

## JUDGMENT OF THE GENERAL COURT (Seventh Chamber)

11 June 2025 (\*)

( EU trade mark – Invalidity proceedings – International registration designating the European Union in respect of the word mark coinbase – Absolute ground for invalidity – Bad faith – Article 52(1)(b) of Regulation (EC) No 207/2009 (now Article 59(1)(b) of Regulation (EU) 2017/1001) )

In Case T-46/24,

**Coinbase, Inc.**, established in Oakland, California (United States), represented by M. Maier and A. Nordemann, lawyers,

applicant,

v

**European Union Intellectual Property Office (EUIPO)**, represented by T. Klee, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO being

**bitFlyer Inc.**, established in Tokyo (Japan),

THE GENERAL COURT (Seventh Chamber),

composed of K. Kowalik-Bańczyk, President, G. Hesse and B. Ricziová (Rapporteur), Judges,

Registrar: G. Mitrev, Administrator,

having regard to the written part of the procedure,

further to the hearing on 16 January 2025,

gives the following

### Judgment

- 1 By its action under Article 263 TFEU, the applicant, Coinbase, Inc., seeks the annulment and the alteration of the decision of the Fifth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 29 November 2023 (Case R 1751/2020-5) ('the contested decision').

#### Background to the dispute

- 2 On 3 February 2016, the other party to the proceedings before EUIPO, bitFlyer Inc., obtained from the International Bureau of the World Intellectual Property Organization (WIPO) the international registration designating the European Union, with a priority date of 18 December 2015, for the word sign coinbase.
- 3 The international registration for the word sign coinbase was notified to EUIPO on 8 September

2016, pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)), and accepted on 9 February 2017.

- 4 The goods and services in respect of which protection in the European Union of that international registration was granted are, following the restriction made during the proceedings before EUIPO, in Classes 9, 35, 36, 38 and 42 of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.
- 5 On 29 June 2018, the applicant filed with EUIPO an application for a declaration of invalidity against the international registration, covering all the goods and services in respect of which protection had been granted.
- 6 The grounds for invalidity relied on by the applicant were those referred to, first, in Article 60(1)(a) of Regulation 2017/1001, read in conjunction with Article 8(1)(b) of that regulation, and, second, Article 59(1)(b) of that regulation.
- 7 The first ground for invalidity relied upon was based, *inter alia*, on the international registration designating the European Union of the word sign COINBASE, bearing the number 1 216 587 and obtained on 4 June 2014, with a priority date of 6 December 2013, which had received protection in the European Union on 20 July 2015, in respect of various goods and services in Classes 9, 36 and 42.
- 8 By decision of 26 June 2020, the Cancellation Division partially upheld the application for a declaration of invalidity on the basis of Article 60(1)(a) of Regulation 2017/1001, read in conjunction with Article 8(1)(b) of that regulation, for part of the goods and services covered by the application for registration of the contested international registration, on the ground that there was a likelihood of confusion in respect of all the goods and services which were similar, to a varying degree, covered by the rights at issue ('the similar goods and services').
- 9 However, the Cancellation Division rejected the application for a declaration of invalidity in respect of the goods and services designated by the contested international registration which were dissimilar to the goods and services designated by the earlier international registration ('the dissimilar goods and services'), both in so far as it was based on Article 60(1)(a) of Regulation 2017/1001, read in conjunction with Article 8(1)(b) of that regulation, and in so far as it was based on bad faith within the meaning of Article 59(1)(b) of that regulation.
- 10 The contested international registration was therefore declared invalid as regards the similar goods and services, but remained valid in the European Union in respect of the dissimilar goods and services.
- 11 On 26 August 2020, the applicant filed a notice of appeal with EUIPO against the decision of the Cancellation Division of 26 June 2020, seeking the annulment of that decision in so far as the application for a declaration of invalidity based on Article 59(1)(b) of Regulation 2017/1001 had been rejected.
- 12 By decision of 29 April 2021, the Board of Appeal dismissed the appeal. As regards the subject matter of the dispute, it noted that the scope of the appeal was limited to examining whether or not there was bad faith, within the meaning of Article 59(1)(b) of Regulation 2017/1001, in respect of the dissimilar goods and services, for which the contested international registration had not been declared invalid by the Cancellation Division. In that regard, the Board of Appeal stated that the invalidity of the contested international registration for the similar goods and services had become final. As regards the substance, the Board of Appeal found that bad faith on the part of the holder of the contested international registration for the dissimilar goods and services had not been proven.

- 13 On 29 June 2021, the applicant brought an action before the General Court against that decision.
- 14 By judgment of 22 March 2023, *Coinbase v EUIPO – bitFlyer (coinbase)* (T-366/21, not published, EU:T:2023:156), the General Court annulled the decision of the Board of Appeal of 29 April 2021 on the ground that, in its assessment of the bad faith of the holder of the contested international registration in respect of the dissimilar goods and services, the Board of Appeal had not taken into account the similar goods and services, given that they formed part of the goods and services covered by the application for registration.
- 15 By the contested decision, the Board of Appeal found that the applicant had not successfully proved that the holder of the contested international registration had acted in bad faith and, subsequently, dismissed the appeal as unfounded.

### **Forms of order sought**

- 16 The applicant claims that the Court should:
- annul the contested decision;
  - declare the contested international registration in respect of the dissimilar goods and services to be invalid;
  - order EUIPO to pay the costs.
- 17 EUIPO contends that the Court should:
- dismiss the application;
  - order the applicant to pay the costs in the event that an oral hearing is convened.

### **Law**

#### ***Determination of the applicable regulation ratione temporis***

- 18 Having regard to the priority date of the contested international registration, namely 18 December 2015, which, pursuant to Article 29(1) and Article 31 of Regulation No 207/2009 (now Article 34(1) and Article 36 of Regulation 2017/1001) must be regarded as the date of submission of the application for registration, which is decisive for the purposes of identifying the applicable substantive law, the facts of the present case are governed by the substantive provisions of Regulation No 207/2009 (see, to that effect, judgment of 3 May 2023, *Chambre de commerce et d'industrie territoriale de la Marne en Champagne v EUIPO – Ambrosetti Group (TEHA)*, T-60/22, not published, EU:T:2023:236, paragraph 16). In addition, in so far as, according to settled case-law, procedural rules are generally held to apply on the date on which they enter into force (see judgment of 11 December 2012, *Commission v Spain*, C-610/10, EU:C:2012:781, paragraph 45 and the case-law cited; judgment of 1 September 2021, *Gruppe Nymphenburg Consult v EUIPO (Limbic® Types)*, T-96/20, EU:T:2021:527, paragraph 17), the dispute is governed by the procedural provisions of Regulation 2017/1001.
- 19 Consequently, in the present case, as regards the substantive rules, the references made by the applicant in its written pleadings to Article 59(1)(b) of Regulation 2017/1001 must be understood as referring to Article 52(1)(b) of Regulation No 207/2009, the terms of which are identical.

#### ***Substance***

- 20 In support of its application for annulment of the contested decision, the applicant relies, in essence,

on a single plea in law, alleging infringement of Article 52(1)(b) of Regulation No 207/2009. That plea is divided into two parts, alleging, in essence, first, misapplication of the judgment of 22 March 2023, *Coinbase v EUIPO – bitFlyer (coinbase)* (T-366/21, not published, EU:T:2023:156), and of the judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO* (C-104/18 P, EU:C:2019:724), and, second, misapplication of Article 52(1)(b) of Regulation No 207/2009.

- 21 As a preliminary point, it should be noted that the present action is based solely on the earlier international registration, identified in paragraph 7 above.

*The first part of the single plea in law, alleging misapplication of the judgment of 22 March 2023, Coinbase v EUIPO – bitFlyer (coinbase) (T-366/21, not published, EU:T:2023:156), and of the judgment of 12 September 2019, Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO (C-104/18 P, EU:C:2019:724)*

- 22 By the first part of its single plea in law, the applicant submits, in essence, that the Board of Appeal misapplied the judgment of 22 March 2023, *coinbase* (T-366/21, not published, EU:T:2023:156), by examining, in paragraphs 58 and 78 of the contested decision, the intention of the holder of that international registration only in relation to the dissimilar goods and services and not in an overall manner by also taking into account the similar goods and services. In addition, the applicant relies on the judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO* (C-104/18 P, EU:C:2019:724, paragraph 61), and on the Opinion of Advocate General Kokott in *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO* (C-104/18 P, EU:C:2019:287, point 59), in order to claim that, if the Board of Appeal had found that there was bad faith with regard to the similar goods and services, it would also have had to confirm bad faith as regards the dissimilar goods and services.

- 23 EUIPO disputes the applicant's arguments.

- 24 It must be borne in mind that, under Article 72(6) of Regulation 2017/1001, EUIPO is required to take the necessary measures to comply with the judgment of the EU judicature.

- 25 In order to comply with the judgment annulling a measure and to implement it fully, the institution responsible for adopting that measure is required to have regard not only to the operative part of the judgment but also to the grounds constituting its essential basis. It is those grounds which, on the one hand, identify the precise provision held to be illegal and, on the other, indicate the specific reasons which underlie the finding of illegality contained in the operative part and which the institution concerned must take into account when replacing the annulled measure (see judgment of 1 March 2018, *Shoe Branding Europe v EUIPO – adidas (Position of two parallel stripes on a shoe)*, T-629/16, EU:T:2018:108, paragraph 102 and the case-law cited).

- 26 In that regard, first, it should be noted that the applicant is wrong to claim that it is apparent from paragraphs 58 and 78 of the contested decision that the Board of Appeal failed to examine the consequences of the fact that the contested international registration had been sought for the similar goods and services.

- 27 In paragraph 58 of the contested decision, following the reasoning set out in paragraphs 56 and 57 of that decision, the Board of Appeal found, inter alia, that the applicant had not demonstrated that the holder of the contested international registration had no intention of using it for 'all the goods and services of [that registration]'. The reference to 'all' the goods and services covered by that registration indicates that the Board of Appeal refers both to the similar goods and services and to the dissimilar goods and services. Paragraph 58 of the contested decision makes no reference to the fact that, by decision of 26 June 2020, the Cancellation Division declared the contested international registration invalid in respect of the similar goods and services.

- 28 Then in paragraph 78 of the contested decision, the Board of Appeal found that the applicant had

not demonstrated that it had ever had a business interest in ‘any of the goods and services in the application for registration’. Paragraph 78 of the contested decision is preceded by paragraph 77 of that decision, according to which, on the basis of the evidence adduced by the applicant, its activities have no immediate connection or nexus with the goods and services covered by the contested international registration. Consequently, the reference, in paragraph 78 of the contested decision, to ‘any’ of the goods and services in the application for registration of the contested international registration clearly refers to all the goods and services covered by that application for registration, whether they are similar or dissimilar.

29 Furthermore, as EUIPO submits, it is also apparent from paragraph 85 of the contested decision that the Board of Appeal examined the consequences of the fact that the contested international registration had been applied for in respect of the similar goods and services.

30 In paragraph 85 of the contested decision, given the inherent non-distinctiveness of the term ‘coinbase’ in blockchain, the Board of Appeal rejected the applicant’s argument that the use of the contested international registration would have given rise to confusion as to the origin of ‘all the goods and services [of that international registration], whether similar, similar to a low degree, or dissimilar’ to those covered by the earlier international registration.

31 Second, the applicant’s argument, based on the judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO* (C-104/18 P, EU:C:2019:724, paragraph 61), and the Opinion of Advocate General Kokott in *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO* (C-104/18 P, EU:C:2019:287, point 59), is irrelevant in so far as the Board of Appeal did not find the presence of bad faith with regard to the similar goods and services.

32 The first part of the single plea in law must therefore be rejected.

*The second part of the single plea in law, alleging misapplication of Article 52(1)(b) of Regulation No 207/2009*

33 By the second part of its single plea in law, the applicant complains that the Board of Appeal erred in finding, in the contested decision, that there was no bad faith. In that regard, first, the applicant alleges that the Board of Appeal distorted some of the facts and consequently drew incorrect conclusions. Second, it failed to make an overall assessment of the various factors which it took into account in order to analyse the bad faith of the holder of the contested international registration, and failed to take into account other factors.

34 EUIPO disputes the applicant’s arguments.

35 Article 52(1)(b) of Regulation No 207/2009 provides that an EU trade mark is to be declared invalid on application to EUIPO or on the basis of a counterclaim in infringement proceedings where the applicant was acting in bad faith when he filed the application for the trade mark.

36 In that regard, it should be noted that the concept of bad faith, referred to in Article 52(1)(b) of Regulation No 207/2009, is not defined, delimited or even described in any way in EU legislation (see judgment of 29 June 2017, *Cipriani v EUIPO – Hotel Cipriani (CIPRIANI)*, T-343/14, EU:T:2017:458, paragraph 25 and the case-law cited).

37 However, according to the case-law, 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 (judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO*,

C-104/18 P, EU:C:2019:724, paragraph 46).

- 38 In addition, 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 (see judgment of 12 September 2019, *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO*, C-104/18 P, EU:C:2019:724, paragraph 47 and the case-law cited).
- 39 To that end, relevant factors include, first, the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product or service capable of being confused with the sign for which registration is sought; second, the applicant's intention to prevent that third party from continuing to use such a sign; and, third, the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 53). Those factors are, however, only examples drawn from a number of factors which can be taken into account (see judgment of 29 June 2017, *CIPRIANI*, T-343/14, EU:T:2017:458, paragraph 28 and the case-law cited).
- 40 In the context of the overall analysis undertaken pursuant to Article 52(1)(b) of Regulation No 207/2009, account may also be taken of the origin of the contested sign and its use since its creation, the commercial logic underlying the filing of the application for registration of that sign as a European Union trade mark, and the chronology of events leading up to that filing (see judgment of 7 July 2016, *Copernicus-Trademarks v EUIPO – Maquet (LUCEO)*, T-82/14, EU:T:2016:396, paragraph 32 and the case-law cited).
- 41 It is for the applicant for a declaration of invalidity to prove the circumstances which substantiate a finding that the proprietor of an EU trade mark had been acting in bad faith when it filed the application for registration of that mark (see judgment of 8 May 2014, *Simca Europe v OHIM – PSA Peugeot Citroën (Simca)*, T-327/12, EU:T:2014:240, paragraph 35 and the case-law cited), good faith being presumed until proven otherwise (judgment of 13 December 2012, *pelicantravel.com v OHIM – Pelikan (Pelikan)*, T-136/11, not published, EU:T:2012:689, paragraph 57).
- 42 It is in the light of the foregoing considerations that the legality of the contested decision must be examined in so far as the Board of Appeal, following the analysis of a number of factors, found that there was no bad faith on the part of the holder of the contested international registration.
- *The chronology of events and the identity of the rights at issue*
- 43 In paragraph 47 of the contested decision, the Board of Appeal recalled the chronology of events. In paragraphs 49 to 54, it found that the contested international registration was identical, inter alia, to the earlier international registration and to the essential part of the applicant's company name. However, it considered that such identity was not, in itself, sufficient to conclude that the holder of the contested international registration had acted in bad faith and that it was merely one factor in an overall assessment of the various relevant factors at issue.
- 44 Those findings are not disputed by the applicant.
- *The comprehensible connection between the contested international registration, its holder and the activity and intention of the holder of that international registration*
- 45 In paragraphs 56 to 59 of the contested decision, the Board of Appeal examined the connection between the contested international registration, its holder and the activity of the holder in order to assess the intention of the holder of that international registration on the date of the application for registration. In that regard, the Board of Appeal found that there was a comprehensible connection

between the contested international registration, the goods and services covered by it and the business activities of its holder on the date the application for registration was filed. Indeed, the holder of the contested international registration was already a player in the bitcoin cryptocurrency market and also engaged in research and development in order to provide new goods and services using blockchain technology, which would invalidate the applicant's claim that the holder of the contested international registration did not intend to use it for all the goods and services covered by the registration of that right. The Board of Appeal also noted that, in any event, the proprietor of a trade mark had a five-year grace period in which to begin actual use in accordance with the essential function of a trade mark. It is only where there is no justification for the application to register the mark that the absence of intention to use it may constitute bad faith.

- 46 The applicant challenges that assessment. To that end, first, it criticises the fact that, according to the Board of Appeal, given that, at the time of filing the application for registration, the holder of the contested international registration was already a player in the market for bitcoin, the applicant could not reasonably claim that the holder did not intend to use that international registration for all the goods and services covered by the application for registration of the contested international registration. According to the applicant, that finding is in direct contradiction with paragraph 78 of that decision, according to which the dissimilar goods and services have no obvious and apparent connection with the activity of bitcoin wallet and bitcoin exchange. Second, the dissimilar goods and services are clearly not related to blockchain technology and therefore do not fall under the alleged research and development activity of the holder of the contested international registration. The holder of the international registration therefore had no business interest in obtaining protection for the dissimilar goods and services. Accordingly, the Board of Appeal was incorrect in finding that the five-year period during which the proprietor of a mark had to begin using that mark precluded a finding of bad faith, since the registration of a mark may constitute bad faith where the application for registration is unjustified, which is the situation in the present case.
- 47 In that regard, it should be noted that it has already been held that the existence of a comprehensible connection between the contested mark, its proprietor and the activity of that proprietor is a relevant factor for the purposes of assessing whether the proprietor of that mark acted in bad faith (see, to that effect, judgment of 19 October 2022, *Baumberger v EUIPO – Nube (Lio)*, T-466/21, not published, EU:T:2022:644, paragraphs 64 and 66).
- 48 In the present case, it should be noted, first of all, that it is not disputed that the holder of the contested international registration was a player in the bitcoin market at the time the application for registration was filed and that that holder could have a business interest in using that international registration for the marketing of similar goods and services.
- 49 As regards the dissimilar goods and services to which the applicant's arguments relate, those arguments do not call into question the Board's assessment that the holder of the contested international registration could have intended to use that international registration for those goods and services.
- 50 First, although the applicant claims that the dissimilar goods and services are clearly not related to blockchain technology and therefore do not fall within the alleged research and development activity of the holder of the contested international registration, it must be stated that that assertion is in no way developed or substantiated and, therefore, cannot invalidate the Board of Appeal's findings, in paragraph 57 of the contested decision, on the research and development activities in the field of blockchain technology undertaken by the holder of the contested international registration.
- 51 Second, the applicant cannot derive any valid argument in that regard from paragraph 78 of the contested decision. In that paragraph, the Board of Appeal merely stated that the applicant had not demonstrated that it had ever had a business interest in any of the goods and services referred to in the application for registration of the contested international registration and that those goods and services had no apparent connection with its bitcoin wallet and bitcoin exchange activity. Therefore,

paragraph 78 of the contested decision does not in any way concern the absence of a connection between the dissimilar goods and services, referred to in the application for registration of the contested international registration, and the activities of the holder of the contested international registration in the bitcoin market.

52 In addition, in the light of the foregoing, the applicant cannot take advantage of the fact that the Board of Appeal referred, in paragraph 59 of the contested decision, to the five-year grace period to begin actual use consistent with the essential function of a trade mark in so far as that reference was made for the sake of completeness, as is shown by the use of the expression ‘in any case’ in the introduction to that paragraph.

53 Lastly and in any event, it should be recalled that the bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing its application, that applicant had no economic activity corresponding to the goods and services referred to in that application (judgment of 29 January 2020, *Sky and Others*, C-371/18, EU:C:2020:45, paragraph 78).

– *Whether the holder of the contested international registration was aware of the applicant and its use of the coinbase sign*

54 In paragraphs 61 to 75 of the contested decision, the Board of Appeal examined the potential existence of direct relations between the holder of the contested international registration and the applicant, and the reputation, inter alia, of the earlier international registration and of the applicant’s name, in order to assess whether the holder of the contested international registration had to be aware of the use of the coinbase sign on the date of the application for registration. In that regard, the Board of Appeal noted that there had been no direct relations between the holder of the contested international registration and the applicant, since they were not immediate and direct competitors in the same market, according to the evidence submitted by the applicant itself. The holder of the contested international registration was not active in the United States and the applicant was not present in the Japanese market in which the holder of the contested international registration was present at the time the application for registration was filed. In addition, there was insufficient evidence of the reputation, in particular, of the earlier international registration and of the applicant’s name beyond the United States, and no argument could be put forward to claim that the use made by the applicant was ‘longstanding’ or that the applicant had acquired a consolidated position worldwide. Thus, the Board of Appeal rejected the applicant’s argument that the holder of the contested international registration, ‘as a competitor’, must have been aware of its use of the sign coinbase.

55 The applicant challenges that assessment. First, it submits that, in essence, it was a direct competitor of the holder of the contested international registration, since the applicant operated a cryptocurrency exchange platform and the cryptocurrency market was, on the date of the application for registration, a relatively small market with competition usually on a global scale. Second, it submits that the Board of Appeal failed to take into account the fact that the earlier international registration also designated Japan and the fact that the grace period was still pending on the priority date of the contested international registration on 18 December 2015. In addition, the applicant submits that it used the earlier international registration in over 42 countries. The Board of Appeal therefore incorrectly required that the earlier international registration be used in Japan. The applicant also infers from the trade mark applications made by the holder of the contested international registration in other countries that the holder of the contested international registration must have been aware of the use of the earlier international registration. Third, the Board of Appeal incorrectly required that the earlier international registration should have a reputation beyond the United States, despite the size of the market and the leading role of that country, in particular as regards technological innovations such as cryptocurrencies, and its use should be ‘longstanding’. Fourth, the Board of Appeal erred in finding that the interest of the holder of the contested international registration in the United States market had not been demonstrated in so far as the holder of that international registration had extended the protection of its Japanese coinbase mark to



the United States.

- 56 As a preliminary point, the applicant's argument that the existence of a direct connection between the parties is not necessary for a finding of bad faith must be rejected. This is one of the factors to be examined by the Board of Appeal. The existence of such a link tends to show that, as stated in paragraph 39 above, the applicant knows or must know that a third party is using an identical or similar sign for an identical or similar product or service capable of being confused with the sign for which registration is sought. In addition, it has previously been held that the existence of commercial relations between the parties may also provide indicia for the assessment of bad faith (judgment of 19 October 2022, *Lío*, T-466/21, not published, EU:T:2022:644, paragraph 32). Therefore, the Board of Appeal was right to examine that factor.
- 57 Next, it must be stated that, even though, in paragraph 61 of the contested decision, the Board of Appeal acknowledged, contrary to what the applicant claims, that its activity was connected to that of the holder of the contested international registration, as both were active in the bitcoin and blockchain sectors, the Board of Appeal was fully entitled to find that it had not been demonstrated that those undertakings were immediate and direct competitors in the same market and that the holder of the contested international registration necessarily had to have been aware of the applicant and of its use of the coinbase sign.
- 58 In that regard, first, it has not been established that competition in the cryptocurrency market usually takes place worldwide. The applicant does not rely on any evidence and essentially refers to paragraph 74 of the contested decision. The fact, noted in that paragraph, that, on the date of the application for registration of the contested international registration, the world of blockchain and cryptocurrencies was very new and that it was still rapidly evolving does not necessarily mean that the market for cryptocurrencies has a global dimension.
- 59 Second, the applicant has not demonstrated that the Board of Appeal made an error of assessment as regards the finding that there was (i) no evidence of the holder of the contested international registration being present, as a competitor, in the United States, where the applicant is active, (ii) no evidence of the applicant's presence in the Japanese domestic market in which the holder of the contested international registration is present, (iii) insufficient evidence of a reputation of the earlier international registration beyond the United States, or (iv) no evidence of any interest on the part of the holder of the contested international registration in the United States market.
- 60 The mere fact that the holder of the contested international registration had also extended the protection of its Japanese mark to the United States does not mean that that international registration had been used in the United States and that, therefore, the holder of that international registration was present in that market and was aware of the applicant and its use of the coinbase sign.
- 61 In addition, the fact, noted by the applicant, that the earlier international registration also designated Japan and would have been used in over 42 countries, including the countries in which the holder of the contested international registration had also filed trade mark applications, likewise does not prove that the holder of the contested international registration must have been aware of the use of the earlier international registration, given that the use of that registration or its reputation in Japan or the use of the contested international registration in those other countries, at the time of filing the application for registration of the contested international registration, had not been demonstrated, or even claimed, by the applicant. In that regard, it should also be noted that, contrary to what the applicant submits, the Board of Appeal did not require, in paragraph 63 of the contested decision, that the earlier international registration be used in Japan in order to establish bad faith, but merely made a factual finding, among other findings concerning the evidence submitted by the applicant, seeking to show that the holder of the contested international registration was unaware of the applicant and its activities.
- 62 Furthermore, although the applicant submits that the earlier international registration has a reputation in the United States and that that country is an important market for technological

innovations such as cryptocurrencies, such a fact does not prove that the use of the coinbase sign by the applicant was known to the holder of the contested international registration, given that the latter is not present in the United States market, as stated in paragraph 60 above, and a reputation beyond that country is not established or even claimed by the applicant in the application. Moreover, the mere assertion that the United States is a very large market and has a leading role in relation to technological innovations is not substantiated inasmuch as the applicant does not provide any examples or illustrations, nor does it rely on any evidence in that regard.

63 It should also be noted that, contrary to what the applicant claims, the Board of Appeal did not require, in paragraph 67 of the contested decision, that, in order to find that the holder of the contested international registration acted in bad faith, the earlier international registration should have a reputation beyond the United States. It simply follows from that paragraph, read in the light of paragraph 75 of that decision, that, in the absence of sufficient evidence of such reputation, the knowledge, by the holder of the contested international registration, of the use of the coinbase sign by the applicant could not be inferred.

64 Lastly, the applicant incorrectly submits that the Board of Appeal required, in paragraph 74 of the contested decision, that the use of the earlier international registration be ‘longstanding’. It is apparent from that paragraph that the Board of Appeal found, in essence, in the light of the applicant’s argument concerning a ‘narrow timeline of events’, that ‘there can be no argument that the use [of the earlier international registration] was “longstanding” and/or that the invalidity applicant had already obtained a consolidated position globally’. It was merely one factor, among others, in determining whether the use of the coinbase sign was known to the holder of the contested international registration, which is relevant in the light of the case-law according to which the more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 39).

– *The applicant’s interest in respect of the goods and services covered by the application for registration of the contested international registration*

65 In paragraphs 78 and 79 of the contested decision, the Board of Appeal examined the applicant’s interest in respect of the goods and services covered by the application for registration of the contested international registration given that the applicant claimed that the holder of that international registration intended to prevent it from expanding its activities to include goods and services other than its bitcoin wallet and bitcoin exchange activities and to free ride on the applicant’s reputation or to damage its reputation by offering bad-quality goods and services. The Board of Appeal rejected that argument, noting that the applicant had not demonstrated that it had ever had a business interest in any of the goods and services in the application for registration of the contested international registration.

66 The applicant challenges that assessment, claiming that the Board of Appeal incorrectly reversed the burden of proof and that it is for the holder of the contested international registration to explain the commercial logic underlying the application for registration.

67 In that regard, it should be noted, as stated in paragraph 41 above, that it is for the applicant for a declaration of invalidity to prove the circumstances which substantiate a finding that the proprietor of an EU trade mark had been acting in bad faith when it filed the application for registration of that mark.

68 Therefore, in so far as the applicant claimed that the holder of the contested international registration intended to prevent it from extending its activities to include goods and services other than bitcoin wallet and bitcoin exchange activities, it was therefore for the applicant to establish such an intention, which involved establishing that it had an interest in one of the goods and services covered by the application for registration of the contested international registration.

69 Therefore, by requiring, in paragraph 78 of the contested decision, in response to the applicant's argument, that the applicant demonstrate that it had an interest in the goods and services in the application for registration of the contested international registration, the Board of Appeal did not reverse the burden of proof, but merely applied the case-law cited in paragraph 41 above.

– *The meaning of the term 'coinbase' and the lack of inherent distinctive character of that term*

70 In paragraphs 80 to 84 of the contested decision, the Board of Appeal examined the meaning of the term 'coinbase' in the field of blockchain and cryptocurrencies in order to assess the potential intention of the holder of the contested international registration. In that regard, the Board of Appeal found that that term had a meaning such that the possibility could not be excluded that the holder of the contested international registration had chosen that term by chance or coincidence. It also found that, in the context of the services offered by the applicant, namely a bitcoin wallet and a platform, 'coinbase' was not a particularly distinctive term. In addition, the Board of Appeal found, in paragraph 85 of that decision, that, given the inherent non-distinctiveness of the term 'coinbase' in blockchain, it could not accept the applicant's argument that the use of the contested international registration would lead to confusion as to the origin of all the goods and services in the application for registration of that international registration with the goods and services covered by the earlier international registration, or would enable its holder to free ride on or damage the reputation of the earlier marks or the applicant's name.

71 The applicant disputes that assessment. First, it submits that the Board of Appeal erred in finding, in paragraph 80 of the contested decision, that the term 'coinbase' was meaningful in the field of blockchain and cryptocurrencies. Second, the Board of Appeal should not have taken into account the alleged lack of distinctive character of the term 'coinbase'. The Board of Appeal is bound to the existence of the earlier international registration and the contested international registration, which EUIPO itself had registered as a word mark, thus recognising that it was distinctive. Third, even if the term 'coinbase' were descriptive, the conduct of the holder of the contested international registration, in seeking to obtain an exclusive right to such a term, established that holder's dishonest intention and, therefore, directly impacted the assessment of bad faith.

72 In that regard, first, it must be stated that, in order to conclude in paragraphs 80 to 82 of the contested decision that the term 'coinbase' was meaningful in the field of blockchain and cryptocurrencies, the Board of Appeal relied on evidence provided by the holder of the contested international registration, the relevance of which is not called into question by the applicant.

73 Furthermore, the applicant incorrectly relies on the fact that the holder of the contested international registration sought the protection of the term 'coinbase' in numerous countries where the applicant enjoyed earlier trade mark rights and that the word 'coinbase' was registered as a trade mark in over 40 countries, and in particular in the European Union, in order to demonstrate that that term has no meaning. The legality of the decisions of Boards of Appeal must be assessed solely on the basis of Regulation No 207/2009, as interpreted by the EU judicature, and not on the basis of a previous decision-making practice of those boards (see, to that effect, judgments of 15 September 2005, *BioID v OHIM*, C-37/03 P, EU:C:2005:547, paragraph 47, and of 14 July 2021, *Upper Echelon Products v EUIPO (Everlasting Comfort)*, T-562/20, not published, EU:T:2021:464, paragraph 56 and the case-law cited), or even on the basis of a decision, given in a Member State or indeed a third country, that the sign in question is registrable as a national mark (judgment of 27 February 2002, *Streamserve v OHIM (STREAMSERVE)*, T-106/00, EU:T:2002:43, paragraph 47).

74 Second, the lack of distinctive character of the term 'coinbase' in the field at issue, as found by the Board of Appeal in paragraph 85 of the contested decision, is relevant for the purposes of assessing whether there was bad faith on the part of the holder of the contested international registration, contrary to the applicant's arguments. It should be borne in mind that, as stated in paragraph 39 above, the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought is a relevant factor for the purposes of assessing bad faith. The extent of the

rights enjoyed by the proprietors of those signs is determined by their distinctiveness, whether inherent or acquired through use (see, to that effect, judgment of 16 June 2021, *Cyprus v EUIPO – Filotas Bellas’s & Yios (Halloumi Vermion)*, T-281/19 and T-351/19, not published, EU:T:2021:362, paragraph 126).

75 As regards the applicant’s argument that the Board of Appeal is bound by the existence of the earlier international registration and of the contested international registration, reference must be made to the case-law cited in paragraph 73 above.

76 Third, although, according to the case-law, the potentially descriptive nature of an element of which an EU trade mark consists, in particular a word element, does not prevent a finding that the proprietor of that trade mark acted in bad faith when it applied for registration of that trade mark (judgment of 16 June 2021, *Halloumi Vermion*, T-281/19 and T-351/19, not published, EU:T:2021:362, paragraph 120), it cannot, however, be maintained that the mere lack of distinctive character of the word ‘coinbase’ is sufficient to prove bad faith, contrary to what is claimed, in essence, by the applicant.

– *Overall assessment of the relevant factors*

77 In paragraphs 86 to 88 of the contested decision, the Board of Appeal carried out an overall assessment of the various factors relevant in demonstrating the existence of bad faith. In that regard, it noted that the likelihood of confusion, which could apply only to identical or similar goods and services and not to dissimilar goods and services, was just one of the factors that had to be weighed against all other factors and that those other factors, examined previously, weighed against the finding of bad faith. It concluded, in the light of the foregoing considerations, that the applicant had not succeeded in demonstrating that the holder of the contested international registration had acted in bad faith when it filed the application for registration.

78 In that regard, first, the applicant submits that, by stating in paragraphs 49, 50, 60 and 76 of the contested decision that each of the factors examined in the paragraphs in question was not in itself sufficient to conclude that there was bad faith, the Board of Appeal did not carry out an overall assessment of bad faith. Second, according to the applicant, it follows from paragraph 55 of the contested decision that the Board of Appeal required the presence of certain very specific factors, listed in paragraphs 53 and 54 of that decision, considering them to be exhaustive, and therefore incorrectly failed to take into consideration other factors in order to demonstrate bad faith.

79 It must be held that the Board of Appeal did indeed carry out an overall assessment of bad faith in the contested decision. That is expressly stated in paragraphs 86 to 88 of that decision, as summarised in paragraph 77 above. While the Board of Appeal noted in paragraph 50, read in conjunction with paragraph 49, and in paragraphs 60 and 76 of the contested decision, that none of the factors examined in those paragraphs made it possible, in itself, to establish bad faith on the part of the holder of the contested international registration, it then took those factors into account in its overall assessment in paragraphs 86 to 88 of that decision.

80 Furthermore, the applicant is wrong to claim that it follows from paragraph 55 of the contested decision that the Board of Appeal regarded as exhaustive the four factors listed in paragraphs 53 and 54 of that decision, namely, (i) whether there was any connection between the contested international registration, the proprietor of that mark and its activities, (ii) whether the filing of that international registration occurred in the context of direct relations between the holder of that international registration and the applicant, (iii) whether the holder of that international registration purported to be responsible for the introduction of the earlier international registration, and (iv) whether the contested international registration reproduced figurative elements of the earlier international registration.

81 That exhaustive nature is not apparent from the wording of paragraph 55 of the contested decision, which merely states, with regard to the four factors listed in paragraph 80 above, that ‘by contrast in

the present case, the aforementioned factors are not present'. In addition, as EUIPO submits, before rejecting the claim of bad faith, the Board of Appeal also examined factors other than those referred to in paragraphs 53 and 54 of that decision, as is apparent from the factors examined in paragraphs 43 to 76 above.

82 In any event, in the light of all the foregoing assessments, the applicant has not submitted relevant and consistent evidence to show that the holder of the contested international registration had filed the application for registration, 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 the origin of the goods and services concerned in accordance with the case-law cited in paragraph 37 above.

83 Consequently, the second part of the single plea in law must be rejected.

84 It follows from the foregoing that the single plea in law must be rejected in its entirety and, accordingly, the action must be dismissed in its entirety.

### Costs

85 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

86 Since a hearing has taken place and the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the form of order sought by EUIPO.

On those grounds,

### THE GENERAL COURT (Seventh Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Coinbase, Inc. to pay the costs.**

Kowalik-Bańczyk

Hesse

Ricziová

Delivered in open court in Luxembourg on 11 June 2025.

V. Di Bucci

S. Papasavvas

Registrar

President

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\* Language of the case: English.