

JUDGMENT OF THE GENERAL COURT (Third Chamber)

14 May 2019 (*)

(EU trade mark — Invalidity proceedings — EU word mark NEYMAR — Declaration of invalidity — Bad faith — Article 52(1)(b) of Regulation (EC) No 207/2009 (now Article 59(1)(b) of Regulation (EU) 2017/1001))

In Case T-795/17,

Carlos Moreira, residing in Guimarães (Portugal), represented by T. Soares Faria, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by J. Crespo Carrillo and H. O'Neill, acting as Agents,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being

Neymar Da Silva Santos Júnior, residing in Barcelona (Spain), initially represented by T. de Haan, H. Abraham and P. Péters, and subsequently by T. de Haan and P. Péters, lawyers,

ACTION brought against the decision of the Second Board of Appeal of EUIPO of 6 September 2017 (Case R 80/2017-2), relating to invalidity proceedings between Mr Da Silva Santos Júnior and Mr Moreira,

THE GENERAL COURT (Third Chamber),

composed of S. Frimodt Nielsen, President, V. Kreuschitz and N. Półtorak (Rapporteur), Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the application lodged at the Court Registry on 28 November 2017,

having regard to the response of EUIPO lodged at the Court Registry on 18 July 2018,

having regard to the response of the intervener lodged at the Court Registry on 26 July 2018,

further to the hearing on 5 March 2019,

gives the following

Judgment

Background to the dispute

1 On 17 December 2012, the applicant, Mr Carlos Moreira, filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation

(EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).

2 Registration as a mark was sought for the word sign NEYMAR ('the contested mark').

3 The goods in respect of which registration was sought are in Class 25 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: 'Clothing, footwear, headgear'.

4 The EU trade mark application was published in *Community Trade Marks Bulletin* No 2013/002 of 3 January 2013. The contested mark was registered on 12 April 2013 under number 11432044.

5 On 11 February 2016, the intervener, Mr Neymar Da Silva Santos Júnior, filed an application for a declaration of invalidity under Article 52(1)(b) of Regulation No 207/2009 (now Article 59(1)(b) of Regulation 2017/1001) against the contested mark in respect of all the goods covered by that mark.

6 On 7 November 2016, the Cancellation Division upheld the application for a declaration of invalidity.

7 On 11 January 2017, the applicant filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009 (now Articles 66 to 71 of Regulation 2017/1001), against the decision of the Cancellation Division.

8 By decision of 6 September 2017 ('the contested decision'), the Second Board of Appeal of EUIPO confirmed the decision of the Cancellation Division and dismissed the appeal.

Forms of order sought

9 The applicant claims that the Court should:

- annul the contested decision;
- declare the contested mark valid;
- order EUIPO to pay the costs.

10 EUIPO contends that the Court should:

- dismiss the action;
- order the applicant to pay the costs.

11 The intervener contends that the Court should:

- dismiss the action;
- order the applicant to pay the costs, including those incurred by the intervener before the Board of Appeal.

Law

12 In support of his action, the applicant puts forward a single plea in law, alleging breach of Article 52(1)(b) of Regulation No 207/2009.

The single plea in law, alleging infringement of Article 52(1)(b) of Regulation No 207/2009

- 13 By his single plea the applicant claims, in essence, that the Board of Appeal was wrong to find that the applicant was acting in bad faith when he filed the application for registration of the contested mark.
- 14 EUIPO and the intervener dispute the applicant's arguments.
- 15 It should be noted, first of all, that Article 52(1)(b) of Regulation No 207/2009 provides that an EU trade mark must be declared invalid on application to EUIPO or on the basis of a counterclaim in infringement proceedings, where the applicant for registration was acting in bad faith when he filed the application for registration of that mark.
- 16 In that regard, the Court points out that the concept of bad faith referred to in Article 52(1)(b) of Regulation No 207/2009 is not defined, delimited or even described in any way in the legislation (judgment of 1 February 2012, *Carrols v OHIM – Gambettola (Pollo Tropical CHICKEN ON THE GRILL)*, T-291/09, EU:T:2012:39, paragraph 44).
- 17 However, it must be observed that in its judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361)* the Court of Justice provided some clarification regarding the way in which the concept of bad faith, as referred to in Article 52(1)(b) of Regulation No 207/2009, should be interpreted.
- 18 According to the Court of Justice, in order to determine whether the applicant for registration acted in bad faith, for the purposes of Article 52(1)(b) of Regulation No 207/2009, account must be taken of all the relevant factors specific to the particular case which obtained at the time of filing the application for registration of a sign as an EU trade mark, in particular: (i) the fact that the applicant for registration knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product or service capable of being confused with the sign for which registration is sought; (ii) the intention of the applicant for registration to prevent that third party from continuing to use such a sign; and (iii) the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli, C-529/07, EU:C:2009:361*, paragraph 53).
- 19 That being so, it is apparent from the wording used by the Court of Justice in its judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli (C-529/07, EU:C:2009:361, paragraph 53)*, that the factors set out in it are only examples drawn from a number of factors which can be taken into account in order to decide whether the applicant for registration was acting in bad faith when the trade mark application was filed (see judgment of 26 February 2015, *Pangyrus v OHIM – RSVP Design (COLOURBLIND)*, T-257/11, not published, EU:T:2015:115, paragraph 67 and the case-law cited).
- 20 It must therefore be held that, in the context of the overall analysis undertaken pursuant to Article 52(1)(b) of Regulation No 207/2009, account may also be taken of the origin of the contested sign and its use since its creation, the commercial logic underlying the filing of the application for registration of that sign as an EU trade mark, and the chronology of events leading up to that filing (see judgment of 26 February 2015, *COLOURBLIND*, T-257/11, not published, EU:T:2015:115, paragraph 68 and the case-law cited; see also, to that effect, judgment of 11 July 2013, *SA.PAR. v OHIM – Salini Costruttori (GRUPPO SALINI)*, T-321/10, EU:T:2013:372, paragraph 23).
- 21 Consideration must also be given to the intention of the applicant for registration at the time when he files the application for registration (see, by analogy, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli, C-529/07, EU:C:2009:361*, paragraph 41).
- 22 In that regard, the intention of the applicant for registration at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case (see, by analogy,

judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 42).

- 23 Thus, the concept of bad faith relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices (judgment of 7 July 2016, *Copernicus-Trademarks v EUIPO – Maquet (LUCEO)*, T-82/14, EU:T:2016:396, paragraph 28).
- 24 Moreover, it is for the applicant for a declaration of invalidity seeking to rely upon that ground to prove the circumstances which substantiate a finding that the EU trade mark proprietor was acting in bad faith when the application for registration of that mark was filed (see judgment of 21 May 2015, *Urb Rulmenti Suceava v OHIM – Adiguzel (URB)*, T-635/14, not published, EU:T:2015:297, paragraph 30 and the case-law cited).
- 25 It is in the light of the foregoing considerations, in particular, that the legality of the contested decision must be assessed, with regard to the Board of Appeal's finding that the applicant was acting in bad faith when he filed the application for registration of the contested mark.
- 26 It should be noted at the outset that it is common ground that the alleged bad faith must be shown to have existed at the time when the application for registration of the contested mark was filed, namely on 17 December 2012 ('the relevant date').
- 27 The present plea consists, in essence, of two parts, alleging (i) the Board of Appeal's incorrect assessment that the applicant knew that the intervener was a rising star in football whose talent was recognised internationally at the relevant date, and (ii) the Board of Appeal's incorrect assessment that, when he filed the application for registration of the contested mark, the applicant had no motive other than to exploit the intervener's renown to benefit from it.
- 28 Under the first part of his single plea, the applicant submits that the intervener was not yet known in Europe when the contested mark was registered. In that regard, the applicant disputes the Board of Appeal's argument set out in paragraph 37 of the contested decision that he was likely to have known already in 2012 that the intervener was intended to be transferred to an important European club. The applicant argues that the intervener only started playing in Europe in 2013, that is, after the relevant date. However, according to the applicant, it is common place that promising young footballers end up not having the careers initially envisioned for them. Moreover, the applicant maintains, in essence, that the fact that he also sought registration of the name of another footballer as a mark, namely Iker Casillas, cannot have any effect on the analysis of whether or not he was acting in bad faith when he applied for registration of the contested mark.
- 29 EUIPO and the intervener dispute those arguments.
- 30 In that regard, it should be noted that the Board of Appeal rightly put forward, in paragraphs 24 to 31 of the contested decision, that the intervener had submitted a portfolio of evidence showing that he is a Brazilian footballer internationally known under his first name, Neymar, and that he was already known in Europe at the relevant date, in particular for his performances for the Brazilian national football team.
- 31 It is apparent from the evidence submitted in support of the application for a declaration of invalidity and, in particular, from Annexes 1 to 3 thereto, which consist of press articles and website excerpts from 2009 to 2012, that the intervener was highly publicised then, especially in France, Spain and the United Kingdom.
- 32 Consequently, the intervener was already recognised as a very promising football player and compared to the most renowned football players at the relevant date. He had drawn, accordingly, the attention of top-flight clubs in Europe in view of future recruitment several years before his actual transfer to FC Barcelona in 2013.

- 33 In the light of the foregoing, it should be established at the outset that the applicant was wrong to assert that 'in the world of football' the intervener was unknown in Europe at the relevant date.
- 34 Moreover, the applicant stated at the hearing that he knew the world of football at the relevant date. In addition, the Court notes that, on the day the applicant applied for registration of the contested mark, he also filed an application for registration of the word mark IKER CASILLAS. Since that mark corresponds to the name of another famous football player, the Board of Appeal was right to point out in paragraph 33 of the contested decision that that fact shows that the applicant possessed more than a little knowledge of the world of football.
- 35 Furthermore, it must also be noted that the applicant stated at the hearing that he was aware of the intervener's existence at the relevant date but did not know that he was a rising star in football.
- 36 In the light of these circumstances, after establishing in paragraph 25 of the contested decision that the word element 'neymar' corresponds precisely to the name under which the intervener became known for his football performances, the Board of Appeal thus rightly found, in paragraph 33 of the contested decision, that since the applicant possessed more than a little knowledge of the world of football and the contested mark consisted of the single word element 'neymar', it was inconceivable that the applicant had not been informed of the intervener's existence at the time when he filed the application for registration of the contested mark.
- 37 Moreover, with regard to the applicant's claim that the Board of Appeal erred in asserting, in paragraph 37 of the contested decision, that he must have been well aware that the intervener would soon be transferred to a very important European club, the following considerations must be pointed out.
- 38 The applicant does not dispute the Board of Appeal's assertion in paragraph 34 of the contested decision that Europe is a prime destination for aspiring footballers the world over in the light of, inter alia, the levels of remuneration and opportunities it offers. In the present case, and as pointed out in paragraph 30 above, it is apparent from the evidence referred to by the Board of Appeal in the contested decision, which the applicant also does not dispute, that many newspapers and news websites regularly mentioned the intervener's likely future transfer to a top European club. It should also be noted that the applicant himself, in his pleadings, refers to the fact that those speculations ultimately proved accurate as of 2013 with the intervener's transfer to FC Barcelona.
- 39 In addition, the Court observes in that regard that the applicant's arguments alleging his lack of knowledge of the intervener's future transfer to a very important European club cannot call in question the Board of Appeal's finding that the applicant knew of the intervener's existence at the relevant date and that he could not have been unaware of the fact that the latter was already a professional footballer whose talent was recognised internationally.
- 40 Under the second part of his single plea, the applicant denies, in essence, having intended to benefit illegally from the intervener's renown by seeking registration of the contested mark. First, the applicant claims that he chose the name 'Neymar' only and exclusively because of the phonetics of the word and was at no time thinking of the image of the intervener. He argues that the decision to choose the word sign NEYMAR was thus a mere coincidence and does not stem from a conscious desire to use the name of a known footballer. Secondly, the applicant maintains that he did not seek to obtain that registration so that it could be invoked against the intervener. Thirdly, the applicant adds that any possible finding of bad faith on his part may have been established only if he had continued to pursue the procedure for registration despite the intervener's opposition, which had not been the case here. According to the applicant, it is thus not possible to consider that the applicant behaved in such a way as to take advantage of the intervener's renown by submitting the application for registration of the contested mark. Fourthly, the applicant submits that, at the relevant date, the name 'Neymar' was neither protected as a trade mark nor even used as such. Fifthly, and finally, the applicant maintains that the Board of Appeal puts forward no document or evidence in support of its argument that the applicant's intention was to take undue advantage of the intervener's renown. According to the applicant, the Board of Appeal confined itself to formulating presumptions to

that effect. The applicant argues that it cannot be ascertained that a presumption exists that, where a mark is identical to the name of a renowned footballer, it is for the trade mark applicant to prove that he was not acting in bad faith. On the contrary, the applicant points out that it is for the applicant for a declaration of invalidity to prove that a mark which is contested by the latter was applied for in bad faith.

41 EUIPO and the intervener dispute those arguments.

42 First, with regard to the applicant's assertion that the use of the name 'Neymar' was a mere coincidence and stemmed only from a decision based on the phonetics of the word, the following considerations must be observed.

43 It is apparent from paragraphs 30 to 36 above that the intervener's renown was already well established at the relevant date in the world of football (including in Europe), that the applicant possessed more than a little knowledge of that world and that he cannot, therefore, pretend that he did not know who the intervener was.

44 Moreover, the contested mark consists of only the word element 'neymar', which is identical to the name under which the intervener acquired international renown in the world of football.

45 In the light of those considerations, the applicant's argument that his decision to seek registration of the word sign NEYMAR was a mere coincidence must be rejected.

46 It has been established that it cannot be considered that the applicant did not know who the intervener was at the relevant date. Knowing that, the applicant nevertheless filed an application for registration of the contested mark, which consists of a word element identical to the name under which the intervener became known in the world of football. However, for the reasons set out in paragraphs 42 to 45, it should be pointed out that the only explanation put forward by the applicant to justify choosing the word element making up the contested mark, namely a coincidence relating to the phonetic characteristics of that mark, is not credible and must be rejected. In addition, the applicant puts forward no convincing argument to contradict the Board of Appeal's findings in paragraphs 38 and 41 of the contested decision that, in the circumstances of the present case, there is no explanation for the applicant's application for registration of the contested mark other than the desire to exploit the intervener's renown in order to benefit from it.

47 In the light of the foregoing considerations, the Court finds that the applicant fails to challenge the Board of Appeal's finding that he intentionally sought registration of the contested mark with the purpose of creating an association between the contested mark and the intervener.

48 Secondly, the applicant submits, in essence, that the Board of Appeal relied on mere speculations in finding, wrongly, that his intention had been to take undue advantage of the intervener's renown in order to obtain certain financial advantages. He adds that the Board of Appeal also established a presumption that knowledge of a person's renown is sufficient to ascertain bad faith on the part of the applicant for registration of a trade mark bearing the same name.

49 However, as is apparent from the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361), the existence of bad faith on the part of the applicant for registration at the time of filing the application for registration of an EU trade mark must be assessed, inter alia, in the light of his intention (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 38 to 41). In that regard, the Court of Justice has explained that the intention of the applicant for registration at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 42).

50 In the present case, it is apparent from paragraphs 24 to 31 of the contested decision that the Board of Appeal relied, inter alia, on objective factors from a portfolio of evidence consisting of press and internet articles to determine that the intervener was a very talented footballer who already had global standing in

the world of football at the relevant date. It then deduced from another objective element — namely, the fact that the applicant had filed an application for registration of the word mark IKER CASILLAS on the same day as the application for registration of the contested mark was filed — that the applicant possessed more than a little knowledge of the world of football. It is in the light of only those factors and particular circumstances of the present case that it based its finding regarding the applicant's intention.

51 In the light of all the foregoing, it must be held that the applicant was wrong to claim that the Board of Appeal simply asserted a fact without any document or evidence likely to support it. The Board of Appeal was indeed entitled to deduct, without committing any error, from the particular circumstances of the present case that the real purpose of the commercial logic behind the applicant's application for registration of an EU trade mark was to 'free-ride' on the intervener's reputation and take advantage of that reputation (see, to that effect, judgment of 8 May 2014, *Simca Europe v OHIM — PSA Peugeot Citroën (Simca)*, T-327/12, EU:T:2014:240, paragraph 56).

52 Moreover, it is clear from paragraph 50 above that the Board of Appeal assessed the factors mentioned above in the specific context of the present case. Accordingly, it cannot be considered in any way that, in so doing, the Board of Appeal established any general presumption that the fact that the applicant for registration of a mark consisting of a word element identical to a person's name has knowledge of that person's renown is sufficient to ascertain, automatically, bad faith on the part of that applicant.

53 Contrary to the applicant's assertions, the Board of Appeal therefore did not err in law in taking account, in its overall assessment of the evidence capable of showing that the applicant was acting in bad faith, of factual information concerning his intentions and objectives at the time when the application for registration was filed. Accordingly, this argument must also be rejected.

54 Thirdly, and finally, the finding of bad faith on the part of the applicant cannot be overturned by his claims that (i) he did not seek to have the contested mark registered so that it could be invoked against the intervener; (ii) any possible finding of bad faith may have been established only if he had continued to pursue the procedure for registration despite the intervener's opposition; and (iii) the word element 'Neymar' was not protected as a trade mark at the relevant date.

55 As rightly contended by EUIPO, the Board of Appeal's finding that the applicant was acting in bad faith when he filed the application for registration of the contested mark is based on the applicant's dishonest intention at the relevant date. Moreover, the assessment itself as to whether that intent was dishonest follows from the fact that that application for registration was filed deliberately with the purpose of creating an association with the intervener's name in order to benefit from its attractive force.

56 The Court finds that none of the arguments set out in paragraph 54 is capable of challenging those findings. Those arguments are therefore irrelevant for the purposes of assessing the legality of the contested decision and must be rejected.

57 Therefore, the Board of Appeal did not err in finding in paragraph 42 of the contested decision that the objective circumstances of the case led to the conclusion that the applicant was acting in bad faith when he filed the application for registration of the contested mark.

58 In the light of all of the foregoing, the applicant's single plea in law must be rejected in its entirety.

The second head of claim

59 The applicant asks the Court to declare the contested mark valid and thus, in essence, alter the contested decision.

60 However, it should be recalled that the review carried out by the Court under Article 65(3) of Regulation No 207/2009 (now Article 72(3) of Regulation 2017/1001) is a review of the legality of the decisions of

the Boards of Appeal of EUIPO and that it may annul or alter a decision against which an action has been brought only if, at the time the decision was adopted, it was vitiated by one of the grounds for annulment or alteration set out in Article 65(2) of that regulation (now Article 72(2) of Regulation 2017/1001) (see judgment of 5 July 2011, *Edwin v OHIM*, C-263/09 P, EU:C:2011:452, paragraph 71 and the case-law cited).

- 61 Since the plea in law relied on by the applicant in support of his claim for annulment must be rejected, as established in paragraph 58 above, the contested decision is not vitiated by any of the grounds of illegality referred to in Article 65(2) of Regulation No 207/2009. It is therefore not necessary to grant the applicant's application to alter the contested decision.
- 62 It follows that the applicant's second head of claim must be rejected and, accordingly, the action must be dismissed in its entirety.

Costs

- 63 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by EUIPO and the intervener, including those incurred by the intervener before the Board of Appeal of EUIPO.

On those grounds,

THE GENERAL COURT (Third Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Mr Carlos Moreira to pay the costs.**

Frimodt Nielsen

Kreuschitz

Póltorak

Delivered in open court in Luxembourg on 14 May 2019.

E. Coulon

S. Frimodt Nielsen

Registrar

President

* Language of the case: English.