

**DECISION
of the Fifth Board of Appeal
of 25 October 2022**

In case R 1246/2021-5

Pest Control Office Limited

27 Old Gloucester Street
London WC1N 3AX
United Kingdom

EUTM proprietor / Appellant

represented by Dolleymores, 9 Rickmansworth Road, WD18 0JU Watford, United Kingdom

v

Full Colour Black Limited

Bambridge Accountants, 44 Maiden
Lane, Covent Garden
London WC2E 7LN
United Kingdom

Cancellation applicant / Cancellation
applicant

represented by Blaser Mills, 119 High Street, HP7 0EA Old Amersham, United Kingdom

APPEAL relating to Cancellation Proceedings No 39 873 C (European Union trade mark registration No 17 981 629)

THE FIFTH BOARD OF APPEAL

composed of V. Melgar (Chairperson and Rapporteur), R. Ocquet (Member) and S. Rizzo (Member)

Registrar: H. Dijkema

gives the following

Decision

Summary of the facts

- 1 By an application filed on 7 November 2018, Pest Control Office Limited ('the EUTM proprietor') sought to register the figurative mark



for the following list of goods and services:

Class 9 - Sunglasses; glasses cases; pre-recorded discs, tapes and other media bearing music and other material relating to art and youth culture; pre-recorded discs, tapes and other media bearing films; pre-recorded discs, tapes and other media bearing electronic images; computer software relating to art and youth culture; computer games for entertainment purposes; downloadable publications; downloadable books, magazines and journals; downloadable films; downloadable music; downloadable sound recordings; downloadable image files; downloadable digital photos; downloadable multimedia files; downloadable wallpapers for computers and phones; application software; covers and cases for mobile phones; covers and cases for tablet computers; electronic photo albums; parts and fitting for all the aforementioned.

Class 16 - Printed matter; stationery; photographs; posters; books; stencils; artists' materials; arts, crafts and modelling equipment; paint brushes; paper; art paper; canvas; pads; notebooks; journals; Artists easels; mounts of paper for pictures; art mounts; photograph mounts; cardboard picture mounts; pictures, prints of pictures, framed pictures; mounts for pictures; paintings; reproductions of paintings; fine art prints; drawings; etchings; collages; works of art; printed publications; cards; place mats; coasters; albums; stickers; decalcomanias; Bags and articles for packaging, wrapping and storage of paper, cardboard or plastics; figurines; binders; book marks; boxes; calendars; gift tags; decorations; catalogues; programmes; magazines; periodicals; signboards; teaching materials; printed awards; parts and fittings for all the aforementioned;

Class 25 - Clothing, footwear and headgear;

Class 28 - Games, toys and playthings; gymnastic and sporting articles; decorations for Christmas trees; festive decorations; parts and fittings for all the aforementioned;

Class 41 - Education and training services; entertainment; cultural activities; art exhibitions; art gallery services; rental of artwork; mural art painting services; modelling services for artists; non-downloadable electronic publications; provision of non-downloadable videos and films; providing on-line non-downloadable pictures; providing on-line non-downloadable images; on-line publication of electronic books, magazines and journals; providing on line music, not downloadable; providing online non-downloadable audio content; providing on line computer

games; organisation of competitions and contests; organising and conducting exhibitions, conferences, seminars, workshops, lectures, webinars, festivals, performances, shows; organisation, hosting and issuing awards; publishing services; information, advisory and consultancy services relating to all the aforementioned.

- 2 The application was published on 1 March 2019 and the mark was registered on 8 June 2019.
- 3 On 28 November 2019, Full Colour Black Limited ('the Cancellation applicant') filed a request for a declaration of invalidity of the registered mark for all the above goods and services.
- 4 The grounds of the request for a declaration of invalidity were those laid down in Article 59(1)(a) EUTMR in connection with Article 7(1)(b) and (c) EUTMR, and Article 59(1)(b) EUTMR.
- 5 By decision of 18 May 2021 ('the contested decision'), the Cancellation Division declared the invalidity of the contested EUTM. It gave, in particular, the following grounds for its decision:

Absolute grounds for invalidity – Article 59(1)(b) EUTMR

- Much of the evidence and arguments refer to Banksy and not to the EUTM 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 EUTM 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.
- The EUTM proprietor is the representative of Banksy, probably due to his wish to stay anonymous, and therefore the EUTM proprietor's filing of the EUTM would have been carried out in the interests of Banksy. The EUTM proprietor argues against the false narrative of Banksy as an individual as what is relevant is the corporate intention of the EUTM proprietor when filing the application. However, for the reasons outlined above, the filing by this company is filing by an agent for the principal or by a nominee.
- As can be seen from Exhibit ARW6, this piece of art of which the contested mark consists of was created in 2002 and was originally commissioned by a nightclub in Brighton and later was sold as an artwork at auction. Furthermore, the evidence shows that this artwork is one of the best known of Banksy. Moreover, the artwork as it appears on Banksy's website and as sold at auction only shows one depiction of the monkey with the words on the sign and not the full work as originally commissioned and furthermore, it is not identical to the contested EUTM which has an empty sign.
- It is also noted that as Banksy has chosen to be anonymous and cannot be identified this would hinder him from being able to protect this piece of art under copyright laws without identifying himself, while identifying himself

would take away from the secretive persona which propels his fame and success.

- The EUTM proprietor 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 EUTM 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 EUTM 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, also this argument of the EUTM proprietor must be set aside.
- The Cancellation applicant has provided in Exhibit ARW7 printouts from the internet archive site of the Wayback Machine for Banksy's webpage dated prior to the filing of the EUTM. Banksy 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. The EUTM proprietor argues that this clearly shows that Banksy reserved the exclusive commercial right for himself under the exploitation of his trade marks.
- However, Banksy also acknowledged on his 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. It argues that it can consent or license copyright to others but the evidence does not show that he had licensed any copyright and he specifically states that the use made thereof was without his consent on the website. Therefore, from the evidence submitted it is not clear that Banksy was trying to preserve or use any possible trade mark rights and this argument must be set aside.
- The EUTM 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 Cancellation applicant has submitted some evidence dated prior to the filing date (some dated a long time before) 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 EUTM proprietor's intention for filing the mark, so this argument must be set aside.
- The EUTM 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 EUTM 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 Cancellation 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 EUTM 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 EUTM proprietor (or Banksy) had never actually marketed or sold any goods or services under the contested EUTM. Moreover, some of the EUTM 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 prior to the date of filing of the contested EUTM.
- The first evidence of sales appears to have happened just before 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 trade mark dispute'. An article also quotes Mr. M.S. (the applicant has shown that he is a Director of the EUTM 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 trade mark 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 trade mark 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 'Laugh Now'. The article concludes that 'Banksy stresses that, despite trying to defend his rights in this particular case, he has not 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.

- The EUTM proprietor argues that the above statements should only be taken at face value without spin or inference. The Cancellation Division agrees and has taken the words at face value. It also claims that it has the five year grace period in which to begin to use its mark and that is still running in the present case. Moreover, it argues that Mr M.S's comments were not to imply that it had no intention of using the marks but that the filed cancellation applications had affected the EUTM proprietor's commercial decisions as to when it would make genuine use of the mark.
- However, the Cancellation Division is not looking at whether the sign has been put to genuine use as per Article 58 EUTM but is looking at the EUTM proprietor's intention at the time of filing the EUTM. Therefore, this argument must be rejected and the examination of the intention of the EUTM proprietor at the time of filing will continue.
- The predicament of Banksy's right to the work 'Laugh Now' (or part thereof) is clear. To protect the right under copyright law would require him to lose his anonymity which would undermine his persona. It is clear that when the EUTM proprietor filed the EUTM he did not intend to use the EUTM and actual use was only made of the EUTM, after the initiation of the previous proceedings No 33 843 and approximately one month prior to the filing of the present proceedings, and such use 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 EUTM 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. However, the above reasoning could not apply in the present case as 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.
- The Cancellation Division refers to the recent 2020 judgment in SKY 29/01/2020, C 371/18, SKY, EU:C:2020:45, § 74-84.
- The EUTM 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 EUTM 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 further claims that it is up to the applicant to prove bad faith and that from the evidence submitted there are no consistent indicia of bad faith.

- The Cancellation applicant must indeed make its case for bad faith, which the Cancellation Division considers it has done, as such, the EUTM 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 EUTM 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 EUTM proprietor at the time of filing.
 - The Cancellation applicant's evidence clearly shows the EUTM proprietor's (Banksy's) intentions from around 2007 up to the time of filing and thereafter. Therefore, it was up to the EUTM proprietor to show that it had legitimate reasons to apply for the sign, it is referred to what the Court has recently stated in its judgment of 21/04/2021, T-663/19, MONOPOLY, EU:T:2021:211, §43.
 - 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 at least may not exist for the person claiming to own them.
 - The EUTM proprietor argues that the Cancellation Division would need to apply spin and conjecture and making many inferences in order to find bad faith. However, for the outlined reasons above, the Cancellation Division cannot agree with this premise.
 - 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 EUTM 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. This finding is also in line with the decision of the Cancellation Division of 14/09/2020, 33 843 C in the 'Flower Thrower' decision which has become final. Moreover, the filing of other marks under the same circumstances is a strong indication that the present mark was also applied for in bad faith.
 - The parties also made arguments in relation to the US law and the EUTM 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.
- 6 On 19 July 2021, the EUTM proprietor filed an appeal against the contested decision, requesting that the decision be entirely set aside. The statement of grounds of the appeal was received on 20 September 2021.
- 7 In its response received on 16 November 2021, the Cancellation applicant requested that the appeal be dismissed.

- 8 On 24 March 2022 the rapporteur sent a communication to the parties proposing to hold an oral hearing in the case, the parties never answered this communication in the deadline foreseen.

Submissions and arguments of the parties

- 9 The arguments raised in the statement of grounds by the EUTM proprietor may be summarised as follows:

Applying a subjective assessment on the evidence leading to a misapplication of the intention required for a finding of bad faith

- The decisions of the various EU Courts, as referenced by both the EUTM proprietor in its observations and the Cancellation Division in its decision, require any decision under Article 59(1)(b) to be based on objective evidence. The EUTM registration is to be presumed valid unless objective evidence is provided by the Applicant clearly showing the EUTM proprietor’s intention at the time the Registration was filed.
- The requirement that the decision be made based on objective circumstances clearly prevents the Office from making a subjective consideration of the evidence filed by the Cancellation Applicant. However, the Cancellation Division has clearly made subjective inferences from this evidence.
- The only date on the evidence in exhibit ARW8 is the date on which the Cancellation Applicant obtained the print-outs, which all post-date the relevant date (the date of application for the Registration). The occurrences identified by the Cancellation Applicant are so insignificant that they cannot substantiate a finding that, “...*many different companies* were using the sign to commercialise goods prior to, close to the time of filing and thereafter...”. Not only are an insignificant number of occurrences shown, but the evidence in ARW8 does not demonstrate that they emanated from “*different companies*”, merely that they were advertised on different platforms.
- Even if all the representations of “Laugh Now” in exhibit ARW8 were taken to be representations of the Registration (which they are not) the evidence of third-party use is scant and shows no greater use by unauthorised third parties than one would expect to find in relation to any well-known artwork or registered trade mark, regardless of how enthusiastically such infringements are policed by the rightsowner. The conclusion of the Cancellation Division can only be reached by subjectively assessing the evidence and inferring that it relates to considerably more evidence than provided. This inference is contrary to the scope of assessment permitted to the Cancellation Division.
- The evidence in ARW7 contains a generic notice stating that use of Banksy’s artwork elsewhere was not authorised by him, which is combined with a photo of a specific premises in which infringing products were on sale. This does not provide evidence that he was aware that, “...*many different companies were using the sign to commercialise goods prior to...the time of filing...*” or, “*However, Banksy also acknowledged on his webpages from at least 2007 that he was aware of the use of this work by third party companies to commercialise goods*”. It indicates that Banksy was aware of a single, unconnected party reproducing an image which shares characteristics with the Registration, but

was not in fact the sign in the Registration. The evidence does not show that this notice was applied in relation to the sign in the Registration but to all of his artwork. Again, the Cancellation Division has subjectively inferred that Banksy was aware of a greater number than the single party shown in the evidence.

- There is no requirement for a party to use the sign for goods and services prior to filing an EUTM application. The opposite is, in fact, a recommended strategy. Filing a trade mark application prior to use is considered preferable in order to ensure unrestricted use and avoid infringement complications. This position is supported by the provisions in Article 58(a) providing EUTM proprietors a 5 year period in which to make use of the trade mark. By requiring the EUTM proprietor to provide evidence of use the Cancellation Division has again erred in its assessment by reversing the burden of proof. It is for the Cancellation Applicant to prove lack of intention to use, not for the EUTM proprietor to prove it has made prior use.
- The Cancellation Division has made errors in its consideration of the statements included in the evidence,
 - a) “Copyright is for losers” – this is clearly a piece of artwork and, as such, has no probative value to indicate a person’s mindset or intention. The intention of this piece is to be thought-provoking using a juxtaposition between the words and the internationally recognised copyright symbol (“©”). Use of this symbol generally evidences that copyright in a work is asserted. The statement does not state that copyright should not be enforceable, it merely makes an ironic comment.
 - b) The extract from “Brandalism” on page 167 of ARW7. This is an academic statement on intrusion into people’s lives by advertising. This cannot be viewed as evidence of the EUTM proprietor’s intention when filing the Registration, especially as it was written approximately 13 years before the relevant date.
- The Cancellation Division has conflated the artistic expression of an individual (Banksy) with the much later commercial intentions of the EUTM proprietor, a separate legal entity.
 - c) Pages 152 – 163 of ARW7 demonstrate that Banksy has taken a clear and consistent approach to his work only being available for copying for non-commercial purposes. The copyright notice on page 166 shows the clear intention to both claim his own copyright and to obtain permission to use the copyright of others. Contrary to the conclusion of the Cancellation Division that, these pages demonstrate an altruistic and a less corporate approach to intellectual property, but one that refuses authorisation to other parties to parasitically benefit from his artistic creations.
 - d) The statements by Mark Stephens and Banksy relating to opening the Gross Domestic Product shop have also been considered incorrectly by the Cancellation Division.
- The statements show a desire to comply with and not to “circumvent” the law regarding genuine use of a trade mark, but they are not relevant to these proceedings in any event. The Registration is not subject to non-use cancellation proceedings and has not been registered for a sufficient period to

be vulnerable to an application for non-use revocation. It is quite clear that these statements were not made with regard to this Registration and, therefore, this evidence has no probative value.

- The Cancellation Division characterises Banksy as having chosen to remain anonymous “for the most part to paint graffiti on other people’s property without their permission rather than to paint it on canvases...”. This is merely the Cancellation Division’s opinion. No evidence has been put forward as to Banksy’s reasons for anonymity (or pseudonymity) or whether or not he has the permission of property owners. Additionally, by saying that Banksy has an “aversion for intellectual property rights”, “is clearly against intellectual property laws”, and is working to “circumvent” them, the Cancellation Division extrapolates significantly from the statements described above. These pronouncements reveal that the Cancellation Division’s own views on Banksy have driven a subjective assessment on the evidence, leading to a misapplication of the intention required for a finding of bad faith.

Erroneously applied principles of copyright

- Copyright is subject to both EU legislation and the national laws of each member state. As such, a statement such as this can only be arrived at if the Cancellation Division either has in-depth knowledge of all EU copyright laws, and those of each member state, or the Cancellation Applicant has submitted evidence to prove this. The Cancellation Applicant has not submitted evidence of this and we submit it is highly unlikely the Cancellation Division has the requisite knowledge to apply this as a fact.
- There is no evidence or factual basis to this claim. Neither the evidence of the Cancellation Applicant nor the decision of the Cancellation Division contains factual evidence proving that an individual under a pseudonym, or a commercial vehicle of that party, is unable to enforce copyright through the courts of one of the EU member states. The only factual legal position provided in evidence is that in PCO6 in which the UK High Court acknowledges the subsistence of copyright in Banksy’s work and comments that the copyright ownership is that of Banksy. The Cancellation Division is clearly prohibited from reaching this conclusion.
- The Cancellation Division asserts (without evidence) that no steps were taken to prevent unauthorised exploitation. The mere existence of a market for counterfeit products does not imply that is no enforcement of intellectual property rights and the Cancellation Division had no basis on which to reach this conclusion. Regardless, this position cannot be legally correct as would create a two-tier system where parties without the necessary resources should be refused trade mark protection for not enforcing copyright. There is no legal position which requires a party to enforce copyright, or to make trade mark use of its sign, before filing a trade mark application. The Cancellation Division is, therefore, holding the EUTM proprietor to additional requirements in trade mark ownership compared to those required by other parties.
- If this principle is correct, it will also provide copyright infringers with a means by which they can prevent the copyright owner from obtaining trade mark protection. The purpose of the provisions of Article 59(1)(b) cannot be to encourage copyright infringement as a means to prevent copyright owners

obtaining trade mark protection. This is a misapplication of the *LINDT* decision by the Cancellation Division which involved a generic shape and not a distinctive work with clear copyright ownership, as in this case.

- The term, “*with use*” has been emphasised as this is incorrect. For a trade mark registration to be valid there must be “genuine use” which amounts to use intended to acquire market share under the trade mark. If the EUTM proprietor intends to make genuine use of the trade mark, which is sufficient to obtain the indefinite protection claimed by the Cancellation Division, it must intend to use the mark to indicate origin. This reasoning of the Cancellation Division acts to confirm the EUTM proprietor’s intention, at the time of filing, to make genuine use of the trade mark.

Incorrect application of the Charter of Fundamental Rights

- Article 20 of the Charter of Fundamental Rights requires everyone to be treated equally before the law. As set out above at paragraphs 9 and 16, the Cancellation Division has imposed additional requirements on the EUTM proprietor for a trade mark application that are not imposed on other parties. This is clearly unequal treatment and is contrary to this Article.
 - The Cancellation Division has erred in removing the protections afforded to the statements of Banksy and Mark Stephens under Article 11.1. Article 11.1 provides protection to statements that prevents them from being taken into consideration if that amounts to, “interference by public authority”. The Office and the Cancellation Division will both be deemed to be “public authority” for the purposes of this Article. The Cancellation Division has held: “*like in many other situations, personal rights and freedoms can be curtailed when other laws are infringed or broken and, therefore, also this argument of the EUTM proprietor must be set aside.*”
 - This, however, requires a determination that a law is infringed or broken prior to the public authority curtailing those rights and freedoms. As such, the determination of bad faith must be made before the protection of Article 11.1 is withdrawn from those statements. The consequence of this is that the evidence must be sufficient to prove the Registration was applied for in bad faith, without taking into account any of the later statements of Banksy or Mark Stephens, which were not in any event made in relation to the Registration.
 - It is clear from the reasoning that these statements are fundamental in the decision made by the Cancellation Division. In light of this, the Cancellation Division has incorrectly applied the law by removing this protection because it (erroneously) considers these statements prove bad faith and not as a result of a finding of bad faith.
- 10 The arguments raised in reply to the appeal by the Cancellation applicant may be summarised as follows:

The Ability to Reach Conclusions as to the State of the Market

- The second point made by the EUTM proprietor is that the Cancellation Division erred insofar as it found that the EUTM proprietor (or Banksy) were aware of the widespread copying of works of BANKSY for many years, including the mark of the Registration. The EUTM proprietor criticises this

conclusion on the ground that not enough of the pages showed the mark of the registration.

- This is of course an oversimplification by the EUTM proprietor of the argument and evidence of the Cancellation applicant. The logical string of argument of the Cancellation applicant was that:
 - a. This was a work of BANKSY;
 - b. Since at least as early as 2007 BANKSY had made it clear he was aware of the widespread reproduction of his works;
 - c. The present work was one of (or at least part of one of) the works that was widely reproduced (both with and without the words upon the board);
 - d. BANKSY had provided the ability to download many of his works and reproduce them such that others could put them onto items;
 - e. There was a strong suggestion that copyright law was difficult for BANKSY to use;
 - f. By contrast, obtaining a registration would allow him to bring action;
 - g. There was no suggestion that this mark – or the others in the series of registrations for artworks – was the subject of a genuine intention to use it;
 - h. The Applicant had openly said that it was opening a “pop-up” to validate its registration.
- Faced with such a logical string it was for the EUTM proprietor to attack one of the limbs of the argument. Of course, as can be seen above, not all of a)-h) are necessary to make a finding of bad faith. If a clear case of improper purpose could be made out that was enough. As such, the focus of the EUTM proprietor now (and to a limited extent before the Cancellation Division in a general way as part of an unfocused attack on the insufficiency of evidence) on integer c) is misplaced.
- As such the fact that there may have been a limited number of depictions in the evidence – rather than an overwhelming and repetitive number of depictions – is not determinative and it is a weary and nihilistic argument to criticise the Cancellation Division for concluding that the evidence of the Cancellation applicant was to be believed when the EUTM proprietor presented no evidence to counter it, and raises arguments to criticise it for the first time on appeal. It is enough evidentially to satisfy the decision maker on the balance of probabilities that the position was as stated by the Cancellation applicant, and that hurdle was clearly reached.

Too Harsh a Review of the EUTM proprietor’s evidence

- The EUTM proprietor asserts, the relevant evidence was seriously limited then it would have been possible and proportionate to verify such a limited range of evidence. It did not and the EUTM proprietor simply made empty suggestions that evidence which was submitted was not to be believed and was faked.

- That is a particularly serious and egregious assertion to make where the evidence has been submitted by another professional representative. The statement is signed with a statement of truth, and as a professional representative the signatory will have been well aware of the importance of the validity of the evidence and to only state that which they believed to be true. To suggest that a fellow professional would have constructed, permitted to be constructed or would have otherwise endorsed falsified evidence is a shocking allegation, and the Cancellation Division rightly did not give it any weight.
- It is also worth noting that the innuendo that it may have been tampered with is an innuendo that the witness engaged in fraud, and to make such an allegation without it being prima facie supported by credible material is a breach of the professional code of conduct of the EUTM proprietor's representatives.
- In the case of bad faith that means it is unlikely that there will be direct evidence of the subjective bad faith of the rights holder (although we of course filed evidence of Mr. Stephens' comments to the press): instead the alleging party is likely (where the allegation is bad faith by way of improper purpose) to need to show a number of surrounding facts which tend on a probabilistic approach to a finding of improper purpose (and thus bad faith). It is accepted that in certain other cases on bad faith a probabilistic approach may not be correct.
- By contrast, where the allegation is that the evidence is false then this is likely to be provable on a deductive basis by reason of objective facts rather than mere speculation (in other words, by visiting the page and showing it to be different, or providing some crumb of evidence that there was alteration of the page). Of course, the EUTM proprietor did not provide any evidence to support the claim of fraud whatsoever and so cannot even assert reasonably that the Cancellation Division could have reached the conclusion on the basis of inductive reasoning.

Failure to Use the Mark

- At paragraph 11 of its Grounds the EUTM proprietor quotes from the decision insofar as it says that BANKSY had never sold goods under the mark and seizes upon that as showing an error insofar as there is no requirement of use to prove good faith. If the Decision had been entirely on the basis that there was no use this would be a legitimate argument but read in context (it is to be found on page 11 of the Decision) it is clear that this formed part of the exposition of the case and was intended to place into context the overall activities of BANKSY and the EUTM proprietor.
- The relevance of the lack of use is highlighted at the bottom of page 11 and the first part of page 12 of the Decision. As such it is simply wrong to suggest that lack of use per se was the reasoning for a finding of bad faith.

Erroneously Applied Copyright Law

- In common with the earlier arguments, the EUTM proprietor did not fully engage with this argument before the Cancellation Division. Instead, in its same formalistic manner, it asserts that there was no basis for the conclusion.

- Principal amongst these is the assertion that the Cancellation applicant did not provide evidence of the difficulties in enforcing copyright where a case is brought by a party who wishes to remain anonymous. That is simply incorrect: the factual basis is laid out in the Witness Statement, in particular paragraphs 6(d), 9, 17, 22 and 23. The most that can be said in criticism of the statement in that regard is that it does not lay a formal basis for his expression of the difficulties of bringing a copyright claim. Of course, the EUTM proprietor did not criticise this evidence before the Cancellation Division.
- Strictly speaking, only the last item was necessary but addressing the former three would have made the fourth more credible. Of course, none of these issues were addressed by the EUTM proprietor.
- Further, the issue of anonymity and the rules of evidence in copyright cases are neither particular to the UK, nor difficult to understand. As such it is entirely natural that the Cancellation Division would be able to immediately understand that in order to enforce copyright the creator of the work has to be identified and the owner of the right has to be identified. Where one or both of them wish to be anonymous that presents difficulties in enforcement.
- It is correct that the Cancellation Division concluded as to the likely intentions of the EUTM proprietor (and BANKSY). It may be thought of as a difficult position for a Court or Tribunal to take, but the adjudicatory role in an adversarial system requires one to consider the arguments and counter arguments: where only one party makes a credible case and the other restricts itself to saying that there isn't enough evidence to reach a conclusion rather than putting forward a positive case then the latter cannot reasonably bemoan a finding against them on any particular fact unless that fact is self-evidently false or the finding was completely unreasonable.
- The EUTM proprietor states in its paragraph 16 that the only “factual legal position” is that found in PC06 in which they assert the UK High Court “acknowledges the subsistence of copyright in Banksy’s work and comments that the copyright ownership is that of Banksy”. In fact, that is false for the following reasons explained in paragraph 2 of the case provided at PC06:
 - a. No finding is made as to the copyright – to the extent that it was said, it was obiter and not binding since the case was about the ownership of the physical work;
 - b. It was specifically not part of the case and so the Court will not have needed to grapple with the existence or otherwise of copyright or its ownership, and the parties will not have needed to address the issue;
 - c. The judge says he is specifically not dealing with the copyright;
 - d. He says the work has been attributed to BANKSY and the copyright is prima facie owned by BANKSY (ie. he does not make a final finding of ownership of any copyright).
- The passage from that case when read correctly is entirely consistent with our position on the difficulties of a case on copyright: the issue is that works (including the work which is the subject matter of the Registration) are attributed to BANKSY. It does not mean he actually created them, nor that he retains the copyright, not that the work itself is original, nor that the work itself

benefits from copyright. Most importantly, unless BANKSY identifies himself and demonstrates that he created the work he cannot enforce the copyright, and unless the EUTM proprietor can produce an assignment of rights or proof that BANKSY is employed by them or some other facts exist vesting the copyright in them then they cannot enforce it either.

Relevance of Not Enforcing Copyright

- The EUTM proprietor asserts in its paragraph 16 that the fact that the copyright has not been enforced is not relevant, and the Cancellation Division does not know whether it is true or not that the copyright has not been enforced.
- With the greatest respect, this again shows massive naivety (or disingenuousness) of the EUTM proprietor: it had the opportunity to respond. It would have been entirely straightforward to explain the opposite, or to put forward evidence to contradict the Witness Statement. In a now-familiar refrain, the EUTM proprietor simply says (after a decision it does not like) that the evidence was not good enough having filed nothing relevant in reply.
- It is also disingenuous or naïve to raise this as a simple basis and to quote the argument since it is clear from the Decision that the Cancellation Division took into account a significant number of arguments and lines tending towards an overall conclusion that the registration was in bad faith. It is possible – and we can place it no higher than that – that if there was only one line of submission it would be insufficient to demonstrate bad faith when weighed against the assumption of good faith (although perhaps not in light of the lack of substantive response from the EUTM proprietor). This is not, however, a case of a single set of reasoning per se but rather a bundle of reasons – all of which could be sufficient in and of themselves – and which collectively provide an irresistible conclusion (or, at least, irresistible in the face of no positive case from the EUTM proprietor).
- The dramatic “thin end of the wedge” argument of the EUTM proprietor at paragraph 17 of their Grounds is equally misconceived. If a copyright owner seeks to adopt a copyright work as a trade mark and intends to use it as a trade mark then there is likely no issue (although each case is individual). Where, however, the registration is not made with the intent to create a market for the goods but rather to overcome inherent issues in enforcing copyright then it is correct that it was not validly registered since it will have been based on an improper purpose. The decision only creates a rule of thumb insofar as copyright owners should not abuse the trade mark system and use it to overcome evidential difficulties in their copyright claims.
- The EUTM proprietor goes on at paragraph 18 to argue that the Cancellation Division made an erroneous finding insofar as it found that a trade mark registration may artificially extend the protection afforded to a copyright work. It is unclear what relevance this objection has for a number of reasons:
 - a. There is no suggestion in the findings of the Cancellation Division that the intention of the EUTM proprietor was to unfairly extend the period of copyright protection; and
 - b. The EUTM proprietor is wrong insofar as the requirement of genuine use to maintain a registration demonstrates the subjective intent of the

applicant as at the time of registration: it is possible that an applicant who registers a mark in bad faith may later make use of the registration in a way which validates the registration. As the Cancellation Division explains on page 16 of the Decision, a challenge based upon bad faith requires an examination of the intention of the EUTM proprietor as at the time of the filing of the application (noting, of course, that subsequent activity may assist a party to know the intentions of a party at the time of filing).

Application of the Charter of Fundamental Rights

- The arguments of the EUTM proprietor under this subheading are creative, but ultimately incorrect. It appears to be the case that the EUTM proprietor suggests that the public statements of a party cannot be taken into account in deciding whether a set of facts arise, since to do so would curtail their freedom of speech. It would appear that the EUTM proprietor has misunderstood the difference between free speech and speech without consequences: we are free to express ourselves, but with it come the consequences of our words.
- Article 11 of the Charter of Fundamental Rights is concerned with the protection of the right of freedom of speech, rather than the prevention of free speech coming with consequences. There is nothing in the application of the law on bad faith which transgresses the right to free speech. If the EUTM proprietor were correct, then no public statement could ever be used against a party as a piece of evidence and parties would be free to construct a web of lies in the face of their express public statements free in the knowledge that their own words could not be used against them. It takes little or no examination to be revealed as patently incorrect.
- Moreover, the EUTM proprietor has changed its position on the application of Articles 20 and 11.1 and its reasons for usage: before the Cancellation Division it asserted that equality before the law and freedom of expression meant that additional criteria could not be applied in order for BANKSY or his representative to own the trade marks. The Cancellation Division understood, however, that this ignored the fact that no extra requirements were being placed on the EUTM proprietor: there was a rather straightforward argument for bad faith being brought, and the EUTM proprietor simply did not engage with it.
- The EUTM proprietor now argues that Article 11.1 applies because the Cancellation Division relied upon public statements. With respect it shows a rather loose appreciation of the principles enshrined within the Charter of Fundamental Rights and must be rejected as not only unfounded (in that the facts do not arise) but also as irrational (in that the Article simply does not apply).
- The EUTM proprietor suggests that the statements were fundamental to the decision: it is our view that they played a part but that they were not necessary conditions for the findings.
- In fact, adopting a counterfactual approach, the argument that the applications were filed simply to abuse the system and to overcome the frailties of the copyright system (which is the fundamental thrust of the Cancellation

applicant's case) did not require the support of the statement "Copyright is for Losers" from Banksy, for Banksy to explain that the pop-up was a sham activity or for Mark Stephens to explain to the press that the pop-up was a sham enterprise intended to create a fake defence to keep the trade marks.

- Such public statements are not without consequence insofar as they show generally that there was an intention to circumvent proper procedures, but strictly speaking they were not logically part of the deductive reasoning as to the intention: they did not prove the truth of the allegation of the Cancellation applicant that the purpose was to overcome the difficulties in copyright law but rather would have had the effect of negating a positive statement from the EUTM proprietor that they had a real intention to use the mark as a trade mark: in fact, no such assertion was made in evidence by the EUTM proprietor, who remained silent as to intent.
- Finally, it is to be noted that in their conclusion to the Grounds of Appeal the EUTM proprietor describes the statements of Banksy and Mark Stephens as relating to an unconnected non-use revocation case. That is simply not correct, and it is a staggering suggestion. Page 538 of the evidence of the Cancellation applicant is the first instance of the press reporting of the pop-up shop. The statement at the bottom of page 538 (from Exhibit ARW22) identifies the other party as a "greetings card company". It is a reference to Full Colour Black, the Cancellation applicant. The other news stories in Exhibit ARW22 repeats the references. The stories are clear that Banksy is saying that the pop up comes from the desire to combat the "greetings card company" and Mark Stephens is stating that he told them to open the store to combat the case.

Reasons

- 11 All references made in this decision should be seen as references to the EUTMR (EU) No 2017/1001 (OJ 2017 L 154, p. 1), codifying Regulation (EC) No 207/2009 as amended, unless specifically stated otherwise in this decision.
- 12 The appeal complies with Articles 66, 67 and Article 68(1) EUTMR. It is admissible.

Preliminary remarks

Scope of the appeal

- 13 The request for declaration of invalidity has been based on Article 59(1)(a) EUTMR in connection with Article 7(1)(b) and (c) EUTMR, and Article 59(1)(b) EUTMR. The contested decision declared the contested mark as invalid only based on Article 59(1)(b) EUTMR.
- 14 According to Article 71 (1) EUTMR, the Board may exercise the power of the Cancellation Division which was the first instance in the present case. Since the contested decision expressly refrained from assessing on the grounds of Article 59(1)(a) EUTMR in connection with Article 7(1)(b) and (c) EUTMR, the Board finds it necessary to also assess on those grounds invoked by the Cancellation applicant in order to fully decide on the whole request for declaration of invalidity as presented by the Cancellation applicant.

Relation between BANKSY and the EUTM proprietor

- 15 In the case at hand, the evidence submitted by the Cancellation applicant intended to show the bad faith at the filing date refers mainly to the author of the artwork contained in the contested sign, named BANKSY. However, from that evidence it may be inferred that the legal entity, ‘Pest Control Office Limited’, which is the EUTM proprietor has been created by Banksy and defends his interests regarding its artworks and related economic matters.
- 16 Consequently, the Board will follow the approach of the contested decision and assume that the acts of BANKSY are attributable to the EUTM proprietor in view of the assessment on the alleged bad faith.

Witness Statement submitted by the Cancellation applicant

- 17 The Board wants to draw the attention to the fact that the main evidence submitted by the Cancellation applicant consisting in a Witness Statement to which all the Exhibits (ARW 1 – ARW 25) are linked, comes from a lawyer who filed in the name of the Cancellation applicant the request of invalidity, no. 33 83C, against



the EUTM proprietor’s EUTM, 12 575 155 which was finally declared invalid by the Cancellation Division of 14 September 2020 n° 33 843 C. The author of the Witness Statement himself affirms that fact in said document.

- 18 Under the given circumstances, the witness statement has to be considered as coming from the sphere of the Cancellation applicant. As such, the Witness Statement submitted by the Cancellation applicant has less probative value and must be corroborated by other objective and independent evidence, as is required by the case-law (16/07/2014, T-498/13, NAMMU / NANU, EU:T:2014:1065, § 38 and the case-law cited).

Article 59 (1) (a) EUTMR

- 19 Pursuant to Article 59(1)(a) EUTMR, a European Union trade mark shall be declared invalid on application to the Office where the European Union trade mark has been registered contrary to the provisions of Article 7 EUTMR.
- 20 When the Office examines a trade mark application on absolute grounds, it must consider all the relevant facts and circumstances and it cannot carry out an abstract examination. The Office must consider the characteristics peculiar to the mark for which registration is sought and, in the case of a word mark, its meaning, in order to ascertain whether or not any of the grounds of refusal set out in Article 7 EUTMR are applicable. Moreover, the Office must assess the mark by reference to the specific goods or services (12/02/2004, Postkantoor, C-369/99, EU:C:2004:86, § 31-35; 15/09/2005, Live richly, T-320/03, EU:T:2005:325, § 83) and bearing in mind the perception of the relevant public (09/10/2020, T-360/00, UltraPlus, EU:T:2002:244, § 43; 29/04/2004, C-473/01 P & C-474/01 P, Tabs, EU:C:2004:260, § 33; 08/05/2008, C-304/06 P, Eurohypo, EU:C:2008:261, § 67; 21/01/2010, C-398/08 P, Vorsprung durch Technik, EU:C:2010:29, § 34).
- 21 While examining absolute grounds for refusal, the Boards of Appeal are required to examine the facts of their own motion in order to determine whether the mark for which protection is sought comes within one of the grounds of refusal of

registration set out in Article 7 EUTMR, within invalidity proceedings, the Office cannot be required to carry out afresh the examination which the examiner conducted, of his or her own motion, as regards the relevant facts which could have led him or her to apply the absolute grounds for refusal (28/09/2016, T-476/15, FITNESS, EU:T:2016:568, § 46-47).

- 22 Indeed, it follows from the joint reading of the rules currently contained in Articles 59 and 62 EUTMR that the EU trade mark is regarded as valid until it has been declared invalid by the Office following invalidity proceedings and, as such, a registered mark enjoys a presumption of validity (28/09/2016, T-476/15, FITNESS, EU:T:2016:568, § 47 and the case-law therein cited).
- 23 In invalidity proceedings, as the registered EU trade mark is presumed to be valid and pursuant to Article 95 (1) EUTMR it is for the person who has filed the application for a declaration of invalidity to invoke before the Office the specific facts which call the validity of that trade mark into question. It follows from the foregoing that, in invalidity proceedings, the Cancellation Division and the Boards of Appeal are not required to examine of their own motion the relevant facts which might have led them to apply the absolute ground for refusal set out in Article 7 EUTMR (13/09/2013, T-320/10, Castel, EU:T:2013:424, § 27-29).
- 24 The relevant point in time on which the invalidity applicant has to show the applicability of the grounds on which the request of invalidity are based is the filing date of the contested mark (23/04/2010, C-332/09 P, Flugbörse, EU:C:2010:225, § 44).

Article 59(1)(a) in conjunction with Article 7(1)(b) and (c) EUTMR

- 25 Article 7(1)(b) EUTMR provides that trade marks which are devoid of any distinctive character are not to be registered.
- 26 Article 7(1)(c) EUTMR determines that trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the services, or other characteristics of the goods or services, shall not be registered.

Article 7(1)(b) EUTMR

- 27 According to the case-law, an absolute ground for refusal must be interpreted in light of the general interest underlying it. As regards Article 7(1)(b) EUTMR, the underlying notion of general interest is, manifestly, indissociable from the essential function of a trade mark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin (21/04/2015, T-359/12, Device of a checked pattern (maroon & beige), EU:T:2015:215, § 17; 21/04/2015, T-360/12, Device of a chequerboard Pattern (grey), EU:T:2015:214, § 17 and case-law cited; in the following paragraphs only the first judgment is cited, however the second judgment and its equivalent paragraphs apply equally).
- 28 For a trade mark to possess distinctive character for the purposes of Article 7(1)(b) EUTMR, it must serve to identify the product in respect of which registration has been applied for as originating from a particular undertaking, and thus to

distinguish that product from those of other undertakings (21/04/2015, T-359/12, Device of a checked pattern (maroon & beige), EU:T:2015:215, § 18 and the case-law cited).

- 29 That distinctive character must be assessed, first, by reference to the products or services in respect of which registration has been applied for and, second, by reference to the perception of the relevant public, which consists of average consumers of the products or services in question, who are reasonably well informed and reasonably observant and circumspect. The level of attention of the average consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect, varies according to the category of the products and services in question (21/04/2015, T-359/12, Device of a checked pattern (maroon & beige), EU:T:2015:215, § 19 and the case-law cited).

Article 7(1)(c) EUTMR

- 30 Article 7(1)(c) EUTMR pursues an aim in the public interest, namely that descriptive signs or indications relating to the characteristics of the goods or services in respect of which registration is sought may be freely used by all. This provision does not permit such signs or indications to be reserved for use by one undertaking as a result of their registration as a trade mark (10/02/2021, T 157/20, Lightyoga, EU:T:2021:71, § 42; 13/02/2019, T-278/18, Dentaldisk, EU:T:2019:86, § 38; 04/05/1999; C-108/97 & C-109/97, Chiemsee, EU:C:1999:230, § 25).
- 31 For a sign to fall within the scope of Article 7(1)(c) EUTMR, it must convey a sufficiently direct and concrete link to the goods or services in question to enable the public concerned immediately, and without further thought, to perceive a description of the goods and services in question or of one of their characteristics (10/02/2021, T-157/20, Lightyoga, EU:T:2021:71, § 40; 18/12/2020, T-289/20, Facegym, EU:T:2020:646, § 18; 02/12/2020, T-26/20, Forex, EU:T:2020:583, § 29).
- 32 The assessment of the descriptiveness of a sign is to be carried out, first, in relation to the understanding of the sign by the relevant public and, second, in relation to the goods or services concerned (02/12/2020, T-26/20, Forex, EU:T:2020:583, § 30; 19/12/2019, T 270/19, ring, EU:T:2019:871, § 45; 13/06/2019, T-652/18, oral Dialysis, EU:T:2019:412, § 17).
- 33 The Cancellation applicant puts forward that the sign itself gives already the impression of a mere decorative artwork. Additionally, there has been an intensive use of that artwork by different companies as well as publicly by the author, namely Banksy, previous to the filing of the contested mark (see Exhibits ARW 9 – ARW 16).
- 34 This view coincides with the opinion expressed in the Witness Statement submitted by the Cancellation applicant according to which before the filing date of the contested mark the artwork represented in the contested mark has been used by different companies for a range of goods (Classes 9, 16, 18, 24, 25, 27 and 28 and related services) without any licence or permission by the EUTM proprietor and not even as trade mark but only as such artwork or with a decorative purpose.
- 35 The Cancellation applicant concludes thereof that due to the use before its filing date the applied for sign would be recognised as a mere decorative artwork which therefore constitutes the subject matter of the goods and services with the result

that both Article 7 (1) (b) and Article 7 (1) (c) EUTMR were applicable at the relevant filing date.

- 36 First of all, it must be stated that the same artwork or sign may be protected as an original creative work by copyright and as an indicator of commercial origin by trade mark law. It is therefore a matter of different exclusive rights based on distinct qualities, that is to say the original nature of a creation, on the one hand, and the ability of a sign to distinguish the commercial origin of the goods and services, on the other (30/06/2009, T-435/05, Dr. No, EU:T:2009:226, § 26). Consequently, the fact that the contested sign is an artwork, as the Cancellation applicant contends, is not an obstacle for the sign in order to be also a mark indicating the origin of the goods and services at hand.
- 37 Second, it must be considered that the contested sign is a figurative mark which according to Article 4 (2) EUTMR may constitute a trade mark. Moreover, the contested mark does not coincide with the appearance of the product itself nor with its packaging, which fact may according to the case-law have an impact on the perception of the sign by the public (22/06/2006, C-25/05 P, Bonbonverpackung, EU:C:2006:422, § 29; 29/04/2004, C-456/01 P & C-457/01 P, Tabs (3D), EU:C:2004:258, § 38, 20/10/2011, C-344/10 P & C-345/10 P, Botella esmerilada II, EU:C:2011:680, § 46).
- 38 The evidence submitted by the Cancellation applicant shows several websites on which on different items as T-shirts, cushions, posters, mobile phone protectors, or stationary appear different artworks of the artist, named Banksy and only on some of them appears the contested sign. However, the Cancellation applicant does not include any information as to how many consumers have visited those websites nor did the Cancellation applicant submit any evidence which could give some information on how well-known is the artwork in the contested sign and to which extent a certain section of the relevant consumers would recognize the contested sign as an artwork which as such would be perceived a merely decorative without any capacity to indicate the origin of the goods and services at hand, as the Cancellation applicant contends.
- 39 The Cancellation applicant did not explain with convincing arguments its opinion that the contested sign would be non-distinctive for the goods and services at hand. The mere claim that the contested sign is decorative is a subjective view which cannot be verified nor followed. The contested sign consisting of the representation of an ape wearing a label which is empty is contrary to the views of the Cancellation applicant not merely an ornamental feature which will go unnoticed but is rather an unusual combination of elements as the ape wearing a white label which is quite striking and will be kept in mind by the consumers.
- 40 The same, with regard to the alleged descriptiveness of the contested sign, the conclusion that it would be the subject matter of the goods and services does not follow automatically from the fact that the sign contains an artwork. As expressed above under paragraph 27, copyright law and trademark law protect different aspects and may therefore be accumulated with respect the same work or sign. The condition for a creative work protected under copyright to be also protected under trade mark law is that it has the capacity to indicate the origin of goods or services.
- 41 As a consequence therefrom, it should be stated that a creative work is eligible for protection as a trade mark, at least in principle, irrespective of whether or not that term has entered the public domain under copyright law (02/02/2015, R 881/2014-

5, DER KLEINE HEY, § 20). Even a reputation of such work, which in the case at hand has not been shown by the Cancellation applicant, is not sufficient in itself to deny that term the capability of being perceived as an indication of commercial origin, even if the relevant public would recognize it (20/09/2016, T-566/15, MERLIN'S KinderWelt / KINDER et al., EU:T:2016:517, § 33).

- 42 However, if that work additionally acquires a secondary meaning beyond of what is represented, it may well be that such further significance could describe a characteristic of goods and services (22/03/2018, R 1297/2016-2, WINNETOU § 38). In this regard the Cancellation applicant has not submitted any argument or proof and he merely stated that the contested sign would be as artwork the subject matter of the goods and services. The Cancellation applicant failed also to indicate what feature or characteristic of the goods and services would be indicated by the contested sign, having moreover regard to the fact that the goods and services are very different from each other and can in no way be considered as forming an homogeneous group of goods and services. In the light of the above, the Board cannot follow the Cancellation applicant's approach on the alleged descriptiveness of the contested sign.
- 43 Under the given circumstances and having regard to the fact that according to Article 95 (1) EUTMR the Board must not carry out any further examination on its own motion, it may not be established if the contested sign was at the date of filing a non-distinctive and/or descriptive sign for the goods and services covered by that mark.
- 44 The Cancellation applicant failed to submit convincing evidence which would allow to reach the conclusion that the contested sign has been registered in breach of Article 7 (1) (b) or (c) EUTMR and consequently the request for declaration of invalidity to the extent that it has been based on those two aforementioned grounds has to be rejected as unfounded.

Article 59(1)(b) EUTMR – Bad faith

- 45 Pursuant to Article 59(1)(b) EUTMR, an EU trade mark is to be declared invalid where the applicant was acting in bad faith when it filed the application for the trade mark.
- 46 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 Article 59(1)(b) EUTMR, 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. 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 81; 11/06/2009).
- 47 It is for the applicant for a declaration of invalidity, who intends to rely on that ground, to establish the circumstances which make it possible to conclude that the proprietor of an EU trade mark was acting in bad faith when it filed the application for registration of that mark and that there is a presumption of good faith until proof to the contrary is adduced (08/03/2017, T-23/16, Formata (fig.), EU:T:2017:149, §

45 and the case-law cited; 31/05/2018, T-340/16, *Outsource 2 India* (fig.), EU:T:2018:314, § 20).

- 48 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. Consequently, any claim of bad faith must be the subject of an overall assessment, taking into account all the factual circumstances relevant to the particular case, in particular: the fact that the applicant knew or should have known that a third party was using, in at least one Member State, an identical or similar sign for an identical or similar product or service that could be confused with the sign for which registration was sought; the applicant's intention of preventing that third party from continuing to use such a sign; and the degree of legal protection enjoyed by the third party's sign and by the sign for which registration was sought (12/09/2019, C-104/18P, *STYLO & KOTON* (fig.), EU:C:2019:724, § 47; 11/06/2009, C-529/07, *Lindt Goldhase*, EU:C:2009:361, § 53).
- 49 However, the above factors are merely examples drawn from a number of factors which may be taken into account in order to decide whether the applicant for registration of a sign as an EU trade mark was acting in bad faith at the time of filing the trade mark application. In that regard, it should be noted that, in the overall analysis undertaken for the purposes of Article 59(1)(b) EUTMR account may also be taken of the origin of the contested sign and its use since its creation, the commercial logic underlying the filing of the application for registration of the sign as an EU trade mark, and the chronology of events leading up to that filing (26/02/2015, T-257/11, *COLOURBLIND*, EU:T:2015:115, § 68 and the case-law cited; 09/07/2015, T-100/13, *CAMOMILLA*, EU:T:2015:481, § 35-36 and the case-law cited; 31/05/2018, T-340/16, *Outsource 2 India* (fig.), EU:T:2018:314, § 24).
- 50 The Cancellation applicant bases his conclusions of bad faith on the following facts:
- The applied for sign is an artwork of graffiti which has been publicly used being free to be photographed by the general public.
 - Banksy himself has permitted the public dissemination of the contested sign inviting he general public to download it freely from his website.
 - Under copyright law, Banksy would be required to reveal his identity in order to show that he is legitimated to bring an action of copyright infringement.
 - Banksy has made publicly his view on copyright in the sense that copyright would be 'something for losers'.
 - Banksy has never used the contested mark as a trade mark.
 - The contested application has been filed to monopolize the copyright indefinitely infringing thereby copyright law.
 - Until recently Banksy has not brought formal proceedings against any parties based on his trade mark right.
 - Banksy filed the contested mark in order to benefit thereby from the corresponding exemptions in the trademark system of the USA in the sense

that by showing to have filed an trade mark application there is no need to show the use of said application before the USPTO.

- Banksy and the representative have expressed that the registrations were not intended to be used and as such have concocted shame efforts to mislead the Office to believe that there was such intention.

51 Having regard to these facts, the Cancellation applicant concludes that the EUTM proprietor acted in bad faith when it filed the contested mark because he had no intention to use the contested mark, the filing of the contested mark had the purpose of prohibiting the use of its works by third parties which use had been previously permitted, or of circumventing provisions of copyright law and/or of US trade mark law.

Bad faith as lack of an intention to use the contested mark

52 On one hand the Cancellation applicant puts forward that the contested sign, at the time it was a copyright, has been publicly available long before the filing date of the contested mark and has been photographed, copied and disseminated by third parties with the knowledge and permission of the EUTM proprietor.

53 The Cancellation applicant submitted a Witness Statement according to which the contested sign has been used by Third parties before and also after its filing date as decorative feature in many merchandising articles (see Exhibits ARW 9 – 16).

54 In line with the above, pursuant to the opinion expressed in said Witness Statement the EUTM proprietor, as author of the artwork contained in the contested mark, would be required to reveal its identity in case it would sue anyone for infringement of the corresponding copyright, and this would go against his style and mystique aura of being unknown. Consequently, the EUTM proprietor never took legal steps in order to prevent the infringement of his copyrights on the artwork contained in the contested sign.

55 Moreover, the EUTM proprietor stated publicly on 2007 and on 2019 that ‘copyright is for losers’.

56 Then finally, on 7 November 2018, the EUTM proprietor filed the contested mark in order to be able to prevent indefinitely the infringement of his copyright limited in time via trade mark protection circumventing thus the copyright law.

57 In any event, the EUTM proprietor never used the contested mark as a trade mark, has never brought formal proceedings against any parties based on his trade mark and only recently started to use the contested trade mark but for a purpose which is inconsistent with the European trade mark system, namely in order to maintain the contested mark.

58 The Cancellation applicant concludes from the aforementioned circumstances that at the relevant filing date the EUTM proprietor had never the intention to use the contested mark but to pursue other aims which are not in line with the principles inherent to the European trade mark system.

59 The contested decision reached the same conclusion of lack of intention to use the contested mark at the relevant date. After affirming that the EUTM proprietor had undoubtedly copyrights on the artwork of which the contested mark consist of, it mainly reasoned its findings on bad faith that the protection provided by copyright law would require the EUTM proprietor to abandon its anonymity. The lack of

intention to use the contested mark at the filing date is moreover corroborated by the fact that only on October 2019 it started to use the contested mark but with the purpose of maintaining its mark but not according to its main function of indicating the origin of the goods and services at hand. This finding has been already reached in a similar proceedings namely Decision of the cancellation Division of 14



September 2020 n° 33 843 C where the contested trademark also owned by the EUTM proprietor has been declared invalid based on bad faith. The finding on bad faith in the contested decision is further reasoned by the conclusion that the EUTM proprietor is not in favor of Intellectual property law which is in particular expressed by its statement according to which ‘Copyright is for losers’.

- 60 With respect to the alleged lack of intention to use the contested mark at the filing date, the Board reaches the following conclusions.
- 61 From the fact that the EUTM proprietor made the artwork contained in the contested sign publicly available on a wall as a graffiti artwork which could have been photographed by anyone and further permitting the general public to copy it freely from his website with the result that some parties used the contested mark commercially as decorative feature on different merchandising articles as submitted by the Cancellation applicant (see Exhibits ARW 9 – 16), cannot be inferred that the EUTM proprietor never had the intention to use the contested mark at the relevant date. Even if also at a later stage the EUTM proprietor permitted the use of the contested mark once it has been registered does not alter the aforementioned conclusion.
- 62 This ‘use’ by third parties has been expressly limited to non-commercial use, as explained by the EUTM proprietor and was allowed only in specific situations, as for amusement, private use etc. The fact that nevertheless some entities did use the EUTM proprietor’s artworks in a commercial way does not show the opposite, since such use in particular on Internet may be difficult to prohibit and it remains at the end in the sphere of the holder of the right in question to defend its right or not.
- 63 Furthermore, the Cancellation applicant’s view that in the particular case of the artist, named Banksy, who wants to keep his anonymity, it would be difficult to prevent infringements of his copyrights because this would probably oblige him to lose this status of being anonymous with the consequence that he has chosen the trade mark protection in a fraudulent way, has to be dismissed.
- 64 First of all, the Cancellation applicant contradicts itself by stating on one hand that Banksy permitted to certain extent the use of the artwork under copyright but did not sue anyone for situations where his copyrights were infringed, because this would put in danger his anonymous situation.
- 65 Further, as to Banksy’s need to stay anonymous, it must be stated that in proceedings a party may request to a certain extent be treated in a confidential way in order to limit, to the extent that it is possible, the dissemination of his personal data, in case this is justified.
- 66 Finally, even if the opinion of the Cancellation applicant would be true, the fact that Banksy opted for trade mark protection of his artwork, because this would be a more efficient protection of his creations without revealing his identity, does not

at all show that he was not willing to use the contested mark when it was filed. The relief from not being required to reveal his identity does not exclude the intention to use the trade mark, be it immediately or later on during the 5 years grace period.

- 67 Next, with respect to Banksy's view on copyright as expressed publicly by stating that 'Copyright is for losers', it must be said that anyone is free to express publicly his view and opinions, as correctly indicated by the EUTM proprietor. This right forms part of the fundamental rights and appears in the Universal Declaration of Human Rights where the following is stated in Article 19, namely "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers."
- 68 Furthermore, the Cancellation applicant himself and the contested decision did not indicate in which extent such statement would lead to the conclusion that the contested mark has been applied in bad faith.
- 69 In any event, from that statement it may not be extrapolated or concluded that the EUTM proprietor will in consequence of this view on Copyright use the system of trade mark protection as mere substitute of copyright protection in an unlawful manner. It may neither be concluded that the EUTM proprietor has in general a negative view on Intellectual Property Rights which would lead to a filing of a trade mark without any intention to use it.
- 70 The extrapolation of a bad faith from the aforementioned statement is based on a purely subjective view which as such cannot explain logically any unlawful intention as claimed by the Cancellation applicant. Therefore, it is not necessary to further rebut the Cancellation applicant's opinion by underlining that these statements have been made on 2007 and also later long after the filing date.
- 71 The further Cancellation applicant's submission that the EUTM proprietor has stated that he started to use the contested mark on October 2019 in order to maintain its trade mark and mislead the Office so that it believes that he had intention to use the contested mark, cannot be taken into account and must be dismissed.
- 72 First of all, that statement has been done in the other cancellation proceedings,



n°33 83C against the EUTM, 12 575 155 and not in the current proceedings and it has not been shown that this use starting on October 2019 refers to the contested mark.

- 73 Furthermore, the conclusion on bad faith reached by the Cancellation Division in the case 33 843 C is a decision from the first instance which as such cannot bind the Boards which had not the occasion to examine that case (25/01/2018, T-367/16, H HOLY HAFERL HAFERL SHOE COUTURE (fig.) / HOLY et al., EU:T:2018:28, § 103).
- 74 Second, a further important factual difference to the case at hand, lies in the fact that the 5 years grace period of the contested mark in that case has already ended when on October 2019 the EUTM proprietor started to use the contested mark. In the case at hand the 5 years grace period will finish on June 2024.
- 75 Having in particular regard to the fact that in the current case, where the Cancellation applicant filed the present invalidity proceedings on 28 November

2019, less than half a year after registration of the contested mark, and where the 5 year grace period has not yet elapsed (June 2024), it must be recalled, as the EUTM proprietor correctly indicated, that the EUTM proprietor can still decide the time when it starts to use the contested mark. The grace period serves to the proprietors of EUTMs to prepare the production of the goods or the rendering of the services who is free to choose within this 5 years grace period as to when it will start to genuinely use its mark.

- 76 Furthermore, as also has been submitted by the EUTM proprietor, according to the case law, the EUTM proprietor is not obliged to know at the filing date when he will start to use its trade mark. For that purpose, he has the 5 years grace period. (29/01/2020, C-371/18, SKY, EU:C:2020:45, § 67 and case-law cited).
- 77 In the light of the above, the Cancellation applicant has not furnished clear, striking and convincing arguments and reasonings from which it may be inferred that the EUTM proprietor, including the acts of BANKSY, the author of the artwork of which the contested sign consists of, that he had no intention to use when the contested mark has been filed.
- 78 The facts that the contested mark consists of an artwork protected under copyright is no obstacle for trade mark protection which is in line with the case-law as mentioned above under paragraph 27. Furthermore, the circumstances that the artwork has been made public permitting its copy and use under certain circumstances and also the fact that some third parties have used it as decorative features on their merchandising goods does not indicate any lack of intention to use of the EUTM proprietor when he filed the contested mark.
- 79 The assumption that the need of staying anonymous was the reason to opt out from copyright protection and go for trade mark protection, as submitted by the Cancellation applicant, even if it would be correct, cannot justify a finding that the EUTM proprietor had no intention to use the contested mark.
- 80 Finally, the statement ‘Copyright is for losers’ has no bearing at all for the case at hand.
- 81 The contested decision does not reason sufficiently its finding of bad faith. It mainly bases its final findings on the supposition that the EUTM proprietor could only with difficulties prevent its artwork under copyright and on the fact that it started only on October 2019 to use its mark and with the purpose to maintain the contested mark but not to use it according to the essential functions of a trade mark.
- 82 The contested decision bases its finding on wrong facts, because it has not been shown that on October 2019 the EUTM proprietor stated to use the contested mark. In any event, the reasons furnished in the contested decision cannot explain nor indicate that at the relevant filing date the EUTM proprietor had not intention to use its mark.
- 83 The Board reaches the conclusion that even taking all the facts and circumstances submitted by the Cancellation applicant as a whole and together into consideration, it has not been shown that the EUTM proprietor lacked any intention to use the contested mark at the filing date, in particular having regard to the fact that the 5 years grace period has not ended yet and which fact weighs strongly in favour of good faith which has not been rebutted by the Cancellation applicant.

Bad faith due to the purpose of prohibiting the use of the contested sign by Third parties

- 84 The Cancellation applicant stated that the filing of the contested mark has been done with the purpose of prohibiting the use of the artwork contained in the contested mark which had been previously permitted.
- 85 As to the above reasoning of the Cancellation Applicant, it may be said that the EUTM proprietor permitted to a certain extent (excluding commercial purposes) the use of the artwork contained in the contested mark before the filing date. As proprietor of the copyright on the artwork, it may do so.
- 86 It must be recalled that any proprietor of the copyright may at a later stage also withdraw any permission to use its artwork and that may also be done via trade mark law, once the artwork is registered as a trade mark. Consequently, there is no abuse of the trade mark system, when the EUTM proprietor filed the contested mark. There is rather a certain commercial logic that the proprietor of a copyright seeks to protect his creation also as a trade mark enabling him to use that trade mark protection in cases of infringements of his mark.
- 87 Therefore, the Cancellation applicant's claim that the EUTM proprietor was in bad faith because it wanted to prohibit the use of the contested sign by third parties does not constitute bad faith and has to be dismissed.

Bad faith due to the purpose of circumventing provisions of copyright law

- 88 The Cancellation applicant puts forward that the filing of the contested mark was made in order to circumvent provisions of copyright law.
- 89 The Board cannot follow this view. Although the protection under copyright law is definite and ends 70 years after the death of the author whereas trade mark protection can in principle be indefinite, this circumstance does not mean that the filing of a trade mark consisting of a creation protected under copyright law is automatically unlawful and circumvents the copyright law. As stated above under paragraph 27, the same artwork can be protected by copyright as well as by trade mark law.
- 90 Therefore, the fact that the EUTM proprietor filed the contested mark which was at that time protected as copyright does not indicate as such any bad faith. Since the Cancellation applicant did not further indicate any circumvention of copyright law by filing the contested mark, the Cancellation applicants' claim on that point has to be dismissed.

Bad faith due to the purpose of circumventing provisions of US trade mark law

- 91 Finally, the Cancellation applicant puts forward that the contested mark has been applied for in order to abuse the trade system as established in the USA.
- 92 According to the trade mark system in the USA a trade mark may be filed either showing actual use of said mark or by indicating the applicant's intention to use that mark. However, exceptionally a foreign applicant may also rely on a foreign registration as basis for obtaining the trade mark protection in the USA. In that situation the applicant still has to declare that he has the intention to use the applied for mark. Therefore, since the EUTM proprietor has no intention to use the contested mark, it would abuse the system as established in the USA.

- 93 In this context, it has to be underlined that according to the trade mark system established in the USA, it is possible to base an trade mark application before the USPTO based on a foreign registration in order to avoid the proof of the use of the applied for mark. Therefore, the EUTM proprietor who based a trade mark application in the USA on the contested mark acted fully in line with the applicable law. Since the Cancellation applicant has not shown that the contested mark has been applied in bad faith, there cannot be any abuse of the trade mark system as established in the USA and in case that the EUTM proprietor would not have the intention to use the trade mark filed in the USA, this issue would concern the authorities in the USA and cannot justify any bad faith with regard to the filing of the contested mark in the EU.
- 94 Therefore, the bad faith based on the alleged circumvention of the trade mark system established in the USA has also to be dismissed.

Overall conclusion on bad faith

- 95 The Cancellation applicant who invoked the ground of invalidity based on bad faith was under the obligation to show that the EUTM proprietor acted on bad faith when it filed the contested mark. However, all the arguments, facts and reasonings provided by the Cancellation applicant taken as a whole cannot justify or explain clearly a dishonest behaviour from the EUTM proprietor when he filed the contested mark and consequently, the presumption of good faith is still valid and the Cancellation applicant failed to proof the contrary.

Costs

- 96 Pursuant to Article 109(1) EUTMR the Cancellation applicant, as the losing party, must bear the EUTM proprietor's costs of the cancellation and appeal proceedings.
- 97 As to the appeal proceedings, these consist of the appeal fee of EUR 720 and the EUTM proprietor's costs for professional representation of EUR 550.
- 98 As to the proceedings before the Cancellation Division the Cancellation applicant has to reimburse the EUTM proprietor's costs of professional representation amounting to EUR 450.
- 99 The total amount for both proceedings is fixed at EUR 1 720.

Order

On those grounds,

THE BOARD

hereby:

- 1. Annuls the contested decision;**
- 2. Rejects the request for declaration of invalidity in its entirety;**
- 3. Orders the Cancellation applicant to bear the total amount of EUR 1 720 in respect of the EUTM proprietor's costs in the appeal and cancellation proceedings.**

Signed

V. Melgar

Signed

R. Ocquet

Signed

S. Rizzo

Registrar:

Signed

H. Dijkema

