

CANCELLATION No 33 843 C (INVALIDITY)

Full Colour Black Limited, Bambridge Accountants, 44 Maiden Lane, Covent Garden, London WC2E 7LN, United Kingdom(applicant), represented by **Blaser Mills**, 119 High Street, HP7 0EA Old Amersham, Buckinghamshire, United Kingdom(professional representative)

a g a i n s t

Pest Control Office Limited, International House 2-4 Maddox Street, London W1S 1QP, United Kingdom(EUTM proprietor), represented by **Dollemores**, 9 Rickmansworth Road Watford, Hertfordshire WD18 0JU, United Kingdom(professional representative).

On 14/09/2020, the Cancellation Division takes the following

DECISION

1. The application for a declaration of invalidity is upheld.
2. European Union trade mark No 12 575 155 is declared invalid in its entirety.
3. The EUTM proprietor bears the costs, fixed at EUR 1 080.

REASONS

The applicant filed an application for a declaration of invalidity against European Union trade mark No 12 575 155 (the EUTM) for the figurative sign shown below:



The applicant invoked the ground of bad faith under Article 59(1)(b) EUTMR and also the grounds of Article 59(1)(a) EUTMR in connection with Articles 7(1)(b) and 7(1)(c) EUTMR.

The request is directed against all the goods and services covered by the EUTM, namely:

- Class 2: *Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists.*
- Class 9: *Sunglasses; pre-recorded discs, tapes and other media bearing music and other material relating to art and youth culture; computer software relating to art and youth culture; computer games for entertainment purposes.*
- Class 16: *Printed matter; stationery; photographs; posters; books; stencils; artists' materials; paint brushes; paper; apparatus for displaying pictures; pictures, prints of pictures, framed pictures; mounts for pictures; paintings.*
- Class 18: *Handbags, cases, briefcases, wallets, purses, laces, boxes, key cases or furniture coverings, all of leather or imitations of leather; trunks and travelling bags; bags, luggage; umbrellas.*
- Class 19: *Building materials; wood panelling, windows, walls, floors, partitions, doors; statues and sculptures of stone, concrete or marble; floor tiles, wall tiles.*
- Class 24: *Textiles and textile goods; wall hangings, tapestries; bed and table covers.*
- Class 25: *Clothing, footwear and headgear.*
- Class 27: *Carpets, mats and matting, rugs; floor coverings; wall hangings (non-textile).*
- Class 28: *Games, toys and playthings; gymnastic and sporting articles; decorations for Christmas trees.*
- Class 41: *Education and training services; entertainment; cultural activities, art exhibitions.*
- Class 42: *Art work design; graphic art services; commissioned artist's services.*

SUMMARY OF THE PARTIES' ARGUMENTS

The case for the applicant

The applicant argues that the mark for which protection has been sought and obtained is the exact reproduction of one of the works of the street artist Banksy, and the registered proprietor is the corporate body which deals with the matters of Banksy. The reproduction is of arguably the most iconic and famous of his works, and it is also a work which has been reproduced by a large number of third parties as decoration for items of merchandise and as the subject matter of "media carriers" such as posters and graphic works. The proprietor has made no use of the mark, its activities preclude such activity and Banksy has only ever reproduced the work as a work of art. There are also broader issues regarding the monopolisation of art works via trade marks, the question of collateral purpose, and the question of whether it is acceptable to seek registration of the trade mark in light of the factual situation known to the registered proprietor at the time of the registration.

In regards to the ground of bad faith the applicant claims that the work which is the subject matter of the registration is a work of graffiti sprayed in a public place. It was free to be photographed by the general public and has been disseminated widely. Banksy permitted parties to disseminate his work and even provided high-resolution versions of his work on his website and invited the public to download them and produce their own items. In his book, *'Wall and Piece'*, Banksy stated that 'copyright is for losers' and that the public is morally and legally free to reproduce, amend and otherwise use any copyright works forced upon them by third parties. Banksy has known for years that his works are widely photographed and reproduced on a massive and widespread scale by a range of third parties without there being any commercial connection between these parties and Banksy. Furthermore, he has known that the specific goods and services for which he has obtained registration comprise or include the items which have been the subject matter of this extended and extensive trade. Banksy does not use any of the images for which registration has been sought, including the mark in suit, as a trade mark. The present applications are attempts to monopolise these images on an indefinite basis contrary to provisions of copyright law. Until recently BANKSY has not brought formal proceedings against any parties. The registration of the trade marks avoids evidential burdens relating to allegations of copyright infringement and relating to the acquisition of registered trade marks in the United States of America. There has been a pattern of registering (or applying to register) established works of BANKSY as EU trade marks and register the corresponding mark in the US as a trade mark claiming the EU rights as basis for obtaining registration. Therefore, the applicant claims that the sole purpose of registering the EUTM was to prevent the ongoing use of the work which he had already permitted to be reproduced. It argues that this fact as well as the fact that the purpose of the registration was to circumvent copyright law or the provisions of the US trade mark law, shows that the filing was done in bad faith. The applicant also puts forwards arguments in relation to the other grounds of invalidity on which the application is based.

In reply to the proprietor's arguments the applicant denies that the application for invalidity is unsubstantiated and does not apply to the relevant period at issue. It also claims that the proprietor has misrepresented some of its arguments. It argues that Banksy, represented by the proprietor, was aware from at least as early as 2007 that his works were being reproduced on a massive scale without any of it being under his control. In his book *'Wall and Piece'* Banksy positively extolls the virtue of disobedience to copyright and trade mark law. The applicant states that it is difficult to find evidence that is applicable to the date of filing in 2014 but that it has submitted evidence in this respect and also later evidence which provides insight into the position at the relevant date. The applicant asserts that the litigation based on a copyright would be likely to affect the anonymity of Banksy and this would prejudice his persona. The work which comprises the contested sign was the image on the front of Banksy's book which was published in 2006 so it argues that it was clearly well-known at the time of filing of the EUTM. Although Banksy states on his website that other companies were using his sign without his permission for commercial purposes the proprietor has not submitted any evidence that he sought to defend against this. The applicant argues that the proprietor has not put forward a full and positive reason for its applications, nor did it suggest that it has, or ever had, an intention to use the image as a trade mark. It claims that the EUTM was only registered to circumvent the proprietor's inability to rely upon other appropriate intellectual property rights. The proprietor has only begun to use the sign since the present proceedings were initiated and admitted that this use was a false basis as it is merely an attempt to frustrate the present proceedings. The proprietor's Director, Mr. M.S. has stated that the use is an attempt to show intent of use, so the applicant claims that this is yet another cynical attempt to circumvent appropriate

behaviour. In reply to the proprietor's argument that many copyrighted works are registered as trade marks the applicant states that this does not prove that bad faith was not involved in the filing of the EUTM. The applicant claims that the EUTM was not filed to indicate origin of goods but only as Banksy could not rely upon copyright. The applicant relies on a decision of the Board of Appeal of 22/07/2019, R1849/2017-2 and the Attorney General's opinion in relation to the case C 371/18, Sky Plc v Skykick to argue that where there is no intention to use a sign as a trade mark and to obtain a collateral benefit in the obtaining of a trade mark constitutes an abuse of the system and an act of bad faith.

In support of its observations on 12/03/2019 (and repeated on 13/03/2019, 23/03/2019 and also again on 17/06/2019 with an index and in order following a request from the Office), the applicant filed the following evidence:

- Witness statement of A.R.W.
- Exhibit ARW1: Articles which show the relationship between Pest Control (proprietor) and Banksy.
- Exhibits ARW2-5: Printouts of the proprietor's website, articles relating to Banksy and his anonymity, his work and its value and his best known works.
- Exhibit ARW6: Images of the 'Flower bomber' and related articles.
- Exhibit ARW7: Printouts of the Banksy website.
- Exhibits ARW8-16: Examples of Banksy's use of third party copyrights in his works, images of articles being Banksy's works used by third parties on goods in Classes 9, 16, 18, 24, 25, 27, 28 and for goods in other classes.
- Exhibit ARW17: Details of the US application for the trade mark registration of the 'flower bomber'.
- Exhibit ARW18: Table of the proprietor's EU and US applications and registrations.
- Exhibits ARW19-20: Excerpts from the USPTO practice.
- Exhibit ARW21: Copy of the Italian trade mark case regarding Banksy and the 'flower bomber'.

On 18/11/2019 the applicant submitted the following evidence in support of its application:

- Second witness statement of A.R.W.
- Exhibit ARW22: News reports showing the opening of the shop and webshop of the proprietor/Banksy called Gross Domestic Product which state that it was opened in order to show use to succeed in a trade mark dispute.
- Exhibit ARW23: Evidence to identify Mr M.S. identified in the statements in the previous exhibit.
- Exhibit AWR24: An image of the contested sign on a product in the webshop and the new business.
- Exhibit 25: Extracts from the Companies House Register in the UK to show the connection between Mr. M.S. and the proprietor.
- Exhibit 26: Examples of third party products bearing the contested sign for sale prior to the filing date and around the time of filing of the application for invalidity.

The case for the EUTM proprietor

The proprietor argues that the applicant has not submitted sufficient evidence to prove that the EUTM was filed in bad faith. Contrary to the claims of the applicant, this evidence does not demonstrate that Banksy has given free reign to the general public

to use his copyright. There is no evidence that Banksy allowed even non-commercial use of the work but only for non-commercial use of the images. The arguments about the US registrations are not of relevance for the present purposes and the USPTO manual was incorrectly identified and misapplied by the applicant. There are many works of art that are registered as trade marks in the EU and the proprietor provides examples of same and argues that it is common practice to use these works as trade marks for commercial purposes. It contests the relevance of the decisions relied upon by the applicant or argues that the applicant has misapplied the findings of the judgments. The proprietor relies on the judgment of 06/09/2018, C-488/16 P, NEUSCHWANSTEIN, EU:C:2018:673, § 82-84 to state that a party that registers a trade mark in pursuit of a legitimate objective to prevent another party from taking advantage by copying the sign is not acting in bad faith. It argues that where a party is taking advantage of a sign due to their knowledge that the owner of the sign cannot enforce unregistered trade mark rights and copyright without prejudicing his public persona or business interests, obtaining a trade mark registration through an incorporated company in order to enforce these rights is a 'legitimate objective' and not an application in bad faith.

In reply to the applicant's arguments the proprietor denies that public access to a sign and wide dissemination of a sign is not a bar to registration as if so then no unregistered trade mark could be registered. The applicant has not provided any evidence showing that Banksy or the proprietor has allowed others to use or disseminate the image in the trade mark. Banksy's statements neither change the law nor prohibit him or the proprietor from seeking rights and protections available under the law. An anti-establishment viewpoint does not prevent a party from utilising establishment mechanisms in order to further their view. The applicant has not provided any evidence showing that, at the relevant date, Banksy was aware of any more than one isolated occurrence of his work being used. The applicant's evidence shows instead that Banksy placed a warning on his website in an attempt to prevent the public from believing the goods were connected to him. The applicant is under an obligation to show that the proprietor acted in bad faith at the relevant date, which it denies that it has. Banksy's copyright lasts for his lifetime plus 70 years, whereas, a trade mark can be cancelled on the basis of non-use revocation if it has not been put to genuine use as a trade mark for a continuous period of 5 years. As such, the trade mark can only be monopolised indefinitely if it is put to genuine use as a trade mark and, if not, will be vulnerable to cancellation long before the copyright protection ends. Whilst the US registrations are facts, the applicant has not provided any evidence to show that these were made in bad faith.

The proprietor contends that the applicant's evidence has proven how quickly Banksy's work gains reputation and the applicant's submissions have set out how commercial entities seek to capitalise on his creative works in spite of his express refusal of permission for such commercial activities. It is clearly justified for an individual, or a company acting on behalf of the individual, to seek to protect a sign as a trade mark in order to prevent other parties from committing infringement unhindered through exploiting legal loopholes. The applicant has not provided any facts that call into question the validity of the trade mark registration at the relevant date. The applicant's evidence and submissions are in the abstract about Banksy and his work as a whole, not about the contested trade mark. The applicant has misrepresented the law in that he has omitted crucial passages from quoted decision in relation to the assessment for bad faith. When all the factors are taken into account, it is clear that the application was not made in bad faith and the conduct was according to accepted principles of ethical behaviour or honest commercial and business practices. The applicant's arguments regarding the fame of Banksy should be disregarded as they are flawed and incorrectly

applies the law and is contrary to the principals established in the Article 20 of the Charter of Fundamental Rights of the EU, which states that everyone is equal before the law, and Article 11.1, which states that everyone has the right to freedom of expression which includes the freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. The proprietor cannot lose the right to file a trade mark for his work because he had previously made statements that copyright is for losers. The proprietor also submitted detailed observations in relation to the other grounds of invalidity.

In its rejoinder the proprietor contests the witness statements as they are made by the legal counsel of the applicant and his memory of the situation at the relevant date and argues that he is not an impartial witness. The proprietor denies that the applicant has put forward a positive case to prove bad faith on the part of the proprietor at the relevant date. The standard for proving bad faith is high and the evidence submitted by the applicant falls considerably below that standard. The proprietor points out that the applicant relied on the opinion of the Advocate General in the Sky case (29/01/2020, C 371/18, SKY, EU:C:2020:45) and argues that the Court has now decided the case and it is the judgment that must be taken into consideration, particularly paragraphs 74-78. The proprietor summarises the findings of the judgment to argue that bad faith requires a dishonest state of mind or intention in the course of trade; all undertakings must be able to register their signs as trade marks; bad faith can only be established if there exists objective, relevant and consistent indicia showing, when the application was filed, the trade mark applicant's intentions were inconsistent with the honest practices of the trade; the trade mark applicant is not required to know when use will be made of the trade mark and has a period of 5 years following registration to commence that use; and the trade mark applicant cannot be presumed to have filed the application in bad faith on the mere basis, at the time of filing, it did not have any corresponding economic activity at that time. The proprietor argues that the Sky decision (cited above) confirms that, unless the contrary can be demonstrated by contemporaneous evidence at the date of filing, the proprietor's intention to use the mark as a trade mark is evidenced through the filing of the application. Even with contemporaneous evidence the test for proving the applicant's intent is strict and the evidential bar that the cancellation applicant must reach to satisfy the test is high.

The proprietor again repeats that the evidence submitted is largely irrelevant. There are no provisions in the EUTMR allowing for circumstances relating to other trade marks or designs to be taken into account. The applicant is referring to other trade marks as it cannot substantiate the application for invalidity and wants a decision based on the fame of Banksy and his works as a whole rather than on the basis of the circumstances of the contested EUTM. The applicant has included in its evidence printouts from the Amazon website which it claims show products bearing the trade mark being on sale prior to the relevant date. These webpages have been taken from the Amazon website in 2019 and not at the Relevant Date. It states that Amazon listings are being hijacked enabling different products to be sold on an earlier listing and the hijacker undertakes this with the purpose of acquiring the old product reviews in order to make its goods appear trustworthy. It is clear from this that the seller can easily amend its product listing and, therefore, the product listed in 2014 may be completely different to that listed in 2019 and this evidence cannot provide evidence of the situation at the relevant date. The proprietor intended to use the mark and this is shown by the fact that it filed for a trade mark. The contested EUTM has a presumption of validity and the assessment must be made only in relation to the contested sign and the contested goods and services at the date of application. The applicant has failed to prove the ground of bad faith. The proprietor also submitted further arguments in relation to the other grounds of invalidity which will be addressed later if necessary.

In support of its observations, the EUTM proprietor filed the following evidence:

Evidence submitted on 25/10/2019:

- Exhibit PCO1: USPTO practice manual for an application under Section 44 and based on a prior foreign registration.
- Exhibit PCO2: A selection of EUTM registrations for a variety of artworks (fine art, pop art, cartoon, design) from a number of artists such as Andy Warhol, Keith Harling, the incorporated companies which have registered the works, the goods on which they are used (either directly or through licensing), and the art either exhibited or for sale.
- Exhibit PCO3: A copy of the Charter of Fundamental Rights of the EU as made legally binding by the Treaty of Lisbon.

Evidence submitted on 18/05/2020

- Exhibit PCO4: UK High Court decision in *Gestmin v Credit Suisse* [2013] EWHC 3560.
- Exhibit PCO5: Article explaining how listings on Amazon are being hijacked and Amazon Seller Central page containing instructions on how to amend an Amazon listing.

ABSOLUTE GROUNDS FOR INVALIDITY – ARTICLE 59(1)(b) EUTMR

General principles

Article 59(1)(b) EUTMR provides that a European Union trade mark will be declared invalid where the applicant was acting in bad faith when it filed the application for the trade mark.

There is no precise legal definition of the term ‘bad faith’, which is open to various interpretations. Bad faith is a subjective state based on the applicant’s intentions when filing a European Union trade mark. As a general rule, intentions on their own are not subject to legal consequences. For a finding of bad faith there must be, first, some action by the EUTM proprietor which clearly reflects a dishonest intention and, second, an objective standard against which such action can be measured and subsequently qualified as constituting bad faith. There is bad faith when the conduct of the applicant for a European Union trade mark departs from accepted principles of ethical behaviour or honest commercial and business practices, which can be identified by assessing the objective facts of each case against the standards (Opinion of Advocate General Sharpston of 12/03/2009, C-529/07, *Lindt Goldhase*, EU:C:2009:361, § 60).

Whether an EUTM proprietor acted in bad faith when filing a trade mark application must be the subject of an overall assessment, taking into account all the factors relevant to the particular case (11/06/2009, C-529/07, *Lindt Goldhase*, EU:C:2009:361, § 37).

The burden of proof of the existence of bad faith lies with the invalidity applicant; good faith is presumed until the opposite is proven.

Outline of the relevant facts

The relevant facts have been laid out in detail in the section dealing with the observations of the parties.

Assessment of bad faith

The ground of bad faith applies where it is apparent from relevant and consistent indicia that the proprietor of an EU trade mark filed its application for registration without any intention of using the contested EUTM, or without the aim of engaging fairly in competition, but with the intention of undermining the interests of third parties, in a manner inconsistent with honest practices, 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 (12/09/2019, C-104/18 P, *STYLO & KOTON* (fig.), EU:C:2019:724, § 46 and 29/01/2020, C 371/18, *SKY*, EU:C:2020:45, § 81).

However, it cannot be excluded that even when several producers are 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 (11/06/2009, C 529/07, *Lindt Goldhase*, EU:C:2009:361, § 47-49).

Much of the evidence and arguments refer to Banksy and not the proprietor who applied for the EUTM. The Cancellation Division considers that the evidence submitted by the applicant shows that there is a connection between Banksy and the proprietor, who would appear to be the legal representatives of Banksy. The term 'applicant' in Article 59(1)(b) EUTMR has to be construed as meaning the person applying for the EUTM in its own name, the principal of an agent acting in the name of its principal or any person instructing a nominee to act in its (the nominee's) own name, but who, according to an arrangement between them, merely serves the interests of the former, while acting in good faith and being unaware of the former's bad faith (13/12/2004, R 582/2003 4, *EAST SIDE MARIO'S*, § 17 18). The proprietor is the representative of Banksy, probably due to his wish to stay anonymous, and therefore the proprietor's filing of the EUTM would have been carried out in the interests of Banksy.

The purpose of a trade mark is to allow consumers to identify the commercial origin of the goods or services at issue and distinguish these goods or services from those of other companies. The purpose of a trade mark is not to prohibit others from registering or using signs for which the applicant for invalidity is not using in order to identify goods and services in order to carve out a portion of the commercial market.

The purpose of a copyright is *inter alia* to protect different kinds of original artistic works. A painting or graffiti could therefore, when the necessary conditions are met, be covered by copyright protection.

In the present case, the artwork in question of the 'Flower Thrower' was a piece of street graffiti placed on a wall on the side of a garage in Jerusalem. There is an argument that street graffiti, which is not carried out with the express permission of the owner of the property on which it is placed, is carried out in commission of a criminal act. To such extent, no copyright rights might accrue from such a work (or there is an

argument that the copyright may be assumed to be gifted to the owner of the property). Moreover, graffiti is normally placed in public places for all to view and photograph, which might also possibly annul any ownership rights in copyright, although this is expressly denied by the proprietor.

However, the Cancellation Division considers that these point falls outside the scope of the present proceedings and will not be considered further. The fact that Banksy has chosen to be anonymous and cannot be identified would also hinder him from being able to protect any such copyrights accruing to his art. Furthermore, Banksy has made numerous statements (which the applicant has submitted as evidence) in which he states that 'copyright is for losers', 'Any advert in public space that gives you no choice whether you see it or not is yours. It's yours to take, re-arrange and re-use' (excerpt from Wall and Piece 2006) and, indeed, Banksy has used the copyright of others in some of his works. He also allows the general public to download and use his images, but not for a commercial purpose, although the proprietor denied this in its arguments, the website extracts show that Banksy did allow this practice. The Cancellation Division notes that these statements certainly do not preclude the proprietor or Banksy from accruing rights to the sign or defending any such rights accrued. As mentioned above, the evidence submitted by the applicant shows that there is a connection between Banksy and the proprietor, who would appear to be the legal representatives of Banksy, but, again, it must be noted that the evidence is not exhaustive in this regard as the identity of Banksy cannot be legally determined. All of these facts would lead to a determination that it would be quite difficult for Banksy though his representatives, the proprietor, to actually enforce copyright rights against third parties.

Copyrights have a fixed duration of protection in the EU, being for the lifetime of the creator plus an additional 70 years from their death. Therefore, these rights are exhaustive. However, a trade mark can last indefinitely if renewed. The proprietor argues that there is an exception to this indefinite duration of a trade mark and it would be where the proprietor of the mark does not put the mark to genuine use for the goods and services for which it is registered, which is indeed correct. However, the fact still remains that, with use, a trade mark can extend the length of time of protection of a work and therefore, it is capable of circumventing any such limitations.

The proprietor points out that there are a number of famous works of art that have been registered as EUTMs and which were not precluded from being registered due to having pre existing copyrights. This is indeed correct, these two rights do not have to be mutually exclusive. However, where an application for a declaration of invalidity based on bad faith is filed against one of these marks the case must be examined in detail, as in the present case.

The proprietor also argues that Article 20 of the Charter of Fundamental Rights of the EU states that everyone is equal before the law and that Article 11.1 states that everyone has the right to freedom of expression, which includes the freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. Again this is correct, however, where a trade mark has been filed in bad faith the proprietor would not have a right to own such a sign as it would fall foul of Article 59(1)(b) EUTMR which protects against such circumstances. A proprietor cannot gain rights from a sign that is filed in bad faith. Like in many other situations, personal rights and freedoms can be curtailed when other laws are infringed or broken and therefore, this argument of the proprietor must be set aside.

The applicant has provided printouts from the internet archive site of the Wayback Machine for the proprietor's webpage, some dated prior to the filing of the EUTM and

some dated after. The proprietor made clear statements that he gave his express permission for the public to download and use its works of arts as they wished, with the exception that it was not used for commercial purposes. Banksy also acknowledged on its webpages from at least 2007 that he was aware of the use of this work by third party companies to commercialise goods and denied that this was done with his permission, but did not take any form of legal action to prevent these actions. The work of art at issue in the present case is the Banksy 'Flower Thrower' which appeared in Jerusalem in 2005 and was the image used on the cover of Banksy's book entitled 'Wall and Piece' published in 2006.

The proprietor argues that the evidence submitted by the applicant to show use of the sign by other parties is not all dated in the correct period. The applicant has submitted some evidence dated prior to the filing date (some much prior to and some just prior to the date of filing) and also evidence after the filing date and up to and around the time of filing of the present application for a declaration of invalidity. The relevant point in time to show bad faith is the date of filing of the contested EUTM. However, evidence prior to and after that date can also be relevant if it can show the proprietor's intention for filing the mark, so this argument must be set aside. The proprietor also argues that webshops in Amazon.com can be altered or modified and that some parties obtain other parties' webshops so that they can inherit positive reviews and seem more legitimate. The proprietor has not submitted proof that this has occurred with any of the evidence submitted by the applicant and therefore these documents must be assumed to be correct. To accept such an argument to discredit this evidence would result in every piece of evidence submitted being called into question as most evidence is online evidence in the present day. Therefore, this argument must also be rejected. The applicant's evidence shows that many different companies were using the sign to commercialise goods prior to, close to the time of filing and thereafter and that the proprietor, in its representation of Banksy, was aware of this fact and did nothing to stop them.

From an examination of the evidence filed by both parties it would appear that, at the time of filing of the application for invalidity, the proprietor (or Banksy) had never actually marketed or sold any goods under the contested sign. Moreover, some of the proprietor's webpage extracts dated in 2010-2011 state that 'All images are made available to download for personal amusement only, thanks. Banksy does not endorse or profit from the sale of greeting cards, mugs, t-shirts, photo canvases etc. ...', 'Banksy does not produce greeting cards or print photo-canvases....Please take anything from this site and make your own (non-commercial use only thanks)' and 'Banksy has never produced greeting cards, mugs or photo canvases of his work'. Therefore, there is no evidence that Banksy was actually producing, selling or providing any goods or services under the contested sign either prior to the date of filing of the contested EUTM or up to the date of filing of the application for a declaration of invalidity.

In the second round of evidence the applicant provided evidence that Banksy had begun to sell goods after the date of filing of the present application for a declaration of invalidity. There are a number of articles from some notable publications in the UK dated in October 2019 which speak of the opening of a Banksy shop which would not be opened to the public, but the public could look at the window displays and buy the products online, after a vetting procedure to ensure that they were not going to re-sell the items and were not art dealers. In these publications Banksy is accredited to saying that 'the motivation behind the venture was "possibly the least poetic reason to even make some art" – a trademark dispute'. An article also quotes Mr. M.S. (the applicant has shown that he is a Director of the proprietor and also self-proclaimed legal advisor

of Banksy) as saying 'Banksy is in a difficult position...Because he doesn't produce his own range of shoddy merchandise and the law is quite clear – if the trademark holder is not using the mark, then it can be transferred to someone who will...(Mr. M.S) proposed that Banksy begin his own range of merchandise and open a shop as a solution to the issue...'. In the same article Banksy says "Sometimes you go to work and it's hard to know what to paint, but for the past few months I've been making stuff for the sole purpose of fulfilling trademark categories under EU law" and admitted that the subject matter is "not a very sexy muse". The article points out that the windows display his works which include paintings such as the 'Flower Thrower'. The article concludes that 'Banksy stresses that, despite trying to defend his rights in this particular case, he hasn't changed his position on copyright. "I still encourage anyone to copy, borrow, steal and amend my art for amusement, academic research or activism. I just don't want them to get sole custody of my name". The shop is called 'Gross Domestic Product' and the applicant also submitted an extract of the webpage of the shop dated 28/10/2019, in which it also encourages the copying, borrowing and uncredited use of Banksy imagery for amusement, activism and education purposes and to make merchandise for personal entertainment and non-profit activism for good causes, but not for passing them off as authentic and re-selling them.

From the evidence submitted Banksy had not manufactured, sold or provided any goods or services under the contested sign or sought to create a commercial market for his goods until after the filing of the present application for a declaration of invalidity. Only then, in October of 2019, he opened an online store (and had a physical shop but which was not opened to the public) but by his own words, reported in a number of different publications in the UK, he was not trying to carve out a portion of the commercial market by selling his goods, he was merely trying to fulfil the trade mark class categories to show use for these goods to circumvent the non-use of the sign requirement under EU law. Both Banksy and Mr. M.S, who is a Director of the proprietor, made statements that the goods were created and being sold solely for this cause. Therefore, by their own words they admit that the use made of the sign was not genuine trade mark use in order to create or maintain a share of the market by commercialising goods, but only to circumvent the law.

The EUTM was filed on 07/02/2014. The evidence shows that the proprietor did not sell any goods or provide any services under the sign until after the initiation of the present proceedings. In fact the evidence shows that Banksy repeatedly made statements that he was not making or selling any of these goods and that the third parties were doing this without his permission. The evidence also shows that from the time of filing of the EUTM until after the filing of the present application this position did not change. It was only during the course of the present proceedings (after the grace period had ended and after the present invalidity proceedings had been initiated) that Banksy started to sell goods but specifically stated that they were only being sold to overcome non-use for trade mark proceedings and not to commercialise the goods. Banksy by his own admission is clearly against intellectual property laws, but this does not mean that he is not afforded the same protection under these laws as everybody else. However, there are restrictions to the right to register a trade mark and that would be in the case where the mark is filed in bad faith.

The concept of bad faith referred to in Article 59(1)(b) EUTMR is an autonomous concept of European Union (EU) law, which must be given a uniform interpretation in the EU (preliminary ruling of 27/06/2013, C-320/12, Malaysia Dairy, EU:C:2013:435). However, it is not defined, delimited or even described in any way in the legislation.

Advocate General Sharpston proposed to define it as a 'conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices' (opinion of Advocate General Sharpston of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:148, § 60).

Article 59(1)(b) EUTMR meets the general interest objective of preventing trade mark registrations that are abusive or contrary to honest commercial and business practices. These registrations are contrary to the principle that EU law cannot be extended to cover abusive practices on the part of a trader, which do not make it possible to attain the objective of the legislation in question (23/05/2019, T-3/18 & T-4/18, ANN TAYLOR / ANNTAYLOR et al., EU:T:2019:357, § 33).

Bad faith may apply if it transpires that the EUTM proprietor never had any intention to use the contested EUTM, for example, a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith if the applicant for registration of that mark had the 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. (29/01/2020, C 371/18, SKY, EU:C:2020:45, § 81).

The predicament of Banksy's right to the work 'Flower Thrower' is clear. To protect the right under copyright law would require him to lose his anonymity which would undermine his persona. Moreover, there are a number of legal issues which might even result in it being very difficult for him to actually claim copyright over the work although this can be left open for the present purposes. It is clear that when the proprietor filed the EUTM he did not have any intention of using the sign to commercialise goods or provide services. The use, which was only made after the initiation of the present proceedings, was identified as use to circumvent the requirements of trade mark law and thus there was no intention to genuinely use the sign as a trade mark. Banksy was trying to use the sign only to show that he had an intention of using the sign, but his own words and those of his legal representative, unfortunately undermined this effort. Thus it must be concluded that there was no intention to genuinely use the sign as a trade mark and the only eventual use made of the sign was made with the intention of obtaining an exclusive right to the sign for purposes other than those falling within the functions of a trade mark.

The proprietor also relies on the judgment of 06/09/2018, C-488/16 P, NEUSCHWANSTEIN, EU:C:2018:673, § 82-84 to state that a party that registers a trade mark in pursuit of a legitimate objective to prevent another party from taking advantage by copying the sign is not acting in bad faith.

The judgment states at paragraph 83 the following:

In that judgment, to which the General Court refers in paragraph 58 of the judgment under appeal, the Court held, in essence, regarding the intention of the applicant at the time of filing the application for registration of an EU trade mark, that, even in a situation where that applicant files an application for registration of a sign with the sole aim of competing unfairly with a competitor who is using a similar sign, it cannot be excluded that the applicant's registration of the sign may be in pursuit of a legitimate objective. The Court specified that that could be the case, in particular, 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 (judgment of 11 June 2009, Chocoladefabriken Lindt & Sprüngli, C-529/07, EU:C:2009:361, paragraphs 47 to 49). Accordingly, it is not apparent from that judgment that the assessment of bad faith must necessarily take the means used to achieve such an objective into account.

However, the above reasoning could not apply in the present case as the Banksy was not using the sign as a trade mark and did not have a legitimate objective in this regard. He had no intention of using the sign and was allowing the public to download and use it as they wished, with the exception of commercial use, but he did not want anyone else to use the sign which is in the public domain and for which no clear copyright can be identified.

In the recent 2020 judgment in SKY(cited above) the Court found the following:

“74 The Court has held that in addition to the fact that, 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, regard must be had, for the purposes of interpreting that concept, to the specific context of trade mark law, which is that of the course of trade. In that regard, the EU rules on trade marks are aimed, in particular, at contributing to the system of undistorted competition in the European Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin (judgment of 12 September 2019, Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO, C-104/18 P, EU:C:2019:724, paragraph 45 and the case-law cited).

75 Consequently, the absolute ground for invalidity referred to in Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 applies where it is apparent from relevant and consistent indicia that the proprietor of a 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 recalled in the previous paragraph of the present judgment (judgment of 12 September 2019, Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO, C-104/18 P, EU:C:2019:724, paragraph 46).

76 Admittedly, the applicant for a trade mark is not required to indicate or even to know precisely, on the date on which his or her application for registration of a mark is filed or of the examination of that application, the use he or she will make of the mark applied for and he or she has a period of 5 years for beginning actual use consistent with the essential function of that trade mark (see, to that effect, judgment of 12 September 2019, Deutsches Patent- und Markenamt (#darferdas?), C-541/18, EU:C:2019:725, paragraph 22).

77 However, as the Advocate General observed in point 109 of his Opinion, the registration of a trade mark by an applicant without any intention to use it in relation to the goods and services covered by that registration may constitute

bad faith, where there is no rationale for the application for registration in the light of the aims referred to in Regulation No 40/94 and First Directive 89/104. Such bad faith may, however, be established only if there is objective, relevant and consistent indicia tending to show that, when the application for a trade mark was filed, the trade mark applicant had the 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.

78 The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application.”

.....
81 In the light of the foregoing, the answer to the third and fourth questions is that Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith, within the meaning of those provisions, if the applicant for registration of that mark had the 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. When the absence of the intention to use the trade mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that application constitutes bad faith only in so far as it relates to those goods or services.

The proprietor argues that the Sky decision (cited above) confirms that, unless the contrary can be demonstrated by contemporaneous evidence at the date of filing, the proprietor's intention to use the mark as a trade mark is evidenced through the filing of the application. It further argues that even with contemporaneous evidence the test for proving the applicant's intent is strict and the evidential bar that the cancellation applicant must reach to satisfy the test is high. It also argues that it is up to the applicant to prove bad faith.

The applicant must indeed make its case for bad faith, which the Cancellation Division considers it has done, as such, the proprietor must show that it had a legitimate reason for filing the mark. The evidence, as stated before in the present decision, should show the proprietor's intentions at the time of filing of the EUTM, however, evidence of before or after this time period may also be taken into account if it can show or confirm the intention of the proprietor at the time of filing. The applicant's evidence clearly shows the proprietor's (Banksy's) intentions from around 2007 up to the time of filing and thereafter. Therefore, it was up to the proprietor to show that it had legitimate reasons to apply for the sign.

In this respect the proprietor claims that where a party is taking advantage of a sign due to their knowledge that the owner of the sign cannot enforce unregistered trade mark rights and copyright without prejudicing his public persona or business interests, obtaining a trade mark registration through an incorporated company in order to enforce these rights is a 'legitimate objective' and not an application in bad faith.

However, the Cancellation Division cannot agree with this assertion. Banksy has chosen to remain anonymous and for the most part to paint graffiti on other people's property without their permission rather than to paint it on canvases or his own property. He has also chosen to be very vocal regarding his disdain for intellectual property rights, although clearly his aversion for intellectual property rights does not annul any validly acquired rights to copyright or trade marks. It must be pointed out that another factor worthy of consideration is that he cannot be identified as the unquestionable owner of such works as his identity is hidden; it further cannot be established without question that the artist holds any copyrights to a graffiti. The contested EUTM was filed in order for Banksy to have legal rights over the sign as he could not rely on copyright rights, but that is not a function of a trade mark. Therefore, the filing of a trade mark cannot be used to uphold these rights which may not exist, or at least may not exist for the person claiming to own them.

Moreover, applying the above cited judgment and the previous findings it is clear that Banksy did not have any intention to use the EUTM in relation to the contested goods and services at the time of filing of the EUTM which is the relevant time period to be taken into consideration. He only began using the sign after the filing of the present application for a declaration of invalidity and stated that the use was only to overcome EU laws regarding the issue of non-use in relation to a trade mark dispute which shows that his intention was not to use the mark as a trade mark to commercialise goods and carve out a portion of the relevant market, but only to circumvent the law. These actions are inconsistent with honest practices. They show that his intention was to obtain, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

Following from the case law cited above bad faith may apply if it transpires that the EUTM proprietor never had any intention to use the contested EUTM or if the intention in filing the EUTM was to obtain an exclusive right for purposes other than those falling within the functions of a trade mark. Therefore, for the reasons given above the proprietor's actions are inconsistent with honest practices as it had no intention to use the EUTM as a trade mark according to its function and thus the EUTM was filed in bad faith.

The parties also made arguments in relation to the US law and the proprietor's using of the EUTM to file US trade marks. However, as the application for bad faith is fully successful as laid out above, and for reasons of procedural economy, the Cancellation Division will not comment on these arguments as they will not affect the outcome of the present decision.

Conclusion

In the light of the above, the Cancellation Division concludes that the application is totally successful and the European Union trade mark should be declared invalid for all the contested goods and services.

The application for a declaration of invalidity is also based on the grounds of Article 59(1)(a) EUTMR in conjunction with Articles 7(1)(b) and 7(1)(c) EUTMR. However, as the application is fully successful as based on the ground of bad faith under Article 59(1)(b) EUTMR, the Cancellation Division will not examine the request as based on these additional grounds or the arguments and evidence submitted in relation thereto, as said examination will not affect the outcome of the present decision.

COSTS

According to Article 109(1) EUTMR, the losing party in cancellation proceedings must bear the fees and costs incurred by the other party.

Since the EUTM proprietor is the losing party, it must bear the cancellation fee as well as the costs incurred by the applicant in the course of these proceedings.

According to Article 109(1) and (7) EUTMR and Article 18(1)(c)(ii) EUTMIR, the costs to be paid to the applicant are the cancellation fee and the representation costs, which are to be fixed on the basis of the maximum rate set therein.



The Cancellation Division

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According to Article 67 EUTMR, any party adversely affected by this decision has a right to appeal against this decision. According to Article 68 EUTMR, notice of appeal must be filed in writing at the Office within two months of the date of notification of this decision. It must be filed in the language of the proceedings in which the decision subject to appeal was taken. Furthermore, a written statement of the grounds of appeal must be filed within four months of the same date. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 720 has been paid.