



Sky vs SkyKick: UK Supreme Court's Game-Changing Decision on 'Bad Faith' in Trademark Law

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An insight into the 8 year-long legal battle between Sky and SkyKick.

Overview

The UK Supreme Court's recent judgment in *Sky v SkyKick* marks a significant moment in trade mark law, reshaping the boundaries of bad faith in trade mark filings. The case which involves Sky's broad trade mark registrations and their enforcement against cloud computing company SkyKick, has significant implications for brand owners and the broader trade mark system.

Background: The Journey to the Supreme Court

Sky brought claims against SkyKick for trade mark infringement and alleging that SkyKick's use of its name infringed on Sky's UK and EU trade marks. However, SkyKick argued that Sky's trade marks were overly broad, covering categories such as "computer software" and "bleaching preparations," which does not show genuine intention to use. They have argued that this was done in bad faith.

Over the past 8 years, this case has been worked in multiple courts- the High Court, which found parts of Sky's registrations invalid for bad faith; the Court of Appeal- which raised the bar for proving bad faith, and ultimately The Supreme Court- who overturned the Court of Appeal, aligning their findings with those of the High Court.

Key Supreme Court Findings

The Supreme Court issued three critical rulings that will influence trade mark filing and enforcement:

1. Broad Filings and Bad Faith

The court ruled that extremely broad trade mark specifications may indicate bad faith if they suggest there was not genuine intention to use them across all goods and services. Factors including the size and nature of the specification comparative to the business's services and their enforcement strategies are relevant in determining bad faith. Whilst Sky does hold an impressive reputation and brand value, it is not sufficient enough to justify such broad filings.

2. Partial Invalidity of Broad Categories

The court confirmed that a trade mark could be partially invalidated for bad faith. For instance, broader categories like "computer software" may be restricted to subcategories where a genuine intention to use the mark can be sufficiently shown. Whilst broad terms are not always inherently bad faith, the challenge arises in proving a genuine intention to use across all subcategories.

3. Burden of Proof and Pleading Standards

The court rejected the Court of Appeal's necessity for the applicants to identify which goods or services should be excluded. Rather, invalidity claims can rely on objective facts—hence shifting the burden of proof to the trade mark owners to prove the lack of bad faith.

Implications for Brand Owners and Trade Mark Strategies

The judgment redefines the impact on businesses relying on broad trade mark filings to maximise their protection. These factors include:

1. Greater Scrutiny of Broad Specifications

Businesses should be vigilant in drafting specifications, making sure they align with their business activities and future plans. Broader terms like "computer software" are more vulnerable to potential challenges by other businesses unless they are proven by a genuine intention to use.

2. Impact on Enforcement Strategies

Broad filings used in a strict manner may negatively impact a business. The Supreme Court criticised Sky's strategy, which deployed harsh broad marks against traders without a genuine likelihood of confusion.

3. Risk of Bad Faith Challenges

If businesses act in bad faith, they must expect an increase in challenges, including counterclaims during infringement or opposition proceedings. Such challenges may likely lead to damage in reputation, extremely high legal costs, and potentially a reduction in the enforceability of their trade marks.

4. Practical Measures for Filing

- **Use of narrow specifications:** Using subcategories rather than class headings or broad terms.

- **Record-keeping:** Maintaining a clear written record of the business' rationale behind their trade mark filings, including the choices of goods and services applicable.
- **Review Existing Filings:** Voluntarily limit overly broad registrations to reduce risks.

5. Potential Registry Changes

The UK Intellectual Property Office (UKIPO) may revise its policies, this may involve a much more strict scrutiny of broad specifications during the application process and earlier intervention of raising bad faith challenges.

Conclusion: A New Trade Mark Landscape?

The Supreme Court's judgment in *Sky v SkyKick* establishes a stricter standard for evaluating trade mark filings, curbing speculative or excessively broad registrations. By prioritising a genuine commercial intent, the decision advances a more equitable and balanced trade mark system.

For businesses, this ruling is pivotal for the need of careful precision and strategy in drafting trade mark specifications. While it may contribute to the "decluttering" of trade mark registers, it does introduce complexities for businesses that have traditionally relied on broader filings. To protect their IP portfolios, companies need to adapt to this new landscape as soon as possible.