

The reform of the EU TM system

Invalidity and Revocation proceedings

Webinar – Collegio italiano dei Consulenti in Proprietà Industriale
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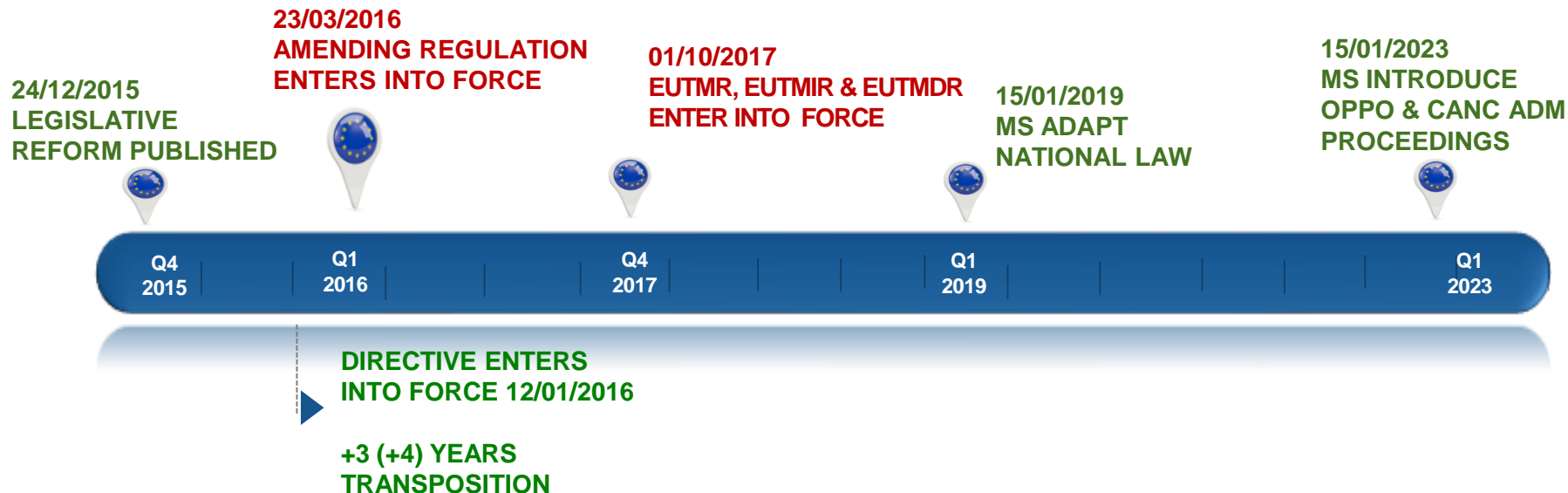
**II. MAJOR CHANGES INTRODUCED BY
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INTRODUCTION

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II. MAJOR CHANGES INTRODUCED BY THE TM DIRECTIVE

Abolishment of
graphical
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requirement – New
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Absolute grounds for
refusal or invalidity

Relative grounds for
refusal or invalidity

Opposition and
Cancellation
proceedings

II. MAJOR CHANGES INTRODUCED BY THE TM DIRECTIVE

Opposition and Cancellation proceedings

Introduction of mandatory national administrative opposition and cancellation proceedings (Articles 43 & 45 TMD)

- At least covering Relative Grounds of Refusal and Invalidity
- In total 7 years to transpose (until 14.01.2023)

II. MAJOR CHANGES INTRODUCED BY THE TM DIRECTIVE

Opposition and Cancellation proceedings

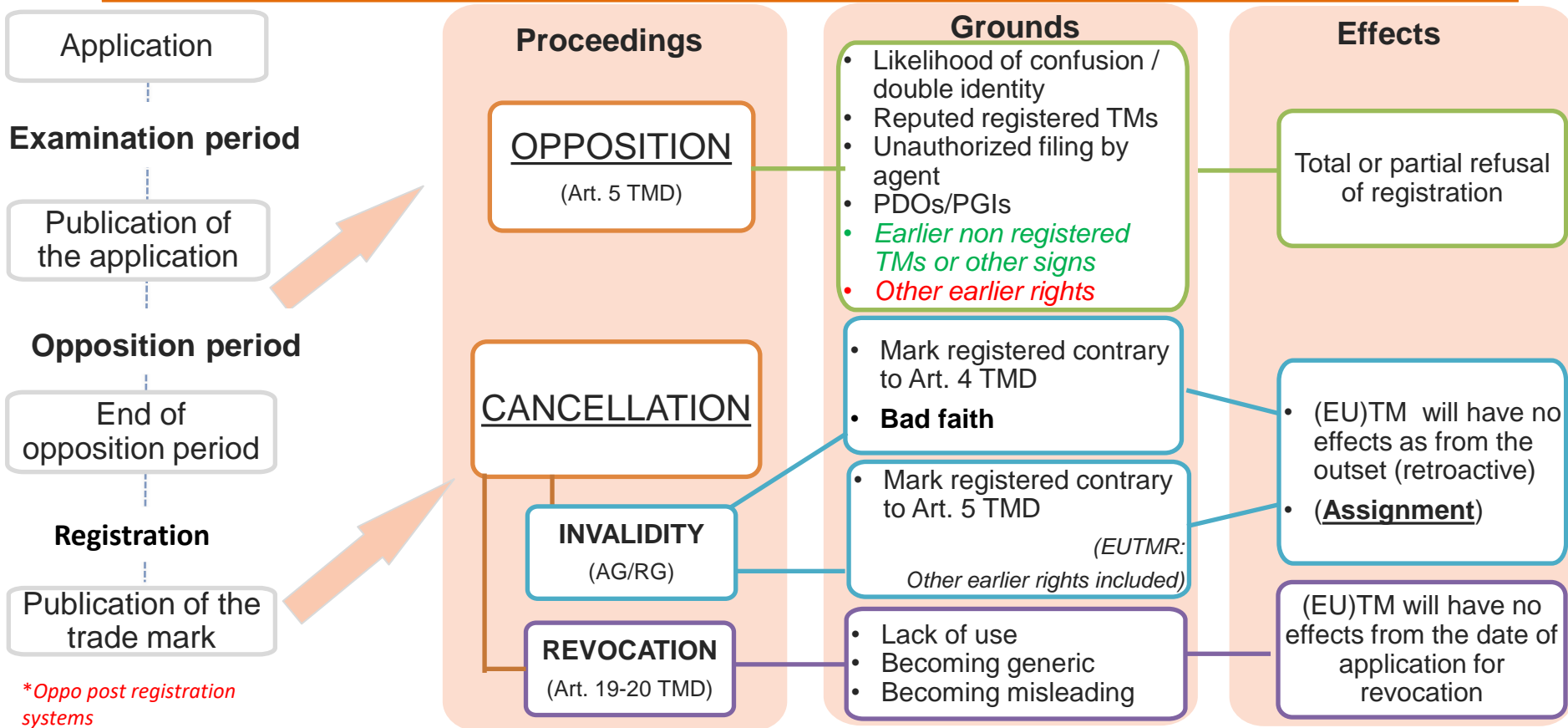
Ex officio examination of Relative Grounds for Refusal

- Remains as option in national proceedings
- Registration subject to the owner's consent (Article 5(5) TMD)
- Not linked with request for proof of use

III.

CANCELLATION PROCEEDINGS

OPPOSITION AND CANCELLATION PROCEEDINGS – Art 13, 19, 20, 43-47 TMD



CANCELLATION PROCEEDINGS

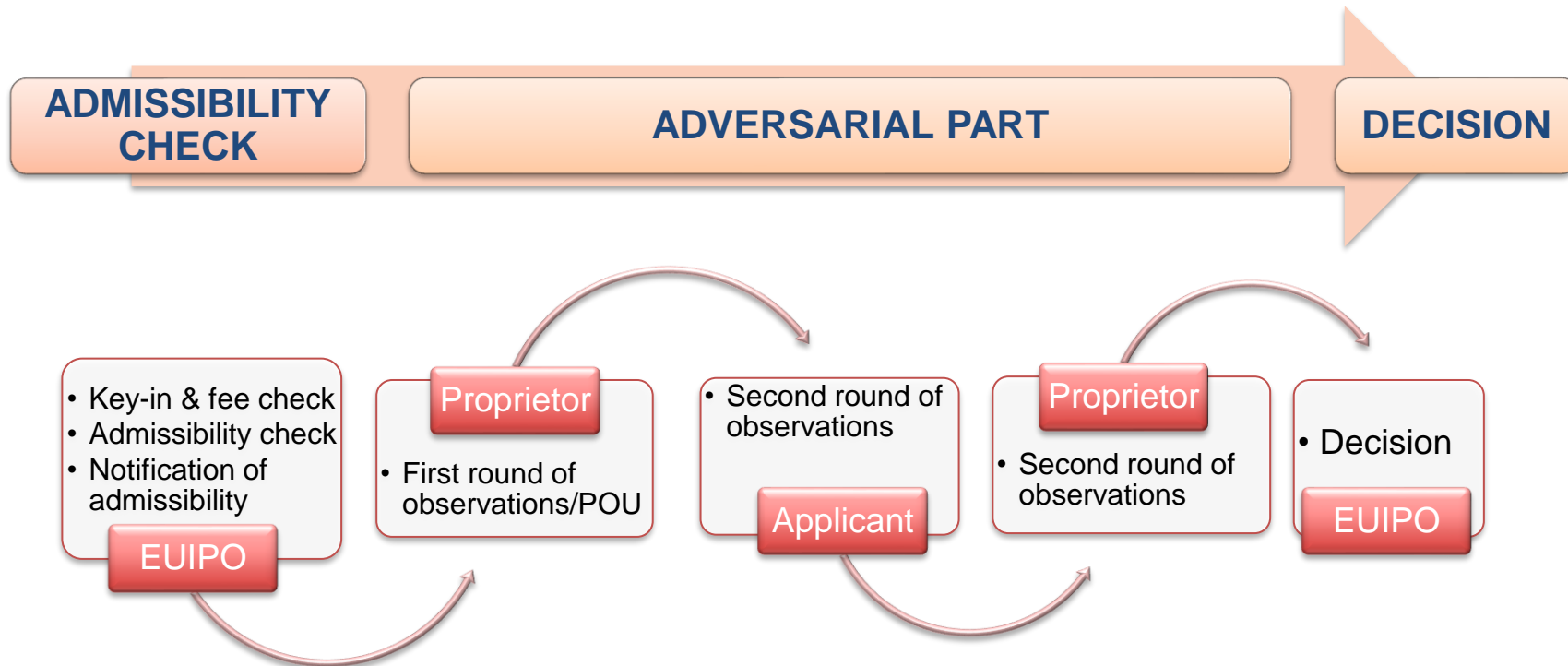
1. Key features and timeline
2. Two types: revocation and invalidity
3. Legal effects



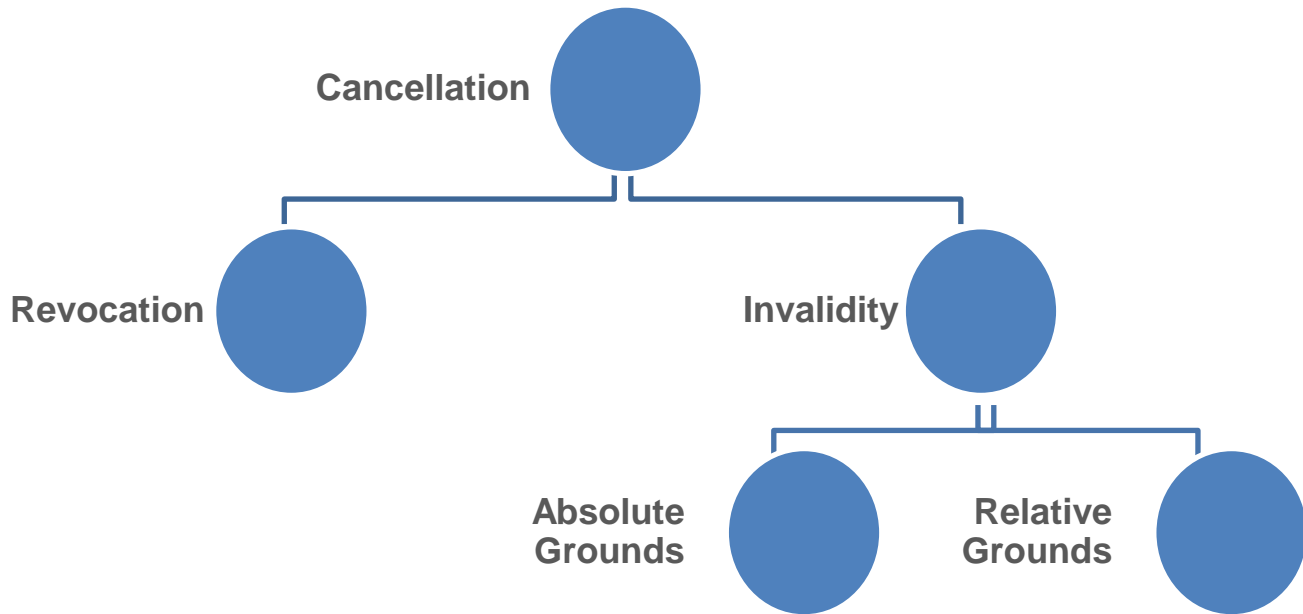
CANCELLATION PROCEEDINGS: KEY FEATURES

- **Post-registration procedure**
- ***Inter partes* proceeding: Applicant vs. Proprietor of EUTM:**
- **Entitlement:**
 - AG – anybody
 - RG – owners/licensees of earlier rights
- **Burden of proof rests on parties**
- **Language of cancellation proceedings:**
 - One of the two languages of the contested of the EUTM provided that is also in a language of the Office DE, EN, ES, FR, IT

CANCELLATION PROCEEDINGS: TIMELINE



TWO TYPES: REVOCATION AND INVALIDITY



LEGAL EFFECTS

Legal effects of Cancellation:

➤ **successful Revocation**

- the EUTM will be deemed not to have had effect as from the **date of application** for revocation.
- An earlier date may be fixed by the Cancellation division if requested by one of the parties.

➤ **successful Declaration of Invalidity**

- the EUTM will be deemed not to have had effect from the **filing date** (outset date) of contested EUTM.

LEGAL EFFECTS

Extent

- EUTM is a unitary title and given uniform protection throughout the EU – Article 1(2) EUTMR;
- **There cannot be a partial revocation** with regard to territory – binding force for the whole territory of the EU;
- Conversion can mitigate the harsh consequences (Article 139(1)(b) EUTMR)

REVOCATION: KEY FEATURES

- Can be filed by anybody
- Can be filed at any time, but only against a registered EUTM
- Several grounds for revocation can be grouped in one application
- Successful Revocation: the EUTM will be deemed not to have had effect as from the **date of application for revocation**. Partial/Total revocation.
- An earlier date for revocation may be fixed by the Cancellation Division if requested by the revocation applicant, provided that it proves a legitimate interest in the earlier effective date of revocation

LEGISLATIVE FRAMEWORK: ARTICLE 58 EUTMR





- **Revocation – 3 main grounds**

Art. 58(1) EUTMR: The rights of the proprietor of the EU trade mark shall be declared to be revoked on application to the Office (...):

- **Art. 58(1)(a):** lack of use (without proper reasons) during a period of 5 consecutive years when EUTM has been registered for more than 5 years.
 - Burden of proof is on Proprietor.
- **Art. 58(1)(b):** EUTM becomes generic/common name in the trade, as a consequence of action or lack of action of the EUTM proprietor.
 - Burden of proof is on Applicant.
- **Art. 58(1)(c):** EUTM is used in a deceptive way and is liable to mislead the public.
 - Burden of proof is on Applicant.

Art. 58(1)(c): EUTM is used in a deceptive way

Examples

Trade mark	Goods & services	Outcome
MÖVENPICK OF SWITZERLAND	Cocoa, chocolate, chocolate confectionery...	Goods produced in Germany 
	Cheese	Use proven for cheese not made from goats' milk 
GERIVAN <i>PURE NEW WOOL</i>	Clothing	Use proven for clothing manufactured from artificial fibres 

INVALIDITY: KEY FEATURES

- Can be filed by anybody (absolute grounds), by owners/licencees of earlier rights (relative grounds) and persons entitled under Union legislation or under the law of the Member State concerned to exercise the rights in question
- Can be filed at any time, but only against a registered EUTM
- several grounds for invalidity can be grouped in one application
- Burden of proof is on the invalidity applicant
- Declaration of Invalidity: the EUTM will be deemed not to have had effect from the filing date (outset date) of contested EUTM.

LEGISLATIVE FRAMEWORK: ARTICLES 59 AND 60 EUTMR

Absolute grounds

Art. 59(1) EUTMR: An EU trade mark shall be declared invalid on application to the Office (...):

- **Art. 59(1)(a):** EUTM registered in breach of Article 7 EUTMR (same grounds as for refusal in examination)
- **Art. 59(1)(b):** applicant was acting in Bad faith when filed the application
- **Art. 82:** collective EUTM registered in breach of Art. 76 EUTMR

Art. 59(1)(b): BAD FAITH

Concept

Not defined in EUTMR

- ‘There is no precise legal definition of the term ‘bad faith’, which is open to various interpretations (...). There is bad faith when the **conduct of the applicant for a Community trade mark departs from accepted principles of ethical behaviour or honest commercial and business practices**,...’ (Opinion of Advocate General Sharpstone of 12/03/2009, C-529/07, ‘Lindt Goldhase’)
- ‘...It is an **autonomous concept of European Union law**, which must be given a uniform interpretation in the European Union’ (preliminary ruling of 27/06/2013, C-320/12, ‘Malaysia Dairy’)

Art. 59(1)(b): BAD FAITH

Extent of invalidity

- All goods and services (even if dissimilar)
- Partial request is possible

Art. 59(1)(b): BAD FAITH

Assessment:

- Whether a CTM proprietor acted in bad faith when filing a trade mark application must be the subject of an **overall assessment**, taking into account all the factors relevant to the particular case (judgment of 11/06/2009, C-529/07, 'Lindt Goldhase', § 37).
- Evidence must show bad faith **at the time of filing** the EUTM and may be made up of contracts, evidence of transactions between the parties, cooperative and active commercial relationship, proof of distribution and any number of documents that support the claim.
- Bad faith involves a **subjective element** which is usually not apt to be directly proven, it can be sufficient to show objective circumstances that allow a solid conclusion of bad faith.
- Time, relationship, actions taken, expectations, fair play.....

LEGISLATIVE FRAMEWORK: ARTICLES 59 AND 60 EUTMR

Relative grounds

Art. 60(1) EUTMR: An EU trade mark shall be declared invalid on application to the Office (...):

- **Art. 60(1)(a): EUTM registered contrary to Art. 8(1),(5) EUTMR:**
 - identical to earlier mark
 - similar to earlier mark
 - takes unfair advantage of the reputation of earlier trade mark
- **Art. 60(1)(b): EUTM registered contrary to Art. 8(3):** registered by an agent or representative
- **Art. 60(1)(c): EUTM registered contrary to Art. 8(4):** earlier non-registered trade mark (or trade name, company name, other) or another sign used in the course of trade
- **Art. 60(1)(d)** Basis for invalidity: protected designation of origin or geographical indication

LEGISLATIVE FRAMEWORK: ARTICLES 59 AND 60 EUTMR

Relative grounds

- **Art. 60(2):** EUTM registered contrary to any other earlier rights:
 - Right to a name
 - Right of personal portrayal
 - A copyright
 - An industrial property right
 - Other earlier right

PRACTICE AT EUIPO

[EUIPO Guidelines for Examination of EUTMs](#)

CONCLUSIONS

- Modernisation and Clarification of proceedings
- Omnicomprehensive grounds for invalidity
- Building up of administrative case-law: predictability, efficiency, duration
- High rate of judicial confirmations: quality of the administrative decisions
- Putting in place mechanisms to ensure consistency



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