

World Trademark Review *Daily*

**General Court snubs Board of Appeal in rare bad-faith case
European Union - MAQS Law Firm**

**Cancellation
International procedures**

April 03 2012

In *Feng Shen Technology Co Ltd v Office for Harmonisation in the Internal Market* (OHIM) (Case T-227/09, March 21 2012), the General Court has annulled a decision of the Fourth Board of Appeal of OHIM in which the latter had found that Jarosław Majtczak had not acted in bad faith when filing his application for registration of the FS mark.

Feng Shen Technology Co Ltd, a Taiwanese company, produced zip fasteners under the mark FS and held several registered Taiwanese marks for the following figurative sign for 'zip fasteners':



In 2000 Majtczak, a Polish individual, contacted Feng Shen and ordered zip fasteners bearing the FS mark, with reference to Feng Shen's catalogue. The business relations between Feng Shen and Majtczak continued until January 2005, when Feng Shen started providing zip fasteners to another Polish company, Pik Foison sp zoo.

Majtczak applied for, and obtained, the registration of the following figurative sign as a Community trademark (CTM) for 'zip fasteners' in June 2005:



Based on this registration, on two occasions in 2006 Majtczak requested that the Polish customs authorities seize from Pik Foison consignments of zip fasteners bearing Feng Shen's Taiwanese mark. Shortly thereafter, Feng Shen filed an application for a declaration of invalidity of Majtczak's mark on the grounds that it had been registered in bad faith pursuant to Article 51(1)(b) of the [Community Trademark Regulation](#) (40/94) (now the [Community Trademark Regulation](#) (207/2009)).

The application was rejected by the Cancellation Division of OHIM, and the Fourth Board of Appeal affirmed. The board first held that there is no legal definition of 'bad faith' and that it is in general viewed as behaviour contrary to honest commercial practice. Second, it held that the burden of proof surrounding the existence of bad faith is on the applicant - in this case, Feng Shen. The board then proceeded to set out six considerations to support its finding that Feng Shen had not provided evidence of Majtczak's bad faith:

- the marks were not similar on the visual level;
- Feng Shen merely manufactured zip fasteners for Majtczak in accordance with specifications provided by Majtczak;
- Majtczak had started to market zip fasteners himself under the sign corresponding to the contested mark in Poland in 2000, affixing the sign now protected as a CTM in Poland;
- Feng Shen had not shown that it had attempted to market zip fasteners itself in the European Union during the period between 2000 and 2005;
- Feng Shen had not shown any interest in protecting a sign comprising the group of capital letters 'FS' in the European Union before the filing date of the contested mark; and
- Majtczak was not, as a matter of law, required to inform Feng Shen beforehand of his intention to apply for registration of the contested mark.

Feng Shen appealed to the General Court, which first cited the decision in *Chocoladefabriken Lindt & Sprüngli* (Case C-529/07) and the principle that bad faith must be assessed as a whole. The court proceeded to examine all six considerations set forth by the Fourth Board of Appeal.

As regards the likelihood of confusion, the court found that the board had erred in finding that there was no

World Trademark Review *Daily*

similarity between Majtczak's mark and Feng Shen's Taiwanese mark; in this regard, the fact that Polish customs seize Feng Shen's products at Majtczak's request based on his registration suggested that the marks were confusingly similar.

The court found that the next three considerations were not substantiated by the evidence in the file and/or were based on incorrect factual findings. The board's finding that Feng Shen manufactured zip fasteners in accordance with Majtczak's instructions was not substantiated by the evidence, in that Feng Shen's catalogue showed its mark on the zip fasteners. Furthermore, nothing supported the finding that Majtczak's mark had actually been used, whether before or after the date of application for the registration. Therefore, the evidence did not substantiate the board's finding as regards the actual use of the contested mark. In contrast, there was evidence that Feng Shen used its mark prior to Majtczak's application date for sales to Pik Foison.

As regards the two remaining considerations, the court found that they were insufficient, by themselves, to determine whether Majtczak had acted in bad faith when filing his application. The court thus annulled the board's decision, but rejected Feng Shen's application for alteration of the decision, instead sending the case back to OHIM.

This case shows that the 'bad faith' analysis under Article 52(1)(b) of the regulation is subjective and that tribunals can reach different conclusions based on the same facts. Had the General Court upheld the board's finding that there was no bad faith, cancellation applicants would have had to think twice before bringing an action for the cancellation of a CTM. However, the decision indicates that a more holistic approach is available, and provides helpful guidance to analyse the elements of bad faith.

Peter Gustav Olson, MAQS Law Firm, Copenhagen

World Trademark Review (www.worldtrademarkreview.com) is a subscription-based, practitioner-led, bi-monthly publication and daily email service which focuses on the issues that matter to trademark professionals the world over. Each issue of the magazine provides in-depth coverage of emerging national and regional trends, analysis of important markets and interviews with high-profile trademark personalities, as well as columns on trademark management, online issues and counterfeiting.