

## CANCELLATION No 40 789 C (INVALIDITY)

**Inter Ikea Systems B.V.**, Olof Palmestraat 1, 2616 LN Delft, Netherlands and **Ikea B.V.**, Laan van Decima 1, 2031CX Haarlem, Netherlands (applicants, hereinafter 'the applicant'), represented by **Brinkhof**, Grote Bickersstraat 74-78, 1013 KS Amsterdam, Netherlands (professional representative)

a g a i n s t

**Ledar GmbH**, Spitzahornweg 1, 14974 Ludwigsfelde OT Genshagen, Germany (EUTM proprietor), represented by **Josine van Den Berg**, Herengracht 450, 1017 CA Amsterdam, Netherlands (professional representative).

On 05/10/2021, the Cancellation Division takes the following

### DECISION

1. The application for a declaration of invalidity is rejected in its entirety.
2. The applicant bears the costs, fixed at EUR 450.

### REASONS

On 21/01/2020, the applicant filed a request for a declaration of invalidity against European Union trade mark No 10 150 506 'LEDARC' (word mark) (the EUTM), filed on 26/07/2011 and registered on 28/12/2011. The request is directed against all the goods covered by the EUTM, namely:

Class 11: *Lighting apparatus and installations, in particular lamps; light bulbs, in particular for lighting.*

The applicant invoked Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b), (c) and (d) EUTMR, and Article 59(1)(b) EUTMR.

### SUMMARY OF THE PARTIES' ARGUMENTS

The **applicant** explained that it was part of the Inter IKEA Group and submitted a brief summary of the company's activities and its trade mark registrations. The IKEA franchisees started public use of the sign 'LEDARE' for lighting in September 2010. 'LEDARE' had already been introduced in Germany as of 2011. After the introduction of these goods in the market, the further exposure of 'LEDARE' was increased. Indeed, a global campaign to highlight the 'LEDARE' lighting products was launched in 2013. This included a specialised marketing campaign named 'Ein Licht für eine bessere Zukunft' in Germany in 2014.

The original applicant of the contested EUTM is Naber Holding GmbH & Co. KG (hereinafter Naber). On the same date on which the contested EUTM was filed, Naber filed EUTM applications Nos 10 150 522 'LEDRAY' and 10 150 563 'ARCING', both for

goods in Class 11. Both applications were refused by the EUIPO on the basis of Article 7(1)(b) and (c) EUTMR.

The EUTM proprietor was founded on 19/11/2015. However, an online search for the company Ledar GmbH does not provide any information on any current activities of the company, let alone its existence, as Google Search shows that the company is 'Permanently Closed'. Ledar GmbH is closely connected to two other German legal entities, namely Ledino GmbH and Ledino Deutschland GmbH: the directors and proprietors of Ledar GmbH are also the directors and proprietors of Ledino GmbH and Ledino Deutschland GmbH, and the three companies are currently located at the same address.

IKEA Deutschland and Ledino GmbH have already faced each other in long-lasting litigation proceedings in Germany concerning trade mark infringement in the field of lighting. In 2009, court proceedings started between Dr.-Ing. Sieger Electronic Messgeräte & Componenten GmbH and IKEA Deutschland in Germany and came to an end in 2019. By warning letter of 15/12/2008, Dr.-Ing. Sieger Electronic Messgeräte & Componenten GmbH claimed that the use by IKEA Deutschland of the sign 'LEDING' for certain lighting products infringed its German national trade mark registration 'LEDINO' (which was transferred to Ledino GmbH on 21/12/2010). A request for an interim injunction against IKEA Deutschland's use of 'LEDING' was filed before the Berlin District Court on 13/01/2009.

Hamburg District Court's decision of 14/07/2011 prohibited IKEA Deutschland from using the sign 'LEDING' for lighting. IKEA Deutschland appealed the Hamburg District Court decision before the Hamburg Higher District Court which was finally rejected on 25/02/2016. In accordance with German national procedural law, IKEA Deutschland had to request permission to appeal the Hamburg Higher District Court's decision before the Federal Supreme Court. This permission was denied on 15/12/2016, leading to the end of the proceedings on the substantive infringement.

Based on the above, there is no doubt that Ledino GmbH had been fully aware of the activities of IKEA Deutschland (and therefore Inter IKEA) in the field of lighting since 2008 (i.e. the start of German litigation proceedings), but at least since December 2010 (i.e. transfer of the German trade mark registration 'LEDINO' to Ledino GmbH). Since Ledar GmbH, Ledino GmbH and Ledino Deutschland GmbH are all closely connected, Ledar GmbH should also be deemed to have been aware of all activities of the Inter IKEA Group and/or the IKEA franchisees in the field of lighting.

The contested EUTM was transferred on 21/11/2017 to U.W.I. Unternehmensberatungs- und Wirtschaftsinformations GmbH (hereinafter, UWI) and finally to the EUTM proprietor. The use of the contested EUTM only started after its transfer to Ledar GmbH. Considering the acquisition date of the contested EUTM by UWI, and the subsequent minimal, token use that has been made of the contested EUTM by Ledar GmbH, it is highly likely that Ledar GmbH only initiated this use of the contested EUTM to prevent the EUTM from being revoked due to non-use.

The applicant further claimed that the contested mark was descriptive for the goods for which it has been registered and as such lacks any distinctive character. The contested mark targets professional consumers as the EUTM proprietor focuses on trade with professional traders and professional users. These professional users are familiar with the common terms used in the lighting industry. The contested EUTM is a compound mark of the elements 'LED' and 'ARC'. In the context of lighting and illumination, the abbreviation 'LED' is a commonly used word to describe a certain technology of lighting, namely: light-emitting diode. The word 'ARC' refers to (i) a luminous discharge that

occurs when an electric current flows between two electrodes or any other two surfaces separated by a small gap and a high potential difference, and (ii) something curved in shape. Moreover, the combination of 'LED' and 'ARC' in the contested EUTM does not amount to an unusual variation that creates an impression that is sufficiently far removed from the combination of the meanings of these elements. On the contrary, it only describes an arc made of LED light, or an arc that comprises a LED light.

The descriptive nature of the words 'LED' and 'ARC' in relation to lighting has also caused the combination to be customary for lighting. A short search on Google for the combination of the words 'led' and 'arc' shows that the combination of these words is common for indicating arc-shaped lamps with a LED light. Furthermore, various companies have taken the name 'ARC' or 'LED ARC' as (part of) a company name in the field of lighting. This clearly shows that the sign 'LEDARC' is commonly used in the lighting industry and is clearly understood by the average consumer. Therefore, the contested EUTM has become customary in the practices of trade.

The company Naber had been present for more than ten years in the lighting market before it filed for the contested EUTM. At the time of filing of the contested EUTM, the IKEA franchisees were clearly present throughout Europe, but especially in the German market. Once the IKEA franchisees started using the 'LEDARE' marked lighting products in late 2010, this use was immediately known of by all third parties in the German and European market. This has become even more evident after the marketing for the 'LEDARE' marked lighting products intensified in the years after their initial release. On that basis, it is clear that Naber, being a German company, filed the contested EUTM with knowledge of at least IKEA Deutschland using the sign 'LEDARE' for lighting products. Furthermore, the other trade mark applications filed simultaneously by Naber, namely EUTM Nos 10 150 522 'LEDRAY' and 10 150 563 'ARCING', clarify Naber's intentions to prohibit use of evidently descriptive terms by its competitors.

Therefore, considering Naber's knowledge of the use of 'LEDARE' by IKEA Deutschland, the other simultaneous EUTM applications for 'LEDRAY' and 'ARCING' and the immediate reputation of 'LEDARE' caused by IKEA Deutschland's widespread use, there can be no doubt that Naber filed the contested EUTM in bad faith.

The acquisition of the contested EUTM by Ledar GmbH was made in bad faith. The EUTM proprietor made the acquisition of the contested mark at a moment in time (November 2017) when it was already clear that the closely connected company Ledino GmbH had succeeded in its claims against IKEA Deutschland. At that time, the IKEA franchisees were clearly known to Ledar GmbH because of their presence throughout Europe and the pending litigation proceedings between IKEA Deutschland and Ledino GmbH. The EUTM proprietor acquired the contested EUTM with the sole intention of blocking the use of the sign 'LEDARE' and likely even with the eventual goal of monetising the EUTM from the Inter IKEA Group and/or IKEA franchisees.

In early 2016, Ledar GmbH became the proprietor of international registration No 1 281 207 for 'LEDAR'. However, Ledar GmbH must have then realised later on that the use made of 'LEDARE' by the IKEA franchisees predated its new international registration for 'LEDAR'. Ledar GmbH therefore sought older trade mark registrations that could frustrate the use of 'LEDARE' by the IKEA franchisees. In its quest, Ledar GmbH used the services of UWI which searched the EU trade mark registry for signs that were similar to 'LEDARE'. Between 2016 and 2017, only four other trade mark registrations (EUTM and IR) existed that contained 'ledar', and the contested sign was the oldest. As the contested EUTM was, however, not used by Naber, Ledar GmbH and Ledino GmbH had to start using the mark to prevent revocation due to non-use. This explains why, around the time of the acquisition, Ledar GmbH and Ledino GmbH started

minor use of the contested EUTM to prevent revocation due to non-use by rebranding some products.

At the time of the acquisition of the contested EUTM by UWI, Ledar GmbH (or Ledino GmbH) did not use a sign similar to the contested EUTM that could need potential good faith protection. First token use of the contested EUTM, only to remedy the non-use of the contested EUTM made by Naber, was found in late 2017.

Consequently, Naber acted in bad faith by filing the contested EUTM while it was well aware of the use of the sign 'LEDARE' by the Inter IKEA Group and/or the IKEA franchisees, while Ledar GmbH acquired the contested EUTM in bad faith for the sole purpose of blocking the use of the sign 'LEDARE'.

In support of its arguments, the applicant filed the following evidence:

- Annex 1: overview of current IKEA stores in Germany.
- Annex 2: overview of Interbrand Best Brands rankings 2009-2019.
- Annex 3: overview of brand rankings for IKEA in 2007-2019.
- Annex 4: overview of German brand rankings for IKEA in 2012-2013.
- Annex 5 (a-f): overview of IKEA Yearly Summaries for Inter IKEA's fiscal years 2011-2016.
- Annex 6: examples of invoices for the purchases of packaging for IKEA LEDARE products dated 11/03/2010.
- Annex 7: example of a newsletter of IKEA Netherlands of February 2011 in which the IKEA 'LEDARE' products are promoted, as well as a screenshot from the Wayback Machine dated 26/04/2011 which shows that on 26/04/2012 the LEDARE lamps were offered for sale online at [www.ikea.com/nl](http://www.ikea.com/nl).
- Annex 8: screenshots from the Wayback Machine dated 05/04/2011, showing use of the sign LEDARE in Germany. In particular, it shows that LEDARE lamps were offered for sale online at [www.ikea.com/de](http://www.ikea.com/de).
- Annex 9: press kit for the 2014 IKEA LED campaign, including use of the sign 'LEDARE'. The document is written in German.
- Annex 10: screenshots of Naber's corporate website [www.naber.de](http://www.naber.de).
- Annex 11: screenshots from the Wayback Machine of Naber's corporate website, showing Naber's history in lighting.
- Annex 12: screenshots of Naber's corporate website showing its presence in the lighting business between 1990 and 1999.
- Annex 13: EUIPO decision of 24/11/2011 regarding the refusal of the trade mark application No 10 150 522 'LEDRAY'.
- Annex 14: EUIPO decision of 09/11/2011 regarding the refusal of trade mark application No 10 150 563 'ARCING'.

- Annex 15: extract of German company registry for Ledar GmbH.
- Annex 16: screenshots from Google Search and Bing of search results for Ledar GmbH.
- Annex 17: extract of German company registry for Ledino GmbH.
- Annex 18: extract of German company registry for Ledino Deutschland GmbH.
- Annex 19: photos of product packaging for a 'LEDARC' marked product.
- Annex 20: copy of Ledino's online brochure for the year 2018-2019.
- Annex 21: screenshot of the profile of Ledar GMBH on the social network website Facebook.
- Annex 22: examples of use of the sign 'LEDAR' by Ledino GmbH.
- Annex 23: warning letter from Dr.-Ing. Sieger Electronic Messgeräte & Componenten GmbH to IKEA Deutschland GmbH & Co.KG.
- Annex 24: decision of the District Court Berlin of 16/01/2009.
- Annex 25: decision of the Higher District Court Berlin of 13/02/2009.
- Annex 26: printout of the German trade marks registry (DPMA), showing the transfer of the German trade mark No 30 363 373 'LEDINO' to Ledino GmbH on 21/12/2010.
- Annex 27: decision of the District Court Hamburg of 14/07/2011.
- Annex 28: decision of the Higher District Court Hamburg of 25/02/2016.
- Annex 29: application for the international registration No 1 281 207 for 'LEDAR' by Ledino GmbH.
- Annex 30: copy of the registry recordal of the transfer of the international registration No 1 281 207 'LEDAR' from Ledino GmbH to Ledar GmbH on 31/03/2016.
- Annex 31: decision of the Higher District Court München of 12/06/2019.
- Annex 32: screenshots of UWI's corporate website [www.benutzungsrecherchen.de](http://www.benutzungsrecherchen.de).
- Annex 33: copy of Northwave's research report dated 17/01/2020.
- Annex 34: screenshots that show the former 'LEDAR'/'LEDINO' products now marketed as 'LEDARC by Ledino'.
- Annex 35: Business Wire article of 03/09/2019 on the EU ban of inefficient lighting.

- Annex 36: screenshot of the entry in *Collin's Dictionary* for 'arc'.
- Annex 37: printout of Wikipedia's entry for 'Arc lamp'.
- Annex 38: screenshots of Google Search results for 'arc lamp'.
- Annex 39: printout of Google Search results for 'led arc'.
- Annex 40: printouts from various websites that show examples of use of 'LED ARC' for lighting.
- Annex 41: four examples of company names that use the terms 'ARC', 'LED ARC' or 'ARC LED'.
- Annex 42: screenshots from the Wayback Machine for the German IKEA website showing the simultaneous offer of 'LEDARE' and 'LEDING' marked products within the 'Lighting category'.
- Annex 43: overview of EU trade marks containing the term 'LEDAR'.
- Annex 44: screenshots from the Wayback Machine of Naber GmbH corporate website [www.naber.de](http://www.naber.de).
- Annex 45: explanation of the Wayback Machine's 'liveweb' function.
- Annex 46: copy of Ledino GmbH's online brochure for the year 2015-2016.

On 31/08/2020, the applicant provided further evidence to support its previous arguments as to the descriptive character of the contested mark:

- Annex 47: Google Searches throughout the EU for the words 'led arc'.
- Annex 48: screenshots of Google Search results for 'arc lamp' (improved version of Annex 38).
- Annex 49: examples of use of 'LED ARC' for lighting (improved version of Annex 40).
- Annex 50: decision of the Board of Appeal of 08/09/2011, Case R 710/2011-1 (ARCLITE).
- Annex 51: printouts of entries in multiple dictionaries throughout the EU and by means of information from different international organisations for the meaning of the terms 'LED' and ARC.
- Annex 52: affidavit signed on 26/08/2020 by Mr. E., Business Leader Lighting and Home Electronics of IKEA of Sweden AB. It states that the Inter IKEA Group and/or the IKEA franchisees have been using the name 'LEDARE' for LED lighting products for a very long period of time.
- Annex 53: various affidavits signed by representatives of IKEA franchisees for the following territories: (a) United Kingdom, (b) France, (c) Germany, (d) Sweden, (e) Belgium, (f) the Netherlands and (g) Italy. They refer, inter alia, to the promotion

and distribution of LED products bearing the LEDARE product name in those territories.

The **EUTM proprietor** confirmed the existence of litigation proceedings between the parties. It argued that lighting apparatus and installations and light bulbs are everyday products and consequently the relevant public is the general public in the European Union. 'LEDARC' as such is a fantasy word, as it does not have a meaning in any official EU language. It agreed with the definitions of 'LED' and 'ARC' provided by the applicant. However, it considered that the word 'ARC' does not have a meaning that is immediately perceived by the relevant public as providing information about the goods, lamps or light bulbs. The general public may, depending on what language they are proficient in, think of a curved thing when they encounter the word 'ARC', but that word has no inherent relationship with lamps or light bulbs. The word 'LEDARC' is a word unknown to the public, where the elements have lost their independent positions as well as their possible meanings. It is therefore not descriptive of any of the characteristics of the goods.

The proprietor points out that the applicant has only argued that 'LEDARC' lacks any distinctive character by stating that the EUTM is descriptive and has not given any additional arguments that amount to that conclusion. Therefore, the application must be also rejected as far as it is based on Article 7(1)(b) EUTMR.

Moreover, the applicant stated that 'LEDARC' has become a common term for lighting, without substantiating that statement with valid arguments, but instead with mere references to several annexes. Therefore, the application should also be rejected in this regard.

The applicant has not proved any relevant prior use of the trade mark 'LEDARE' and Naber had no knowledge of prior use by IKEA at the time of the application for the EUTM, nor were there any other specific circumstances that demonstrate any intention on its part of acting in bad faith .

IKEA's assertion that Naber's filing of two other applications for trade marks for lighting ('LEDRAY' and 'ARCING') demonstrates intent to act in bad faith lacks any legal merit. In that particular period in time, LED lighting was quite a new product, for which sales were expected to increase because on an EU level a transition from lighting bulbs to more sustainable forms of lighting was being pushed. It was mere commercial logic of Naber to start applying for trade marks that could be used for the sales of its LED products.

It also refuted that the EUTM was acquired by Ledar GmbH in bad faith in order to interfere with IKEA's prior use or to confront IKEA with claims for damages. The EUTM 'LEDARC' was acquired for pure commercial logic. The products sold under the 'LEDARC' marks have been advertised on the Ledino Deutschland GmbH website for years. They are sold almost exclusively through online retailers, specialist lighting shops and DIY stores. Contrary to the applicant's claims, the 'LEDARC' trade marks were not only used to prevent revocation for non-use or meant to cover up intentions to act in bad faith. Prior to the introduction of the 'LEDARC' brand, lighting fixtures were marketed by Ledino Deutschland GmbH under the 'LEDISIS' brand, which was filed as an EUTM on 30/08/2011. When the terrorist group known as Islamic State in Iraq and Siria (ISIS) gained notoriety, Ledino group looked for an alternative for its 'LEDISIS' brand. The managing director of Ledar GmbH discovered, after a conversation with his nephew, who was employed by Naber, that the trade mark 'LEDARC' was not in use by Naber and that it was not of interest to Naber. Ledino Deutschland GmbH decided to first register the trade mark 'LEDAR', derived from the name 'LEDARC'; it wished to acquire it from

Naber and later on, it acquired the trade mark 'LEDARC'. Consequently, the applicant's claim based on Article 59(1)(b) EUTMR should be dismissed.

On 06/11/2020, the **applicant** filed the additional following evidence in support to its previous arguments:

- Annex 54: statement of Prof. Raynham, dated 04/11/2020, on the meaning of the terms 'LED' and 'ARC'.
- Annex 55: statement from the *Nederlandse Stichting voor Verlichtingskunde* (NSVV) on the meaning of the terms 'LED' and 'ARC'.
- Annex 56: affidavits on behalf of IKEA franchisees in Poland and Spain on the presence of these companies throughout the EU in the period 2010-2020, where it is stated that the products with the 'LEDARE' product name have been marketed in those territories.

On 12/11/2020, the **EUTM proprietor** basically reiterated its previous arguments. In particular, it pointed out that the evidence provided by the applicant clearly demonstrated that the word 'ARC' does not have a clear meaning in relation to the relevant goods as there is not one single reference to lighting products. It contested that the alleged prior use of the sign 'LEDARE' by IKEA Deutschland was known by Naber and its alleged reputation.

In support of its arguments, it filed the following evidence:

- Annexes 1 and 2: printouts from the IKEA website.
- Annex 3: printout with information on the EUTM No 10 228 211 'LEDISIS'.
- Annex 4: decision of the Frankfurt Court of 29/10/2020 in case 2-03 0 477/19, written in German and translated into English, referring to German trade mark registration No 302 015 047 788.

In reply, the **applicant** rejected the EUTM proprietor's arguments. Firstly, it claimed that the decision of the Frankfurt Court referred to by the EUTM proprietor did not make any remarks regarding the contested EUTM. Moreover, part of the evidence submitted by the applicant in these proceedings was not submitted before the Frankfurt Court and therefore, that decision has no relevance for these proceedings.

The contested EUTM will not be considered as 'LE'+ 'DARC'. Considering the very widely known meaning of the term LED in relation to lighting, the public will immediately recognise this part of the contested EUTM. As regards, Article 7(1)(b) and (d) EUTMR, the applicant reiterated essentially its previous allegations.

Moreover, the applicant insisted on the prior use of the signs 'LEDARE' by the IKEA franchisees and refuted all the EUTM proprietor's arguments in this regard. It pointed out that Ledar GmbH did not provide any evidence on the true intentions of Naber at the time of filing of the contested EUTM and at the time of the transfers of the contested EUTM. The sequence of events as purported by Ledar GmbH does not explain the alleged motive for a 'requirement' for rebranding. The alleged need to move away from the former 'LEDISIS' mark because of the growing strength of the terrorist group ISIS would have come up in June 2014, so that Ledino group looked for alternatives. It took five years before Ledar GmbH acquired the contested EUTM, despite an apparent imminent need



for a rebranding. It is also unclear why UWI needed to be included in the acquisition process as an intermediary company. At the time of application of the EUTM 'LEDAR' (November 2015), the contested EUTM, which had then not yet been acquired by Ledar GmbH/Ledino Deutschland GmbH, was still owned by Naber and, moreover, still in the grace period for use. The real reason for the application for the contested EUTM by Ledino Deutschland GmbH and the subsequent acquisition of the sign by Ledar GmbH was to block use of the product name 'LEDARE' by the IKEA franchisees.

In support of its arguments, the applicant filed the following additional evidence:

- Annex 57. Screenshots from the Wayback Machine, providing an explanation on which date shown is the actual date of the screenshot.

On 10/05/2021, in its final observations, the **EUTM proprietor** reiterated its previous arguments of 12/11/2020 and submitted, again, the abovementioned Annexes 1-4.

### **ABSOLUTE GROUNDS FOR INVALIDITY – ARTICLE 59(1)(a) EUTMR IN CONJUNCTION WITH ARTICLE 7 EUTMR**

According to Article 59(1)(a) and (3) EUTMR, a European Union trade mark will be declared invalid on application to the Office, where it has been registered contrary to the provisions of Article 7 EUTMR. Where the grounds for invalidity apply for only some of the goods or services for which the European Union trade mark is registered, the latter will be declared invalid only for those goods or services.

Furthermore, it follows from Article 7(2) EUTMR that Article 7(1) EUTMR applies notwithstanding that the grounds of non-registrability obtain in only part of the Union.

As regards assessment of the absolute grounds of refusal pursuant to Article 7 EUTMR, which were the subject of the *ex officio* examination prior to registration of the EUTM, the Cancellation Division, in principle, will not carry out its own research but will confine itself to analysing the facts and arguments submitted by the parties to the invalidity proceedings.

However, restricting the Cancellation Division to an examination of the facts expressly submitted does not preclude it from also taking into consideration facts that are well known, that is, that are likely to be known by anyone or can be learned from generally accessible sources.

Although these facts and arguments must date from the period when the European Union trade mark application was filed, facts relating to a subsequent period might also allow conclusions to be drawn regarding the situation at the time of filing (23/04/2010, C-332/09 P, Flugbörse, EU:C:2010:225, § 41 and 43).

It is settled case-law that each of the grounds for refusal listed in Article 7(1) EUTMR is independent and requires separate examination. Moreover, it is appropriate to interpret those grounds for refusal in the light of the general interest which underlies each of them. The general interest to be taken into consideration must reflect different considerations according to the ground for refusal in question (16/09/2004, C-329/02 P, SAT.2, EU:C:2004:532, § 25).

*Relevant point in time*

The contested EUTM was filed on 26/07/2011 and registered on 28/12/2011. Therefore, the relevant point in time for which the assessment of the claimed descriptive, non-distinctive and customary character of the sign must be made is 26/07/2011.

*Relevant public*

The contested mark consists of the word mark 'LEDARC' registered for *lighting apparatus and installations, in particular lamps; light bulbs, in particular for lighting in Class 11*.

The applicant argued that the relevant public is the professional public. However, as the proprietor pointed out, considering the nature of the relevant goods, the relevant public includes both the professional public and the public at large.

According to the applicant, the contested mark is composed of the words 'LED' and 'ARC' which are commonly used in the lighting industry. 'LED' describes a certain technology of lighting, namely light-emitting diode whereas 'ARC' could be (i) a luminous discharge that occurs when an electric current flows between two electrodes or any other two surfaces separated by a small gap and a high potential difference and (ii) something curved in shape. As a verb, the word 'ARC' means 'to form an arc'. This word exists in English, French and Romanian.

The evidence filed by applicant refers to the meaning of 'ARC' in English, French and Romanian. However, the applicant made reference not only to the meaning of the sign as a whole in English but also to the English grammar and syntax rules. Consequently, the Cancellation Division considers it appropriate to assess firstly whether the contested EUTM has been registered contrary to the provisions of Article 7 EUTMR with regard to the English-speaking consumer.

**DESCRIPTIVENESS – ARTICLE 7(1)(c) EUTMR**

Article 7(1)(c) EUTMR prohibits the registration of '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 service, or other characteristics of the goods or service'.

By prohibiting the registration as EU trade marks of the signs and indications to which it refers, Article 7(1)(c) EUTMR pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services for which registration is sought may be freely used by all. That provision prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (23/10/2003, C-191/01 P, Doublemint, EU:C:2003:579, § 31).

According to settled case-law, the signs and indications referred to in Article 7(1)(c) EUTMR are those which may serve in normal usage, from a consumer's point of view, to designate, either directly or by reference to one of their essential characteristics, goods and services such as those for which registration of a mark is sought (22/06/2005, T-19/04, Paperlab, EU:T:2005:247, § 24).

According to case-law, for a sign to be caught by the prohibition set out in Article 7(1)(c) EUTMR, there must be a sufficiently direct and specific relationship between the sign

and the goods and/or services in question to enable the public concerned immediately to perceive, without further thought, a description of the goods and/or services in question or one of their characteristics (22/06/2005, T-19/04, Paperlab, EU:T:2005:247, § 25). Moreover, in order to be caught by Article 7(1)(c) EUTMR, it is not necessary that the signs and indications composing the mark actually be in use at the time of the application for registration in a way that is descriptive but it is sufficient that such signs and indications could be used for such purposes. A sign must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned. It is sufficient that at least one of the possible meanings of a word sign designates a characteristic of the goods concerned (23/10/2003, C-191/01 P, Doublemint, EU:C:2003:579, § 32).

The existence of the abovementioned relationship must be assessed, first, in relation to the goods or services for which registration of the sign is sought and, second, in relation to the perception of the section of the public targeted, which is composed of the consumers of those goods or services (27/11/2003, T-348/02, Quick, EU:T:2003:318, § 29).

Article 95(1) EUTMR, second sentence, explicitly states that in invalidity proceedings pursuant to Article 59 EUTMR, the Office will limit its examination to the grounds and arguments submitted by the parties. The EUTM enjoys a presumption of validity and it is for the invalidity applicant to invoke before the Office the specific facts that call the validity of a trade mark into question (13/09/2013, T-320/10, Castel, EU:T:2013:424, § 27-29).

Consequently, the Office will examine the facts in accordance with Article 95(1) EUTMR, second sentence, within the scope of factual submissions made by the applicant for the declaration of invalidity (13/09/2013, T-320/10, Castel, EU:T:2013:424, § 28). In doing so, it may take into consideration obvious and well-known facts. However, it will not go beyond the grounds and arguments submitted by the applicant for the declaration of invalidity.

The applicant argues that the contested sign 'LEDARC' is descriptive of the goods as it is composed of two descriptive terms and the combination of both does not amount to an unusual variation that creates an impression that is sufficiently far removed from the combination of the meanings of these elements.

According to the online Collins English Dictionary the words of which the EUTM consists have inter alia the following meanings:

LED: abbreviation for light-emitting diode: 'a diode of semiconductor material, such as gallium arsenide, that emits light when a forward bias is applied, the colour depending on the semiconductor material' (information extracted from *Collins Dictionary* on 20/09/2021 at <https://www.collinsdictionary.com/dictionary/english/led>).

ARC: '(1) something curved in shape; (3) a luminous discharge that occurs when an electric current flows between two electrodes or any other two surfaces separated by a small gap and a high potential difference; (6) to form an arc' (information extracted from *Collins Dictionary* on 20/09/2021 at <https://www.collinsdictionary.com/dictionary/english/arc>).

The contested mark is composed of the term 'LEDARC', which according to the applicant is understood by the relevant public as an arc made of LED light, or an arc that comprises a LED light. Therefore, in relation to the goods at issue, the applicant claimed that the word 'LEDARC' described the nature of the contested goods. In support of these arguments, the applicant submitted, inter alia, extracts from the *Collins Dictionary*

(Annex 36) with the meaning of the English word 'ARC' and statements from professionals on the meaning of the terms 'LED' and 'ARC' (Annexes 54 and 55). Moreover, it submitted printouts from Wikipedia and Google Search with the results for 'arc lamp' and 'led arc' (Annexes 37-39 and 47-48) as well as printouts from various websites that show examples of use of the words 'LED ARC' for lighting (Annexes 40 and 49).

The EUTM proprietor agrees with the meaning of the terms 'LED' and 'ARC'. However, it holds that 'LEDARC' is a fanciful term as it is more than the sum of its parts; it is a combination of words that does not follow the usual English grammatical rules. Indeed, the word 'LEDARC' will not be considered to be a combination of 'LED'+ 'ARC', but, applying the correct rules, of 'LE'+ 'DARC'. In the combination 'LEDARC', the letter 'E' will be pronounced as [e] or [i] whereas in the word 'LED', it will be pronounced as [ɛ]. Due to the pronunciation, the relevant consumer will not perceive it as a word that starts with a separate element 'LED'.

The Office concurs with the EUTM proprietor that the relevant public's perception of the mark as a descriptive indication at the time of filing of the EUTM has not been proved.

The evidence provided by the applicant is manifestly insufficient to prove that the relevant public would perceive the sign 'LEDARC' as descriptive in relation to the relevant goods. Indeed, the evidence filed by the applicant only refers to the terms 'LED' and 'ARC' written separately but not as a complete term. Moreover, the evidence reveals that the use of the terms 'LED' and 'ARC' is mostly accompanied by the word lamp (or equivalents in other languages) which is term that serve to specify the nature of the products these words refer to.

Moreover, the Cancellation Division agrees with the EUTM proprietor's argument that the word 'LEDARC' is fanciful. 'LEDARC' will be pronounced by the relevant public as /le-darc/ and as a consequence of this pronunciation, the public will not perceive it as a word that starts with a separate element 'LED', but rather as a neologism. The combination 'LEDARC' creates an impression that is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, where the elements have lost their independent positions as well as their possible meanings.

For the sake of completeness, the same conclusions should be reached as to the other part of the public that understands the meaning of the word 'ARC', namely the French- and Romanian-speaking public. For this part of the public, the meaning of the word 'ARC' is the same as that described above. The applicant has not provided enough evidence regarding the descriptive character of the sign 'LEDARC' in relation to these parts of the public at the time of filing of the EUTM.

Consequently, the EUTM has not been registered contrary to Article 7(1)(c) EUTMR in relation to the contested goods.

The applicant refers to various previous decisions of the Office to support its view (Annexes 13, 14 and 50), namely, to the refusal of EUTM Nos 10 150 522 'LEDGRAY' and 10 150 563 'ARCING' as well as international registration No W01 046 917 'ARCLITE' for, inter alia, goods in Class 11. According to settled case-law decisions concerning registration of a sign as a European Union trade mark which the Office is called on to take under Regulation 2017/1001 are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the legality of the decisions of the EUIPO must be assessed solely on the basis of that regulation, as

interpreted by the Union judicature, and not on the basis of a previous decision-making practice of this office (15/09/2005, C-37/03 P, BioID, EU:C:2005:547, § 47).

The Office is under a duty to exercise its powers in accordance with the general principles of European Union law, such as the principle of equal treatment and the principle of sound administration. In the light of those two principles, the Office must, when examining an application for registration of a European Union trade mark, take into account the decisions already taken in respect of similar applications and consider with especial care whether it should decide in the same way or not. That said, the way in which the principles of equal treatment and sound administration are applied must be consistent with respect for legality. Consequently, a person who files an application for registration of a sign as a trade mark cannot rely, to their advantage and in order to secure an identical decision, on a possibly unlawful act committed to the benefit of someone else.

Moreover, for reasons of legal certainty and, indeed, of sound administration, the examination of any trade mark application must be stringent and full, in order to prevent trade marks from being improperly registered. That examination must be undertaken in each individual case. The registration of a sign as a mark depends on specific criteria, which are applicable in the factual circumstances of the particular case and the purpose of which is to ascertain whether the sign at issue is caught by a ground for refusal (10/03/2011, C-51/10 P, 1000, EU:C:2011:139, § 73-77).

The decisions quoted by the applicant cannot have any impact on the outcome of this decision as they concern signs that either include totally different elements, such as 'RAY' or 'LITE' and/or form completely different terms that were considered descriptive in relation to the relevant goods. Therefore, the situation is not comparable with the present case.

### **NON-DISTINCTIVENESS – ARTICLE 7(1)(b) EUTMR**

According to case-law, the signs referred to in Article 7(1)(b) EUTMR are signs which are regarded as being incapable of performing the essential function of an individual trade mark, namely that of identifying the commercial origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience if it proves to be positive, or to avoid it if it proves to be negative, on the occasion of a subsequent acquisition (27/02/2002, T-79/00, Lite, EU:T:2002:42, § 26).

The distinctive character of a trade mark must be assessed, first, in relation to the goods or services for which registration of the sign is sought and, second, in relation to the perception of the section of the public targeted, which is composed of the consumers of those goods or services (27/11/2003, T-348/02, Quick, EU:T:2003:318, § 29).

The applicant's arguments regarding the lack of distinctiveness of the contested mark are the same as those mentioned above and they are based on the assumption that the sign is descriptive. However, as seen above, it cannot be concluded that the contested sign is descriptive for the abovementioned goods. Therefore, no lack of distinctiveness of the contested mark can be affirmed on account of its alleged descriptiveness as regards those goods. The applicant has not provided any other arguments or evidence for the lack of distinctiveness of the contested mark.

Consequently, the application must be rejected insofar as it is based on Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b) EUTMR.

**CUSTOMARY CHARACTER – ARTICLE 7(1)(d) EUTMR**

Pursuant to Article 7(1)(d) EUTMR, a sign that consists exclusively of a sign or indication which has become customary in the current language or in the bona fide and established trade practices cannot be registered as a trade mark.

The assessment of the alleged customary use of a sign must be carried out in relation to the goods or services for which the trade mark is registered and in relation to the relevant public's perception of the sign (16/03/2006, T-322/03, Weisse Seiten, EU:T:2006:87, § 49). In addition, actual customary use, not mere potential use as in the case of descriptive character, must be established. Marks covered by Article 7(1)(d) EUTMR are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the relevant goods or services (16/03/2006, T-322/03, Weisse Seiten, EU:T:2006:87, § 51).

The applicant provided examples of the results in Google of the use of the words 'LED' and 'ARC', written separately, not as a complete term (Annexes 39-40). Apart from being written in a different form, that is, as two words, the results show the use of those terms together with other words such as 'lamp', 'floor lamp' or equivalents in other languages. The mere fact that the combination of words 'LED' and 'ARC', written separately, had been used in the context of the registered goods in Class 11, and mostly in combination with the word 'LAMP', to indicate arc-shaped lamps with a LED light is not sufficient to conclude that the contested mark 'LEDARC' had any customary character.

The applicant argued further that companies have taken the name 'ARC' or 'LED ARC' as (part of) a company name in the field of lighting, which shows the clear meaning the contested sign has in the practices of trade. In support of this argument it provided printouts showing four company profiles (Annex 41). Nevertheless, none of them demonstrate the use of the contested sign 'LEDARC' as registered. Moreover, a mark will not be regarded as customary purely for the simple reason that competitors also use the sign in question. It is necessary to provide evidence that the relevant consumer has been exposed to the mark in a context outside of trade marks and that, as a result, they recognise its customary significance vis-à-vis the relevant goods.

The arguments and evidence provided by the applicant do not sufficiently demonstrate that the sign 'LEDARC' had, at the time of filing of the contested mark, become customary in the current language or in the bona fide and established practices of the trade to designate the contested goods.

The applicant has not provided any other arguments or evidence to prove that the contested sign, as registered, consists exclusively of a sign or indication which has become customary in the current language or in the bona fide and established trade practices.

Consequently, the application must be rejected insofar as it was based on Article 59(1)(a) EUTMR in conjunction with Article 7(1)(d) EUTMR.

**Conclusion**

In light of all the above, the Cancellation Division concludes that the mark does not (and did not at the time of its filing) fall within the scope of the prohibition laid down by Article 7(1)(b), (c) or (d) EUTMR. Therefore, the application must be rejected insofar as

it is based on Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b), (c) and (d) EUTMR.

## **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**

Reference is made to the observations, arguments and evidence submitted by the parties and presented in detail above in the section ‘summary of the parties’ arguments’.

### **Assessment of bad faith**

One situation which may give rise to bad faith is when a commercial entity has obtained some degree of legal protection by virtue of the use of a sign on the market, which a competitor subsequently registers with the intention of competing unfairly with the original user of the sign.

In such instances, the Court of Justice of the European Union (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 48, 53) has stated that the following factors in particular should be taken into consideration:

- (a) the fact that the EUTM proprietor knows or must know that a third party is using an identical or similar sign for an identical or similar product capable of being confused with the contested EUTM;
- (b) the applicant’s intention of preventing that third party from continuing to use such a sign;

- (c) the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought; and
- (d) whether the EUTM proprietor in filing the contested EUTM was in pursuit of a legitimate objective.

The abovementioned are only examples drawn from a number of factors which can be taken into account in order to determine whether or not the applicant was acting in bad faith when filing the application; account may also be taken of other factors (14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 20-21; 21/03/2012, T-227/09, FS, EU:T:2012:138, § 36).

#### *The EUTM proprietor's awareness of the applicant's sign*

The applicant argued that the IKEA franchisees started public use of the sign 'LEDARE' for lighting products in September 2010 and that the products had been introduced in Germany as of 2011. Advertising campaigns were launched in the European Union, including Germany, as from 2013 to highlight the 'LEDARE' lighting products. In support of these arguments, the applicant submitted, inter alia: screenshots from the Wayback Machine, dated 05/04/2011, showing that 'LEDARE' lamps were offered for online sale on [www.ikea.com/de](http://www.ikea.com/de) (Annex 8); a press kit for the 2014 IKEA LED campaign in German (Annex 9); and an affidavit signed by a representative of IKEA Deutschland referring to the promotion and distribution of LED products bearing the 'LEDARE' product name in Germany (Annex 53). However, none of the documents provided by the applicant – neither those related to Germany, nor to other countries where the applicant is commercially active –, demonstrate that at the time of filing of the contested EUTM, on 26/07/2011, the EUTM proprietor (at that time, Nabel) was aware of or must have been aware of any use by the invalidity applicant (or by the IKEA franchisees) of the sign 'LEDARE' for identical or similar goods in the field of lighting for which there could be a likelihood of confusion. The documents filed simply show that LED lighting products under the product name 'LEDARE' were offered for sale, promoted and distributed by the IKEA franchisees in various countries within the European Union, including Germany, as from the beginning of 2011.

According to the applicant, once the IKEA franchisees started using the 'LEDARE' marked lighting products in late 2010, this use was immediately known of by all third parties in the German and European market. Therefore, Naber, being a German company, filed the contested EUTM with knowledge of at least IKEA Deutschland using the sign 'LEDARE' for lighting products. However, the high commercial success of Inter IKEA Group and IKEA franchisees and the reputation of the IKEA brand, as claimed and shown by the evidence submitted by the applicant (Annexes 1-5, 52-53 and 56) does not indicate that all the products (and name of the products) launched by the company group directly attain awareness and reputation among the relevant public. According to the evidence filed by the applicant (Annex 5), IKEA claims to introduce approximately 2 000 new products per year while the complete IKEA range in 2011 comprised around 9 500 products. These high figures show the difficulty for third parties, including competitors, to immediately know the name of the new products. There is no evidence on the immediate awareness by third parties, including Naber, of the use of the sign 'LEDARE' for LED lighting products at the time of filing the contested EUTM, that is, a few months after the launch of those products.

Neither is there sufficient evidence that corroborates that, at the time of filing the contested EUTM, the sign 'LEDARE' had been so widely used and well-established to



presume the knowledge of the sign by Naber. The evidence filed does not provide enough information on the extent of use of the 'LEDARE' LED lighting products, or even less on its reputation. Therefore, the applicant's arguments are rejected as unfounded.

The applicant explained that Ledar GbmH was closely connected to two other German legal entities, namely Ledino GmbH and Ledino Deutschland GmbH, as the directors and proprietors of Ledar GmbH were also the directors and proprietors of Ledino GmbH and Ledino Deutschland GmbH, and the three companies were located at the same address. IKEA Deutschland and Ledino GmbH faced each other in long-lasting litigation proceedings in Germany concerning the infringement of the sign 'LEDINO' by the use of the sign 'LEDING' by Ikea Deutschland in the field of lighting. Therefore, according to the applicant, Ledino GmbH was fully aware of the activities of IKEA Deutschland (and therefore Inter IKEA) in the field of lighting at least since December 2010 when the German trade mark registration 'LEDINO' was transferred to Ledino GmbH and the latter took over the position of claimant in the litigation case against IKEA Deutschland. Therefore, since Ledar GmbH, Ledino GmbH and Ledino Deutschland GmbH were all closely connected, Ledar GmbH should have been aware of all activities of the Inter IKEA Group and/or the IKEA Franchisees in the field of lighting, including the use of the sign 'LEDARE'.

The litigation action started on 13/01/2009 when Dr.-Ing. Sieger Electronic Messgeräte & Komponenten GmbH filed a request for an interim injunction before the Berlin District Court against IKEA Deutschland's use of the sign 'LEDING' as an infringement of the German trade mark registration 'LEDINO'. On 21/12/2010, the German trade mark 'LEDINO' was transferred to Ledino GmbH which took over the position of claimant in the litigation proceedings.

Therefore, at the time of filing the contested mark, on 26/07/2011, Ledino GmbH was involved in the litigation proceedings against IKEA Deutschland as owner of the German trade mark registration 'LEDINO'. Due to the relation between Ledino GmbH and the actual EUTM proprietor Ledar GmbH as described by the applicant, the latter should have had knowledge of the product name 'LEDING' used by IKEA Deutschland for LED lighting products when acquiring the contested mark on 15/11/2017. However, there is no solid evidence as to the previous knowledge by Ledar GmbH (or the related companies) of the other product names used by IKEA Deutschland for lighting products, among others, 'LEDARE'. Nevertheless, the relevant point in time for determining whether there was bad faith on the part of the EUTM owner is the time of filing of the application for registration (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 35 and 18/11/2014, T-50/13, VOODOO, EU:T:2014:967, § 58). In this regard, as explained above, there is insufficient evidence as to why the EUTM applicant at the time of filing the contested mark, Naber, should have been aware of the existence and use of the prior sign 'LEDARE' by IKEA.

It follows from the above, that the invalidity applicant has not submitted enough evidence to show that at the time of filing the contested EUTM, the EUTM proprietor at that time was aware of or must have been aware of any use by the invalidity applicant of a similar sign for identical or similar goods for which there could be a likelihood of confusion.

At this point the Cancellation Division deems it appropriate to recall that knowledge on the part of an EUTM proprietor does not necessarily speak in favour of bad faith. Indeed, the fact that the EUTM proprietor knows or must know (quod non) that the invalidity applicant has been using an identical/similar sign for identical/similar goods and/services for which a likelihood of confusion may arise is not sufficient for a finding of bad faith (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 40). Similarly, the fact that the proprietor knows or should know that, at the time of filing of its application, a third

party is using a sign abroad that is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the proprietor is acting in bad faith within the meaning of that provision (preliminary ruling of 27/06/2013, C-320/12, Plastic Bottle (3D), EU:C:2013:435, § 37).

In order to determine whether there was bad faith, the central element to be considered is the EUTM proprietor's intention at the time of filing. This is a subjective factor which has to be determined by reference to the objective circumstances of the case. As mentioned by the Advocate General Sharpston, 'bad faith relates to a subjective motivation on the part of the trade mark applicant – a dishonest intention or other 'sinister motive' – which will none the less normally be established by reference to objective criteria; it involves conduct which 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 such standards' (Opinion of the Advocate General, 12/03/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 60).

Demonstrating bad faith implies proving that at the time of filing the EUTM proprietor was aware that it was causing harm to the invalidity applicant and that this harm was a consequence of its reproachable conduct from a moral or commercial view (21/04/2010, R 219/2009-1, GRUPPO SALINI / SALINI, § 66).

The burden of proof on the existence of bad faith always lies with the cancellation applicant. It is only when the latter demonstrates with concrete and persuasive evidence that the EUTM proprietor acted dishonestly when it applied for the contested EUTM, that the burden of proof is reversed.

The applicant's claims as regards the dishonest intentions of the EUTM proprietor remains however unsubstantiated.

According to the applicant, at the time of filling the contested mark, Naber filed simultaneously another two trade mark applications, namely EUTM No 10 150 522 'LEDRAY' and No 10 150 563 'ARCING'. These trade mark applications were refused by the EUIPO because of their descriptive character. The applicant insists that the fact that Naber applied for descriptive applications at the same time as the contested EUTM clarifies its intentions to prohibit the use of evidently descriptive terms by its competitors and thus it applied for the contested EUTM in bad faith.

It is true that one of possible indicators of the proprietor's dishonest intention as identified in the Lindt judgment is if it subsequently becomes apparent that the owner's sole objective was to prevent a third party from entering the market (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 44). The same applies if the EUTM proprietor's only intention is to prevent a third party from continuing to be on the market. However, in this case, the malicious intention of Naber at the time of filling the contested mark has not been proved. There is no evidence on file that would allow for a conclusion that Naber intended to block the applicant or did actually prevent the use of the sign 'LEDARE' by the applicant (14/06/2010, R 1795/2008-4, ZAPPER-CLICK, § 21). Indeed, as concluded above, the applicant has not even proved that at the time of filling the contested mark, Naber was aware of, or must have been aware of, any use by the invalidity applicant of a similar sign for identical or similar goods for which there could be a likelihood of confusion.

Furthermore, the applicant did not make available any evidence that Naber had no intention of using the mark, nor demonstrate that Naber's sole intention was to prevent a third party from entering the market (13/12/2012, T-136/11 Pelikan, EU:T:2012:689, § 57-60). In the circumstances of the present case, the Cancellation Division is in no

position to make assumptions on whether Naber (or the EUTM proprietor) had been using the mark or not. Moreover, as the presumption of good faith applies, the proprietor was not required to prove use of the contested EUTM in the present proceedings.

The registration of a supposedly similar sign is not a clear indication of an abusive or fraudulent intention. It is rather an indication that the EUTM proprietor intended to use its mark on the marketplace in accordance with the trade mark functions set out in the EUTMR. Moreover, for conflicts with similar signs, the EUTMR foresees a different solution under Article 60 EUTMR, 'Relative grounds for invalidity'. For this reason alone the case cannot be subsumed under the notion of 'bad faith' (14/06/2010, R 1795/2008-4, ZAPPER-CLICK, § 19).

As illustrated above, the applicant failed to put forward sufficient facts, objective indications and evidence that would allow for a positive finding of bad faith other than resorting to assumptions and suppositions. The arguments submitted do not demonstrate that at the time of filing of the contested EUTM, Naber knew or must have known of the use of the applicant's sign. They are also insufficient to allow for a conclusion that the proprietor at that time actually intended to prevent the applicant from entering or continuing in the EU market, or to show the proprietor's dishonest intentions at the moment of the filing the contested EUTM.

The applicant further claimed that the EUTM proprietor acquired the contested mark for the sole purpose of blocking the use of the sign 'LEDARE'.

As already mentioned, there is no evidence, other than assumptions and suppositions, as to the previous knowledge by Ledar GmbH of the other product names apart from 'LEDING' used by IKEA Deutschland for lighting products. Moreover, the EUTMR considers bad faith only as an absolute ground for the invalidity of an EUTM where the relevant point in time for determining whether there was bad faith on the part of the EUTM owner is the time of filing of the application for registration, and not the moment of a later acquisition by a third party. Furthermore, the applicant did not submit any evidence, other than suppositions, that the EUTM proprietor's sole intention when acquiring the contested mark was to prevent the applicant from continuing in the market (13/12/2012, T-136/11 Pelikan, ECLI:EU:T:2012:689, § 57-60).

Therefore, the applicant's arguments are unfounded.

## **Conclusion**

Bearing in mind the above principles and the circumstances and facts presented by the applicant, the Cancellation Division is of the view that the applicant failed to prove its allegation that the EUTM proprietor was acting in bad faith when filing/acquiring the contested EUTM.

In the light of the above, the Cancellation Division concludes that the application should be rejected insofar as it is based on Article 59(1)(b) EUTMR.

Therefore, the application is rejected in its entirety.

## **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 applicant is the losing party, it must bear the costs incurred by the EUTM proprietor in the course of these proceedings.

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



### **The Cancellation Division**

Carmen SÁNCHEZ  
PALOMARES

Ana MUÑIZ RODRIGUEZ

Ioana MOISESCU

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.