

**DECISION  
of the Fourth Board of Appeal  
of 17 April 2023**

In case R 1216/2020-4

**Isabel Nehera**

349, chemin Elie  
Sutton QC, Ontario JOE 2K0  
Canada

**Jean-Henri Nehera**

Ewart Street  
Burnaby, British Columbia V5J 2W4  
Canada

**Natacha Sehnal**

3, plan de la croix  
34980 Montferrier-Sur-Lez  
France

Cancellation Applicants / Appellants

represented by William Woll, 13, rue Jean-Jacques Rousseau, 75001 Paris, France

v

**Ladislav Zdút**

Pod Rovnicami 67  
84101 Bratislava  
Slovakia

EUTM Proprietor / Defendant

represented by Marks & US Lawyers, Marcas Y Patentes S.L.P, Ibáñez de Bilbao 26, 8º dcha,  
48009 Bilbao (Vizcaya), Spain

APPEAL relating to Cancellation Proceedings No 36 168 C (European Union trade mark  
registration No 11 794 112)

**THE FOURTH BOARD OF APPEAL**

composed of N. Korjus (Chairperson and Rapporteur), A. Kralik (Member) and  
J. Jiménez Llorente (Member)

Registrar: H. Dijkema

gives the following

Language of the case: English

## Decision

### Summary of the facts and arguments of the parties

- 1 By an application filed on 6 May 2013, Ladislav Zdút ('the EUTM proprietor') sought to register the figurative mark



for the following list of goods, as restricted on 25 June 2014:

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 and parasols; walking sticks.*

Class 24: *Bed covers; table covers.*

Class 25: *Clothing, footwear, headgear.*

The EUTM proprietor claimed the colour black.

- 2 The application was published on 4 November 2014 and the mark was registered on 31 October 2014.

### ***Cancellation proceedings in case No 36 168 C***



- 3 On 17 June 2019, Isabel Nehera, Jean-Henri Nehera and Natacha Sehnal ('the cancellation applicants') filed an application for a declaration of invalidity of the EUTM No 11 794 112 661 ('the contested mark') for all the above goods.
- 4 The grounds of the request for a declaration of invalidity were those laid down in Article 59(1)(b) EUTMR, namely that the EUTM proprietor was acting in bad faith when he filed the contested mark.
- 5 The cancellation applicants' arguments can be summarised as follows:
  - 'Nehera' is their grandfather's name (Jan Nehera) who founded the 'Nehera' company in the 1930s. It was a very famous brand in the Czech Republic selling clothes and accessories, comparable to the shoe factory 'Baťa'. On 1 January 1946, the company was 100 % nationalised by the government of President Beneš and the founder, Jan Nehera, immigrated to Morocco, where he established a smaller garment factory (Exhibit 1). During the communist period, the brand was not used but remained famous throughout the country, as it is still studied at the university in Prague and there is a bachelor thesis about this company from 2011.
  - In 2016, Natacha Sehnal, a granddaughter of Jan Nehera, discovered that the name 'nehera' was being used by the EUTM proprietor without authorisation from the

descendants of Jan Nehera. She contacted the EUTM proprietor, who answered that he had been trying to find somebody from the Nehera family in 2013 and 2014 but had not been successful (Annex 2). Therefore, Mr Zdút knew that the name was that of a famous brand and that some descendants could have rights over the name.

- Consequently, there is bad faith because Mr Zdút (i) misled the public by suggesting that his brand ‘nehera’ is the continuator of the brand created by Jan Nehera, and (ii) had no authorisation from the Nehera family and knew that he should have this to use the brand.
  - The following evidence was attached to the application for a declaration of invalidity:
    - Annex 1: A printout from Wikipedia, printed on 15 June 2016, providing information on ‘Jan Nehera’ (life and business career);
    - Annex 2: Printouts of emails sent in February 2016 between Natacha Sehnal and the EUTM proprietor, who replied to Natacha Sehnal, stating, inter alia:
      - ‘We wanted to bring also a name rooted in those great days of the Czechoslovak textile industry, thus to pay a tribute to both quality of outer garment industry in Czechoslovakia prior to WWII and also to great figures of that time industry, including Jan NEHERA, Rolny, etc.’
      - ‘When I first time read about Jan NEHERA I was impressed by his innovative retail business model and by the fact of full vertical integration of his business and of the fact that he was on the verge of international expansion.’
      - ‘In fact, I am thrilled with the fact that somebody from the family of Jan Nehera is contacting us. Especially because we had been trying to find somebody down in 2013 and 2014, and we had not been successful.’
    - Annex 3: A copy of the Certificate of Marriage Registration of Ms F. B. which indicates that she is the daughter of Ms Libuše Nehera (born in the Czech Republic).
- 6 On 19 August 2019, the EUTM proprietor submitted the observations in reply, which can be summarised as follows:
- The cancellation applicants do not have a right over the name ‘Nehera’, even if it is their surname. They have failed to demonstrate the creation of the trade mark and the additional four cumulative requirements, specified in the Lindt Goldhase judgment (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 37), needed to declare that the trade mark was applied for in bad faith, including the dishonest intention of the EUTM proprietor at the time of filing.
  - In order to establish the rights to an earlier mark, the earlier mark has to be valid and used in the market. However, the cancellation applicants cannot prove any legal rights on the sign ‘nehera’. The company of Mr Jan Nehera ceased its activities (and use of the ‘nehera’ brand name) in 1946 (i.e. more than 70 years ago). Mr Jan Nehera died more than 50 years ago, and it seems that nobody took over his business.

- The EUTM proprietor does not need any permission from Mr Nehera’s descendants to use the ‘Nehera’ name, as there are no prior rights.
- The EUTM proprietor did not act in bad faith since the contested mark ‘nehera’ did not exist when he filed the application. In fact, the mark ceased to exist (if it really had existed, something which the cancellation applicants have not been able to prove either) in 1946.
- The cancellation applicants failed to file any evidence showing that the EUTM proprietor had acted in bad faith. His only intention at the time of filing the mark ‘nehera’ was, as confirmed in the email sent to Ms Sehnal, to pay a tribute to, and a reminder of, the golden era of the textile industry in pre-World War II Czechoslovakia.

7 On 23 October 2019, the cancellation applicants replied with the following:

- As the e-mails between Ms Sehnal and the EUTM proprietor (Annex 2) show, the latter was clearly aware that he was using an extremely well-known trade mark confiscated by the communist regime.
- The Czech Industrial Property Office provided confirmation that the ‘Nehera’ company had protected at least two ‘nehera’ marks in 1936 under numbers 6 413 and 6 414 (Annex 4) and therefore, the ‘nehera’ trade marks existed. In addition, the Czech Industrial Property Office only keeps records of the most significant trade marks in the Czech history, which proves that ‘nehera’ was sufficiently famous to be preserved by the national archives.
- The typefont (calligraphy) of the contested mark and the original Czech trade mark, protected by Jan Nehera, are identical.
- The EUTM proprietor worked for the Slovak ‘OZETA’ company in Trenčín, which itself claimed to have been inspired by Jan Nehera’s work, as indicated in the catalogue produced in 2000 (Annex 5).
- The EUTM proprietor acted in bad faith when he presented himself as the successor of the ‘nehera’ trade mark created by Jan Nehera.
- On his website, the EUTM proprietor went so far as to post ‘models’ of clothing from the time of Jan Nehera, designed by him.
- The following documents were submitted (Annexes 1 to 3, referred to in paragraph 5 above were also resubmitted):
  - Annex 4: Research results of the Industrial Property Office of the Czech Republic dated 1 October 2019 regarding the historical designation ‘nehera’, indicating the Czech national trade marks No 6 413 (‘’) and No 6 414 (‘’), registered in 1936 for the ‘Nehera’ company, Prostějov, the Czech Republic (in Czech and translated into English);

- Annex 5: A booklet of the ‘OZETA’ company on the 60<sup>th</sup> anniversary of its foundation (in Czech, English and German), which in the chapter ‘History’ describes the activities of the entrepreneur Jan Nehera in Slovakia since 1931, stating that ‘the plant was nationalised by order of the President of the Republic on 24 October 1945. The property substance was included into the national enterprise Slovena-Žilina and from the property substance of the Nehera company, the subsidiary plants in Trenčín and Dolné Vestenice were created’. It comprised, among others, the following depictions:





- 8 On 10 December 2019, the EUTM proprietor submitted the following observations in reply:
- The ‘nehera’ brand was famous in 1939, but is no longer.
  - However, although the mark is still famous, it is no longer used or registered, and therefore the cancellation applicant was entitled to apply for any trade mark he considered appropriate, as long as it did not copy an existing trade mark or existing right. Indeed, he was already the owner of an earlier Czech national trade mark No 289 354 for the figurative mark ‘*Nehera*’, registered for goods and services in Classes 3, 24, 25, 35 and 43 (Exhibit 1). This Czech trade mark was filed on 24 November 2006, expired on 24 November 2016 and was not renewed, since at that time, the EUTM proprietor protected his rights to ‘nehera’ by the registration of the EUTM. It shows that he already enjoyed the rights in the Czech Republic to a trade mark incorporating the element ‘nehera’.
  - Exhibit 2 shows that TIME spol. s r.o. registered the word mark ‘NEHERA’ in the Czech Republic on the basis of an application dated 23 June 1992. It follows from the above that anyone in 1992 could have filed an application for the trade mark ‘nehera’ in the Czech Republic and anywhere in the world, since the cancellation applicants’ rights in the sign ‘nehera’ had long before expired.
  - In support of his arguments, the following evidence was submitted:
    - Exhibit 1: A printout of an extract of the Czech national trade mark registration No 289 354 for the figurative mark ‘*Nehera*’ for goods and services in Classes 3, 24, 25, 35 and 43, filed on 24 November 2006, registered on 10 April 2007, lapsed on 24 November 2016, owned by the EUTM proprietor, in Czech and accompanied by its translation into English;
    - Exhibit 2: A printout of an extract of the Czech national trade mark registration No 190 594 for the word mark ‘NEHERA’ for goods in Class 24, filed on

23 June 1992, registered on 24 June 1996, lapsed on 23 June 2002, owned by TIME spol. s r.o., in Czech and accompanied by its translation into English;

- Exhibit 3: A printout of the online article ‘7 risks if you are late in your trademark renewal’ from the website <https://blog.brandstock.com/trademark-renewal-period-risk-t3>, dated 19 September 2017, which provides information on the time limitation of trade mark protection and the risks of non-renewal of a trade mark.
- 9 By decision of 22 April 2020 (‘the contested decision’), the Cancellation Division rejected the application for a declaration of invalidity in its entirety and ordered the cancellation applicants to bear the costs of the proceedings.
- 10 The Cancellation Division gave, in particular, the following grounds for its decision:
- The mere fact that the EUTM proprietor may have had some knowledge about the ‘nehera’ brand is not sufficient as regards reaching a conclusion concerning bad faith.
  - The cancellation applicants have not submitted any evidence to show that at the time of filing the contested mark, the trade mark ‘nehera’ was used or registered. Indeed, the cancellation applicants have not proved that the mark ‘nehera’ existed at the moment when the application for the registration of the contested mark was filed, that they have a right over the mark or that they have been using the trade mark ‘nehera’ in relation to any goods or services. They have only claimed to be descendants of Jan Nehera, who, according to the evidence submitted, was a textile entrepreneur with a network of more than 130 retail shops. The evidence submitted, namely the certificate provided by the Czech Industrial Property Office, only proves the registration in 1936 of two marks in the name of the company Nehera, one of those being the word mark ‘nehera’. However, there is no evidence that these marks are still registered or used, and that the cancellation applicants have a right over these marks.
  - The cancellation applicants claimed that the EUTM proprietor’s intention when filing the contested mark was to mislead the public by suggesting that his brand ‘nehera’ is the continuator of the brand created by Jan Nehera.
  - The cancellation applicants’ arguments rely on mere speculation in finding that the EUTM proprietor’s intention had been to take undue advantage of their grandfather’s renown in order to obtain certain financial advantages. They failed to submit any evidence that can prove that the EUTM proprietor’s intention in filing the contested mark was dishonest. A presumption cannot be established that knowledge of a person’s renown is sufficient to ascertain bad faith on the part of the EUTM proprietor as regards the registration of a trade mark bearing the same name.
  - Moreover, the cancellation applicants did not file any evidence that proves that the trade mark ‘nehera’ or Jan Nehera himself enjoyed a continued reputation or renown at the moment when the application for registration of the contested mark was filed.
  - Consequently, there is no clear indication that leads to the conclusion that the EUTM proprietor had a dishonest intention at the time of filing the contested trade mark.

***Appeal R 1216/2020-2***

- 11 On 15 June 2020, the cancellation applicants filed an appeal against the contested decision, requesting that the decision be entirely set aside. The statement of grounds of the appeal was received on 6 August 2020.
- 12 The arguments raised in the statement of grounds by the cancellation applicants may be summarised as follows:
- The cancellation applicants filed the following evidence upon appeal:
    - Exhibit 1: A printout from Wikipedia, printed on 15 June 2016, providing information about ‘Jan Nehera’ (which is identical to Annex 1 submitted together with the application for a declaration of invalidity of the contested mark, specified in paragraph 5 above);
    - Exhibit 2: A printout of the bachelor thesis on the topic ‘Nationalisation of the clothing company NEHERA (1945-1948)’ from 2011, in Czech with the annotation and keywords in English, stating that the thesis is ‘a case study of the clothing company Nehera, clothing service in Prostějov in years 1945-1948. It analyses the changes the company went through after the war. It especially covers the underlying mechanism of the nationalisation process, which it also explains. Attention is paid to the conversion from a private company to a national company. It also studies the principles on which the newly formed national company operated. Thereby, it covers the results the nationalisation brought.’;
    - Exhibit 3: Research results of the Industrial Property Office of the Czech Republic dated 1 October 2019 regarding the historical designation ‘nehera’, indicating the Czech national trade marks No 6 413 () and No 6 414 () , registered in 1936 in Czech and translated into English (which are identical to Annex 4 submitted together with the observations of the cancellation applicants from 23 October 2019, see paragraph 7 above);
    - Exhibit 4: A photo of the store located at the corner of Boulevard Mohamed V and Rue His in Rabat, taken in the 1950s;
    - Exhibit 5: A printout from the website [www.idpc.ma/view/pc\\_architecture/idpcm:37AAF4](http://www.idpc.ma/view/pc_architecture/idpcm:37AAF4) in French, mentioning ‘Bâtiment magasin Nehera’ on the Boulevard Mohammed V;
    - Exhibit 6: A family tree of descendants of Jan Nehera, stating that the cancellation applicants are his grandchildren;
    - Exhibit 7: Printouts of emails sent in February 2016 between Natacha Sehnal and the EUTM proprietor, who replied to Natacha Sehnal (which are identical to Annex 2 submitted together with the application for a declaration of invalidity of the contested mark, specified in paragraph 5 above);
    - Exhibit 8: A booklet of the ‘OZETA’ company on the 60<sup>th</sup> anniversary of its foundation in Czech, English and German (which is identical to Annex 5

submitted together with the observations of the cancellation applicants from 23 October 2019, see paragraph 7 above);

- Exhibit 9: An excerpt from the home page of the website <https://www.nehera.com> of the EUTM proprietor's company 'NEHERA SK LTD.' printed on 31 July 2020, stating, among others, that 'NEHERA is an independent Slovak brand that revived the heritage of the famous Czechoslovak brand that flourished in the '30s and made history worldwide in the integration of design, production, and retail. The artisanal tradition of the Czechoslovak textile industry goes back to the first ready-to-wear factory established in 1868, mainland Europe in Prostějov, the hometown of Jan NEHERA. Back then and the same as now, the essence of NEHERA is timeless functional comfort.';
- Exhibit 10: An excerpt from the Facebook account '@NeheraFashion' of the EUTM proprietor's company 'NEHERA SK LTD.' printed on 3 August 2020, stating that 'Originally a pioneer fashion label flourishing in the 1930s, NEHERA was relaunched in 2014 during SS15 Paris Fashion Week NEHERA focuses on clothing that combi...';
- Exhibit 11: A printout of an interview with the creative director Samuel Drira dated 7 March 2016, published on the website <https://i-d.vice.com> under the title 'the resurrection of an iconic house: i-N conversation with nehera's creative director samuel drira', stating, inter alia:

'Founded by Czechoslovakian entrepreneur Jan Nehera in the 1930s, the house of Nehera spawned over 130 retail stores throughout Europe before WWII brought the garment empire to an abrupt stop. Some seventy years later, Prague native and marketing specialist Ladislav Zdut acquired Nehera with the vision of relaunching it as a luxury brand. (...)

#### **What was your awareness of the Nehera brand prior to joining the house?**

The brand was a pioneer in ready-to-wear in the 1930s. Jan Nehera founded the brand and made it global in a very short amount of time. Obviously, one and a half year ago I didn't know much about it, since it was not as visible as it is today. (...)';

- Exhibit 12: A printout of an interview with the creative director Samuel Drira dated 20 March 2015, published on the website <https://www.swomag.com/interview-with-samuel-drira/> under the title 'Interview with Samuel Drira', stating, inter alia:

'Ladislav Zdut, who acquired rights for the NEHERA brand in 1998, convinced Samuel to become a creative director and revive the history of NEHERA, which established by Jan Nehera at the end of the XIX century. (...)



**What was the reason you have decided to restore NEHERA? How did you come to NEHERA? What does this brand mean to you?**

Well, when I took the flight for my first time in Bratislava, I heard about NEHERA only a day before. Then I met Ladislav Zdut, who owns the rights to the brand NEHERA, and I couldn't help myself. He is a wonderful storyteller.';

- Exhibit 13: A printout of an online article 'European Fashion Brand Nehera is Going to Overturn', dated 29 June 2016, published on the website [www.sjfzxm.com](http://www.sjfzxm.com), stating:

'However, Nehera is not a new brand. In the 1930s, Jan Nehera, a businessman in Czechoslovakia, founded the brand, which was once famous for its clothing business in Europe, the United States and Africa in 130 retail stores.';

- Exhibit 14: A printout of an online article 'The Nehera: The Czechoslovakian Brand Championing Minimalism European Fashion Brand Nehera is Going to Overturn', dated 21 June 2016, published on the website <https://www.anothermag.com>, stating:

'The latest label to exemplify this fresh, sensual minimalism dates back some 80 years. The Czechoslovakian businessman Jan Nehera first revolutionised ready-to-wear in the 1930s by developing a vertically integrated clothing brand sold by more than 130 retailers across three continents. World War Two halted production and in the 1990s Ladislav Zdut – an expert in marketing and brand management – acquired the company name, appointing Samuel Drira as its first ever creative director in 2014.';

- Exhibit 15: A printout of an online article 'NEHERA – from manufacturer to consumer', dated 19 July 2017, published on the website <https://kongres-magazine.eu>, stating:

'The storyline of Nehera dates back into the 1930s when the brand was originally founded by a visionary businessman Jan Nehera in Czechoslovakia, and in that time, the brand had more than 130 retail stores in Europe, the United States and Africa. At that time, Nehera offered clothes for women, men, children, fashion magazines from Paris, clothing repair and even ironing. The Nehera brand was resurrected in 2014 and today proudly re-employs the timeless heritage of the Slovak and Czech tailor studies and factories originally founded by Jan Nehera himself.'

- The Wikipedia article (Exhibit 1) and the student thesis from 2011 (Exhibit 2), as the most reliable source of information, describe Mr Jan Nehera and his clothing company set up in 1931. Mr Nehera was a pioneer in this field who even registered the trade mark 'nehera' in the Czech Republic (Exhibit 3).
- After the nationalisation of the 'Nehera' company, Mr Jan Nehera immigrated to Morocco, where he continued to operate his branches in Rabat and Casablanca (Exhibits 4 and 5).

- Jan Nehera is still well-known among the Czech and Slovak public, as it is confirmed in the student thesis: ‘the name of Jan Nehera is remembered as one of the greatest Czechoslovak entrepreneurs in the garment industry of the first republic’ (Exhibit 2, p. 73 – translation provided by the cancellation applicants).
  - The former arguments demonstrating the EUTM proprietor’s bad faith are reiterated. It is clear that the EUTM proprietor knew about the existence of Jan Nehera. He proudly explained on his website that he was using models from Jan Nehera’s company with the intention of reinforcing ‘the illusion of continuity between his own clothing lines and those of Jan NEHERA’. These models were removed from the EUTM proprietor’s website when he realised that they could be detrimental due to the ongoing proceedings.
  - The calligraphy used for the contested mark is very similar to the earlier Czech trade mark No 6 414 protected by Jan Nehera (Exhibit 3).
  - The EUTM proprietor worked for the ‘OZETA’ company, which took over the ‘Nehera’ company with the help of the communist state apparatus. This company claimed to continue the work of Jan Nehera, as is evident from the catalogue drawn up in 2000 (Exhibit 8).
  - This false ‘heritage’ link is still shamelessly asserted on numerous websites (Exhibits 9 to 15). Therefore, the EUTM proprietor has misled the public by making them believe that the contested mark was registered as a continuation of the original ‘nehera’ trade mark. He also defrauded the rights of the descendants and legitimate successors of Jan Nehera by failing to obtain their consent.
  - The analysis carried out in the contested decision is insufficient and incompatible with the case-law of the Court of Justice of the European Union.
  - The contested decision added two conditions, i.e. that the cancellation applicants had not demonstrated that (i) the mark ‘nehera’ is still in use or protected and that (ii) the relevant public would have known that the contested mark is directly related to Jan Nehera or his clothing factory. These conditions are not required by the Court of Justice. Contrary to the assessment of the Cancellation Division, the second condition is fulfilled, otherwise why would the EUTM proprietor have chosen the name ‘nehera’ to the letter.
- 13 In its response received on 30 September 2020, the EUTM proprietor requested that the appeal be dismissed.
- 14 The arguments raised in the EUTM proprietor’s response to the appeal may be summarised as follows:
- The EUTM proprietor did not act in bad faith, since the mark ‘nehera’ ceased to exist in 1946 and nobody of Mr Jan Nehera’s descendants continued in the business. The EUTM proprietor invested a lot of money and time in order to protect the mark ‘nehera’ from the beginning. This is a sign that he has acted honestly at all times,

without hidden moves. He has acted openly since 2013, the date when he filed his first European ‘nehera’ trade mark application.

- The Czech student’s bachelor thesis (Exhibit 2) does not indicate bad faith on the part of the EUTM proprietor when filing the application for the contested mark. Moreover, it is submitted in Czech, and not in the language of the proceedings, which is English. Consequently, it has to be disregarded.
  - The cancellation applicants failed to demonstrate the history and creation of the trade mark and that they had any registered rights in any territory in relation to the trade mark.
  - The cancellation applicants have not fulfilled the cumulative requirements needed to declare that the trade mark was applied for in bad faith, and they have continuously failed to do so.
  - The EUTM proprietor was aware that the ‘Nehera’ company existed in the Czech Republic before the World War II. However, rights on trade marks are not forever, and they have to be looked after and registered, otherwise other parties are free to use those names.
- 15 On 28 October 2020, the Registry of the Boards of Appeal informed the parties that upon instructions from the Board, the written proceedings were closed.

***Decision of the Second Board of Appeal in case R 1216/2020-2***

- 16 In its decision 10/03/2021, R 1216/2020-2, nehera (fig.), the Second Board of Appeal upheld the cancellation applicants’ appeal, annulled the contested decision in its entirety and declared the contested mark invalid (‘the Second Board’s decision’). It ordered the EUTM proprietor to bear the cancellation applicants’ costs.
- 17 The Second Board essentially reasoned as follows:
- The additional evidence submitted together with the statement of grounds is admissible, as (i) it may strengthen and clarify the bad faith claim as made before the Cancellation Division, (ii) it was submitted as a result of the contested decision, and (iii) it does not constitute an abuse of the time limits on the part of the cancellation applicants.
  - As regards the origin of the word or sign forming the contested mark and the earlier use of that word or sign in business as a mark, in particular by competing undertakings, there has been genuine use – or, at the very least, ‘historical’ use – of the identical mark ‘**Nehera**’, which took place before the EUTM proprietor made use of that sign.
  - The former Czechoslovak trade mark was a well-known mark and was put to genuine use in Czechoslovakia in the 1930s.
  - The evidence submitted by the cancellation applicants (Exhibits 9-15) demonstrates that the EUTM proprietor directly referred to the career and fame of Jan Nehera and the fame of his brand.
  - The fact that Jan Nehera had to close down his business does not deprive his trade mark of its historical value.

- The EUTM proprietor was aware of the existence and celebrity both of Mr Jan Nehera and of the former Czechoslovak trade mark, which has retained a certain surviving reputation.
- The EUTM proprietor attempted to create an association between himself and that former Czechoslovak trade mark.
- It follows that the EUTM proprietor’s intention was to take unfair advantage of the reputation of Mr Jan Nehera and of the former Czechoslovak trade mark.
- As a result, the EUTM proprietor was acting in bad faith when he filed the application for registration of the contested mark.

### ***Judgment of the General Court in case T-250/21***

- 18 On 10 May 2021, the EUTM proprietor brought an action before the General Court of the European Union against the Second Board’s decision, requesting that the Court annul the Second Board’s decision and order the EUIPO to pay the costs. The case was given the number T-250/21.
- 19 The EUTM proprietor disputed the Second Board’s finding that he was acting in bad faith when he filed the application for registration of the contested mark. He argued, first, that the cancellation applicants had not shown that the former Czechoslovak trade mark was still registered or used on the date of filing, therefore they are not proprietors of any right in the sign and in the name ‘Nehera’. Secondly, the cancellation applicants had also failed to establish that Mr Jan Nehera and the former Czechoslovak trade mark still had enjoyed a residual fame or reputation on that date. He argued, that in those circumstances, the EUTM proprietor could not be accused of any dishonest intention or unfair practice.
- 20 On 6 July 2022, the General Court rendered its judgment (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430), annulling the Second Board’s decision (‘the judgment’). The General Court concluded that the Second Board of Appeal had erred in finding that the EUTM proprietor intended to take unfair advantage of the reputation of Mr Jan Nehera and of the former Czechoslovak mark and in finding that he was acting in bad faith when filing the application for registration of the contested mark.
- 21 The General Court ordered the EUIPO to bear its own costs and those incurred by the EUTM proprietor, including the necessary costs incurred in the appeal proceedings before the Second Board of Appeal. The cancellation applicants were ordered to bear their own costs.

### ***‘Additional grounds of appeal’ submitted by the cancellation applicants after the judgment***

- 22 On 3 October 2022, the cancellation applicants submitted the ‘additional grounds of appeal’ in order to meet the requirements of the General Court and to demonstrate bad faith on the part of the EUTM proprietor.

- 23 The arguments raised by the cancellation applicants in the ‘additional grounds of appeal’ may be summarised as follows:
- The former arguments repeating the history of the business development of Mr Jan Nehera and his company, the process of its nationalisation and confiscation, as well as the registration and use of the contested mark by the EUTM proprietor are reiterated.
  - In reply to the judgment of the General Court (in particular, paragraphs 34 and 53), the following new evidence demonstrating bad faith on the part of the EUTM proprietor and the reputation of Jan Nehera was submitted:
    - Exhibit 16: A printout of an online article ‘Wolf & Franže, shoe manufacturing/Jan Nehera, ready-to-wear clothing’, printed on 25 July 2022 and written in ‘2013’, published on the website [www.industrialnitopografie.cz](http://www.industrialnitopografie.cz), in Czech and translated into English, referring to the building of Jan Nehera’s factory and stating that ‘recently, a demolition notice was issued for the disused buildings (although in good condition), which caused a wave of disapproval from local residents’;
    - Exhibit 17: A printout of an online article ‘Jan Nehera: The Baťa from Prostějov’, printed on 25 July 2022 and published on 22 April 2011 on the website <https://www.euro.cz>, in Czech and translated into English, referring to the story of Jan Nehera and stating:

‘Nehera opened his first shop in 1931 on Wenceslas Square in Prague, and over the next seven years he opened 130 more. The extent of his retailer network can be compared to Baťa, whose selling prices ending with the number nine he also copied. To boost sales, he began to develop branches in other countries. The first one opened in 1936 in Stockholm, Sweden, where the company set up a limited company to provide better coordination and sales support. After that, the company found its strategic focus in the North and South African region. The expansion mainly covered Morocco (Casablanca, Oujda), Egypt (Cairo, Port Said) and South Africa (Cape Town). These places may seem exotic today for the ready-to-wear trade, but in the second half of the 1930s they were developing markets, not yet saturated by competition from foreign countries.’
    - Exhibit 18: A printout of an online article ‘The history of the textile industry in Prostějov’, printed on 25 July 2022 and published on 22 July 2010 on the website <https://www.denik.cz>, in Czech and translated into English, mentioning that Jan Nehera was together with the Rolny Company one of the biggest competitors in the clothing industry.
- 24 On 7 October 2022, the Registry of the Boards of Appeal sent the additional grounds of appeal (paragraph 22 above) to the EUTM proprietor and informed the parties that the Board would decide whether to take this correspondence into account.

***Reallocation of the case to the Fourth Board of Appeal***

- 25 By notification of 15 February 2023, in accordance with Article 72(6) EUTMR in conjunction with Article 35(4) EUTMDR, the case was assigned from the Second Board of Appeal to the Fourth Board of Appeal with the reference number R 1216/2020-4.

**Reasons**

- 26 All references made in this decision should be seen as references to the EUTMR (EU) No 2017/1001 (OJ 2017 L 154, p. 1), codifying Regulation (EC) No 207/2009 as amended, unless specifically stated otherwise in this decision.
- 27 The General Court explicitly held in its judgment that the date on which the application for registration of the contested mark was filed, namely 6 May 2013, is decisive for the purpose of identifying the applicable substantive law. Therefore, the facts of the case are governed by the substantive provisions of Regulation No 207/2009 (05/10/2004, C-192/03 P, BSS, EU:C:2004:587, § 39-40; 23/04/2020, C-736/18 P, GUGLER (fig.) / GUGLER FRANCE, EU:C:2020:308, § 3; 24/03/2021, T-193/18, Combination of the colours grey and orange, EU:T:2021:163, § 18; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 16). Consequently, the references made by the parties, the Cancellation Division and the Second Board of Appeal to Article 59(1)(b) EUTMR must be understood as referring to Article 52(1)(b) of Regulation 207/2009 which are identical in content (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 16).
- 28 Moreover, since, in accordance with settled case-law, procedural rules are generally deemed to apply on the date on which they enter into force (11/12/2012, C-610/10, Commission v Spain, EU:C:2012:781, § 45; 12/05/2021, T-70/20, MUSEUM OF ILLUSIONS (fig.) / MUSEUM OF ILLUSIONS (fig.), EU:T:2021:253, § 17), the dispute is governed by the procedural provisions of Regulation 2017/1001 (EUTMR), in force at the time the Board's decision was adopted (24/03/2021, T-193/18, Combination of the colours grey and orange, EU:T:2021:163, § 18).
- 29 The appeal complies with Articles 66, 67 and Article 68(1) EUTMR. It is admissible.
- 30 However, the appeal is not well founded. The Board's reasons are outlined hereunder.

***Remittal from the General Court***

- 31 In its 'nehera' judgment (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430), the General Court annulled the Second Board's decision (10/03/2021, R 1216/2020-2, nehera (fig.)). This judgment has become final.
- 32 Pursuant to Article 72(6) EUTMR, the Office shall take the necessary measures to comply with the General Court's judgment.
- 33 According to settled case-law, in order to comply with its obligation under Article 72(6) EUTMR, the Office must ensure that the appeal leads to a new decision from a Board of Appeal. In taking that new decision to replace the annulled one, the Board is required to have regard not only to the operative part of the judgment but also to the grounds constituting its essential basis, insofar as they are necessary for the purposes of determining the exact meaning of what is stated in the operative part (25/03/2009,

T-402/07, Arcol II, EU:T:2009:85, § 21-23, confirmed by 04/03/2010, C-193/09 P, Arcol II, EU:C:2010:121, § 55 et seq.; 13/04/2011, T-262/09, First Defense Aerosol Pepper Projector, EU:T:2011:171, § 41-42; 19/12/2019, T-690/18, *vita*, EU:T:2019:894, § 45).

- 34 As a result of the annulment of the Second Board's decision, the Fourth Board of Appeal ('the Board'), to which the case has been reallocated in accordance with Article 35(4) EUTMDR, has to render a new decision on the appeal, taking into account the findings made by the General Court in the judgment. In this new decision, the Board is also bound by the *ratio decidendi* of the General Court's judgment.
- 35 In particular, the General Court held that, contrary to the conclusions of the Second Board's decision, the cancellation applicants had not established that the EUTM proprietor had been driven by a dishonest state of mind or intention when he had filed the application for registration of the contested sign and thus, he had not been acting in bad faith according to Article 52(1)(a) of Regulation No 207/2009 (06/07/2022, T-250/21, *nehera* (fig.), EU:T:2022:430, § 78-79).
- 36 In light of the above, the Fourth Board shall take a new decision on the substance of the case, respecting the *ratio decidendi* of the General Court's judgment.

*Preliminary remark 1 - Admissibility of evidence submitted by the cancellation applicants for the first time together with the statement of grounds*

- 37 Together with their statement of grounds, the cancellation applicants submitted for the first time further evidence (Exhibits 2, 4-6, 9-15, as specified in paragraph 12, first indent, above) in response to the reasoning of the contested decision and to demonstrate the bad faith on the part of the EUTM proprietor.
- 38 The EUTM proprietor has not contested the admissibility of the additional evidence.
- 39 The Board points out that in the Second Board's decision, the additional evidence submitted together with the statement of grounds was considered admissible and the General Court, in its judgment, did not call that assessment into question and also examined the evidence submitted by the cancellation applicants for the first time before the Second Board of Appeal (see, for instance, 06/07/2022, T-250/21, *nehera* (fig.), EU:T:2022:430, § 50, 51, 60, 63). It follows, that this evidence is considered admissible also in the present decision.

*Preliminary remark 2 - Additional evidence submitted by the cancellation applicants after the judgment was delivered*

- 40 After the judgment of the General Court was delivered, the cancellation applicants submitted the 'additional grounds of appeal', accompanied by Exhibits 16 to 18, in order to comply with the General Court's requirements and to establish bad faith on the part of the EUTM proprietor (see paragraphs 22-23 above).
- 41 Firstly, the Board observes that the structural interpretation of the EUTMR and the EUTMDR, in particular of Article 95(2) EUTMR in conjunction with Article 27(4) EUTMDR, shows that the Board may exercise its discretion to accept facts or evidence that are brought before it for the first time only during the appeal proceedings before the Boards of Appeal.

- 42 Pursuant to Article 16 EUTMDR in conjunction with Article 48 EUTMDR, the facts, evidence and arguments in support of the application for a declaration of invalidity of the contested mark must be submitted before closure of the adversarial part of the invalidity proceedings.
- 43 The EUTMR provides the last procedural option for submitting new facts or evidence on the basis of Article 26 EUTMDR, i.e. the appellant may request, within two weeks of the notification of the defendant's response, to supplement the statement of grounds with a reply (second round request). However, in the present case, no second round request was submitted.
- 44 Consequently, according to Article 24(2)(a) BoA-RoP, unless otherwise specified by the Chairperson of the competent Board, written *inter partes* proceedings are closed when the time limit for filing a response to the statement of grounds to the appeal has expired.
- 45 The Registry of the Boards of Appeals informed the parties on 28 October 2020 (see paragraph 15 above) that upon the instruction of the Second Board, written proceedings before the Boards of Appeal had been closed.
- 46 Secondly, the General Court rejected the new evidence produced by the cancellation applicants for the first time before the General Court, on the ground that the purpose of actions before the Court is to review the legality of decisions of the Boards of Appeal, for the purposes of Article 72 EUTMR (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 15).
- 47 It follows that only the evidence submitted before the Second Board of Appeal together with the statement of grounds formed the factual basis for the judgment. *A maiore ad minus*, new evidence submitted before the Boards of Appeal after the delivery of the judgment of the General Court, cannot form the factual basis of the decision.
- 48 Thirdly, Article 72(6) EUTMR states that 'the Office shall take the necessary measures to comply with the judgment of the General Court (...).'
- 49 It follows that the facts and evidence which form the basis for 'taking necessary measures' in the form of the new decision of the Board of Appeal (see paragraphs 33-34 above), must derive from the state of the evidence before the General Court at the time when the judgment was given.
- 50 Consequently, the Board is not empowered to accept the new facts and evidence submitted by the parties after the judgment of the General Court, in accordance with Article 72 EUTMR.
- 51 Accordingly, the new facts and evidence submitted by the cancellation applicants after the delivery of the General Court's judgment (see paragraph 22 above) are inadmissible.
- 52 Even if the Board had the discretion to accept the belated evidence filed after the judgment of the General Court, it would have applied it restrictively and the evidence would have been deemed inadmissible. In that regard, the Board finds firstly, that the evidence is not likely to be relevant for the outcome of the case (see also below paragraphs 115 and 116). Secondly, the cancellation applicants have failed to explain why the circumstances surrounding the late submission might justify the admission of new evidence. It must be



noted that all the exhibits submitted after the judgment was delivered refer to sources that were available in the course of the first instance proceedings as well as during the proceedings before the Second Board. Moreover, the advanced stage of the proceedings at which that late submission takes place does not argue in favour of such evidence being taken into account.

*Ground under Article 52(1)(b) of Regulation No 207/2009 (now Article 59(1)(b) EUTMR) – bad faith*

- 53 According to Article 52(1)(b) of Regulation No 207/2009, an EUTM is to be declared invalid if the EUTM proprietor was acting in bad faith when filing the application for the trade mark. As observed by Advocate General Sharpston (opinion of 12/03/2009, C-529/07, Lindt Goldhase, EU:C:2009:148, § 36), the concept of bad faith is not defined, delimited or even described in any way in the legislation. However, the Court of Justice and the General Court have provided a number of clarifications as to how to interpret this concept.
- 54 In the first place, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention (12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 45; 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 74; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 23).
- 55 The concept of bad faith must, moreover, be understood in the context of trade mark law, which is that of the course of trade. In that regard, the rules on the EU trade mark are aimed, in particular, at contributing to the system of undistorted competition in the European Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin (12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 45; 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 74; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 24).
- 56 Consequently, the absolute ground for invalidity referred to in Article 52(1)(b) of Regulation No 207/2009 applies where it is apparent from relevant and consistent indicia that the proprietor of an EU trade mark has filed the application for registration of that mark, not with the aim of engaging fairly in competition but with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties, or 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 recalled in paragraph 55 above (12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 46; 29/01/2020, C-371/18, SKY, EU:C:2020:45, § 75; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 25).
- 57 In the second place, the intention of an applicant for a trade mark is a subjective factor which must, however, be determined objectively by the competent administrative or judicial authorities. Consequently, any claim of bad faith must be the subject of an overall assessment, taking into account all the factual circumstances relevant to the particular case. It is only in that manner that a claim of bad faith can be assessed objectively (12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 47; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 26).

- 58 To that end, the Court of Justice has stated (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 53) that in order to determine whether the applicant is acting in bad faith within the meaning of Article 52(1)(b) of Regulation No 207/2009, all the relevant factors specific to the particular case have to be taken into consideration, in particular:
- firstly, the fact that the applicant knows or should know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product liable to be confused with the sign for which registration is sought;
  - secondly, the applicant’s intention of preventing that third party from continuing to use such a sign;
  - thirdly, the degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought.
- 59 That said, the factors set out in paragraph 58 above are only examples drawn from a number of factors which can be taken into account in order to decide whether an applicant for registration was acting in bad faith when filing the trade mark application (14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 20; 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 26; 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 22; 29/06/2017, T-343/14, CIPRIANI / CIPRIANI, EU:T:2017:458, § 28; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 28).
- 60 Thus, there may be situations in which the application for registration of a trade mark is liable to be regarded as having been filed in bad faith notwithstanding the absence of a likelihood of confusion between the sign used by a third party and the mark at issue or if there had been no use, by a third party, of a sign identical with, or similar to, the contested mark. Other factual circumstances may, depending on the circumstances, constitute relevant and consistent indicia establishing the bad faith of the applicant (12/09/2019, C-104/18 P, STYLO & KOTON (fig.), EU:C:2019:724, § 52-56; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 29).
- 61 It must therefore be held that, in the context of the overall assessment undertaken pursuant to Article 52(1)(b) of Regulation No 207/2009, account may also be taken of the origin of the sign at issue and of its use since its creation, the commercial logic underlying the filing of the application for registration of the sign as a European Union trade mark, and the chronology of events leading up to that filing (07/07/2016, T-82/14, LUCEO, EU:T:2016:396, § 32; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 30).
- 62 Similarly, it is possible to take into account the extent of the reputation enjoyed by the sign at issue at the time its registration was sought (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 51), including where that sign has previously been registered or used by a third party as a trade mark (08/05/2014, T-327/12, Simca, EU:T:2014:240, § 40; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 31).
- 63 The fact that use of a sign for which registration is sought would enable the applicant to take unfair advantage of the reputation of an earlier trade mark or sign or of the name of a famous person is such as to establish bad faith on the part of the applicant (08/05/2014, T-327/12, Simca, EU:T:2014:240; 14/05/2019, T-795/17, NEYMAR, EU:T:2019:329; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 32).
- 64 In the third place, where the bad faith of the trade mark applicant is based on its intention to take unfair advantage of the reputation 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 (27/11/2008, C-252/07, Intel, EU:C:2008:655, § 36; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 33).

- 65 In the fourth place and finally, it should be borne in mind that it is for the applicant for a declaration of invalidity to prove the circumstances that substantiate a finding that an EU trade mark proprietor was acting in bad faith when it filed the application for registration of that mark (08/05/2014, T-327/12, Simca, EU:T:2014:240, § 35), good faith being presumed until proven otherwise (13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 57; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 34).
- 66 In the case at hand, none of the factors raised by the cancellation applicants, alone or in combination, prove that this was the case, as was correctly reasoned by the Cancellation Division, and in respect of which the Board emphasises the following.
- 67 The cancellation applicants claim that the EUTM proprietor was actually seeking, in a parasitic way, to exploit the reputation of Mr Jan Nehera and of the former Czechoslovak trade mark and thus to take unfair advantage of that reputation.
- 68 In that context, among the various factors that may be taken into consideration for the purposes of an overall assessment of the EUTM proprietor's good or bad faith, it is more particularly relevant to examine, in addition to the factual and historical context of the dispute, the degree of legal protection, the actual use and the reputation both of the former Czechoslovak trade mark and of Mr Jan Nehera's name, as well as the extent of the applicant's awareness of those factors (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 37).
- 69 Furthermore, as held by the General Court, having regard to the case-law cited in paragraph 64 above, the relevant public in the present case for the purpose of assessing the existence of the reputation of the former Czechoslovak trade mark and of Mr Jan Nehera's name, as well as unfair advantage taken of that reputation, consists of average consumers of the goods referred to in paragraph 1 above, namely the general public of the European Union (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 38).

*(i) Factual and historical context*

- 70 The factual and historical context of the present case as summarised in the judgment of 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 39-41, is the following:
- 71 It is common ground that Mr Jan Nehera, born in 1899 in Kostelec na Hané (now in the Czech Republic), was a businessman in the fashion sector, active in Czechoslovakia in the 1920s, 1930s and 1940s. In particular, at the beginning of the 1930s, he established a business in Prostějov (now in the Czech Republic), the name of which made reference to his surname, and which manufactured and marketed ready-to-wear clothing for women, men and children, as well as accessories. Thanks to modern management techniques and to intensive use of advertising, that undertaking was quite successful in Czechoslovakia and abroad. On the eve of the Second World War, it had almost 1 000 employees and had a network of more than 130 retail outlets in Europe, the United States and Africa. That business continued to operate during the Second World War, under the effective control of a German national after a 'merger' imposed on Mr Jan Nehera. On 1 January 1946, it

was nationalised, and its ownership was transferred to the Czechoslovak State. It then continued its activity under a new business name that no longer referred to its founder's surname. At that time, Mr Jan Nehera had already left Czechoslovakia and had settled in Morocco, in which country he continued to operate two clothing shops and where he died in 1958.

- 72 It is also common ground that, through his business, Mr Jan Nehera filed a trade mark in Czechoslovakia identical to the contested mark, namely the former Czechoslovak trade mark (see Exhibit 3 to the statement of grounds). That former Czechoslovak trade mark was registered in June 1936 under number 6 414 in the Czechoslovak Chambers of Commerce and Trade Register in Olomouc, an extract of which is produced by the cancellation applicants (see Annex 1 submitted together with the application for a declaration of invalidity, specified in paragraph 5 above).
- 73 Mr Jan Nehera used that former Czechoslovak trade mark in the 1930s and 1940s to market, in Czechoslovakia and abroad, goods manufactured by his business. He also used the former Czechoslovak trade mark in his Moroccan clothing shops until the 1950s.
- 74 The EUTM proprietor, for his part, is a Slovak businessman, active in the field of advertising and marketing. He has no family ties with Mr Jan Nehera and his family. In 2006, he applied for and obtained in the Czech Republic the registration of a national trade mark No 289 354 (see Exhibit 1 to the EUTM proprietor's reply, specified in paragraph 8 above) identical to the former Czechoslovak trade mark and to the contested mark. That Czech trade mark expired in 2016.
- 75 On 6 May 2013, the EUTM proprietor applied for registration of the contested mark as an EU trade mark; that mark was registered on 31 October 2014 (see paragraphs 1-2 above). In 2014, he began to present women's clothing collections in fashion shows and to market them using the contested mark.

*(ii) Legal protection of the former Czechoslovak trade mark and of Mr Jan Nehera's name*

- 76 As the General Court found, it is not apparent from the file – and moreover, is not alleged by any of the parties – that the former Czechoslovak trade mark was still registered in the name of a third party on the date on which the application for registration of the contested mark was filed (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 42).
- 77 On the contrary, the former Czechoslovak trade mark number 6 414 lapsed in 1946. It is apparent from the extract from the Czechoslovak Chambers of Commerce and Trade Register produced by the cancellation applicants that the former Czechoslovak trade mark was deleted in June 1946 (see Annex 1 submitted together with the application for a declaration of invalidity, specified in paragraph 5 above) (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 42).
- 78 Secondly, it is common ground that, although a national mark identical to the former Czechoslovak trade mark was registered in the name of a third party in the Czech Republic under number 190 594 between 1992 and 2002 (see Exhibit 2 to the EUTM proprietor's reply, specified in paragraph 8 above), that mark had expired before the application for registration of the contested mark was filed (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 42).

79 Nor has it been established or even alleged that Mr Jan Nehera's name enjoyed specific legal protection on the date on which the application for registration of the contested mark was filed, as the General Court found (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 43).

*(iii) Use of the former Czechoslovak trade mark and Mr Jan Nehera's name*

80 The General Court also held that it is not apparent from the file – and, moreover, it is not alleged by any of the parties – that either the former Czechoslovak trade mark or Mr Jan Nehera's name was still being used by a third party to market clothing on the date on which the application for registration of the contested mark was filed (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 44).

81 First, apart from some use by Mr Jan Nehera in Morocco in the 1950s, the former Czechoslovak trade mark was no longer used after 1946. Nor do the cancellation applicants rely on any use of the former Czechoslovak trade mark, whether in Europe after the nationalisation of Mr Jan Nehera's business in 1946 or in Morocco after his death in 1958 (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 44).

82 Secondly, it does not appear from the evidence that the third party holder of a national trade mark identical to the former Czechoslovak trade mark and registered in the Czech Republic under number 190 594 between 1992 and 2002 ever used it (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 44).

*(iv) Reputation of the former Czechoslovak trade mark and of Mr Jan Nehera's name*

83 The General Court noted that the parties agree on the fact that the former Czechoslovak trade mark and Mr Jan Nehera's name had, at the very least, a certain reputation or a certain celebrity in Czechoslovakia in the 1930s and 1940s. By contrast, they disagree as to whether that reputation or that celebrity persisted on the date on which the application for registration of the contested mark was filed (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 46).

84 Contrary to the cancellation applicants' assertions, the evidence does not demonstrate that Mr Jan Nehera and the former Czechoslovak trade mark still have a surviving reputation in the Czech Republic or in Slovakia.

85 In that regard, first of all, for the purpose of establishing the persistence of that reputation, the cancellation applicants referred to (i) the Wikipedia article dedicated to Mr Jan Nehera (Exhibit 1 to the statement of grounds); and (ii) the bachelor thesis from 2011 concerning the nationalisation of Mr Jan Nehera's business and the history of that business during the period from 1945-1948 (Exhibit 2 to the statement of grounds), according to which 'the name of [Mr] Jan Nehera is still remembered as one of the greatest Czechoslovak entrepreneurs in the garment industry of the first [Czechoslovak] Republic' (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 48).

86 Although the two items of evidence relied on by the cancellation applicants contain information on the history of Mr Jan Nehera and his business in the 1930s and 1940s, they do not provide any detailed information capable of establishing that either Mr Jan Nehera or the former Czechoslovak trade mark was still well known in 2013 to a significant part

of the relevant public. Moreover, these two items of evidence are not probative (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 49).

- 87 In addition, while the thesis describes the history of the Nehera company, it does not provide sufficient information on the perception or recognition of the earlier ‘nehera’ mark or the personality of Mr Jan Nehera by the relevant public at the time of filing the contested mark.
- 88 The other evidence produced by the cancellation applicants is not any more capable of establishing that the reputation of Mr Jan Nehera or of the former Czechoslovak trade mark persisted.
- 89 In detail, the cancellation applicants had submitted (i) a photograph taken in Morocco in the 1950s and showing a shop bearing the former Czechoslovak trade mark (Exhibit 4 to the statement of grounds); (ii) a commemorative brochure published in 2000 by the Slovak undertaking ‘Ozeta’ on the occasion of its 60th anniversary and referring to the opening in 1940 of a factory in Trenčín (now in Slovakia) by Mr Jan Nehera’s business (Exhibit 8 to the statement of grounds); or even (iii) several press articles and other documents relating to the EUTM proprietor’s activity (Exhibits 8-15 to the statement of grounds). However, those various items of evidence contain no information establishing current knowledge by the relevant public of Mr Jan Nehera or of the former Czechoslovak trade mark on the date on which the application for registration of the contested mark was filed (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 50).
- 90 In particular, in interviews given in March 2015 (Exhibit 12 to the statement of grounds) and in March 2016 (Exhibit 11 to the statement of grounds), that is to say well before the filing of the application for a declaration of invalidity against the contested mark and, consequently, unrelated to it, Mr Samuel Drira, co-founder and editor in chief of a French fashion magazine, explained that he had been unaware of the existence of the Nehera brand until a day before arriving in Bratislava and meeting the EUTM proprietor, who then offered to recruit him as the creative director of his undertaking. He emphasises that in 2014, the brand ‘nehera’ ‘was not as visible as it is today.’ Thus, it appears that even a specialist in the fashion sector, recruited by the EUTM proprietor to launch his activity manufacturing women’s clothing, was entirely unaware of the existence of the former Czechoslovak trade mark (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 51).
- 91 Lastly, it must be observed that almost seven decades had elapsed between 1946, the year in which the former Czechoslovak trade mark ceased to be used in Europe, and 2013, the year in which the EUTM proprietor applied for registration of the contested mark.
- 92 In those circumstances, as the General Court held, the cancellation applicants have not provided proof, which it is incumbent upon them to do in accordance with the case-law referred to in paragraph 65 above, that in 2013, the former Czechoslovak trade mark still enjoyed a certain reputation in the Czech Republic, Slovakia or in other Member States or that Mr Jan Nehera’s name was still famous among a significant portion of the relevant public (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 53).

(v) *The EUTM proprietor's awareness of the past existence and reputation of the former Czechoslovak trade mark and of Mr Jan Nehera's name*

- 93 The General Court held that it is common ground that the EUTM proprietor was aware of the past existence and reputation of Mr Jan Nehera and of the former Czechoslovak trade mark when the application for registration of the contested mark was filed (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 54).
- 94 It is indeed apparent from the file, and in particular from the EUTM proprietor's explanations in his submissions and in an email sent by him to Ms Sehnal on 16 February 2016 (Annex 2 to the application for a declaration of invalidity of the contested mark), that he was looking for an old, unused and forgotten brand, which he could use to launch his own women's clothing business. Having considered several names, he decided to use the trade mark 'Nehera Praguea', then the former Czechoslovak trade mark, in order 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, who he regarded as a 'great figure' and a 'symbol' of those 'great days' for the Czechoslovak clothing sector (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 55).

(vi) *Overall assessment*

- 95 As held by the General Court, it follows from paragraphs 76 to 92 above that, on the date on which the application for registration of the contested mark was filed, the former Czechoslovak trade mark and Mr Jan Nehera's name were no longer either registered or protected, or used by a third party to market clothing, or even well known among the relevant public (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 56).
- 96 Free-riding behaviour with regard to the reputation of a sign or of a name to substantiate a finding of bad faith on the part of the EUTM proprietor is, in principle, only possible if that sign or that name actually and currently enjoys a certain reputation or a certain celebrity (03/09/2015, C-125/14, Be impulsive / Impulse, EU:C:2015:539, § 29; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 57).
- 97 Accordingly, the Courts of the European Union have already found, on the part of a person applying for registration of a European Union trade mark, an intention to take unfair advantage of the surviving reputation of an earlier mark, including where that mark was no longer used (08/05/2014, T-327/12, Simca, EU:T:2014:240), or of the current celebrity of the name of a natural person (14/05/2019, T-795/17, NEYMAR, EU:T:2019:329), in situations where that surviving reputation or that fame had been duly established. By contrast, they have found no usurpation of the reputation of a term claimed by a third party and, therefore, no bad faith on the part of the trade mark applicant, where that term was neither registered, nor used nor renowned in the European Union (29/11/2018, T-683/17, Khadi Ayurveda / KHADI et al., EU:T:2018:860, § 68-71; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 58).
- 98 In 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 EUTM proprietor was not, in principle, capable of constituting free-riding behaviour indicating bad faith on the part of the EUTM proprietor (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 59).

- 99 That finding is not called into question by the fact that the EUTM proprietor was aware of the past existence and reputation of Mr Jan Nehera and of the former Czechoslovak trade mark (see paragraphs 93 and 94 above). The 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 (27/06/2013, C-320/12, Plastic bottle (3D), EU:C:2013:435, § 36-37, 29/11/2018, T-683/17, Khadi Ayurveda / KHADI et al., EU:T:2018:860, § 69; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 60).
- 100 The cancellation applicants further sought to establish free-riding intention and bad faith on the part of the EUTM proprietor, irrespective of any surviving reputation of the former Czechoslovak trade mark and of Mr Jan Nehera's name.
- 101 In the first place, it is indeed true that the EUTM proprietor established a link between his undertaking and the former Czechoslovak trade mark. It is common ground that, on numerous occasions, he referred to the former Czechoslovak trade mark and to Mr Jan Nehera in the context of his undertaking's communication and marketing strategy. Thus, numerous documents in the file, such as, for example, the EUTM proprietor's undertaking's website, that undertaking's page on the social network Facebook and a number of press articles, refer to the fact that that undertaking 'revived' and 'resurrected' the old nehera brand, created by Mr Jan Nehera in the 1930s (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 63).
- 102 However, it should be borne in mind that, according to the case-law, the existence on the part of the relevant public of a link between a later trade mark and a former sign or name cannot be sufficient, on its own, to support a finding that unfair advantage was taken of the reputation of the sign or of the former name (see, to that effect and by analogy, 27/11/2008, C-252/07, Intel, EU:C:2008:655, § 32; 03/09/2015, C-125/14, Be impulsive / Impulse, EU:C:2015:539, § 31; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 64).
- 103 In addition, it should be noted that the concept of unfair advantage being taken of the reputation of a sign or a name covers a situation in which a third party rides on the coat-tails of a formerly renowned sign or name in order to benefit from its power of attraction, its reputation and its prestige and, without any financial compensation and without having to make any efforts of its own in that regard, to exploit the commercial effort expended by the proprietor or user of that sign or of that name (18/06/2009, C-487/07, L'Oréal, EU:C:2009:378, § 49; 06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 65).
- 104 However, in the present case, the EUTM proprietor claims, unchallenged by the cancellation applicants, that in 2013, the former Czechoslovak trade mark and the name of Mr Jan Nehera were completely forgotten by the relevant public (see Exhibits 11 and 12 to the statement of grounds), and that he himself devoted considerable effort, time and money to revive the 'nehera' mark and to make known the history of Mr Jan Nehera and of his business. It follows that, far from merely having exploited in a parasitic way the past reputation of the former Czechoslovak trade mark and the name of Mr Jan Nehera, the EUTM proprietor made his own commercial efforts in order to revive the image of the former Czechoslovak trade mark and thus, at his own expense, to restore that reputation. In those circumstances, the mere fact of having referred, for the purposes of promoting the contested mark, to the historic image of Mr Jan Nehera and of the former Czechoslovak



trade mark does not appear to be contrary to honest practices in industrial or commercial matters (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 66).

- 105 In the second place, the cancellation applicants submit that the EUTM proprietor sought to mislead the public by leading it to believe that he had continued the work, and was the legitimate successor, of Mr Jan Nehera. In particular, the cancellation applicants criticise the EUTM proprietor for having wanted to create an ‘illusion of continuity’ and a ‘false link of ‘inheritance’ between his undertaking and that of Mr Jan Nehera.
- 106 In that regard, 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 on the basis of the provisions of Article 52(1)(b) of Regulation No 207/2009 (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 68).
- 107 However, in the present case, it has neither been established nor even alleged that the EUTM proprietor 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 EUTM proprietor 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 EUTM proprietor deliberately sought to establish a false impression of continuity or inheritance between his undertaking and that of Mr Jan Nehera (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 70).
- 108 Lastly, as the General Court held, the provisions of Article 7(1)(g) EUTMR are wholly irrelevant to the present case, as the application for a declaration of invalidity of the contested mark was based solely on the provisions of Article 52(1)(b) of Regulation No 207/2009, and not on the provisions of Article 52(1)(a) in conjunction with those of Article 7(1)(g) of that regulation, relating to marks of such a nature as to deceive the public (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 71).
- 109 In the third place, the cancellation applicants claim that the EUTM proprietor sought to defraud Mr Jan Nehera’s descendants and heirs and to usurp their rights by not obtaining their agreement before applying for registration of the contested mark.
- 110 However, the former Czechoslovak trade mark and Mr Jan Nehera’s name no longer benefited from any legal protection in favour of a third party at the date on which the application for registration of the contested mark was filed (see paragraphs 76 to 79 above). It follows that Mr Jan Nehera’s descendants and heirs did not hold any right that might be susceptible to fraud or to being usurped by the EUTM proprietor. Therefore, it does not appear that, in applying for registration of the contested mark, the EUTM proprietor intended to defraud the descendants and heirs of Mr Jan Nehera or to usurp their alleged rights (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 74).

- 111 In the fourth place, the cancellation applicants claim that Mr Jan Nehera was unlawfully and unfairly deprived of his assets when his business was nationalised in 1946. They consider that, in accordance with the principle that a right cannot arise from an unlawful act (*ex injuria jus non oritur*), no one can now take advantage of that injustice to enrich themselves by using Mr Jan Nehera's name (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 75).
- 112 In that regard, the General Court noted that the EUTM proprietor cannot be held responsible for the nationalisation of Mr Jan Nehera's business in 1946. The same is true of the lack of protection and use of the former Czechoslovak trade mark for almost seven decades, as well as the disappearance of that mark's reputation and of its creator's fame. In those circumstances, the fact that Mr Jan Nehera was unlawfully or unfairly deprived of his assets is not capable of establishing bad faith on the part of the EUTM proprietor (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 76).
- 113 In the fifth and last place, as regards the assertion that the concept of bad faith does not necessarily imply any degree of moral turpitude, it is sufficient to note that the concept of bad faith presupposes the presence of a dishonest state of mind or intention (see paragraph 54 above) (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 77, 78).
- 114 As the General Court concluded in the present case, the cancellation applicants have not established that the EUTM proprietor was driven by a dishonest state of mind or intention when he filed the application for registration of the contested mark (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 78).
- 115 For the sake of completeness, *obiter dictum*, the Board remarks that the documents filed after the judgment (Exhibits 16 to 18, see paragraph 22-23 above), even if they would have been considered admissible (see paragraphs 40-52 above) are insufficient to demonstrate bad faith on the part of the EUTM proprietor within the meaning of Article 52(1)(b) of Regulation No 207/2009 (see, by analogy, 28/05/2020, T-564/19, Libertador, EU:T:2020:228, § 52-53).
- 116 In detail, Exhibit 16 relates only to the demolition of the building in which the Nehera company was located. Exhibit 17 relates only to the history of Jan Nehera and his company in the 1930s, and Exhibit 18 mentions Mr Jan Nehera only ancillary, as a competitor of Mr Rolny in the 1930s. However, they do not contain any information establishing the relevant public's actual knowledge of Mr Jan Nehera or of the former Czechoslovak trade mark on the date on which the application for registration of the contested mark was filed (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 50). Nor does it appear from these exhibits that the EUTM proprietor was driven by a dishonest state of mind or intention when filing the application for registration of the contested mark.

### *Conclusion*

- 117 Following the above, in line with the judgment of the General Court, the Board considers that the arguments and evidence provided by the cancellation applicants do not demonstrate that the EUTM proprietor's subjective intentions with regard to the application of the contested EUTM prove his bad faith at the time of filing the contested mark (06/07/2022, T-250/21, nehera (fig.), EU:T:2022:430, § 78-79).

- 118 Consequently, since the burden of proving bad faith lies with the cancellation applicants and the existence of bad faith must be established on the basis of objective evidence, it must be concluded that the cancellation applicants have failed to prove that the application for registration of the contested EUTM was filed in bad faith on the EUTM proprietor's part.
- 119 The Cancellation Division correctly rejected the application for a declaration of invalidity in its entirety, and its findings are fully endorsed by the Board. They form an integral part of the present decision, the reasoning of which emphasises and elaborates on these findings and rebuts the arguments the cancellation applicants filed in its statement of grounds.
- 120 To conclude, the application for a declaration of invalidity is rejected, and the appeal is dismissed in its entirety.

### **Costs**

- 121 Pursuant to Article 109(1) EUTMR and Article 18 EUTMIR, the cancellation applicants, as the losing party, must bear the EUTM proprietor's costs of the cancellation and appeal proceedings.
- 122 As to the appeal proceedings, these consist of the EUTM proprietor's costs of professional representation of EUR 550.
- 123 As to the cancellation proceedings, the Cancellation Division ordered the cancellation applicants to bear the EUTM proprietor's representation costs which were fixed at EUR 450. This decision remains unaffected. The total amount for both proceedings is therefore EUR 1 000.

**Order**

On those grounds,

THE BOARD

hereby:

- 1. Dismisses the appeal;**
- 2. Orders the cancellation applicants to bear the EUTM proprietor's costs in the appeal proceedings, which are fixed at EUR 550. The total amount to be paid by the cancellation applicants in the cancellation and appeal proceedings is EUR 1 000.**

Signed

N. Korjus

Signed

A. Kralik

Signed

J. Jiménez Llorente

Registrar:

Signed

p.o. N. Granado  
Carpenter

