



OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
(TRADE MARKS AND DESIGNS)

The Boards of Appeal
The Registry

R420a

Alicante, 26/02/2013
R2448/2010-4

DE SIMONE & PARTNERS S.p.A.
Via Vincenzo Bellini, 20
I-00198 Roma
ITALIA

Subject: Appeal No. R2448/2010-4
Your ref.: ACM 110822

Notification of a decision of the Fourth Board of Appeal

Please find enclosed the decision of the Fourth Board of Appeal dated 25/02/2013 concerning the appeal filed on 10/12/2010 in the name of Finmeccanica - Società per azioni.

Article 65 of the Regulation on the Community Trade Mark provides that an action may be brought before the Court of Justice of the European Union (General Court) in Luxembourg against decisions of the Boards of Appeal within 2 months after notification of the decision.

Your attention is drawn to the fact that the proceedings before the European Court of Justice are regulated by specific requirements stated in the *Statute of the Court of Justice of the European Union*, in the *Rules of Procedure of the General Court* as well as in the *Court of First Instance Practice Directions to parties*. Further information concerning the proceedings before the General Court may be obtained on the homepage of the European Court of Justice 'curia.europa.eu' under *General Court / Procedure / Practice Directions to Parties*.

Information related to appeals filed against Boards of Appeal decisions may also be obtained on the same homepage indicated above.

To the extent that you are adversely affected by the attached decision and you nonetheless decide not to challenge it, we would appreciate you informing us accordingly as soon as possible.

Christelle BERAT
Registry

Enc.: 1 (11 pages)
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OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
(TRADE MARKS AND DESIGNS)
The Boards of Appeal

DECISION
of the Fourth Board of Appeal
of 25 February 2013

In Case R 2448/2010-4

Finmeccanica - Società per azioni
Piazza Monte Grappa, 4
I-00195 Roma
ITALY

Cancellation applicant / Appellant

represented by DE SIMONE & PARTNERS S.P.A., Via Vincenzo Bellini, 20,
I-00198 Roma, Italy

v

GRUPO CANOSCI, S.L.
Calle Montevideo 11
E-38660 Playa de las Américas
Arona (Tenerife)
SPAIN

CTM Proprietor / Respondent

represented by COMMUNITY TRADE MARKS, S.L., Plaza Actor Cecilio Pineda, 3,
Bajo, E-30002 Murcia, Spain

APPEAL relating to Cancellation Proceedings No 3 294 C (Community trade mark
registration No 6 323 422)

THE FOURTH BOARD OF APPEAL

composed of D. Schennen (Chairman and Rapporteur), L. Marijnissen (Member) and
F. López de Rego (Member).

Registrar: P. López Fernández de Corres

gives the following

Decision

Summary of the facts

- 1 Community trade mark ('the contested CTM') No 6 323 422



was filed on 3 November 2007 and registered on 4 August 2008 in the name of GRUPO CANOSCI, S.L. ('the CTM proprietor') for the following goods and services:

Class 14 – Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

Class 18 – Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Class 35 – Advertising; business management; business administration; office functions.

- 2 On 2 December 2008, Finmeccanica - Società per azioni ('the cancellation applicant') filed a request for a declaration of invalidity of the CTM in its entirety, based on Article 52(1)(b) and Article 53(1)(a) in conjunction with Article 8(5) CTMR.
- 3 The grounds for invalidity invoked were:
 - a) that the Community trade mark was applied for in bad faith, Article 52(1)(b) CTMR,
 - b) that the use of the Community trade mark would take unfair advantage of, or be detrimental to, the reputation of its earlier Community trade mark No 5 496 328

AERMACCHI

filed on 24 November 2006 and registered on 5 June 2010 claimed to have a reputation for 'airplanes and vehicles, watches'. The mark is registered, among others, for:

Class 12 – Vehicles; apparatus for locomotion by land, air or water.

- 4 In essence, the cancellation applicant argued that 'AERMACCHI' is a long-standing and reputed Italian trade mark for airplanes and motorcycles. The CTM proprietor, through the registration of the contested CTM and by creating links with airplanes and technology, tried to take unfair advantage of and exploit the name, history and reputation of the cancellation applicant's company in the airplane field.
- 5 By decision of 26 October 2010 ('the contested decision'), the Cancellation Division rejected the request for declaration of invalidity and ordered the cancellation applicant to bear the costs of the proceedings.
- 6 It reasoned as follows:
 - Under Article 8(5) in conjunction with Article 53(1)(a) CTMR, the cancellation applicant has to show a degree of recognition of the trade mark 'AERMACCHI' for airplanes and vehicles among the general public in Italy. The evidence submitted is however inconclusive for a reputation of the earlier CTM. With respect to airplanes, the evidence is mostly related to other territories than Italy. As regards vehicles, or more specifically motorcycles, the trade mark 'AERMACCHI' has not been used for motorcycles since Harley-Davidson took full control over this part of business in 1974. In general, the documents submitted lack objectivity and explanatory comments. The alleged reputation of the earlier CTM for watches has to be disregarded since the trade mark is not registered for this class of goods. As a result, the cancellation applicant failed to provide sufficient evidence to show reputation of the earlier CTM in Italy for airplanes, vehicles and watches.
 - The CTM proprietor's mere knowledge of the use of the word 'AERMACCHI' for motorcycles and airplanes by the cancellation applicant is not sufficient to constitute bad faith pursuant to Article 52(1)(b) CTMR. It is further doubtful whether the cancellation applicant's arguments and evidence regarding bad faith based on unfair advantage of the reputed mark 'AERMACCHI' are legally founded under this provision. The evidence relating to the CTM proprietor's use of an unrelated national mark in Spain belonging to a third party is outside the scope of the cancellation proceedings and the jurisdiction of the Cancellation Division.
 - The Cancellation Division dismissed the grounds for invalidity under Article 8(1)(a) and (b) CTMR as well as 'other earlier rights'.

Submissions and arguments of the parties

- 7 On 10 December 2010, the cancellation applicant filed an appeal against the contested decision and on 25 February 2011, a statement of grounds of appeal. It contested the decision in its entirety and requested to declare the Community trade mark No 6 323 422 invalid.
- 8 The arguments of the appellant can be summarized as follows:

- The Cancellation Division has failed to correctly interpret and consider the evidence submitted with respect to the reputation of 'AERMACCHI' and the appellant's arguments relating to bad faith. The documents clearly show that the earlier CTM is well-known in the motor sector and has many fans and supporters.
 - The registration of the contested CTM by the respondent constitutes wilful misconduct. The respondent registered the contested mark for goods and services not similar to those covered by the earlier trade mark in order to exploit the history and reputation of the latter. The element 'MILANO' indicates an origin identical to that of the appellant. The image of an eagle with open wings is a self-evident link and reference to aircrafts. Also, on its website the respondent offers a watch called 'Tornado', which is another well-known trade mark in the aircraft industry.
 - The respondent wanted to put obstacles to the expansion or merchandising strategy of the earlier CTM. Due to its long history and commercial success also in the motorbike sector in the 1970s, the contested CTM is very suitable for merchandising, especially with respect to watches. The appellant has registered the trade mark 'AERMACCHI' in Italy for other merchandising classes. The respondent managed to file its application just before the legitimate expansion of the Aermacchi business was about to be completed.
 - As a result of the long-standing history of Aermacchi, its importance during both world wars and its joint venture with Harley-Davidson, the trade mark 'AERMACCHI' is widely known amongst consumers / the general public, even though this mark is famous in the very specific field of aircrafts.
 - The unique image and reputation of the earlier trade mark could be damaged because consumers link the goods of Aermacchi with the respondent's goods, which may not comply with the high quality standard of the appellant. In addition, the respondent takes unfair advantage of the history and excellence of Aermacchi in the technical and design sectors, thereby cutting down its own advertising costs.
- 9 Before the Cancellation Division, the cancellation applicant submitted as evidence, among others:
- Internet hits and Google searches;
 - Extensive documentation about Aermacchi motorcycles; however it was indicated that in the seventies this branch was sold to Harley-Davidson;
 - Various invoices, technical articles, and excerpts from aviation magazines, from which it appears that Aermacchi is a producer of military training aircrafts and parts and elements of other airplanes such as the Eurofighter;
 - Documentation about the CTM proprietor's other mark 'Austoni Milano 1928', namely a registration certificate and a declaration of the Italian designer Mr Dario Austoni that he is not connected to the CTM proprietor;

- Excerpts from the CTM proprietor's webpage with references to 'AERMACCHI' and text in Italian (see para. 19 below).
- 10 On 25 March 2009, the cancellation applicant observed that the CTM proprietor had removed the said website.
- 11 The Cancellation Division gave the CTM proprietor 2 months to comment on this fact. No reply was received.
- 12 Together with the statement of grounds of appeal, the cancellation applicant submitted the following additional evidence:
- Chamber of Commerce report about the company Aermacchi;
 - Hit lists from Google searches for 'aermacchi fan clubs' (3400 hits), 'suzuki fan clubs' (87 hits), 'yamaha fan clubs' (64 hits) and 'triumph fan clubs' (8 hits) to show the high number of hits compared to the other search terms and to support the claimed reputation of the appellant's mark for motorcycles;
 - Hit list from Google search for 'aermacchi rallies in 2000', indicating more than 142 000 hits and an excerpt from the website of an Aermacchi fan group announcing the 14th Rally of Aermacchi enthusiasts;
 - Trade mark assignment deeds;
 - Excerpt from the website of the Italian Patent and Trade Mark Office showing the registration No 1 328 540 for the word mark 'AERMACCHI' for Classes 3, 9, 14, 16, 18, 25, 28, 34 and 41;
 - Screenshots from the website of the respondent showing the watch 'Tornado' and the different brands of the respondent;
 - Excerpt from Wikipedia showing an article about 'Panavia Tornado'.
- 13 The respondent requested that the appeal as well as the cancellation request be rejected. Its observations corresponded to its written submissions in the cancellation proceedings. Essentially, the respondent reasoned that its trade mark is dissimilar because it differs in the element 'MILANO' and is registered for different classes, which does not influence the area of activity of the appellant. In addition, the respondent stated that it had no intention to compete with the appellant and denied that it has registered the mark in bad faith.

Reasons

- 14 The appeal is admissible and well-founded. The Board finds that the respondent's activities amount to bad faith at the time of filing for registration of the contested CTM in accordance with Article 52(1)(b) CTMR. This, and Article 8(5) CTMR, were the only grounds for declaration of invalidity. The cancellation applicant never invoked a likelihood of confusion. Whether or not the cancellation applicant succeeded in proving a reputation and the further conditions under Article 8(5) CTMR, can be left undecided.

On Article 52(1)(b) CTMR

- 15 The absolute ground of invalidity laid down in Article 52(1)(b) CTMR refers to bad faith on part of the cancellation applicant at the time of filing the CTM application for registration. Consequently the appellant had to have acted in bad faith on 3 November 2007.
- 16 There is no legal definition of the term 'bad faith'. In general 'bad faith' in terms of Article 52(1)(b) CTMR can be considered as dishonesty which would fall short with the standards of an acceptable commercial behaviour.
- 17 The burden of proof for the facts from which bad faith is claimed to follow, lies on the cancellation applicant (judgment of 28 October 2009, T-137/08, 'Green', para. 71). This is in line with the general principle that good faith is to be presumed.
- 18 The appellant argues that the respondent registered the contested CTM in bad faith because it exploits the reputation and history of the latter by intentionally creating links with the earlier mark. It is clear from the evidence submitted by the appellant, in particular the excerpts from the website of the CTM proprietor submitted in the cancellation proceedings, that the respondent uses the word 'AERMACCHI' to deliberately create a connection with the Italian company Aermacchi. The excerpts show images of airplanes, some of which depict airplanes produced by the appellant. Additionally, a text on the website of the respondent refers to technology and emphasizes the technical excellence of its products. The respondent also creates the impression of Italian origin (in particular the element 'MILANO' of the contested CTM, the respondent's website being in Italian), although the respondent is a Spanish company situated on the Canary Islands. Furthermore, the respondent's website provides the information that one of its 'business centres and laboratories' is located in the Italian city of Varese, which is the place, where the appellant has its head office. In the Board's view this shows that the respondent registered the contested CTM solely in order to benefit from the repute of the name 'AERMACCHI', which can be considered as dishonest commercial behaviour in the light of Article 52(1)(b) CTMR.
- 19 In particular, the extract from the respondent's website (www.armacchimilano.com) contained the following features:
 - On page 1, clear reference to Milano in the title and in the URL;
 - Language: Italian;
 - Representation of an aeroplane on the top, and of the Italian flag at the bottom;
 - On page 2, text in Italian (although on page 1 the actual address of the respondent in Spain is given);
 - On page 3, use of the Italian word 'sede' (seat) and various cities as 'laboratori' places given, one of them 'Castellana-Varese' (which is the seat of the appellant);



- 20 In its observations of 25 March 2009, the appellant observed that that website had disappeared. The respondent gave no intelligible explanation as to why that happened. It is indeed telling that the website, once it was admonished by the cancellation applicant, was instantly removed. In such a situation the appellant might be faced with a situation that such a website might be re-posted on the Internet at any time and the respondent gave no commitment that that would not happen. This is what actually happened now. Today, the website with the above features, only slightly changed, is again on the Internet (<http://www.aermacchi.com/>). As bad faith is an absolute ground, the Board was entitled to check this *ex officio*. This is a clear proof of dishonest intention. We conclude that the temporary removal of the website was made in an attempt to disguise the respondent's intentions.
- 21 These findings are further confirmed by the fact that the respondent has also registered the figurative mark 'Austoni Milano' as a CTM (No 6 807 267) and not only, as the Cancellation Division thought, as a Spanish mark:



which creates a connection to the Italian designer Dario Austoni and contains text in Italian referring to 'author's jewelry'. The cancellation applicant has submitted evidence that the respondent has not been authorized by Mr Austoni to use his name in the course of trade. The respondent neither contests this connection nor does it provide any proof for its contentions with regards to this trade mark. Its allegations in that respect, that 'Austoni' is the second surname of the manager of the respondent, and that 'MILANO' should refer to its Italian descent, and that '1928' is the date of birth of the mother of the manager of the respondent, are first and foremost unproven. Next, they are typical excuses of a purely hypothetical

nature, meant to construe connections where there are none. For example, it is impossible to see why the date of birth of the mother of somebody working in a Spanish *sociedad limitada* should be relevant as an indication to be included in a mark of that *sociedad limitada*.

- 22 The Board must dismiss the Cancellation Division's reasoning that that other CTM was outside the scope of the present dispute. The filing of other marks under dubious circumstances or appearing as a misappropriation of other trader's goodwill is a strong indication that at least the present mark was applied for in bad faith.
- 23 It is shown beyond doubt by the submitted evidence that the cancellation applicant is a company with a long tradition in the Italian airplane industry, and that presently, it produces training aircrafts for military purposes and is engaged as one of the partner enterprises in the 'Eurofighter' consortium. Whether that use reached the quantitative threshold of reputation, and whether it has triggered a sufficient level of trade mark recognition by average consumers, is a matter that would deserve further scrutiny. However, what is relevant is that in Italy the number of aircraft producers must be minimal and that any reference to 'AERMACCHI' aircraft in the framework of advertising of goods together with a link to aircraft is intentional and clear to the end consumer who is interested in buying the goods for which the contested CTM was registered.
- 24 To continue, the respondent has not shown any evidence that whilst its address is on the Canary Islands, it exercised or exercises any actual and real commercial activity in Italy. For example, it did not give any details as to where it produces its goods, if at all. Looking at the manner in which the respondent's briefs are drafted, apart from their poor English, they are loose allegations about its marketing intentions, purposively vague. To quote from its brief: 'Its (the respondent's) intention is not but it of introducing so much in his concept of product as in that of mark, all this created from a few concepts and ideal that constitute the values of this company'.
- 25 In legal terms, bad faith is tantamount to manifestly dishonest business intentions and comprises situations where reputed trade marks of third parties were filed with which the filer has no connection. Frequently such filings are made to extort money but that is not a necessary condition for a finding of bad faith. Moreover, under Article 8 CTMR the senior party ought to prove a reputation but under Article 52(1)(b) CTMR it is more the subjective intention of the filer, if it can be inferred from circumstances that the filer deliberately chose a mark on account of its reputation or attractive force. The Board finds that the combination of all the elements discussed above, *i.e.* the way the respondent presented itself and the mark on the website, the dubious appearance, disappearance and reappearance of that website, the filing of at least one other mark in like circumstances, and the clear impression the respondent sought to give that it is connected to the airplane field (even if it was to create a link between airplane pilots and their watches), is sufficient to establish, with the requisite degree of certainty, that the respondent was in bad faith.

- 26 These grounds affect the CTM in its entirety, for all the goods and services for which it is registered. Pursuant to Article 52(1)(c) CTMR, the contested decision shall be annulled and the CTM shall be declared invalid.

On Article 8(5) CTMR

- 27 As the CTM registration has to be invalidated already on the grounds of Article 52(1)(b) CTMR, it is not necessary to examine Article 8(5) in conjunction with Article 53(1)(a) CTMR as the outcome of the case would not change.

Costs

- 28 The CTM proprietor (respondent) is the losing party in the appeal procedure and shall be ordered to bear the costs of the cancellation and appeal proceedings, pursuant to Article 85(1) CTMR.

Fixing of costs

- 29 In accordance with Article 81(6) CTMR and Rule 94(7)(d)(iii) and (v) CTMR, the Board fixes the appellant's representation costs to be reimbursed by the respondent at EUR 550 in the appeal proceedings and EUR 450 in the invalidity proceedings. Furthermore, pursuant to Rule 94(6) CTMR, the fee for the application of a declaration of invalidity of EUR 700 and the appeal fee of EUR 800 are to be borne by the respondent. The total amount is EUR 2500.

Order

On those grounds,

THE BOARD

hereby:


1. **Annuls the contested decision;**
2. **Declares CTM No 6 323 422 invalid;**
3. **Orders the respondent to bear the costs of the appellant in the appeal and invalidity proceedings;**
4. **Fixes the amount to be paid by the respondent to the appellant at a total of EUR 2500.**



D. Schennen



L. Marijnissen



F. López de Rego

Registrar:



P. López Fernández de Corres