

Sky v. SkyKick: U.K.’s Trademark Law Enters Intent-to-Use Holding Pattern

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I. OVERVIEW

Sky, a goliath broadcasting company based in the United Kingdom of Great Britain and Northern Ireland, pursued a trademark infringement action against United States startup SkyKick, whose main product was cloud-based email migration.¹ Over decades of operation, Sky had registered a mass of both U.K. and European Union trademarks that covered an assortment of goods and services.² Its robust in-house counsel was active in enforcement of those trademarks.³ SkyKick counterclaimed Sky’s infringement charge with an accusation that its registered trademarks were wholly or partially invalid on two grounds: (1) Sky’s trademark specifications lacked the clarity and precision necessary for proper registration; and (2) Sky acted in bad faith when it registered trademarks under classifications that it did not intend to use its trademarks on.⁴ After some baseline fact finding and analysis, the English and Wales High Court of Justice concluded that resolution required interpretation of European Union law and, therefore, it was necessary to forward a series of contingent issues to the EU’s highest court.⁵ The questions posed to the Court of Justice of the European Union (CJEU) included:

1. Can an EU trademark or a national trademark registered in a Member State be declared wholly or partially invalid on the

1. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 [2] (Eng.).
2. *Id.*
3. *Id.*
4. *Id.* at ¶ 4.
5. *Id.* at ¶ 1.

ground that some or all of the terms in the specification of goods and services are lacking in sufficient clarity and precision to enable the competent authorities and third parties to determine on the basis of those terms alone the extent of the protection conferred by the trademark?

2. If the general answer to question (1) is yes, is a term such as “computer software” too general and covers goods that are too variable to be compatible with the trademark’s function as an indication of origin for that term to be sufficiently clear and precise to enable the competent authorities and third parties to determine on the basis of that term alone the extent of the protection conferred by the trademark?
3. Can it constitute bad faith simply to apply to register a trademark without any intention to use it in relation to the specified goods or services?
4. If the answer to question (3) is yes, is it possible to conclude that the applicant made the application partly in good faith and partly in bad faith if and to the extent that the applicant had an intention to use the trademark in relation to some of the specified goods or services, but no intention to use the trademark in relation to other specified goods?
5. Is section 32(3) of the UK Trade Marks Act 1994 compatible with Parliament and Council Directive 2015/2436/EU and its predecessors?⁶

The CJEU quickly dispensed of the first and second questions by stating that the applicable legislation did not recognize a lack of clarity or precision in specifications as a ground for invalidity.⁷ In response to the last three questions, the CJEU stated that trademarks cannot be wholly invalidated where bad faith infects only a part of the specification.⁸ However, a court can partially invalidate trademarks in regards to the goods and services that were listed in bad faith.⁹ Once the matter was returned to them for final decision, the English and Wales High Court of Justice (Chancery Division) *held* that, despite Sky’s trademarks’ partial invalidity on the ground that they were applied for in bad faith, they were

6. *Id.* at ¶ 10.

7. *Id.* at ¶ 11-12.

8. *Id.* at ¶ 11, 13.

9. *Id.*

still infringed upon by Sky.¹⁰ *Sky Plc. v. SkyKick UK Ltd.* [2020] EWHC (Ch) 990 (Eng.).

II. BACKGROUND

In the aftermath of World War II, Belgium, France, West Germany, Italy, the Netherlands, and Luxembourg came together to form what is now known as the European Union.¹¹ The supranational body's principal goal was sustained peace built upon the economic integration of its original Member States.¹² Other countries—including the United Kingdom¹³ in 1973—added to EU's ranks over the years until it reached a height of twenty eight Member States.¹⁴ As it grew in size, the EU's methods of achieving economic integration evolved.¹⁵ Today, the preferred approach is legal harmonization rather than across-the-board uniformity.¹⁶ Harmonization is a process by which legislation (in the form of Regulations and Directives) lays down general minimum requirements for all Member States.¹⁷ Member States are then free to achieve those requirements by whatever means they see appropriate.¹⁸ This flexibility allows for some autonomy across a wide swath of diverse countries.¹⁹

Each Member State is required to incorporate EU Directives into national law by a designated date.²⁰ When a case arises in a national court where the interpretation or validity of an EU law is in question, and where a decision is necessary for a national court to give judgment or where there is no judicial remedy under national law, then the national court will forward unresolved issues to the Court of Justice of the European Union to decide.²¹ For important or complex legal issues, an Advocate General is

10. *Id.* at ¶ 62.

11. Alexandra George, *Restructuring Intellectual Property Jurisdiction Post-Brexit: Strategic Considerations for the European Union and Britain*, 43 *BROOKLYN J. INT'L.* 131, 146-47 (2017).

12. DAMIAN CHALMERS ET AL., *EUROPEAN UNION LAW* 20-26 (4th ed. 2019).

13. For purposes of this article, the United Kingdom will be used to refer to the jurisdiction officially known as the United Kingdom of Great Britain and Northern Ireland.

14. George, *supra* note 11, at 147.

15. CHALMERS, *supra* note 12, at 644-48.

16. *Id.*

17. *Id.*

18. *Id.*

19. *Id.*

20. *Id.*

21. Treaty on the Functioning of the European Union, art. 267, Mar. 25, 1957, 2016 O.J. (L 202).

assigned the task of taking a first pass and providing a non-binding opinion on the matters.²² Then a bench of five to eight judges reviews the matter and produces a binding opinion.²³ Following the decision, the case is returned to national court for a final decision based upon the CJEU's opinion.²⁴ The noted case is at this procedural endpoint, where the national court has internalized the CJEU's opinion and has issued a final judgment in the case.²⁵

A. *EU and National Trademark Law*

Intellectual property law encompasses patents, copyrights, and trademarks, and has a complex history that is entwined with international law and trade.²⁶ During the formative years of the EU, intellectual property was not a priority policy area.²⁷ Instead, it remained squarely within the realm of national law.²⁸ At first, intellectual property was indirectly incorporated into EU jurisprudence through matters of other areas of law brought before the Court of Justice of the European Union.²⁹ However, over time, it became clear that efficient intellectual property management across Member States was important to establish a common market.³⁰ Several Directives and Regulations³¹ were then passed, and the European Union Intellectual Property Office (EUIPO) was established.³² After the Treaty of Lisbon in 2007, the EU was expressly granted the power to legislate in this field through Art. 118 of the Treaty on the Functioning of the European Union.³³ From this newfound power, additional Directives and Regulations were enacted.³⁴

22. CHALMERS, *supra* note 12, at 165-67.

23. *Id.*

24. *Id.*

25. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 (Eng.).

26. George, *supra* note 11, at 141.

27. *Id.* at 146.

28. *Id.*

29. *Id.* at 148.

30. *Internal Market, Industry, Entrepreneurship and SMEs*, EUR. COMM'N, https://ec.europa.eu/growth/industry/policy/intellectual-property_en (last visited Dec. 14, 2020).

31. George, *supra* note 11, at 148.; Council Regulation 40/94, 1994 O.J. (L 11) 1, 1-36 (EC); Council Directive 89/104, 1988 O.J. (L 40) 1, 1-7 (EC).

32. *EUIPO – 25 Years Protecting Innovation*, E.U. INTELL. PROP. OFF., <https://euiipo.europa.eu/ohimportal/en/our-history> (last visited Dec. 14, 2020).

33. TFEU, *supra* note 21, art. 118.

34. George, *supra* note 11, at 148.; Council Directive 2015/2436, 2015 O.J. (L 336) 1 (EU).; Council Regulation 2015/2424, 2015 O.J. (L 341) 21 (EU).

In regards to trademarks, laws governing national registration in the EU were first harmonized in 1989,³⁵ and the EU trademark was created in 1994.³⁶ This development created a dual system in Europe, where applicants can pursue trademark protection on the national level, EU level, or both.³⁷ The European system of trademark registration does not have the intent-to-use requirement that is found in other jurisdictions.³⁸ The benefits of this approach include aiding a trademark applicant by making it easier for brand owners to obtain protection of their trademarks in advance of a commercial launch and making the registration process simpler, faster, and cheaper.³⁹ However, the absence of this registration hurdle could result in increasing barriers to entry for third parties as the supply of suitable trademarks is diminished, which increases costs that may be passed on to consumers, and an erosion of the public domain.⁴⁰ The only way a trademark registration can be cancelled or restricted (before the end of the five-year period for a non-use attack) is if the application was made in bad faith.⁴¹ Generally, bad faith presupposes a dishonest state of mind or intention by the trademark applicant when filing for protection.⁴²

B. *EU Dodges Intent-to-use Requirement*

The CJEU has had little opportunity to consider what constitutes filing a trademark application in bad faith.⁴³ Thus, it had not directly addressed the question of whether it is bad faith to attempt to register a trademark without an intention to use the trademark in relation to the goods or services specified in the application.⁴⁴ In this vacuum, *Lindt*

35. William Robinson et al., *Trademark Harmonization in the European Union: Twenty Years Back and Forth*, 23 FORDHAM INTELL. PROP., MEDIA, & ENT. L. J. 731, 732 (2013).

36. *Trademark Protection in the EU*, EUR. COMM'N, https://ec.europa.eu/growth/industry/policy/intellectual-property/trade-mark-protection_en (last visited Dec. 14, 2020).

37. *Id.*

38. *Guidelines for Examination of European Union Trademarks*, E.U. INTELL. PROP. OFF. (Jan. 2, 2020), available at <https://guidelines.euipo.europa.eu/1803468/1789398/trade-mark-guidelines/1-introduction>, *Trademark Manual of Examining Procedure*, U.S. TRADEMARK & PAT. OFF. (Oct. 2018), <https://tmep.uspto.gov/RDMS/TMEP/current>.

39. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [176] (Eng.).

40. *Id.*

41. *Id.* at ¶ 177.

42. *Case C-371/18, Sky Plc. v. SkyKick UK Ltd.*, ECLI:EU:C:2020:45, ¶ 74 (Jan. 29, 2020).

43. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [180] (Eng.).

44. *Id.*

remained the leading authority.⁴⁵ The *Lindt* court ruled that, in order to determine whether an applicant is acting in bad faith, a national court must consider all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of the sign as an EU trademark.⁴⁶ Relevant factors include: (1) if the applicant knew or should have known that a third party was using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought; (2) if the applicant intended to stop that third party from using such a sign; and (3) the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.⁴⁷

Following *Lindt*, the CJEU applied these factors in several cases.⁴⁸ Notably, in *Schlicht*, the CJEU held that bad faith had to be determined by an overall assessment that took into account all factors relevant to a particular case.⁴⁹ The court reasoned that the act of applying for a trademark without the intention of using it, but just for the sole purpose of registering for an .eu top-level domain name may, under certain circumstances, indicate conduct in bad faith.⁵⁰ Although tethered to domain names, this rationale could be extended to finding bad faith where an applicant registered a trademark for certain goods or services, but had no intent of actually using the trademark in that capacity.⁵¹

In contrast to the CJEU, the EU's General Court has accrued considerable case law on bad faith due to its review of appeals from the Boards of Appeal of EUIPO.⁵² This higher frequency of decisions more readily reveal the court's changing thoughts on bad faith.⁵³ In 2011, the General Court rejected the idea that bad faith could be created by applying

45. Case C-529/07, *Chocoladefabriken Lindt & Sprungli AG v. Franz Hauswirth GmbH*, 2009 E.C.R. I-04893.

46. *Id.* at ¶ 37.

47. *Id.* at ¶ 38.

48. See generally Case C-320/12, *Malaysia Dairy Indus. Pte. Ltd. v. Ankenævnet for Patenter og Varemærker*, ECLI:EI:C:2009:361 (June 27, 2013) (adds little to the *Lindt* case, should be mentioned for completeness).

49. Case C-569/08, *Internetportal und Marketing GmbH v. Schlicht*, 2010 O.J. (C 209) 7, 8 June 3).

50. Commission Regulation 874/2004, art. 21(1)(b), 2004 O.J. (L 162) 40 (EC).

51. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [188] (Eng.).

52. The General Court's caseload originates from three sources: individuals seeking judicial review of EU Institutions, disputes between EU Institutions and employees, and appeals from the European Union Intellectual Property Office, see CHALMERS, *supra* note 12 at 159.

53. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [190] (Eng.).

for a trademark in too many and too broad categories of good or services.⁵⁴ Only a year later, the tides seemed to shift when the court's reasoning in two separate cases recognized that registering a trademark with no intention of using it could constitute bad faith in certain circumstances.⁵⁵ In conformity with these decisions, the court also found it relevant to inquire into an applicant's commercial logic for filing its application when determining bad faith.⁵⁶ The most significant development in regards to bad faith and its relationship to intent to use in commerce is found in *PayPal*.⁵⁷ This is the closest the General Court has come to clearly stating that applying to register a trademark without intending to use it in relation to the specified goods or services in and of itself constitutes bad faith.⁵⁸ In this case, the General Court acknowledged that a lack-of-intent might be an element of bad faith, but it in no clear terms stated that a lack of intent was sufficient in and of itself to nullify a trademark.⁵⁹

54. Case T-507/08, *Psytech Int'l Ltd. v. Office for Harmonisation in the Internal Market*, 2011 ECLI:EU:T:2011:253, 8 (June 7, 2011) (the Court rejecting the argument that "the number of goods and services in respect of which the intervener applied for and obtained registration is too large and that the intervener had no intention of using the mark at issue for the entire list of goods and services in the application for registration").

55. Case T-33/11, *Peeters Landbouwmachines BV v. Office for Harmonisation in the Internal Market*, 2012 O.J. (C 89) 35 (Feb. 14, 2012).; Case T-136/11, *pelicantravel.com s.r.o. v. Office for Harmonisation in the Internal Market*, ECLI:EU:T:2011:689 (Dec. 13, 2012).

56. Case T-327/12, *Simca Europe Ltd. v. Office for Harmonisation in the Internal Market*, ECLI:EU:T:2014:240 (May 8, 2014).

57. Case T-132/16, *PayPal, Inc. v. European Union Intellectual Prop. Office*, 2017 O.J. (199) 33 (May 5, 2017) (stating that "the Board of Appeal accepted that the evidence did not establish the intervener's intention to use the VENMO mark genuinely... In that regard, it nevertheless stressed that, under the EU trade mark system, applicants were not under an obligation to use the trade mark immediately after registration, but enjoyed a five-year grace period... it follows from the abovementioned case-law that the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of applicant, when it becomes apparent, subsequently, that the applicant applied for registration of a sign as an EU trade mark without intending to use it. In that regard, the intervener conceded at the hearing that it had never used the mark at issue, neither before the filing of the application for registration of the mark applied for, nor after it.").

58. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [205] (Eng.); Case T-343/14, *Cipriani v. European Union Intellectual Prop. Office*, 2017 O.J. (C 277) 45 (June 29, 2017).

59. Case T-132/16, *PayPal, Inc. v. European Union Intellectual Prop. Office*, 2017 O.J. (C195) 33 (May 5, 2017).

C. U.K. Embraces Intent-to-use Requirement

Britain's legislative framework implements the EU Directive.⁶⁰ However, the 1994 Trade Marks Act⁶¹ contains a provision that is not mandated by the Directive and has no counterpart in the Regulation.⁶² This provision states: "The [trademark] application shall state that the trademark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used."⁶³ Due to this provision, UK case law focused more closely on the requirement of intention to use than EU courts.⁶⁴

The sticking point was determining when a lack of intent crossed the bad-faith line to the point of nullifying a trademark.⁶⁵ An early decision of the U.K.'s Intellectual Property Office found that if an applicant openly did not intend to use a trademark in relation to goods or services for which the application was made, the application should be considered to be made in bad faith and the applicant's Section 32(3) declaration false.⁶⁶ The distinction became difficult when applications were made for a wide range of goods and services⁶⁷ or if there was an intent to use at a future date.⁶⁸ Additionally, there was doubt about whether or not section 32(3) was consistent with the EU Directive.⁶⁹ However, the growing body of law in this area made clear that a lack of intent to use a trademark in a designated

60. *Implementation of the EU Trade Mark Directive 2015: Response*, INTELL. PROP. OFF., available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/682232/trade-mark-directive.pdf.

61. Trade Marks Act 1994, c.23, § 30-31 (Eng.).

62. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [208] (Eng.).

63. Trade Marks Act 1994, c.23, § 32 (Eng.).

64. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [208] (Eng.).

65. *Id.*

66. *DEMON ALE Trade Mark* [2000] R.P.C. 345, available at https://www.ipo.gov.uk/t-challenge-decision-results/t-challenge-decision-results-bl?BL_Number=O/341/99.

67. *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2000] EWHC (Ch) 57 (Eng.) (rejecting a claim that the claimant had filed its Community trademark in bad faith in so far as the specification extended beyond certain goods); *Jaguar Land Rover Ltd v Bombardier Recreational Products Inc* [2016] EWHC (Ch) 3266 (Eng.) (finding that application for trademark protection for a broad range of goods or services did not, as a matter of law, constitute bad faith); *HTC Corp v One Max Ltd* (O/486/17) (finding that the applicant had acted in bad faith due to a considerable mismatch between the goods and services in respect of which the marks had been applied for and anything which the applicant had done or said it was proposing to do).

68. *Ferrero SpA's Trade Marks* (O/337/06); *WHG Ltd. v. 32Red plc* [2012] EWCA (Civ) 19 (Eng.); *CKL Holdings NV v. Paper Stacked Ltd.* (O/036/18) *Paper Stacked Ltd v CKL Holdings NV* (O/036/18) (upheld the hearing officer's conclusion that the application had been made in bad faith because it was part of a blocking strategy and because the applicant had no intention to use the trade mark in accordance with its essential function).

69. *WHG Ltd. v. 32Red plc* [2012] EWCA (Civ) 19 (Eng.).

classification could amount to bad faith on its own accord and nullify the trademark.⁷⁰

III. THE COURT'S DECISION

In the noted case, the English and Wales High Court of Justice (Chancery Division) relied upon the guidelines established by the CJEU to analyze the extent to which trademarks should be invalidated on the basis of bad faith, due to lack of clarity in classification or lack of intent to use.⁷¹ The court began by holding that Sky's trademarks could not be invalidated on the grounds that their goods and services classifications lacked clarity and precision.⁷² The court continued on to hold that Sky's trademarks could be invalidated on the grounds that they were registered, in whole or in part, in bad faith.⁷³ Based on this partial bad-faith finding for several registered goods and the services, the court narrowed the categories of Sky's trademark registration.⁷⁴ The court finally reviewed Skykick's infringement upon Sky's trademarks under Article 9(2)(b) of the Regulation and Article 10(2)(b) of the Directive and found that there was in fact infringement despite a finding of Sky's partial bad faith.⁷⁵

The court began by addressing SkyKick's counterclaim that Sky's trademarks should be invalidated on the grounds that their registration classifications lacked clarity and precision.⁷⁶ On this point, the CJEU was crystal clear in its decision that EU Directives and Regulations provide a list of invalidation grounds, and a lack of clarity and precision were not among those listed.⁷⁷ Thus, national courts were not free to add to this list and could not invalidate Sky's trademarks on those grounds.⁷⁸ The court then dismissed SkyKick's counterclaim to that effect.⁷⁹

The court continued on to consider SkyKick's counterclaim that Sky's trademarks should be invalidated on the grounds that they were

70. Sky Plc. v. SkyKick UK Ltd. [2018] EWHC (Ch) 155 [208] (Eng.).

71. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 [12] (Eng.).

72. *Id.*

73. *Id.* at ¶ 13.

74. *Id.* at ¶ 24-31.

75. *Id.* at ¶ 62.

76. *Id.*

77. Case C-371/18, Sky Plc. v. SkyKick UK Ltd., ECLI:EU:C:2019:864 (Oct. 16, 2019), Opinion of AG Tanchev. ¶ 37-51.

78. *Id.*

79. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 [12] (Eng.).

registered, in whole or in part, in bad faith.⁸⁰ Per the CJEU ruling, trademarks can only be partially invalidated in respect to those goods or services that were registered in bad faith, and not wholly invalidated.⁸¹ Following this, the court still needed to determine what consequences would follow from such a determination of partial invalidity.⁸² The court called upon its findings in its initial judgment to conclude that Sky had no reasonable commercial intention for seeking registration in multiple goods and services categories.⁸³ In the noted case, bad faith manifested in three ways: 1) Sky had no intention to use the trademarks at all; 2) Sky's specifications were so broad that Sky could not and did not mean to use its trademarks across the whole category; and 3) specifications were meant to cover well beyond just their registered classification.⁸⁴ The court reasoned that this bad faith stemmed from Sky's strategy to create as much legal protection as possible for its brand, in order to use it as a weapon against third parties.⁸⁵ This went against the purpose of trademarks as simply acting as a source identifier of goods and services.⁸⁶

Based on this partial bad-faith finding for several registered goods and the services, the court narrowed the categories of Sky's trademark registration.⁸⁷ These overly broad specifications were trimmed to achieve what the judge considered a reasonable level of protection for Sky, while still allowing freedom for other parties to use similar marks where commercially justifiable.⁸⁸ For example, "computer software" was trimmed to

computer software supplied as part of or in connection with any television, video recording or home entertainment apparatus or service; computer software supplied as part of or in connection with any telecommunications apparatus or service; electronic calendar software; application software for accessing audio, visual and/or audio-visual content via mobile telephones and/or tablet computers; games software.⁸⁹

In other categories, he found no limitation necessary.⁹⁰

80. *Id.* at ¶ 13.

81. Case C-371/18, *Sky Plc. v. SkyKick UK Ltd.*, ECLI:EU:C:2020:45 ¶ 72-81 (Jan. 29, 2020).

82. *Id.*

83. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [250] (Eng.).

84. *Id.* at ¶ 251.

85. *Sky. Sky Plc. v. SkyKick UK Ltd.* [2020] EWHC (Ch) 990 [21] (Eng.).

86. *Id.* at ¶ 62.

87. *Id.* at ¶ 24-31.

88. *Id.*

89. *Id.* at ¶ 29.

90. *Id.* at ¶ 32.

The court finally reviewed SkyKick's infringement upon Sky's trademarks under Article 9(2)(b) of the Regulation and Article 10(2)(b) of the Directive.⁹¹ The court found that SkyKick infringed on Sky's trademarks that were validly registered in good faith.⁹² The fact that the court found those same trademarks were partially invalid on the ground that they were applied for in partial bad faith did not affect that outcome.⁹³

IV. ANALYSIS

Although hailed as one of the most anticipated EU intellectual property decisions of the decade,⁹⁴ it had an anti-climactic end that left the EU in the same position it was before. In the EU, brands are still free to register their trademarks broadly without any strict requirement to prove any intent to use the trademark in commerce.⁹⁵ Many practitioners saw this as a missed opportunity for alignment between the United States and the EU.⁹⁶ This missed opportunity could cause headaches down the line as the register clutters and parties looking to trademark a new good or service are boxed out.⁹⁷

The UK court's initial judgment and the Advocate General's opinion opened the door for the EU to move closer to a US-style trademark system, but the CJEU did not take the bait.⁹⁸ Instead, it stood firm by not requiring brand owners to state an intent to use the trademark in commerce and cut against the rising tide of United Kingdom case law.⁹⁹ Up until that point, the majority of UK case law favored decluttering the trademark registry

91. *Id.*

92. *Id.* at ¶ 62.

93. *Id.*

94. Jonathan Walfisz, *Sky v SkyKick: "Sigh of Relief" or "Sting in the Tail"?* *Legal Experts React to CJEU's Long-awaited Decision*, WORLD TRADE MARK REV. (Jan. 29, 2020) <https://www.worldtrademarkreview.com/brand-management/sky-v-skykick-sigh-relief-or-sting-in-tail-legal-experts-react-cjeus-long>.

95. Simon Casinader & Niall J. Lavery, *We Have a Decision in the Sky v. SkyKick Case . . . and the Long-awaited CJEU's Decision is Good News for Brand Owners*, THE NAT'L L. REV. (Jan. 29, 2020), <https://www.natlawreview.com/article/we-have-decision-sky-v-skykick-case-and-long-awaited-cjeu-s-decision-good-news-brand>.

96. Walfisz, *supra* note 94.

97. *Id.*

98. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 (Eng.); Case C-371/18, *Sky Plc. v. SkyKick UK Ltd.*, ECLI:EU:C:2019:864 (Oct. 16, 2019), Opinion of AG Tanchev.; Case C-371/18, *Sky Plc. v. SkyKick UK Ltd.*, ECLI:EU:C:2020:45 (Jan. 29, 2020).

99. *Sky Plc. v. SkyKick UK Ltd.* [2018] EWHC (Ch) 155 [250] (Eng.).

by requiring trademark applicants to name with clarity their classifications and also certify an intent to use the trademark in commerce.¹⁰⁰

This declaration, combined with the looming no-deal Brexit, put the UK court in a precarious position. The court could follow a soon-to-be, non-binding court and create precedent that went against the grain of national case law, or it could get creative and minimize the damage.¹⁰¹ Ultimately, it did the latter by finding a loophole in the CJEU's holdings.¹⁰² The CJEU determined that EU Regulations and Directives provide a list of grounds for invalidity and that a lack of precision and clarity are not included in that list.¹⁰³ This would prohibit Member States from introducing grounds for invalidity other than those provided in the directive.¹⁰⁴ Bad faith, on the other hand, is a named ground for invalidity.¹⁰⁵

In a roundabout way, a lack of clarity or intent to use in commerce could lead to trademark invalidity if it is purposefully done so in bad faith.¹⁰⁶ This is precisely how the court approached the issue in the noted case.¹⁰⁷ It determined that a lack of intent or clarity could at least partially nullify a trademark.¹⁰⁸ The court's narrow holding that a lack of intent and clarity could constitute bad faith and at least partial invalidity, then acts as a stopgap measure until the UK courts are no longer bound by EU case law.¹⁰⁹

This final United Kingdom decision may be an indication that it will break from EU law in the wake of Brexit. Even though the court decided that Sky's trademarks were partially invalid (due to their broad scope), edited them with limiting language, and affirmed SkyKick's infringement, the reasoning leaves room down the line.¹¹⁰ This decision illustrated that overly broad registrations are subject to being cut down and brands should be wary when filing for trademarks in the future.¹¹¹

100. Sky Plc. v. SkyKick UK Ltd. [2018] EWHC (Ch) 155 [205] (Eng.).

101. *Id.* at ¶ 205.

102. *Id.*

103. Case C-371/18, Sky Plc. v. SkyKick UK Ltd., 2020 EUR-Lex 45 (Jan. 29, 2020).

104. *Id.*

105. *Id.*

106. *Id.*

107. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 [12] (Eng.).

108. *Id.*

109. *Id.*

110. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 (Eng.).

111. Flora Cook & Matthew Dick, *Sky v. SkyKick UK High Court Decision*, LEXOLOGY (May 4, 2020), <https://www.lexology.com/library/detail.aspx?g=0d1d6a82-2529-4666-9b27-45dde2c2a415>.

V. CONCLUSION

Although infringement by SkyKick was found in the end, the meat of this decision was in whether a lack of clarity or intent to use a trademark in commerce as registered equated to bad faith by Sky.¹¹² The CJEU clearly stated that evidence of this, by itself, was not a ground for trademark invalidity.¹¹³ Yet, the UK still found a way to at least partially invalidate Sky's overreaching trademark registrations.¹¹⁴ In its opinion, the court echoed the national case law by openly criticizing Sky's use of umbrella trademarks as a legal weapon.¹¹⁵ This siding with UK precedent not only shows a likelihood that, post-Brexit, it will align itself with the trademarking practices of a major trade partner (namely, the United States of America), but it also exposes the unique tension that UK courts are currently grappling with.¹¹⁶ The noted case's decision may have only chipped away at Sky's broad trademark protection, but, perhaps, in the coming years, this decision may prove to be a telltale sign of full trademark reform in the UK.¹¹⁷

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112. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 (Eng.).

113. Case C-371/18, Sky Plc. v. SkyKick UK Ltd., ECLI:EU:C:2020:45 ¶¶ 72-81 (Jan. 29, 2020).

114. See Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 (Eng.).

115. *Id.*

116. Cook & Dick, *supra* note 111.

117. Sky Plc. v. SkyKick UK Ltd. [2020] EWHC (Ch) 990 (Eng.).

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