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Trademark Re-Filing and Bad Faith -- Go Directly to Jail, Do Not Pass Go, Do Not Collect $200 – Part Two: General Court Ruling

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On 21 April 2021, the General Court of the European Union refused Hasbro's appeal to overturn a decision that partially invalidated its EU trade mark for MONOPOLY on the ground of acting in bad faith when filing the application. The judgement by the General Court has ramifications for brand owners in both the law of bad faith but also in the practice of evergreening (repeatedly filing for an identical mark covering a broad specification of classes as the period of protection for the mark draws to an end).

Background

As we have discussed in a previous alert, Hasbro Inc. is the owner of the renowned board game Monopoly and in 2011 registered a EUTM for the word MONOPOLY for goods and services in classes 9, 16, 28 and 41. Kreativini Dogadaji d.o.o (KD) a Croatian board game company filed an application for invalidation of the trade mark in 2015 arguing that the mark had been registered in bad faith on the grounds that the mark was a repeat filing of three identical earlier trade mark registrations for MONOPOLY. The EUIPO initially rejected KD's request but the Board of Appeal decided that Hasbro had acted in bad faith in its 2011 filing and partially cancelled the 2011 registration in respect of those identical goods and services to those covered by earlier registrations. Hasbro then appealed to the General Court. Please see our previous alert for more background on the definition of bad faith in trade mark applications.

General Court Ruling

Hasbro's appeal argued that the Monopoly board game was "*so famous that it would be fanciful to suggest it has not used the trade mark in connection with games*" and that *"requiring it to prove use of that mark in connection with board games in invalidity proceedings would result in its incurring significant costs*". It added that the EUIPO would be "swamped in cases in which bad faith would be invoked with regard to any re-filed mark covering identical or similar goods or services".

In response, the General Court determined that whether or not Hasbro could actually prove such use was irrelevant as it is the intention of the applicant for a mark which is to be evaluated. The General Court rejected Hasbro's 'swamped in cases' argument on the basis it was speculation and not substantiated by any specific evidence.

A key part of the General Court's ruling was that Hasbro had admitted to the Board of Appeal that staving off having to prove use of the Monopoly logo was one of the advantages of its refiling strategy. The General Court determined that it was Hasbro's intentions, combined with its actions, that put the company's trade mark registration at risk. The admission by Hasbro regarding their strategy of the repeat filings appears to have been particularly detrimental to their case and such an admission is one other brand owners would do well to avoid in future. Brand owners should also remember that the burden of proof will still lie with the party that is trying to prove invalidity, Hasbro's admission appears to have resulted in the exception to that rule in this case.

Key takeaways

The ruling does raise questions and problems for brand owners with large portfolios of trade marks and who engage in evergreening to protect their marks. However the fact that the General Court said that refiling an EU trade mark does not automatically amount to bad faith should provide some comfort to brand owners. Applicants for trade marks which have previously been filed should ensure they can demonstrate a good reason why the trade mark has not been used in order to justify a refiling and maintain comprehensive evidence of use of their marks as well as documenting the reasons why the refiling strategy is pursued in order to avoid a finding of bad faith against their applications.

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