

Alicante, 11/12/2020

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POLONIA

Notification of a decision to the applicant

<i>Your reference:</i>	1172484
<i>Invalidity number:</i>	000036811 C
<i>Contested trade mark:</i>	017385717 IRON LEGION LE MC

Please find attached the decision terminating the proceedings referred to above. The decision was delivered on **11/12/2020**.

Please note that decisions of the Cancellation Division are not signed by the officials responsible but only indicate their full names and bear a printed seal of the Office in accordance with Article 94(2) EUTMR.



Carmen SANCHEZ PALOMARES

Enclosures (excluding the cover letter): 12 pages.

CANCELLATION No C 36 811 (INVALIDITY)

Randall Priest, 9912 Grand View Summit Drive, CA 93311 Bakersfield, United States of America (applicant), represented by **Katarzyna Binder-Sony**, ul. Poznańska 23/6, 00-685 Warszawa, Poland (professional representative)

a g a i n s t

Iron Legion Le MC ASD, Via Europa, 79, 04024 Gaeta, Italy (EUTM proprietor), represented by **Stefano Merico**, Via Eschilo, 190 int. 7, 00125 Roma, Italy (professional representative).

On 11/12/2020, the Cancellation Division takes the following

DECISION

1. The application for a declaration of invalidity is upheld.
2. European Union trade mark No 17 385 717 is declared invalid in its entirety.
3. The EUTM proprietor bears the costs, fixed at EUR 1 080.

REASONS

The applicant filed a request for a declaration of invalidity against European Union trade mark



No 17 385 717 (figurative mark) (the EUTM), filed on 24/10/2017 and registered on 13/02/2018. The request is directed against all the services included in Class 41 (*sport club services*) covered by the EUTM.

The applicant invoked Article 59(1)(b) EUTMR.

It also invoked Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR, Article 60(1)(c) EUTMR in conjunction with Article 8(4) EUTMR as regards the on-registered trade mark



used in the course of trade in Cyprus, Austria, Belgium, Greece, Slovenia, Bulgaria, Romania, Czech Republic, Germany, Denmark, Sweden, Ireland, Netherlands, Estonia, EUIPO, Hungary, Italy, France, Slovakia, Luxembourg, Malta, Croatia, Spain, Finland, United Kingdom, Latvia, Poland, Portugal, Lithuania in relation to *club services, namely, promoting the interests of motorcyclists and motorcycle enthusiasts* and Article 60(2)(c) EUTMR in relation to a copyright No 4 590 119 'IRON LEGION LE MC' protected in the 28 Member States of the European Union.

SUMMARY OF THE PARTIES' ARGUMENTS

The applicant argues that he is the owner of the figurative form of Iron Legion LE MC, registered in the United States since 19/08/2014 for services in Class 35. The same trade mark has been filed as an international registration in 2018. Therefore, it claims that the contested mark is nothing more than an illegitimate copy of the trade mark registered in the USA in 2014.

According to the applicant, both marks are used by a motorcycle enthusiast formally organized in a club. It is commonly known that a sport club is a group of people formed for the purpose of playing sports. He adds that the intention of the owner of the contested mark is that the mark is going to be used for commercial, promotional and advertising purposes, namely, promoting the interests of motorcyclists and motorcycle enthusiasts. Consequently, there is a high degree of similarity between the services mentioned in the specifications of both marks and the marks are visually, aurally and conceptually identical.

Furthermore, the applicant claims that the contested mark was filed in bad faith as the proprietor has obviously copied it to block the applicant from protecting his mark in the European Union. The sign Iron Legion LE MC is the logo of a motorcycle club founded in 2009 in the USA by the applicant with members in many countries around the world including Italy, Germany, France and Sweden. It was founded to promote motorcycling and brotherhood among fellow law enforcement officers and their supporters. The governing body of the Iron Legion LE MC is the Club Council which consists of the Founding Father, the National President and the National Vice President from the Nomad Chapter in the USA. The Club Council is responsible for overseeing everything that affects the club and its members. Although the sign and the club might not be known among the general population of the EU, they enjoy a degree of recognition among people involved in the motorcycle subculture.

The applicant explains that in 2011, Mr. Enzo Muto and his brother contacted the Iron Legion LE MC via the club website and later that year the Iron Legion LE MC outside of the USA was established in Italy. They were given the honorary title of European Mother Chapter but it did not mean that Italy had a higher status within the club than any other Chapter. Italy was expected to follow the Club By-Laws because of the proximity for the new prospective members in Italy and around Europe. Mr. Enzo Muto was given the title of Executive Officer and he would act as the liaison between the Club Council and Europe. However, at no point in time was the Italian Chapter given exclusive rights over Europe or authority over any of its members. Others have been established in Germany, France, Sweden, Switzerland and Spain.

The applicant states that, at some point, numerous chapters did not follow the Club By-Laws. The Italians were also telling all new chapters they had to be identified as Legion which was also against the Club By-Laws. In November 2017, the new elected National President in Italy sent a message to the Club in the USA questioning the credibility of the National Vice President and the authority of the Club Council. The Founding Father informed the members of the club in Europe that due to the extremely disrespectful email, all Italian Iron Legion Le MC Chapters and members are terminated from the Iron Legion Le MC effective immediately. The Italian members of the club and some of the French ones (except the one in Marseille), were no longer associated with the club and no longer authorized to use the trade mark Iron Legion Le MC logo, name, or any other design associated with the club, right from the moment they had terminated their memberships. The members in Germany, Sweden, Switzerland and Spain did not follow the Italian proposal.

However, since then, the Italians had created new chapters in Italy and in France and collected fees associated with those memberships and the Italians filed for a trade mark in Italy as part of their efforts to steal the Club. In addition, they had also made profit from the use of their

images and logos without the legal right. They have continued harassed the members in Germany, Sweden, Switzerland and Spain resulting in the loss of fees associated with membership and any person who inquired about membership into the Iron Legion LE MC.

The applicant alleges that, shortly after filing the application of the contested trade mark (24/10/2017), the proprietor began to send numerous letters to members of the Iron Legion Club in the European Union containing financial requests and threats of court actions. They threaten the members who quit for fear of doing something illegal and affecting their positions as law enforcement officers. Consequently, the club has lost almost all members in Europe as a result of this dispute by the constant threats of court actions and the club has only 18 members worldwide.

The applicant considers that, at the time of filing of the contested mark, the proprietor must have known of the applicant's use of his mark and that there might be a likelihood of confusion with the contested mark due to the fact that both logos are identical. The contested mark was not filed for the purpose of protecting the proprietor's business but for the purpose of preventing the applicant from his legitimate activity in the EU.

The fact that, after successfully registering the EUTM at issue, the EUTM owner serves formal notice on other parties to cease using a similar sign in their commercial relations is not in itself an indication of bad faith. Such a request falls within the scope of the rights attaching to the registration of an EUTM. However, in circumstances where this request is connected with other factors, it might be an indication of the intention to prevent another party from entering the market. According to the applicant, the proprietor has been constantly issuing cease and desist letters, not only to the applicant, but also to the European members of the Iron Legion Club, demanding financial compensation.

On the other hand and in relation to Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR, the applicant states that from the facts of the case it is clear that the proprietor can be seen as a representative of the applicant which at some point have filed an application for an identical mark in the European Union without any authorisation.

Finally, the applicant considers that the contested mark clearly infringes the applicant's copyrights to the design of the Iron Legion LE MC logo. All copyrights to the Iron Legion LE MC figurative mark are owned by the applicant who has never authorized the proprietor of the contested mark to use it. What is more, the proprietor has been explicitly forbidden from using it, due to the violation of the Club By-Laws.

In support of its observations, the applicant files the following documents:

1. Several screenshots from a Facebook profile (some of them are non-dated and some relate to 2017-2018) of the Iron Legion Le Mc Italy. Some of them show the sign



2. Application to the Iron Legion MC filed by Mr. Enzo Muto in 2011.
3. Application to the Iron Legion MC filed by Mr. Nino Muto in 2011.
4. Screenshot of an email sent to the European members of the Iron Legion MC on 20/11/2017.
5. Screenshot of the same email as described above.
6. Attachment to the email sent to the European members of the Iron Legion MC on 20/11/2017, explicitly informing them that the Italian members of the club, as well as some members in France, have been excluded from it.

7. Screenshots of a WhatsApp conversation which, according to the applicant, relates to the actions of the Italian members of Iron Legion MC and their attempt to obtain a kind of financial compensation from the applicant.
8. A registration certificate issued by the USA Patent and Trademark Office of the mark



No 4 590 119
the applicant.

registered in 2014 for services in Class 35 whose owner is

The EUTM proprietor argues that it was not acting in bad faith when it filed its trade mark application. It claims that the Iron Legion LE MC motorcycle club was founded in United States, however it is not true that the applicant is a founder of the club. It points out that the first European Chapter was established in Italy by both Mr. Enzo Muto and Gaetano Muto. The establishment of the German, French and Swedish Chapters was managed exclusively by the Italian Chapter. Each new Member's applications and contact agreements of all the European Member were signed exclusively between the Iron Legion LE MC Italian Chapter and each New European member. Following the efforts and the intensive work developed from 2011 to 2016 by the Italian Chapter in the European Union, the US Club Council, represented by the applicant, assigned to the Italian Chapter the title of European Mother Chapter on 21/05/2016, with relevant 'Iron Legion LE MC' trade mark rights and copyrights in the European Union.

The proprietor explains that, to date, the Italian Chapter, which includes the EUTM proprietor, is composed of 87 members divided into 10 Legions and the French Chapter is composed of 95 members divided into 10 Legions, i.e. there are 182 members that are currently using the contested trade mark in the name of the proprietor.

The proprietor claims that, if the applicant directly managed the members in Germany, Sweden, Switzerland and Spain, it does not understand why such members decided to terminate their membership following the warning letter of the EUTM proprietor. They should have claim their licensing rights granted by the applicant, disputing the EUTM proprietor's ownership of the contested trade mark. On the contrary, after receiving the EUTM proprietor's cease and desist letters, they ceased the use of the contested mark recognizing the trade mark ownership of the EUTM proprietor.

Furthermore, the proprietor alleges that there is no doubt that, when it filed relevant opposition proceedings, it was acting on the basis of both, the rights granted by the applicant, and its legitimate interest to protect its right as owner of the contested mark. Instead of claiming its alleged trade mark rights filing an opposition, or sending a cease and desist letter to the proprietor, on 21/02/2018 the applicant filed the international registration No 1413 077 for the same figurative trade mark based on its US mark. Therefore, the aim of the applicant was to register its trade mark in the European Union for Class 35, despite he has already assigned trade mark rights to the proprietor in Class 41.

The EUTM proprietor claims that it has never sold goods nor earned any profit related to the use of the contested mark as it is a sport association organized and operated exclusively for supporting Law Enforcement Officers and their families. It approached the applicant for an amicable settlement without any financial compensation.

The proprietor insists on the fact that, the European members that are no longer part of the Iron Legion LE MC, recognized the ownership of the EUTM proprietor. Moreover, the fact that, after successfully registering the contested mark, the proprietor serves formal notice on other parties to cease using the sign is not in itself an indication of bad faith, as such a request falls within the scope of the EUTM rights.

In the case at issue, the proprietor does not dispute that it knew that the applicant created the trade mark in the US, given that the parties had a relationship. However, it was the applicant who assigned the contested trade mark rights to the proprietor as a consequence of the expansion of the sign in the European Union and according to relevant need for further development and protection of the trade mark. It adds that the applicant has not proven the proprietor's dishonest intention when filing the contested trade mark; on the contrary, the EUTM owner has proven that it was in pursuit of a legitimate objective.

The proprietor considers that the applicant failed to put forward sufficient facts and evidence that would allow for a positive finding of bad faith. Most of the applicant's statements are false or are not supported by evidence. The documents filed are inconclusive in demonstrating a dishonest intention on the part of the proprietor in applying to register the contested mark.

In support of its observations, the proprietor files the following documents:

- Annex 1: A non-dated picture which, according to the proprietor, shows the applicant and the Iron Legion Founders.
- Annex 2: Samples of the new member applications and contract agreements of the Iron Legion LE MC in Italy.
- Annex 3: A document dated 08/11/2016 showing the articles of the Iron Legion MC Italy.
- Annex 4: A document showing the Members List of the Iron Legion LE MC Europe (Italy and France).
- Annex 5: Several letters sent from the proprietor in 2018 requesting to immediately cease and desist from continuing the use, production, distribution and/or promotion in any form or manner, directly and/or indirectly, trademarks identical and similar to the contested mark.
- Annex 6: A document in Italian.

In reply, the applicant states that the evidence provided by the proprietor is irrelevant. It denies that the US Club Council assigned to the Italian chapter with relevant 'Iron Legion LE MC' trade mark rights and copyrights in the European Union. Annex 3 cannot serve as such, because it is not an assignment or any other kind of contract between the applicant and the proprietor, but a document drafted and undersigned exclusively by the Italian members of the club. This "statute" is not an official document of the Iron Legion LE MC and did not follow the established procedure for this type of "statute" to be official.

The applicant wonders why the EUTM proprietor was also intentioned to acquire the U.S. trade mark rights in order to develop a more comprehensive worldwide network if there was already Intellectual Property and trade mark rights in the US and worldwide. He considers that the cease and desist letters being sent to the members of the club resulted in them leaving it, causing damage to the applicant.

The applicant reiterates that he owns the rights to the previously established trade mark in the United States and is the owner of the club. It is uncontested that the proprietor is definitely not a founder of the club and that the Iron Legion LE MC Italy is merely one of the chapters that made up the motorcycle club, not a separate and distinct "club". These applications (contracts) and the By-laws are the rules by which the relationship was established. The Italian Mother Chapter was an extension of the American club of the Iron Legion LE MC. Therefore, the relationship between the two parties did create a close enough link to expect the proprietor would not file an identical EUTM application in their own name without the expressed written consent by the founder and owner of the Iron Legion LE MC.

The applicant considers that the proprietor had prior knowledge of the existing trade mark and registered the contested trade mark solely to prevent the applicant from gaining access to the European market and/or taking economic advantage of it. The growth of the Iron Legion LE MC in Europe was never to establish a European owned network of the Iron Legion LE MC but has always been an extension of the Iron Legion LE MC American Law Enforcement Motorcycle Club. The fact that cease and desist letters were sent to members in Europe at all, is an example that no one else supported or approved of these bad faith intentions. The proprietor began to send cease and desist letters to everyone in Europe, except those that had their memberships terminated by the Founder of the Iron Legion LE MC, to attempt to force those members to either accept their authority as the Iron Legion LE MC club in Europe or be labelled as illegitimate members and subject to litigation over the use of the trade mark.

The proprietor did not submit arguments in reply in its last round of observations.

The application is based on absolute and relative grounds for invalidity. The Cancellation Division finds it appropriate to first examine the application in relation to the absolute grounds for invalidity, namely, Article 59(1)(b) 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.

Assessment of bad faith

The previous relationship between the parties and the EUTM proprietor’s awareness of the earlier sign

Bad faith might be applicable when the parties involved have, or have had, any kind of relationship, such as (pre-/post-) contractual relationships, giving rise to mutual obligations

and a duty of fair play in relation to the legitimate interests and expectations of the other party (13/11/2007, R 336/2007-2, CLAIRE FISHER / CLAIRE FISHER, § 24).

In the present case, the evidence submitted by the applicant proves that he is the owner of



the mark registered before the USA Patent and Trademark Office in 2014 for services in Class 35 (document n°8). Therefore, the applicant has rights over this sign in the USA.

Furthermore, it has also been established that in 2011, Mr. Nino and Enzo Muto contacted the Iron Legion MC to become members of the Club. The membership application forms establish that it is compulsory to obey the official Iron Legion MC By-Laws (documents n°2-3). The



screenshots from a Facebook profile displaying the sign show the Italian branch of the Club (document n°1). In addition, the email sent to the European members of the Iron Legion MC on 20/11/2017, explicitly informing them that the Italian members of the Club, as well as some members in France, have been excluded from it shows the knowledge of the Italian members of the earlier US sign and the Club (documents 4-6).

According to the proprietor, the applicant is not a founder of the club as it has no founder patch on his jacket. Annex 1 includes a photo where the applicant is wearing a jacket without the said patch. However, the Cancellation Division notes that the proprietor filed a picture showing the applicant and the Iron Legion Founders, therefore, the applicant has a clear link with the Club and moreover he is the owner of the earlier mark registered in the USA.

Although the evidence as regards the direct relationship between the parties in relation to the contested mark is not particularly voluminous, the Cancellation Division considers that all these documents are sufficient to establish that a relationship between the parties existed before the EUTM was filed (24/10/2017) and there is enough evidence that shows that the EUTM proprietor knew specifically about the earlier mark. The proprietor admitted that the applicant created the trade mark in the US and that the parties had a relationship.

Therefore, it follows from the evidence that, at the time of filing the contested EUTM, the EUTM proprietor was aware of the existence of the invalidity applicant's sign and it admitted it.

In this respect, the Cancellation Division holds that the EUTM proprietor's awareness of the existence of third party's rights was shown.

Similarity of the signs

Article 59(1)(b) EUTMR does not require, in principle, that the contested EUTM be identical or similar to an earlier right. However, in cases where the invalidity applicant is claiming that the intention of the EUTM proprietor was to misappropriate one or more earlier rights, such as the

present one, it is difficult to envisage how a claim of bad faith may succeed if the signs at issue are not at least similar.

In the present case, the contested mark and the earlier sign are identical, as argued by the applicant.

Intentions to misappropriate the rights of a contractual partner (duty of fair play)


There is bad faith when the EUTM proprietor intends through registration to lay its hands on the trade mark of a third party with whom it had contractual or pre-contractual relations or any kind of relationship where good faith applies and imposes on the EUTM proprietor the duty of fair play in relation to the legitimate interests and expectations of the other party (13/11/2007, R 336/2007-2, CLAIRE FISHER / CLAIRE FISHER, § 24).

The essential question is, therefore, whether the relationship between the parties created a close enough link to suggest that it is fair to expect the EUTM proprietor not to file an identical EUTM application independently without giving the invalidity applicant prior information and sufficient time to take action against the contested EUTM (13/12/2004, R 582/2003-4, EAST SIDE MARIO'S, § 23).

Such a relationship might be sufficiently close if the parties have entered into contractual or pre-contractual negotiations which, inter alia, concern the sign in question. Such a relationship does not have to be specific in such a way as to deal exclusively with, for example, franchise rights for the territory concerned (13/12/2004, R 582/2003-4, EAST SIDE MARIO'S, § 23).

It can be clearly inferred from the evidence and arguments referred to above that, by virtue of the relationship between the parties, there existed a close relationship based on confidence which implies that the EUTM proprietor had to inform the applicant of its intention to file an application of a EUTM which is identical to the applicant's earlier mark.



It has been proven that the parties had a close relationship which involves the sign . This type of relationship justifies that, in compliance with fair business practices, the EUTM proprietor should have informed the applicant about the registration of the contested mark and it should not have applied for the mark without the approval of the applicant, when it was indeed aware of its existence as mentioned above.

The EUTM proprietor claims that, following the efforts and the intensive work developed from 2011 to 2016 by the Italian Chapter in the European Union, the US Club Council, represented by the applicant, on 21/05/2016 assigned to the Italian Chapter the title of European Mother Chapter, with relevant "Iron Legion LE MC" trade mark rights and copyrights in the European Union. Annex 3 literally states that: *The European Mother Chapter will preserve with the other legion presidents and members of the board of the future association(A.S.D.) the rights of the trademark in Europe given by the trademark holder of the club in the U.S.A*".

However, the preservation of the right of the trade mark in Europe does not mean that the applicant expressly consented to register the mark in the EUTM proprietor's name. The Cancellation Division concurs with the applicant's argument that Annex 3 is not an assignment or any other kind of contract between the applicant and the proprietor, but a document drafted and undersigned exclusively by the Italian members of the club. Therefore, there is no

evidence of the applicant's express consent to register the mark in the EUTM proprietor's name.

Therefore and contrary to the proprietor's arguments, the existed close relationship based on confidence implies that the EUTM proprietor had to inform the applicant of its intention to file an application of an identical EUTM.

Secondly, if a duty of fair play exists, it must be established whether or not the EUTM proprietor's actions constitute a breach of a duty of fair play, thereby having been made in bad faith.

Both has to be answered in affirmative for the reasons explained below.

The applicant alleged that the Club has lost all members in Europe as a result of this dispute. Annex 5 submitted by the proprietor includes several letters sent from the proprietor in 2018 requesting to immediately cease and desist from continuing the use, production, distribution and/or promotion in any form or manner, directly and/or indirectly, trademarks identical and similar to the contested mark subject to litigation over the use of the trade mark. According to the applicant, that caused the members of the club leaving it which damaged the applicant.

On its part, the proprietor argues that it does not understand why such members decided to terminate their membership following the warning letter of the EUTM proprietor. On the contrary, after receiving the EUTM proprietor's cease and desist letters, they ceased the use of the contested mark recognizing the trade mark ownership of the EUTM proprietor.

The fact that, after successfully registering the EUTM at issue, the EUTM owner serves formal notice on other parties to cease using a similar sign in their commercial relations is not in itself an indication of bad faith. Such a request falls within the scope of the rights attaching to the registration of an EUTM; see Article 9 EUTMR (14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 33). However, in circumstances where this request is connected with other factors, it might be an indication of the intention to prevent another party from entering the market.

Firstly, the Cancellation Division is of the view that the fact that the members ceased on the use of the contested mark does not necessarily imply that they recognized on the proprietor's ownership of the trade mark.

Furthermore, while, on its own, the fact of sending cease and desist letters to the members of the Club would not be sufficient to establish a dishonest intention, there are consistent indicia that the EUTM proprietor's intention was to undermine the interests of the applicant. These indicia concern, in particular, the chronology of events leading up to the filing of the EUTM as well as the nature of the relationship between the parties.

The EUTM proprietor also alleges that there is no doubt that, when it filed relevant opposition proceedings, it was acting on the basis of both, the rights granted by the applicant, and its legitimate interest to protect its right as owner of the contested mark. While, on its own, the fact of filing an opposition against a trade mark would not be sufficient to establish a dishonest intention, there are indications that the EUTM proprietor filed the EUTM not with the aim of competing fairly, but with the intention of blocking the applicant from protecting his mark in the European Union.

In the present case, there was a relationship between the parties, the EUTM proprietor did not inform the applicant of its intention to file an identical mark for similar services. Considering all the relevant factors of the case, it is possible to conclude that the proprietor of the EUTM filed its application for registration departing from accepted principles of ethical behaviour or honest commercial and business practices. In this case, the relationship between the parties creates

an obligation for the proprietor of a duty of fair play, and to consult the issue with the applicant before applying for the contested mark. The relationship between the parties, together with the awareness and knowledge of the proprietor, was unfairly used to obtain an exclusive right.

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 (decision of 21/04/2010, R 219/2009-1 – ‘Gruppo Salini’, § 66).

Taken all the circumstances of the case into account, the Cancellation Division considers that the EUTM proprietor’s actions constitute a breach of the duty of fair play, and as such, the filing was made in bad faith.

Legitimate objectives of the EUTM proprietor

Account must also be taken of whether the EUTM proprietor’s filing intentions may be in pursuit of legitimate objectives. This may be the case, for example, if at the time of filing the contested EUTM, the EUTM proprietor knows that a third party, who is a newcomer on the market, is trying to take advantage of that sign by copying its presentation, and the EUTM proprietor seeks to register its sign with a view to preventing use of such a copy (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 49).

All the arguments set above by the proprietor are not legitimate objectives. The Cancellation Division considers that, given the existing relationship between the parties, they do not constitute legitimate motives for the EUTM proprietor to apply for the trade mark without the applicant’s previous knowledge and consent.

Therefore, the Cancellation Division concludes that the alleged legitimate interests of the EUTM proprietor must be rejected.

Conclusion

In light of the above principles and of the circumstances and facts presented by the applicant, the Cancellation Division is of the view that the applicant has succeeded in proving their allegation that the EUTM proprietor was acting in bad faith when filing the contested EUTM. The applicant confined himself to statements supported by enough evidence or facts leading to a safe conclusion that the EUTM proprietor had a duty to refrain from filing the contested mark. As a consequence, the applicant is considered to have established the EUTM proprietor’s dishonest intention on its part.

The contested mark is registered for the *sport club services* in Class 41. The earlier services are *promoting the interests of motorcyclists and motorcycle enthusiasts* in Class 35.

The applicant argues that, although in different classes, they are the same services. They are intended for a motorcycle club. The description used in respective identifications is a bit different and containing terms belonging to separate classes, but it refers to the same kind of activity. According to the applicant, both marks are used by a motorcycle enthusiast formally organized in a club. It is commonly known that a sport club is a group of people formed for the purpose of playing sports. He adds that the intention of the owner of the contested mark is that the mark is going to be used for commercial, promotional and advertising purposes, namely, promoting the interests of motorcyclists and motorcycle enthusiasts. Consequently,

there is a high degree of similarity between the services mentioned in the specifications of both marks.

The services *promoting the interests of motorcyclists and motorcycle enthusiasts* in Class 35 are those provided by persons or organizations that directly assist in the operation and management of another commercial or industrial enterprise, in this case, for advertising purposes. The contested *sport club services* in Class 41 includes the organization of sporting activities. However, those services that are indirectly related to sporting activities, for example, promotion of the interest of the motorcyclist are advertising services, therefore, included in Class 35.

In any case, when bad faith of the EUTM owner is established, the whole EUTM is declared invalid, even for goods and services that are unrelated to those protected by the invalidity applicants' mark. The General Court confirmed this approach and stated that a positive finding of bad faith at the time of filing of the contested EUTM could only lead to the invalidity of the EUTM in its entirety (11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 48). The protection of the general interest in business and commercial matters to be conducted honestly justifies invalidating a EUTM also for goods and services that are dissimilar to the invalidity applicants' ones and which do not even belong to an adjacent or neighbouring market.

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

Since the application is fully successful on the grounds of Article 59(1)(b) EUTMR, there is no need to further examine the other grounds of the application, namely, Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR, Article 60(1)(c) EUTMR in conjunction with Article 8(4) EUTMR and Article 60(2)(c) EUTMR.

COSTS

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

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

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



The Cancellation Division

Ana MUÑIZ RODRIGUEZ

Carmen SÁNCHEZ
PALOMARES

Michaela SIMANDLOVA

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.