruling, which is not covered by this Opinion.

⁴⁴ See, inter alia, paragraph 46 of the judgment in *Koton*.

⁴⁵ See, to that effect, judgments of 7 July 2016, *Copernicus-Trademarks v EUIPO – Maquet (LUCEO)* (T-82/14, EU:T:2016:396, paragraphs 28 to 33 and 48 to 52; appeal dismissed by order of 14 December 2017, *Verus v EUIPO*, C-101/17 P, EU:C:2017:979) and of 13 July 2022, *Pejović v EUIPO – ETA živilska industrija (TALIS)* (T-283/21, EU:T:2022:438, paragraphs 30 to 32), and, to the same effect but in a different context, judgments of 17 January 2024, *Athlet v EUIPO – Heuver Banden Groothandel (ATHLET)* (T-650/22, EU:T:2024:11, paragraph 52) and of 7 September 2022, *Segimerus v EUIPO – Karsten Manufacturing (MONSOON)* (T-627/21, EU:T:2022:530, paragraph 37).

⁴⁶ In the judgment in *Hasbro*, paragraph 72, to which CeramTec refers, the General Court confined itself to observing that the filing strategy practised by the applicant in the case that gave rise to that judgment, seeking to circumvent the rule relating to proof of use, 'call[ed] to mind a case of an abuse of law'. In her Opinion in the *Koton* case (C-104/18 P, EU:C:2019:287), Advocate General Kokott stated that 'the case-law on finding abusive conduct can offer guidance in examining bad faith' (see point 31), while leaving open the question as to whether 'bad faith were not dependent, like abuse, on a misuse of purpose and an undue advantage but ... constitutes a departure from accepted principles of ethical behaviour or honest commercial and business practices' (point 37). The Court, for its part, did not address that question directly in the judgment in *Koton* but confined itself to introducing the dichotomy set out in paragraph 46 of that judgment.

⁴⁷ It is true that, in paragraph 74 of the judgment in *Hasbro*, to which CeramTec refers, the General Court relied on EUIPO's finding that the applicant had actually derived an advantage from its repeat filing strategy. However, it is apparent from that paragraph 74, in which it is stated that 'notwithstanding the evidence showing that the applicant's intention was, inter alia, to avoid having to furnish proof of use of the contested mark', that the General Court considered the profit made by the strategy in question to be a subsequent factor supporting the applicant's dishonest intention at the time the application for registration was filed, rather than a factor necessary to establish bad faith.

is the time of filing the application for registration,⁴⁸ it is by reference to the circumstances prevailing at that relevant date that, where appropriate, assessment should be made both of an objective risk of infringement to competition and of the possibility of the proprietor deriving an undue advantage from registration of the trademark, and not, as CeramTec seems to suggest, at a later stage.⁴⁹

62. In conclusion, in view of the considerations set out, I am of the opinion that it is appropriate to respond to the second question referred for a preliminary ruling that Article 52(1)(b) of Regulation No 207/2009 must be interpreted as meaning that, for the purposes of assessing the bad faith of the applicant, account may be taken of elements that could lead to the absolute invalidity of the contested mark, on the basis of Article 52(1)(a) of that regulation, read in conjunction with Article 7(1)(e)(ii) thereof. The mere fact that the conditions for application of the absolute ground for refusal of registration set out in the latter provision are not met in full does not prevent either such elements being taken into account or that trade mark being cancelled due to the bad faith of the applicant, where it is apparent, on the basis of all relevant factors specific to the case at issue and existing at the time the application for registration of a trade mark was made, that the application was made not with the aim of competing fairly but with dishonest intent.

V. Conclusion

63. On the basis of all of the foregoing considerations, I propose that the Court answer the first and second questions referred for a preliminary ruling by the Cour de cassation (Court of Cassation, France) as follows:

- (1) Article 52(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark,

must be interpreted as meaning that the absolute grounds for invalidity of the EU trade mark set out under Article 52(1)(a) and (b) of that provision and pertaining, respectively, to the registration of a trade mark contrary to the provisions of Article 7 of that regulation and to the bad faith of the applicant when it filed the application for registration of the trade mark, are autonomous but not exclusive.

- (2) For the purposes of assessing the bad faith of the applicant, account may be taken of factors that could lead to the absolute invalidity of the contested mark on the basis of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(e)(ii) of that regulation. The mere fact that the conditions for application of the absolute ground for refusal of registration set out in the latter provision are not met in full does not prevent either such factors being taken into account or that trade mark being cancelled due to the bad faith of the applicant, where it is apparent, on the basis of all relevant factors specific to the particular case and existing at the time the application for registration of the trade mark was filed, that the applicant had filed it not with the aim of participating in fair competition but with dishonest intent.

⁴⁸ See the judgment in *Lindt*, paragraph 35.

⁴⁹ That is, moreover, what emerges from the judgment of 6 July 2022, *Zdút v EUIPO – Nehera and Others (nehera)* (T-250/21, EU:T:2022:430), to which CeramTec refers in its observations. Indeed, in the case that gave rise to that judgment, the allegation of bad faith based on the applicant's intention to engage in parasitic conduct, consisting in taking undue advantage of the reputation of an earlier trade mark, was rejected by the General Court, after finding, inter alia, that at the date on which the application for registration of the trade mark was filed, that trade mark no longer enjoyed any reputation (paragraphs 45 to 53, 66, 69 and 70 of that judgment).