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Received: April 13, 2023

Accepted: May 20, 2023

Resurrection of Trademarks and Zombie Trademarks: A Study from the Perspective of European Law

Resurrección de marcas y marcas zombis: estudio desde la perspectiva del Derecho europeo

Abstract: This article explores the issue resulting from a trademark that has lapsed due to non-use but which remains known by the consumers and is afterwards registered or used by a third party. After defining the figure of the so-called zombie trademarks and their resurrection, cases are examined in which it may be considered that there has been a registration in bad faith and it is claimed that it is impossible to apply the registration prohibition against misleading trademarks. This article also studies the role of the surviving reputation of the trademark as an element which may determine its link with another trademark of its old owner, as well as its relationship with the protection of non-registered well-known trademarks. Finally, the article concludes analyzing the possible application of the law punishing unfair competition.

Keywords: zombie trademarks; residual goodwill; trademark application filed in bad faith; unfair competition.

Resumen: El presente trabajo examina la problemática que se produce cuando una marca que ha caducado por falta de uso, pero que continúa siendo conocida por los consumidores, es posteriormente registrada o utilizada por un tercero. Tras delimitar la figura de las llamadas marcas zombis y su resurrección, se examinan los casos en que puede considerarse que se ha producido un registro de mala fe y se sostiene la imposibilidad de aplicar la prohibición de registro de marcas engañosas. También se estudia el papel del conocimiento residual de la marca zombi como elemento que puede determinar su vinculación con otra marca de su antiguo titular, así como su relación con la protección de las marcas no registradas notoriamente conocidas. Finalmente, el trabajo concluye con el examen de la posible aplicación del Derecho represor de la competencia desleal.

Palabras clave: marcas zombis; notoriedad o reputación residual; solicitud de marca de mala fe; competencia desleal.

*This publication is part of the project I+D+i PID2020-112707GB-I00, MODA Y BIENES INMATERIALES, funded by the Ministry of Science and Innovation (Ministerio de Ciencia e Innovación, MCI)/State Research Agency (Agencia Estatal de Investigación, AEI)/10.13039/501100011033, of which the author is the principal researcher. This article has been translated from Spanish into English by Mariano Vitetta.

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1. Resurrection of Trademarks and Zombie Trademarks: Basic Concepts and Issue

1.1. Introduction

In a globalized market in which players are fighting hard for innovation and differentiation, it is often the case that trademarks of the past, which were no longer used, are relaunched. Generally, this phenomenon takes place with trademarks that the public still remembers—and especially in the field of fashion—, so the re-emergence of the trademark works like a revival of the products or services the trademark used to distinguish in the past.

In many instances, the players relaunching these vintage trademarks are the same who were using those trademarks back in the day. But in other cases third parties are the ones who decide to reactivate the market for those retro products or services, and that entails registration in their name (and use) of the old trademark, which was active back in the day and which lapsed because the products or services were no longer provided. And these are the situations in which conflicts arise between the new and previous owners of the trademarks, conflicts which are analyzed here considering European trademark law. This body of law is now made up by Directive (EU) 2015/2436 of the European Parliament and of the Council, of 16 December 2015, on the approximation of the laws of the Member States relating to trademarks (and by the national laws transposing it), as well as by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark (hereinafter EUTMR).

1.2. Basic Concepts

The phenomenon described has received many names. For example, we talk about a rebirth or revival of trademarks (highlighting that the lapsed trademark is registered again), ghost trademarks or zombie trademarks (highlighting that the old trademark, even if lapsed, is still remembered by

the public of consumers) or vintage trademarks (alluding to the fact that they are used to distinguish retro products). In any case, beyond the specific denomination used, what is important is the appropriate delimitation of the elements which make up the alleged conflictive event.

(a) First, we have a trademark which has been used in the market and which at a certain point lapses. This may happen because the trademark owner relinquishes the trademark, because of non-renewal or because, after renewing it, the trademark lapses due to non-use.

Even if the trademark is still in force and has not lapsed, because the owner has duly renewed it, if the trademark is not actually used in the market to distinguish the products or services for which it has been registered it may be covered by one of the reasons for lapse. In European trademark law, such a thing happens if the trademark, within an uninterrupted five-year period, has not been subject, in the member State in question (if a national trademark) or in the European Union (if a Union trademark), to an effective use for the products or services for which it has been registered, and if there are no causes justifying its non-use.¹ Therefore, if the cause of lapse occurs due to non-use, invoking the trademark against the one relaunching the vintage products or services will result in an action for the lapse of the trademark due to non-use.

In these cases in which a trademark is no longer used, but is still registered, because it has been successively renewed by the owner, there has been debate around whether the fact that the trademark is still in the memory of consumers is a sufficient element to prevent the trademark from lapsing.

In the United States, in interpreting Section 45 of the Lanham (Trademark) Act according to which a trademark is

¹ Article 19 of the Directive and article 18.1 of the EUTMR.

considered abandoned when “its use has been discontinued with intent not to resume” the Trademark Trial and Appeal Board² and authors³ have understood that the concept of trademark abandonment is not applicable when the trademark preserves a residual goodwill, even if no longer used.

However, under European trademark law what is relevant to prevent lapse is the actual use of the trademark in the market, so that a trademark may be declared to have lapsed if, within an uninterrupted five-year period, it has not been subject, in the territory where it is protected, to actual use for the products or services for which it is registered, and provided that there are no causes justifying non-use. And the Court of Justice has held that a trademark is subject to “actual use” when, consistent with its essential function, which is to guarantee the identity of origin of the products or services for which it has been registered, the trademark is used with the purpose of creating or preserving a market for such products and services, excluding symbolic uses whose sole purpose is to maintain the rights stemming from the trademark.⁴ And along these lines, the Court of Justice has clarified that, even if a trademark is no longer used to market new products incorporating such sign, there is no cause of lapse due to non-use if the trademark continues to be used (by its owner) in connection with the resale of pre-owned products, spare parts, or post-sales services.⁵

Even if these assumptions are clear, neither the Court of Justice nor the General Court—two of the judicial bodies

making up the Court of Justice of the European Union—have directly addressed the fact whether the fact that the public still remembers a trademark which has no longer been used for a long time is enough to avoid the lapse thereof. However, this has been done by the Italian Supreme Court (*Corte di Cassazione Civile*) in a major lawsuit on vintage trademarks. In this case, after the owner of the well-known Italian scooter trademark “Lambretta” stopped using it in 1985, a Dutch company decided to resurrect the trademark and, after registering a European Union trademark, filed an action for lapse against the Italian trademark which had been successively renewed and which, in the meantime, had been acquired by an Indian company. Well, the Italian Supreme Court, in its Decision No. 7970, dated 28 March 2017,⁶ holds that the fact that the public still remembers the unused trademark does not prevent that it lapses due to non-use, just like that lapse is also not prevented if the trademark has been duly renewed.⁷

(b) Based on the existence of a trademark that has been used in the market and which, at a certain point is no longer used and lapses, the second element which gives shape to the alleged conflictive event we are analyzing is that, even if the initial trademark has lapsed, the public still remembers it, because, while used, the trademark became well-known among consumers and users. That knowledge is usually, but not necessarily, accompanied by a good reputation. And, as a matter of fact, the market of revival products is not only based on good-quality or good-reputation products.

² *American Motors Corp. v. Action-Age, Inc.*, Opposition No. 49,556, 178 USPQ 377 (TTAB 1973), *Lyon Metal Products, Inc. v. Lyon, Inc.*, 134 USPQ 31 (TTAB 1962).

³ See, among others, Bowker (1988, p. 1017), advocating that requiring elements to deduce the intent to resume the use of the trademark must be inversely proportional to the trademark’s residual goodwill, so that the higher it is, the easier it should be understood that the owner does not intend to abandon the trademark; Denniston (2000, pp. 644-645), stating that “where there is credible evidence of residual good will in the eyes of the public, a court should err on the side of finding that the mark has not been abandoned”; Brennan & Crane (2008), or Bone (2018).

⁴ Judgment of 11 March 2003, *Ansul*, C-40/01, ECLI:EU:C:2003:145, section 43, also holding that “When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark.

⁵ This has so been held by the Court of Justice in its decisions dated 11 March 2003 (*Ansul*, C-40/01, ECLI:EU:C:2003:145, section 43) and 22 October 2020 (*Ferrari*, C-720/18 y C-721/18, ECLI:EU:C:2020:854, section 34), stating that “[t]he fact that a mark is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods.”

⁶ <https://sentenze.leggeper tutti.it/sentenza/cassazione-civile-n-7970-del-28-03-2017>

⁷ In the court’s words: “è sempre possibile che il consumatore conservi memoria di un marchio decaduto. Ma è significativo che tale circostanza non sia, in sé, nemmeno ostativa alla registrazione di un marchio ad esso identico o simile, essendo sufficiente, per il requisito della novità, che il primo sia decaduto per ‘non uso.’”

As once stated by Fernández-Nóvoa (2004, pp. 28-29), an authentic trademark does not only entail the union between a product or service and a sign, but a psychological element by virtue of which the consumers understand and retain that union is also necessary. Therefore, even if the trademark has lapsed and has been canceled from the registry, that consumers still make such linking with a given type of products or services explains the denomination of zombie trademarks or ghost trademarks.⁸ They are not “living” trademarks, because they have been declared lapsed, but they would not be fully “dead,” as the public still maintains the bond with some products or services.

(c) The third factual element of the assumption under study is that a third party, other than the previous owner of the trademark, registers it under their name. That is when there might be a conflict between the previous owner and the new one. Instead, when the old owner is the one who resurrects the previous trademark which has already lapsed, such action is less conflictive, but, as will then be stated, there may likewise be cases in which the application for the trademark is filed in bad faith.⁹

1.3. Issues

When situations like the one described take place, the interests of the distinctive sign’s former owner (who believes that the third party is unduly taking advantage of the public’s memory of the trademark) collide with the interests of the third party who believes that, as the prior trademark has lapsed, they may freely register and use it.

It should not be forgotten that the very basis of the concept of lapse of trademarks due to non-use is precisely the intention to prevent the mere occupation of trademarks in the registry which, not being used, end up being an obstacle for the activity of competitors (Spolidoro, 1998, p. 296). From this perspective, a lapsed trademark may be registered again by any third party, even if the signs are identical and it is registered exactly for the same products or services.¹⁰

Anyway, it cannot be denied that in the cases in which the public still remembers the prior trademark, the subsequent registration or use of that trademark by a third party may entail a parasitic conduct which may be sanctioned under the legal system. And it is from this lens that one should examine whether the prior owner has any valid channel to challenge the trademark registration made by a third party or to attack its use.

With this premise, below there is an analysis whether the request for cancellation of the zombie trademark registered by a third party is feasible, alleging the existence of an application for a trademark in bad faith (*infra* section 2) or the misleading nature of the trademark (*infra* section 3). And, as to any measures which may be adopted to challenge the use of the zombie trademark (especially relevant when the third party does not register the zombie trademark and just uses it in trade), there is an examination of the possible consideration of the zombie trademark as a famously known trademark (*infra* section 4), as well as of actions for unfair competition (*infra* section 5).

⁸ As explained by Gilson & LaLonde (2008, p. 1282), “Zombie brands are also called ghost brands, orphan brands, dinosaur brands, antique brands and graveyard brands”. Other than that, since the publication of the classic article by Franceschelli (1974), industrialist writers have also used the term “phantom brands” to refer to other types of situations; to wit, those which will result from the fact that a registered trademark, which is not actually used, has not lapsed.

⁹ See section 2.3 of this article.

¹⁰ In Spain, the original version of the Trademark Act (Law No. 17/2001) established (in article 77) an exception to this rule for collective or guarantee trademarks. It was provided that collective and guarantee trademarks whose registration had been canceled for any reason could not be registered for identical or similar products or services during a three-year term as from the date when the trademark registration cancellation was published or, if they had lapsed due to non-renewal, as from the date when the delay term to renew the registration expired. However, such prohibition was removed with the amendment of the Trademark Act implemented by Royal Decree-Law No. 23/2018, dated 21 December, as an equivalent prohibition is not included in the trademark Directive.

2. Registration of the Zombie Trademark and Possible Existence of an Application in Bad Faith

A first reaction in light of zombie trademarks by a third party is that of filing for the cancellation of the trademark as it had been registered in bad faith, a figure which is used in several trademark legislations, including European legislation. In fact, the law of the European Union expressly provides for the possibility of declaring the cancellation of a trademark when, in applying to register the trademark, the applicant has acted in bad faith (article 60.1.(b) of the European Union Trademark Regulations and article 4.2 of the Trademark Directive).¹¹

In light of the silence of this European regulation as to what should be understood by bad faith in the registration of a trademark, the General Court of Justice of the European Union (which is made up both by the General Court and the Court of Justice) has an established jurisprudence giving shape to the figure.¹² This jurisprudence is based on two general principles: the applicant's good faith must be presumed until otherwise established,¹³ and to determine whether or not there has been bad faith all the relevant factual circumstances must be taken into account as they existed at the time the application was filed,¹⁴ including the applicant's intent, a subjective factor which must be established with reference to objective elements.¹⁵

Based on this, the Court of Justice holds that a trademark is applied for in bad faith in two large groups of cases. First, there is bad faith if the request is filed "with the intention

of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, in particular the essential function of indicating origin."¹⁶ This will happen when a trademark is applied for without the intention to harm anybody, but with no intention of using it in trade,¹⁷ as might be the case with merely defensive trademarks.

Then, there is bad faith when the request is not made "with the purpose of fairly participating in such competitive process, but with the intention of affecting, in a manner not consistent with fair practices, the interests of third parties."¹⁸ This delimitation results in that this second group of cases is wide¹⁹ and may fit the scenarios of registration of vintage trademarks, because there is a parasitic purpose of residual reputation or knowledge of the zombie trademark or because the intention is to generate a false idea of continuation between the old and the new trademark.

2.1. Bad Faith due to the Parasitic Purpose of the Residual Reputation or Knowledge of a Prior Sign

2.1.1. The General Court has recognized in several cases that there is bad faith in the application for a trademark when the application for registration is filed with the purpose of parasitically taking advantage of the residual reputation or knowledge of a prior sign.

¹¹ The Directive also allows member States to establish bad faith in the application as a cause to deny the registration.

¹² A summarized explanation of the main cases may be found in Hadrousek (2021) or Gómez Montero (2020). See also, from the perspective of German law, Frank (2017).

¹³ Judgment of the General Court, 21 March 2012, *Feng Shen Technology/OHMI - Majtczak (FS)*, T-227/09, ECLI:EU:T:2012:138, section 32.

¹⁴ Judgment of the Court of Justice, 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, section 35.

¹⁵ Judgment of the Court of Justice, 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, section 42.

¹⁶ Judgment of the Court of Justice, 12 September 2019, *Koton Magazacılık Tekstil Sanayi ve Ticaret/EUIPO*, C-104/18 P, ECLI:EU:C:2019:724, section 46.

¹⁷ Judgment of the Court of Justice, 29 January 2020, *Sky*, C-371/18, ECLI:EU:C:2020:45, section 77. However, the Court of Justice qualifies that "[t]he bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application" (section 78).

¹⁸ Judgments of the Court of Justice, 12 September 2019, *Koton Magazacılık Tekstil Sanayi ve Ticaret/EUIPO*, C-104/18 P, ECLI:EU:C:2019:724, section 46; and 29 January 2020, *Sky*, C-371/18, ECLI:EU:C:2020:45, section 77.

¹⁹ This is where those scenarios are covered in which the applicant knows or should know that a third party uses, in at least one member State of the European Union, a sign which may result in confusion with the trademark whose application has been filed, and tries to affect in an unfair manner the interests of that third party, whose sign has already obtained some degree of legal protection in its own right. Judgment of the Court of Justice, 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, sections 39 *et seq.*

(a) This was the case, first, in the *Simca* judgment (Judgment of 8 May 2014²⁰). In this case, there was a request for cancellation of the SIMCA trademark, which had been registered as a European Union trademark, because between 1930 and 1980 the corporate group of the party requesting the cancellation had produced and marketed cars with that sign. However, this case was peculiar in that, even if the Simca trademark was no longer used, it had been periodically renewed in some European countries (and no actions for lapse due to non-use had been filed). With these premises, the General Court ratified the action of the Board of Appeal of the European Intellectual Property Office (EUIPO) and held that the European Union trademark had been applied for with the purpose of exploiting “in a parasitic manner” the good name of those trademarks and taking advantage of their good reputation by means of a deliberately illegitimate use of the Simca sign.

(b) More recently, the General Court has examined this type of scenario in its judgment in *Nehera* (Judgment, 6 June 2022²¹), having to do with the issue of a resurrected trademark which not only was no longer used, as in the case of *Simca*, but which had also lapsed. Due to its interest for the analysis of the Court’s jurisprudence, it is appropriate to briefly remember the background of the case.

This lawsuit is about the European Union figurative trademark made up by the NEHERA denomination, registered to distinguish clothing, among other products,²² against which an application for cancellation due to registration in bad faith was filed, based on the existence of a Czechoslovakian trademark by the name of NEHERA, lapsed in 1946, to distinguish clothing and which was

registered in the 1930s by Mr. Jan Nehera. In this case, it is clear that this is a revival of a vintage trademark. In fact, the General Court itself holds in its judgment that the record showed that, in applying for the European Union trademark, the applicant “was looking for an old, unused and forgotten brand, which he could use to launch his own women’s clothing business,” and that the decision was made to use the old Czechoslovakian trademark, to “pay a tribute” to “the great days of [the] [C]zechoslovak textile industry of [the 19]30s” and, in particular, to Mr. Jan Nehera, whom he described as a “great figure” and a “symbol” of those “great days” for the Czechoslovakian textile sector.²³

The parties seeking a declaration of invalidity, grandchildren of Mr. Jan Nehera, alleged that when the applicant filed the request for registration of the contested trademark he already knew of the existence and past reputation of their grandfather and of the old Czechoslovakian trademark. Although the EUIPO Cancellation Division dismissed the application for a declaration of invalidity, the Second Board of Appeal declared the contested trademark invalid, as the applicant had acted with the intent of appropriating the residual reputation of the old and well-known Czechoslovakian trademark.²⁴

In turn, the General Court, when hearing the appeal filed against this decision, makes it very clear that it is possible to cancel a trademark on account of bad faith when its application is intended to unduly profit from the reputation of a previous trademark or sign.²⁵ What happens here is that, in its opinion, it is not appropriate to apply

²⁰ 20 T-327/12, ECLI: EU:T:2014:240.

²¹ T-250/21, ECLI:EU:T:2022:430.

²² In particular, the trademark is registered to distinguish “Leather and imitations of leather, and goods made of these materials and not included in other classes; Animal skins, hides; Trunks and traveling bags; Umbrellas and parasols; Walking sticks” (class 18); “Bed covers; Table covers” (class 24) and “Clothing, footwear, headgear” (class 25).

²³ See section 55 of the judgment, with reference to the Second Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 10 March 2021 (matter R 1216/2020-2).

²⁴ According to section 34 of the decision of the Second Board of Appeal of 10 March 2021 (in case R 1216/2020-2): “There can be no doubt that the EUTM proprietor was fully aware of the ‘Nehera’ marks’ fame in the fashion world in what are now the Czech and Slovak Republics and other countries as well, when he took the decision to adopt the ‘NEHERA’ trade marks and to include the reference to their history and their original owner as a celebrity on his website. All the aforesaid allows for the observation that the mark at issue still enjoyed, at the very least, a certain surviving reputation, which explains, moreover, his interest in that mark in the circumstances of the present case, and his intention to save it, or revive it, for future generations.” And according to section 37: “In light of all the foregoing, it must be held that it can be inferred from the particular circumstances of the present case that the real purpose of the EUTM proprietor’s application for the registration of the EUTM was to ‘free-ride’ on the reputation of the historic NEHERA marks and to take advantage of that reputation.”

²⁵ Section 32 of the judgment. In this regard, the General Court cites the *Simca* judgment, as well as its judgment of 14 May 2019 (*Neymar*, T-795/17, EU:T:2019:329), in which it finds bad faith in the attempt to profit from the reputation of the name of a football celebrity.

this jurisprudential standard in the specific case, as there would be no residual reputation or fame of the trademark.²⁶ Therefore, and in the court's words,²⁷

[i]n those circumstances, in the absence of surviving reputation in respect of the former Czechoslovak trade mark and of current celebrity in respect of Mr Jan Nehera's name when the application for registration of the contested mark was filed, the subsequent use of that mark by the applicant was not, in principle, capable of constituting free-riding behaviour indicating bad faith on the part of the applicant.

2.1.2. In the jurisprudence of the General Court which has just been explained, the registration of a zombie trademark by a third party who seeks to resurrect the trademark may be a case of registration in bad faith. But the General Court denies that such circumstance may be automatically recognized when a trademark from the past is registered.

On the contrary, a global analysis of each specific scenario must be made, considering the degree of legal protection, actual use, and reputation of the old trademark, as well as the degree of knowledge of those elements by the appellant.²⁸ But in that set of relevant elements it will be essential that there persists a surviving reputation or knowledge of that trademark, because if it does not exist it might be understood that there is the purpose of parasitizing it, no matter that the third party registering the trademark knows of the existence and reputation of the old trademark.²⁹ Because, in the words of the General Court,

[t]he mere fact that the trade mark applicant knows or ought to know that a third party has, in the past, used a mark identical or similar to the mark applied for is not sufficient to establish the existence of bad faith on the part of that applicant.³⁰

Ultimately, therefore, the General Court rejects that it is possible to presume, without any further consideration, the existence of bad faith when one intends to resurrect a trademark from the past.

When assessing the existence of that residual reputation or knowledge (which is what makes that the lapsed trademark be qualified as a zombie trademark), a matter of utmost importance is to determine the circle of consumers that must be assessed. It should be remembered that, even if in many cases third parties registering zombie trademarks do so to revive the trademark for the same products or services for which the previous owner was using the trademark, in other cases the vintage trademark is registered for other types of products or services, more or less related to those for which the trademark was used in the past. And in these scenarios it may be the case that the trademark is still known by the consumers of the products for which the zombie trademark was initially registered, but not by the consumers of the products or services for which the third party has registered the trademark.

Well, the General Court holds that

where the bad faith of the trade mark applicant is based on its intention to take unfair advantage of the reputation

²⁶ The General Court highlights the following: (a) the Czechoslovakian trademark lapsed in 1946, (b) even if between 1991 and 2002 the trademark was registered again by a third party, it was never used, and (c) as of the application date of the contested trademark neither the old Czechoslovakian trademark nor the name of Mr. Jan Nehera were used to market clothing.

²⁷ Section 59 of the *Nehera* judgment.

²⁸ Section 37 of the *Nehera* judgment.

²⁹ As to the characteristic of reputation, it must be remembered that under European trademark law there is a consolidated jurisprudence by the Court of Justice—after its Judgment of 14 September 1999, *General Motors*, C-375/97, ECLI:EU:C:1999:408, section 31—according to which qualitative factors are not relevant to qualify a trademark as a reputed trademark, and it is enough that a significant part of the public interested in the products or services covered by the trademark knows of it. Therefore, the reputation required under European trademark law is equal to knowledge or fame, in a neutral manner. That is, the trademark which is reputed may be known even if the quality and reputation of the products or services distinguished is not high. All in all, if the trademark is known for the disastrous quality of the products or services it distinguished in the past, it does not seem likely that a third party would be interested in reviving such trademark.

³⁰ Section 60 of the *Nehera* judgment. At the same time, the Court of Justice had already made an equivalent statement, in connection with another scenario of registration of a trademark in bad faith, in holding—in its Judgment of 27 June 2013, *Malaysia Dairy Industries*, C-320/12, EU:C:2013:435, section 37—that “[t]he fact that the applicant knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the applicant is acting in bad faith within the meaning of that provision.”

of an earlier sign or name, the relevant public for the purpose of assessing the existence of that reputation and of the unfair advantage taken of that reputation is that targeted by the contested mark, namely the average consumer of the goods for which it was registered.³¹

2.1.3. The domestic courts of the States of the European Union have also applied the caselaw of the General Court, always with the premise that such residual reputation or knowledge among the public must be present. Therefore, when the existence of that residual goodwill has been established, it has been held that there was bad faith; and when it has not been possible to establish that circumstance, the cancellation of the subsequent trademark due to registration in bad faith has been dismissed.

For example, Spanish courts have found bad faith in a registration made by a third party of fashion trademarks “Pedro Miguel,” and the Provincial Court of Granada (Third Section)—in its Judgment No. 299/2015 of 30 December³²—held:

the circumstance that the company Pedro Miguel stopped operating and was declared bankrupt does not detract historical value from that trademark, and there is no doubt that the entity sued knew of the reputation of the plaintiff’s trademark in the fashion world when deciding to adopt the ‘Pedro Miguel’ trademarks, including his biography as a noted designer on the

entity’s web page, so it would be possible to conclude that, while the entity closed down and went bankrupt, the plaintiff’s trademark still remained a clear reference in the world of fashion, still preserving an undoubted repercussion and residual reputation, and that is why the defendant is interested in using such trademark, taking advantage of the trademark for the defendant’s own commercial purposes.

Instead, in the case of the trademark “Hispano Suiza,” the Spanish Supreme Court—in its Judgment No. 70/2017, of 8 February—denied the existence of a registration in bad faith for the Spanish trademark “Hispano Suiza,” highlighting that there was no prior right which prevented the registration and because the memory of the “Hispano Suiza” cars, which stopped being manufactured more than 80 years ago, was not enough to understand that there was “a position gained in the market” and to find bad faith in the application.³³

2.2. Trademark Registration with the Purpose of Giving a False Impression of Continuity or Inheritance with the Old Trademark

Another element determining that the revival of a trademark is in bad faith is that the new owner intends to appear as the continuator of the old trademark. This has been so recognized by the General Court in holding³⁴ that

³¹ Section 33 of the *Nehera* judgment.

³² ECLI:ES:APGR:2015:2469.

³³ ECLI:ES:TS:2017:415. In the words of the Spanish Supreme Court: “The reason entails something that does not happen in this case, and that is that the defendant wants to use the registration to profit from the reputation obtained by the plaintiff and associated to that sign or another close sign. The business activity of manufacturing and selling cars with this sign, to which historic prestige is associated, finished more than 80 years ago, the defendant has lost trademark rights over that sign that the defendant had in Spain, as result of non-use, and the record does not show that the defendant has gained a position in the market based on that activity which the defendant may want to benefit from with its trademark registration. That the sign registered is a denomination, “Hispano Suiza,” which as it was the trademark of some old vehicles is associated in the memory of some to the historic prestige of those vehicles does not entail bad faith on the part of the trademark applicant, because there has been no harm against the exercise of a legitimate right of the plaintiff, due to the circumstances explained above. This is so without prejudice to the fact that with the registration the applicant benefits from that memory.”

Despite this Spanish decision, the EUIPO in the Decision of the Second Board of Appeal of 9 July 2015 (R 879/2013-2) cancelled the Union trademark “Hispano Suiza,” holding (sections 35 and 36 of the decision) that, from the perspective of the applicant “the mark at issue still enjoyed, at the very least, certain surviving reputation, which explains, moreover, their interest in that mark in the circumstances of the present case, and their intention to use it for future generations (by analogy 08/05/2014, T-327/12, *Simca*, EU:T:2014:240, § 49).” And, based on this, the Board of Appeal held that the true purpose when applying for the trademark “was to ‘freeride’ on the reputation of the cancellation applicant’s registered marks and to take advantage of that reputation” (08/05/2014, T-327/12, *Simca*, EU:T:2014:240, § 56). And, in a similar sense, Decision of the EUIPO Cancellation Division No. C 47448, of 6 June 2022 has also canceled the following figurative trademark, holding that it was registered with the intention of creating an association with the old car trademark “Hispano suiza”:



³⁴ Judgment *Nehera*, section 68.

it cannot be ruled out that, in certain specific circumstances, reuse by a third party of a previously renowned former mark or of the name of a previously famous person may give a false impression of continuity or of inheritance with that former mark or with that person. That could be the case, in particular, where the trade mark applicant presents itself to the relevant public as the legal or economic successor of the holder of the former mark, whereas there is no continuity or inheritance relationship between the holder of the former mark and the trade mark applicant. Such a circumstance could be taken into account in order to establish, where appropriate, bad faith on the part of the trade mark applicant and, as a result, to find the new mark invalid.

Actually, when the new owner of the trademark tries to create a false impression of business continuity among the trademarks, the purpose will be to benefit from the residual reputation or knowledge of the old trademark, so there would also be bad faith due to a parasitic finality.³⁵ But it is important to note that in the General Court's jurisprudence bad faith due to an attempt to give a false impression of continuity or inheritance with that old trademark is an element which may be considered separately. Therefore, even if it is understood that there is no sufficient residual reputation or knowledge to allow the existence of bad faith due to a parasitic purpose, bad faith may be found due to the intention of creating the false impression of continuity or inheritance among the trademarks.³⁶

That explains that, in *Nehera*, after dismissing the existence of bad faith due to profiting from another's reputation, the General Court has examined this other way

of bad faith, while it did not find that in the specific case there was bad faith.³⁷

2.3. Bad Faith in the Resurrection of the Trademark by its Former Owner

Bad faith as reason for absolute invalidity of the registration of the vintage trademark may also apply if it is registered again by the old owner. It must be remembered that the Court of Justice has held that there is bad faith when the application is not made "with the purpose of fairly participating in such competitive process, but with the intention of affecting, in a manner not consistent with fair practices, the interests of third parties."³⁸ Therefore, the analysis will have to cover whether there is bad faith in the application for the trademark if the vintage trademark is no longer remembered by the public and the old owner applies for it without an intent to use it and just for the purpose of obstructing a third party and preventing that third party from registering or using the trademark.

Likewise, there might also be bad faith in the behavior of the owner of the initial trademark when the trademark, even if not used and subject to a cause for lapse due to non-use, remains valid and the owner files a new application for the same trademark to prevent such cause of lapse. This behavior takes place with the purpose of invoking the new registration and resort to the grace period—under European law—of five years since the registration of a trademark, during which the owner does not have to establish the use of the trademark and the trademark is not subject to lapse due to non-use.

These cases of repeated applications are known with the name of "evergreening" practices (Tritton, 2022, p.

³⁵ This is what happened, for example, in Spain in the case decided by the Provincial Court of Granada (Third Section), in its Judgment No. 299/2015, of 30 December (ECLI:ES:APGR:2015:2469), in which the court holds that "the false statement on the . . . web page that the defendant acquires the firm Pedro Miguel and, as from that moment, starts manufacturing and marketing its products, is a clear sign of bad faith by the defendant-appellant to confuse the public with the intention of identifying the products marketed with the trademark 'Pedro Miguel' with the successful designer, and for that purpose to take advantage of the reputation, fame, and knowledge that such designer acquired in the course of his professional life spanning thirty years."

³⁶ The independent nature of both elements entails that there might be situations in which there is parasitic profiting from another's trademark, without establishing a link, precisely so that they may compete against each other (see judgment in *Simca*, section 63).

³⁷ According to section 70 of the judgment in *Nehera*: "it has neither been established nor even alleged that the applicant claimed a family tie with Mr Jan Nehera or that he presented himself as the heir and the legal successor of Mr Jan Nehera or of his business. Moreover, by stating that he had revived and resurrected a mark that flourished in the 1930s, the applicant suggested rather an interruption and, therefore, a lack of continuity between Mr Jan Nehera's activity and his own. Therefore, it does not appear that the applicant deliberately sought to establish a false impression of continuity or inheritance between his undertaking and that of Mr Jan Nehera."

³⁸ Judgments of the Court of Justice of 12 September 2019, *Koton Magazacılık Tekstil Sanayi ve Ticaret/EUIPO*, C-104/18 P, ECLI:EU:C:2019:724, section 46; and January 29, 2020, *Sky*, C-371/18, ECLI:EU:C:2020:45, section 75.

385). And, in fact, the General Court has held that these types of acts may entail bad faith in the registration of trademarks. In its view, “although repeat filings of a mark are not prohibited, the fact remains that such a filing which is carried out in order to avoid the consequences entailed by non-use of earlier marks may constitute a relevant factor which is capable of establishing bad faith on the part of the person who filed that mark.”³⁹ That is why it has been understood that the successive application for a single trademark is done in bad faith when that is aimed at avoiding to establish the prior use of the trademark to invoke the trademark in light of a registration of a trademark by a third party.⁴⁰

2.4. The Residual Knowledge of the Zombie Trademark as an Element Determining its Connection with Another Trademark of its Old Owner

As already explained, the application for a zombie trademark with the intent of unduly profiting from the residual reputation may result in the existence of a trademark registration in bad faith.

However, sometimes instead of considering the profiting from that residual reputation as a determining factor of an application in bad faith, courts have used that profiting from the reputation as a circumstance determining the existence of a conflict between the zombie trademark registered by the third party and a prior trademark, registered by the old owner of the zombie trademark.

The case of the Famobil trademark—decided by the Provincial Court of Alicante (Community Trademark Court Section) in its Judgment No. 6/2014, of 10 January⁴¹—is a good example of this kind of phenomenon. In fact, in

1974 and 1983 the well-known Playmobil toys were sold in Spain under the “Famobil System” trademark, owned by the company marketing those toys in Spain. However, starting in 1983, the renowned toys were marketed under the Playmobil trademark, after the creation of a company between the owner of the trademark and the distributor. Years later, in 2007, a third party registered the denominative trademark Famobil to distinguish toys, which sparked a reaction by the owner and licensee of the Playmobil trademark.

Well, according to the Community Trademark Court the registration of the Famobil trademark is null because it entails the unfair use of the memory of the Famobil trademark, which is related to the plaintiffs’ current Playmobil trademark. For the court, marketing the toys for years under the Playmobil trademark “was key in generating a link between the initial exploitation or marketing trademark, Famobil System, and Playmobil products . . . and, therefore, the registration in 2007 of the denominative trademark Famobil for class 28—toys—and its use by a third party other than the members of that business partnership to market similar products, almost identical to those of . . . , which are renowned products, are enough as factors to understand that conditions for cancellation are met.” But the court insists that “the issue is not, therefore, the risk of confusion, but the existence of a link between the conflicting signs” and that “the events proven show that with the registration of Famobil and the marketing of the products imitating those of Playmobil there is a clear parasitism or free-riding, i.e., profiting from the reputation.” Therefore, the third party’s Famobil trademark is canceled and it is recognized that with its use the Playmobil trademarks have been violated.

³⁹ Judgment of the General Court, 21 April 2021, *Hasbro*, T-663/19, ECLI:EU:T:2021:211, section 57. See also the Judgment of the General Court of 13 December 2012, *Pelikan*, T-136/11, EU:T:2012:689, section 27.

⁴⁰ In any case, “[w]hen the absence of the intention to use the trade mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that application constitutes bad faith only in so far as it relates to those goods or services,” of 29 January 2020, *Sky*, C-371/18, ECLI:EU:C:2020:45, section 81.

⁴¹ ECLI:ES:APA:2014:389.

3. Resurrection of Trademarks and Prohibition Against the Registration of Misleading Trademarks

Some scholars have believed that when a third party registers a zombie trademark the previous owner may demand its cancellation, on the grounds that it is a misleading trademark, in addition to any possible bad faith in the application.

It should be considered, in this respect, that European trademark law,⁴² in listing the reasons for absolute denial of a trademark, provides that registration will be rejected of signs which may lead the public to error, for example, on the nature, the quality, or the geographic origin of the product or service. And when, notwithstanding that, the trademark has been registered, it is appropriate to cancel it. Well, based on these precepts it has been claimed that, when the vintage trademark is still remembered by the public, its registration by a third party could give rise to a misleading sign, and such prohibition against registration would be applicable (Spolidoro, 2016; Dreyfus, 2021).

This very same argument has been used before the General Court in the already-cited case *Nehera*, in which, in arguing that the trademark had been registered with the purpose of creating a false legacy relationship with the trademark already lapsed, article 7.1.(g) of the Union's Rules of Trademark was also invoked, which establishes a denial for the registration of trademarks which may lead the public to error.⁴³ However, the General Court does not analyze the issue, believing that that false submission does not take place, as "by stating that he had revived and resurrected a mark that flourished in the 1930s, the applicant suggested rather an interruption and, therefore, a lack of continuity between Mr Jan Nehera's activity and his own."⁴⁴

In any case, in my opinion, it would not be correct to apply the prohibition against the registration of misleading

trademarks (or the cause for invalidity, if the trademark has already been registered) for the mere fact that the trademark entails a resurrection of the trademark already lapsed which is still remembered by the public. That is because, to decide whether a sign is misleading in the sense of the mentioned European rules which establish the prohibition against registration (or the cause for cancellation), only the information transmitted by the sign itself to consumers and users should be considered, without any regard for elements alien to the very configuration of the sign.

This has been established by the Court of Justice in its Judgment of 20 March 2006, *Elizabeth Emanuel*.⁴⁵ This case had to do with a designer who worked in a company which, in turn, used the name of the designer as a trademark, but without registering it. However, afterwards the designer leaves the company and, in addition, the company is assigned to a third party, who registered the trademark made up by the name of the designer that the company had been using. In connection with that, the Court of Justice is asked whether the trademark may be considered misleading, as it mistakenly induces a considerable part of the public to believe that the designer still participated in the creation of the products identified with the trademark. Well, the Court of Justice rejects that it is a misleading trademark because "the name Elizabeth Emanuel cannot be regarded in itself as being of such a nature as to deceive the public as to the nature, quality or geographical origin of the product it designates."⁴⁶ Therefore, the only relevant thing in connection with this prohibition against registration is the information that the sign as such transmits, so that if the company which has applied for the trademark wants to mislead the public, there would be "conduct which might be held to be fraudulent

⁴² Articles 7.1.(g) and 59.1.(a) of the Union's Rules on Trademark and article 4.1.(g) of the Trademarks Directive.

⁴³ This is so established in section 67 of the judgment.

⁴⁴ Section 70 of the judgment.

⁴⁵ C-259/04, *Elizabeth Emanuel*, ECLI:EU:C:2006:215. For a detailed commentary on this judgment, see Fernández-Nóvoa (2008).

⁴⁶ Section 49 of the *Elizabeth Emanuel* judgment

but which could not be analysed as deception,” for the purposes of the provisions prohibiting the registration of misleading trademarks.⁴⁷

And this jurisprudential line has been reiterated by the Court of Justice, even more clearly, in its subsequent Judgment of 8 June 2017,⁴⁸ holding that “in order to find that a mark had been registered in breach of the ground for refusal relating to the risk of deception, it must be established that the sign filed for the purposes of registration as a trade mark creates per se such a risk.”

In that line of reasoning, a sign is not misleading when there is a confusable prior sign, because in such case one is not misled by the sign per se, but by exogenous elements (the existence of a prior confusable sign). If the absolute prohibition against misleading signs covers the registration of signs generating a risk for confusion with prior signs, there would be the absurd that all registration

relative prohibitions (as to the conflict of a trademark applied for with prior rights and expressly provided for both in the Union’s Regulations on trademarks as well as on the Trademarks Directive) would refer back to this absolute registration prohibition. And it is clear that this is not the lawmaker’s intent, because otherwise there would be no point in having made a distinction between absolute registration prohibitions and relative prohibitions, establishing different legal regimes for each case.⁴⁹

Due to all of the foregoing, it is not appropriate to consider that the re-birth of a zombie trademark results in a misleading trademark by the mere fact that the public may erroneously understand that the products or services distinguished with the new trademark stem from the same company from which the products or services came from back then, or from a company financially related thereto.

4. The Surviving Knowledge of the Zombie Trademark and the Figure of the Non-Registered Well-Known Trademark

In those cases in which the trademarks, even if no longer used and already lapsed, are still known by the public, the possibility has been mentioned that it may be understood that there is a well-known non-registered trademark.

Under European law, the regulation of non-registered trademarks is not subject to harmonization, as the Directive is only about registered trademarks, without prejudice to some references to non-registered trademarks as in the case of regulating the reasons for relative denial or relative invalidity causes, providing that any member State may establish that a trademark registration will be denied or, if the trademark is registered, that it be canceled in all cases and to the extent that

rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark, and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.⁵⁰

Therefore, the protection of non-registered trademarks is subject to domestic legislations, and the European Union Rules on Trademarks do not regulate this type of trademarks either (even if they do establish that there can be a prior right preventing the registration of a trademark in the Union).⁵¹

⁴⁷ Section 50 of the *Elizabeth Emanuel* judgment.

⁴⁸ 48 C-689/15, *Gözze*, ECLI:EU:C:2017:434, section 55.

⁴⁹ This is claimed by scholars, Marco Arcalá (2008, p. 215) or García Vidal (2005)

⁵⁰ Article 5.4.(a) of the Directive.

⁵¹ Under Article 8.4 of the EUTMR, “Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to Union legislation or the law of the Member State governing that sign: (a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark; (b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.”

Therefore, in those legislations protecting the non-registered trademark, the trademark cannot be a new reason for opposition or invalidity of a subsequent trademark. And based on this it has been stated that the possibility that a zombie trademark, which is still known by the public, is considered a non-registered trademark and, as a result, may be raised against the third party registering it under their name. This is advocated by part of Italian scholars (Ricolfi, 2015, p. 993).

In the Spanish Trademark Act of 2001, the owner a well-known trademark enjoys an authentically exclusive right. In fact, the owner of a non-registered trademark which is well known under article 6 bis of the Paris Convention enjoys, just like the owner of a registered trademark, the power to challenge the registration of a trademark or commercial name liable to create confusion (art. 6.2 LM); the power to oppose the use of a sign which is similar or liable to create confusion (art. 34), with the only exception of the reinforced protection under (c) of section 2 for the trademarks which are well-known; and the power to request the cancellation of a trademark or a commercial name which may be liable to create confusion (art. 52). In light of these normative provisions, it is possible to conclude, as did Professor Fernández-Nóvoa (2002, p. 56), that “the Trademarks Act of 2001 consistently combines the principle of registry recordation and the principle of being well-known in regulating the birth of the right over the trademark.”

Based on this, it must be examined whether a well-known trademark may be protected when it is no longer used and the knowledge was acquired while the trademark was registered. The “Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks” adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) at the thirty-fourth series of meetings of the Assemblies of the Member States of WIPO, held from 20 through 29 September 1999, is of particular importance in this regard.⁵²

Such Joint Recommendation establishes a series of criteria to help the relevant authorities in each country to

determine whether a trademark is well-known or not. The factors listed under article 2 of the Recommendation are the following: (1) the degree of knowledge or recognition of the mark in the relevant sector of the public; (2) the duration, extent and geographical area of any use of the mark; (3) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies; (4) the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark; (5) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities; (6) the value associated with the mark.

Moreover, the Recommendation provisions on determining that a trademark is well-known end with a list of three conditions which cannot be required, in any case, to assert that a trademark is well-known. In particular, this cannot be required: (1) that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State; (2) that the mark is well known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State; or (3) that the mark is well known by the public at large in the Member State.

Given these Joint Recommendation provisions, it is appropriate to conclude that what is relevant for the protection of a trademark as well-known is that it be known by the public. And even if that knowledge derives from its use, it is not required that the trademark be registered (albeit that is not excluded) nor that it has been subject to use in the specific State for which protection is sought. Therefore, there is also no requirement that the trademark is being actually used to be considered a well-known trademark. And based on this it may be understood that the right over the non-registered trademark does not terminate just with the non-use of the trademark; instead, it is also necessary that the public no longer remembers the trademark. In fact,

⁵² For an analysis of this joint Recommendation, see García Vidal (2000).

this position has been advocated by a relevant sector of Italian scholars and courts.⁵³

However, the Spanish Supreme Court has dismissed the possibility that a trademark which is not being used may be protected as a well-known trademark. This has been done by the Spanish Supreme Court in its Judgment dated 8 May 2019,⁵⁴ holding that the current use of the well-known trademark is necessary because “to prove that a trademark is well known, several factors must be taken into account—such as market share, intensity, geographic extension, duration in use, among others—as already explained, which are connected with its use.” Anyway, I believe this interpretation by the Spanish Supreme Court may be criticized. Because it is true that a trademark may have become well-known and this will be established in light of the use made of the trademark, but there is no requirement under Spanish regulations, under the WIPO Joint Recommendation, and under the Paris Union that such use be current.

The Spanish Supreme Court believes that the interpretation applied by the Provincial Court of Madrid (Section 28th) in its Judgment No. 348/2016, October 17,⁵⁵ is right in holding that

if this use requirement were not needed there would be the paradox of establishing a sanction due to non-use for the registered trademarks which would not be present in the non-registered trademark, which could preserve its protection indefinitely even if not used, so that the owner would enjoy a super-protection as opposed to registered trademarks, subject to lapse due to non-use.⁵⁶

However, in my view, it is not appropriate to put registered and non-registered trademarks at the same level. It should be remembered that a registered trademark has to be actually used in the State where it is protected. But that is not necessary for the protection for well-known trademarks to arise.

5. The Protection of Residual Reputation or Knowledge by Means of Unfair Competition

The former owner of a zombie trademark may resort under certain conditions to the legislation punishing unfair competition to remedy third parties' behavior. As will happen

when the trademark remains known by the public and a third party uses it in the course of trade (without having applied for registration in their name).⁵⁷

⁵³ This way, among others, Vanzetti/Di Cataldo (2012, p. 322), stating that “il diritto medesimo non si estinguerà immediatamente, ma solo dopo un periodo di tempo idoneo a far retener che il mercato si sia scordato del segno e della sua attinenza ad una specifica origine dei prodotti contrassegnati”; Sironi (2014, p. 324). Among the court decisions there is, for example, the judgment by the *Tribunale di Milano* of 2 September 2003 (*Giurisprudenza annotata di diritto industriale*, No. 4683), according to which as to non-registered trademarks “la riappropriabilità del segno dovrà conseguire alla valutazione dell'avvenuta perdita nel ricordo del consumatore dell'associazione del segno ad un determinato prodotto,” or the judgment by the *Tribunale di Forlì* dated 8 February 1999 (*Giurisprudenza annotata di diritto industriale*, No. 3980), holding that “il diritto all'utilizzazione del marchio non registrato non si estingue immediatamente, ma solo dopo un periodo di tempo idoneo a far ritenere che il mercato non abbia più memoria dell collegamento fra il marchio in questione e l'attività o i prodotti di quell'impresa, tutelandosi così il pubblico, che potrebbe ritenere quei prodotto come provenienti da quell'impresa.” Instead, Cartella (2006, p. 179) offers a different interpretation, advocating that the mere memory of the trademark is not enough, but a “perdurante attualità del segno” would be necessary, so that if the owner of the non-registered trademark no longer uses it the protection would not be warranted.

⁵⁴ ECLI:ES:TS:2019:4964A. For a note on this judgment, see Correa (2020).

⁵⁵ ECLI:ES:APM:2016:18041.

⁵⁶ In this order, the Spanish Supreme Court develops an interpretation which it had already advocated, albeit without well-developed arguments, in its Judgment No. 415/2017, of 8 February, in dismissing the petition for cassation against Provincial Court of Barcelona Judgment No. 710/2014, of 12 February. In fact, according to the Provincial Court of Barcelona, “the protection of the well-known trademark which is not registered, but used, extends to restraining third parties from using it in the course of business for products or services which are identical or similar to those for which it became well-known; however, after establishing that the plaintiff has not been using the trademark for the products and services for which it became well-known, the plaintiff cannot demand to preserve the protection under Article 6 bis CUP for such products or services.” And according to the Supreme Court, “it is very difficult to find bad faith in the defendant in registering Spanish trademark 2.901.221 ‘Hispano Suiza,’ because even if the sign is known and associated in Spain to a historic car trademark, the plaintiff does not have any prior trademark right which remains valid, as the ones it had lapsed due to non-use.”

⁵⁷ British cases are noteworthy. There are multiple decisions recognizing that the use of a lapsed trademark by a third party other than the

In the cases in which the application for registration of a zombie trademark would result, according to European caselaw, in finding bad faith in the application, if the trademark is not applied for, but is just used in the market, chances are there will be enough elements to understand that there is an act of unfair competition.

Because unduly taking advantage of another's reputation or presenting oneself as the heir of the old trademark are conducts contrary to fair and commercial practices.

And, of course, in this case it is not valid to defend that reputation can only be protected if the sign is still being actually used.⁵⁸

Other than that, there might be unfair competition even when it is found that there is no bad faith in the trademark registration, but its subsequent use is in such a way that there is a risk of confusion with the prior owner of the previous trademark or there is profiting from another's reputation.⁵⁹

6. Conclusions

After the analysis made, these are the main conclusions:

(a) The registration of the zombie trademark by a third party other than its former registration owner may be cancelled if the application was filed in bad faith, when the application has been filed with the intent of parasitically profiting from the residual reputation or knowledge of the prior sign or when the new owner intends to present themselves as the continuator of the former trademark.

(b) Against what some authors claim, I believe that it is not appropriate to consider that the re-birth of a zombie trademark results in a misleading trademark by the mere fact that the public may erroneously understand that the products or services distinguished with the new trademark stem from the same company from which the products or services came from back then, or from a company financially related thereto. A sign is not misleading when there is a prior sign liable to create confusion, because in such case one is not misled by the sign per se, but by

exogenous elements (the existence of a prior sign liable to create confusion).

(c) Even if a court like the Spanish Supreme Court has held the opposite, I believe that a well-known trademark may be protected when it is no longer used and the knowledge was acquired when the trademark was registered. Therefore, and based on this, the owner of the zombie trademark which is still remembered by the public may invoke the protection given to well-known trademarks.

(d) Moreover, another way of protecting zombie trademarks is the legislation punishing unfair competition, especially against third parties who do not register those trademarks under their name, and just use them in trade. In this sense, unduly taking advantage of another's reputation or presenting oneself as the heir of the old trademark are conducts contrary to fair and commercial practices.

previous owner results in an act of confusion in the market, as well as an act of profiting from another's reputation, if the trademark is still recognized as such by the public, who still associate it with the prior registry owner. This is what happens, for example, in *Norman Kark Publications Ltd v. Odhams Press Ltd* [(1962) RPC 163], or in *Ad-Lib Club Limited v Granville* [(1971) FSR 1], decided by *High Court of Justice (Chancery Division)*. The following decisions from this Court are also important: *Thermawear Ltd v Vedonis Ltd* [(1982) RPC 44]; *Jules Rimet Cup Limited and The Football association Limited* [2007, EWHC 2376 (Ch)] or *Knight v Beyond Properties Pty Ltd. and Others* [(2007) EWHC 1251 (Ch)].

⁵⁸ In this regard, Judgment No. 51/2014, of 12 February, by the Provincial Court of Barcelona (Section 15th) (ECLI:ES:APB:2014:710) is very important as it holds (in section 118) that "reputation is the prestige of a product or service in the market. It is obvious that its existence will be easier to establish if it is active in the market. However, that does not result in that prestige cannot be maintained even if the product or activity is no longer in the market or if it is not in the market in a very active way. In our assumption, we believe that prestige has been kept and that is precisely why defendants have been so interested in getting close to (and trying to confuse themselves with) the plaintiff, presenting their product as a continuation thereof."

⁵⁹ This was found to be the case in Judgment No. 51/2014, of February 12, of the Provincial Court of Barcelona (Section 15th) (ECLI:ES:APB:2014:710), whose section 127 states that "defendants have a right to use their signs, but not to use them in a way which may induce the public who are the target of their services to think that they are somehow connected with the services rendered by the plaintiff currently and neither with those rendered in the past."

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Abbreviations

EUTMR European Union Trade Mark Regulations
TTAB Trademark Trial and Appeal Board