

EUTM Courts

The distinctive functioning of a characteristic court

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1. Introduction



When IP law meets PI law and PI law meets EUTM law

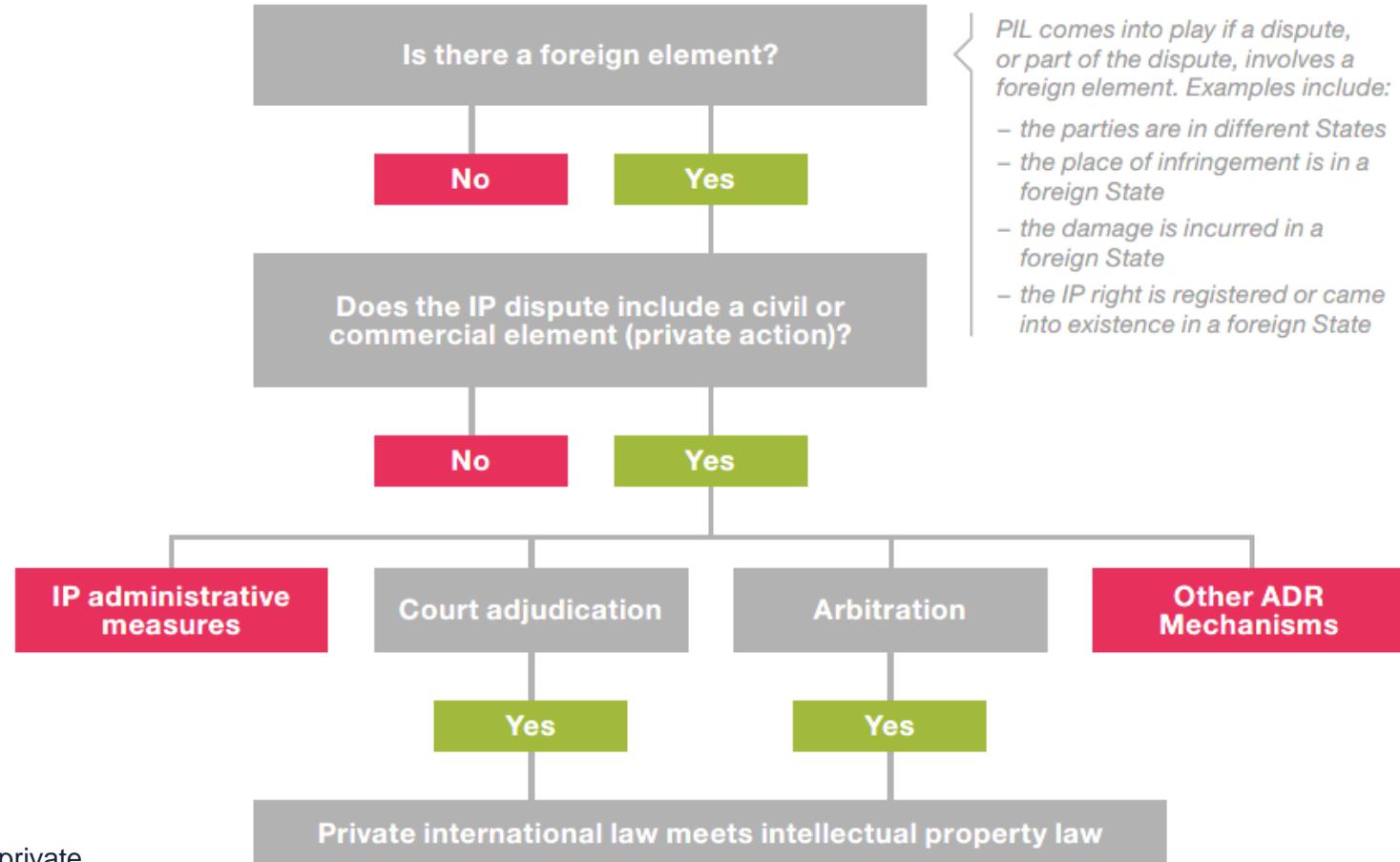
Intellectual
Property Law
("IP")

Law regulating rights and obligations in relation
to intangible creations

Private
International
Law ("PI")

Law regulating private relationships across
national borders, involving a foreign element

When IP law meets PI law and PI law meets EUTM law



© A. Bennett & S. Granata « When private international law meets intellectual property law. A guide for judges », WIPO 2019, 14.

Sequence of PI law



EUTM rights regulated by EUTMR (2007/1001)

- Union IP rights for trademarks (« EUTM rights »)
 - grant a **supranational unitary trade mark**
 - valid throughout the **whole European Union**
 - EUTMR (2007/1001) contains **specific rules of jurisdiction** granting international jurisdiction to **specified courts** (Article 123)



= EUTM courts shall have **exclusive jurisdiction** for the actions mentioned in Article 124

“ An EUTM shall have a unitary character. It shall have equal effect throughout the Union ...

Article 1 EUTMR

”

Rationale: why did the EUTMR opt for such specified courts functioning as EUTM courts?

To strengthen the protection of EUTMs

To ensure the unitary character of EUTMs

To prevent forum shopping

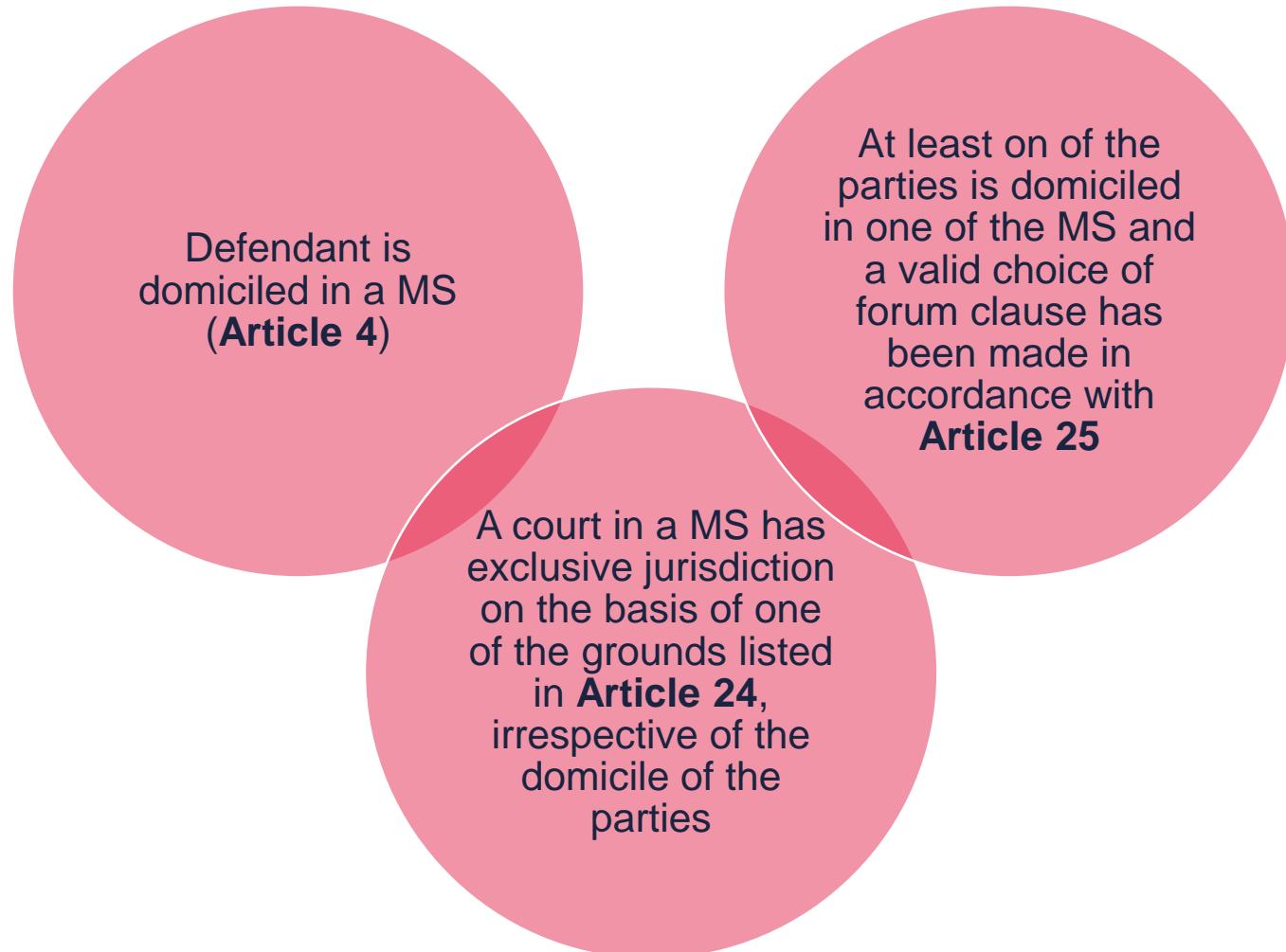
Foreseeability

Sound administration of justice

Maintaining a link with Brussels I Recast

- Article 122 §1: “*the provisions of Brussels I Recast apply to all actions at law relating to EUTMs, save where the EUTMR derogates from those rules*”
- Article 122 §2 provides that in the case of proceedings in respect of **EUTM court's exclusive jurisdiction**:
 - Article 4 Brussels I Recast (“Recast”) does not apply
 - Article 6 Recast does not apply
 - Article 7(1), (2), (3) and (5) Recast do not apply
 - Article 35 Recast does not apply
 - Articles 25 and 26 Recast shall only apply subject to the limitations in article 125(4)
 - In these cases, the **specific provisions of the EUTMR** shall apply

Recast: applicable in three cases



2. Jurisdiction



Exclusive jurisdiction

Article 124 EUTMR

The EUTM courts shall have **exclusive** jurisdiction for:

- all **infringement** and (if permitted under national law) **threatened infringement** actions relating to EUTMs
- **actions for declaration of non-infringement** (if permitted under national law)
- all **actions for reasonable compensation** referred to in Article 11(2)
- **counterclaims** for **revocation or invalidity** of the EUTM pursuant to Article 128

International jurisdiction: general rule

Article 125(1)-(3) EUTMR

General rule: **defendant is entitled to a 'home game'**

Article 125(1) Forum domicilii **defendant**

Article 125(2) Forum domicilii **plaintiff**

Article 125(3) **EUIPO**

International jurisdiction: forum domicilii

Article 125(1)-(2) EUTMR

CJEU Hummel Holding, 18 May 2017 (C-617/15)



Hummel Holding
A/S

Nike Inc. - Nike
Retail BV

Establishment = “centre of operations which, in the Member State where it is located, has a certain *real and stable presence* from which commercial activity is pursued, and has the *appearance of permanency* to the outside world, such as an extension of the parent body”

(Cf. CJEU, Mahamdia, 19 July 2012 (C-154/11), par. 48 re Article 7(5) Recast)

- Legal personality or not is not relevant
- Broad interpretation = can lead to multiple EUTM courts having jurisdiction

International jurisdiction: forum domicilii

Article 125(4) EUTMR

Alternatives to general rule: **agreement** and **appearance**

Article 125(4) i.c.w. articles 25 and 26 Recast

- Article 125(4)(a) i.c.w. Article 25 Recast
 - **Agreement on jurisdiction**
- Article 125(4)(b) i.c.w. Article 26 Recast
 - **Entering an appearance without contesting jurisdiction**

International jurisdiction: forum domicilii

Article 125(5) EUTMR

Alternative to general rule: **forum loci delicti**

Article 125(5) Courts of a MS in which the **act of infringement** has been committed or threatened, or in which an act giving rise to reasonable compensation has been committed

vs. Recast:

Article 7(2) « A person **domiciled in a Member State** may be sued in another Member State, in matters relating to **tort**, delict or quasi delict, in the courts for the place where the **harmful event occurred or may occur**. »

Duality between:

- either **Handlungsort**: place of the event giving rise to the damage
- or **Erfolgsort**: place where the damage occurred

Article 7(2) limited to « persons domiciled in a MS » <> Article 125(5)

International jurisdiction: forum loci delicti

Article 125(5) EUTMR

CJEU, **Wintersteiger**, 19 April 2012 (C-523/10)

Wintersteiger

= AT

« WINTERSTEIGER »

Austrian TM

Products4

= DE

- National TM used as adword by German company for **advertising on a German search engine**, that was also **accessible from Austria**
- **ONLINE infringement of NATIONAL TM**
- Wintersteiger brought action before the Austrian courts
- **Question: do the Austrian courts have jurisdiction? Y/N**

International jurisdiction: forum loci delicti

Article 125(5) EUTMR

CJEU, **Wintersteiger**, 19 April 2012 (C-523/10)

Wintersteiger

= AT

Products4

= DE

« WINTERSTEIGER »

Austrian TM

- On the basis of **Article 7(2) Recast**, jurisdiction is given to the court of the « *place where the event giving rise to the damage* » = **MS of establishment of the advertiser (DE)**
→ place where the activation of the display process is decided (= **MS of activation**)

OR

« *place where the damage occurred* » = **MS in which the TM is registered (AT)**

International jurisdiction: forum loci delicti

Article 125(5) EUTMR

CJEU, **Coty Germany**, 5 June 2014 (C-360/12)

Coty Germany

= DE



3D EUTM

First Note Perfumes

= BE



- EUTM used in the sale of products (women's perfumes) in the German market. Defendant sold the products to a third party that would then bring them and sell them in Germany
- **OFFLINE infringement of EUTM**
- Coty brought action before the German EUTM court
- **Question: do the German courts have jurisdiction? Y/N**

International jurisdiction: forum loci delicti

Article 125(5) EUTMR

CJEU, **Coty Germany**, 5 June 2014 (C-360/12)

Coty Germany

= DE



3D EUTM

First Note Perfumes

= BE



- On the basis of Article 125(5), jurisdiction is given to the court of the **MS where the act giving rise to that infringement occurred or may occur (= MS of activation)**

NOT « MS where the infringement produces its effect »

International jurisdiction: forum loci delicti

Article 125(5) EUTMR

CJEU, **AMS Neve**, 5 September 2019 (C-172/18)

AMS Neve

= UK

« 1073 »

EUTM

Heritage Audio

= ES

- EUTM used by **Spanish company** to offer imitations of the protected products **to consumers in the UK** through its website
- **ONLINE infringement of EUTM**
- AMS Neve brought action before the UK EUTM court
- **Question: do the UK courts have jurisdiction?**

International jurisdiction: forum loci delicti

Article 125(5) EUTMR

CJEU, **AMS Neve**, 5 September 2019 (C-172/18)

AMS Neve

= UK

« 1073 »

EUTM

Heritage Audio

= ES

- On the basis of **Article 125(5)**, jurisdiction is given to the court of the **MS within which the consumers or traders to whom that advertising and those offers for sale are directed, are located = MS of targeting**

= « *the territory where those acts can be classified as advertising or as offers for sale, namely where their commercial content has in fact been made accessible to the consumers and traders to whom it was directed* »
(par. 54)

NOT « *MS where the event giving rise to the damage* » (= MS of activation)

Extent of jurisdiction: cross-border jurisdiction

Article 126 EUTMR

Principle

In case of Articles 125(1)-(4):
EUTM court will have jurisdiction in respect of acts of infringement committed/threatened within the **territory of any of the Member States** (Article 126(1))

Exception

In case of Article 125(5):
EUTM court will have jurisdiction only in respect of acts committed/threatened within over the **territory in which the court is situated** (Article 126(2))
BUT (i) the outcome may have an indicative meaning on proceedings in other MSs, and (ii) “in respect of”: may include infringing acts in other MSs that occurred as a result of the initial act

Sanctions: provisional and protective measures

Article 131 EUTMR

2 options:

Option 1: National court

- may grant provisional relief in respect of EUTM if national law allows so (CJEU, Spin Master, 21 November 2019 (C-678/18): « *requirements of proximity and efficiency should prevail over the objective of specialisation* »)
- Scope of such decision: relevant MS

Option 2: EUTM court

- Scope cf. Article 126:
 - if based on Article 125(1)-(4): EU-wide effect
 - if based on Article 125(5): relevant MS

Sanctions: injunctive relief

Article 130 EUTMR

« *Where an EU trade mark court finds that the defendant has infringed or threatened to infringe an EU trade mark, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the EU trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with »*

- Principle = cease and desist order must extend to the **entire area of the EU**
- **2 exceptions:**
 1. **Applicant** has restricted the territorial scope
 2. The **EUTM court** must restrict the territorial scope of the prohibition « *because the defendant proves that* » the EUTM, in a given part of the EU, **does not** infringe / adversely affect the **TM's function**

Sanctions: territorial scope of prohibition

Article 130(1) EUTMR

CJEU, DHL/Chronopost, 12 April 2011 (C-235/09)

Chronopost

« WEB SHIPPING »

French TM and EUTM

Infringement **sub a**

DHL France Express

use of signs

« WEB SHIPPING », « Web Shipping » and/or « Webshipping » for identical express mail management service

« *The exclusive right of a EU trade mark proprietor and, hence, the territorial scope of that right, may not extend beyond what that right allows its proprietor to do in order to protect his trade mark, that is, to prohibit only uses which are liable to affect the functions of the trade mark* » (par. 47)

Burden of proof = EUTM court **must** limit the territorial scope of the prohibition if « *the defendant proves* » that the use of the sign at issue does not affect the functions in part of the EU, e.g. **on linguistic grounds** (par. 48)

Sanctions: territorial scope of prohibition

Article 130(1) EUTMR

CJEU, **Ornua/Tindale**, 20 July 2017 (C-93/16)

Ornua Co-operative
Ltd

«KERRYGOLD»
EUTM

Infringement **sub b and c**



Tindale & Stanton
Ltd Espana SL

uses the sign
« KERRYMAID »

Reasons for limiting the scope of prohibition

= not only for « *linguistic reasons* » (cf. DHL/Chronopost case), but also possible due to « *market conditions and sociocultural or other circumstances* » (par. 46-47)

Sanctions: territorial scope of prohibition

Article 130(1) EUTMR

CJEU, Combit/Commit, 22 September 2016 (C-223/15)

Combit Software
«COMBIT»
German TM and EUTM

Infringement **sub b**

Combit Business
Solutions
Use of sign « COMMIT »

« where an EUTM court concludes, on the basis of information which must, as a rule, **be submitted to it by the defendant**, that there is **no likelihood of confusion** in a part of the European Union, legitimate trade arising from the use of the sign in question in that part of the European Union cannot be prohibited » (par. 32)

Burden of proof = « submitted by the defendant »

Allocation of burden of proof = **EUTMR**

><

Standard and methods of proof = **national law** of MS
of the court seized

(Cf. Opinion AG Szpunar, Combit/Commit, 25 May 2016, par. 46-47)

Sanctions: territorial scope of prohibition

Article 130(1) EUTMR

CJEU, Iron&Smith/Unilever, 3 September 2015 (C-125/14)

Iron & Smith kft

«BE IMPULSIVE»

Application for Hungarian
TM

Opposition **sub c**

Unilever NV

«IMPULSE»

EUTM

Burden of proof seems to follow the same principles for sub c ground cf. DHL/Chronopost case

- **Defendant** bears the burden of proof if the territorial scope of prohibition should be limited

Presumption of validity

Article 127 EUTMR

Principle

EUTM courts shall treat the EUTM as **valid**

Exception

Article 127(1) = unless its validity is put at issue by the defendant with a **counterclaim** (Article 128)

Article 127(3) = unless the defendant submits a **plea** relating to **revocation for lack of genuine use** of the EUTMR pursuant to Article 124(a) or (c)

Counterclaims for cancellation

Article 128 EUTMR



Cancellation and related actions

Article 132 EUTMR

« Related actions » are actions that

- concern the **same EUTM**, and
- are being **conducted at the same time** before **different EUTM courts** or before **one EUTM court and EUIPO**

→ PRINCIPLE = second action must **be stayed**

• RATIO =

- **Avoid repeated disputes** about the same subject matter and **diverging decisions**
- **Ensure procedural efficiency**

Cancellation and related actions

Article 132 EUTMR

Article 132(1)

1st action = counterclaim for revocation / invalidity before EUTM court (Article 128) or application for revocation/invalidity before EUIPO (Article 63) (both with *erga omnes* effect)

2nd action = infringement action (Article 124(a)/(c)) before (different) EUTM court

Article 132(2)

1st action = counterclaim for revocation / invalidity (Article 128) (with *erga omnes* effect)

2nd action = application for revocation / invalidity before EUIPO (Article 63)

3. Applicable law and Lis Pendens



Which law should be applied?

Article 129 EUTMR

Principle

EUTM courts shall apply the provisions of the **EUTMR**

Exception

On all TM matters not covered by EUTMR, **lex fori**

Article 129(2) leads directly to the application of Article 8(2) Rome II
→ Law applicable = law of the country in which the 'act of infringement' was committed (**lex loci delicti**)

Rules of procedure

The rules of procedure governing the same type of action relating to a national TM in the MS of the EUTM court (unless provided otherwise in the EUTMR)

Lis Pendens: simultaneous and successive actions based on EUTM and national TMs

Article 136 EUTMR

Quid if action for infringement involving same cause of action between same parties?

- If the actions are brought in the **same MS: national procedural law** shall apply
- If the actions are brought in the **courts of different MSs: EUTMR** inspired by principles of Article 29

Recast:

If one EUTM court seized on the basis of an EUTM and the other seized on the basis of a national TM, the **second court seized**

- **shall** of its own motion decline jurisdiction IF TMs concerned are identical and valid for identical goods/services (Article 136(1)(a))
- **may** decline jurisdiction IF TMs concerned are identical and valid for similar goods/services and also IF TMs concerned are similar and valid for identical or similar goods/services (Article 136(1)(b))

Quid if action for infringement following a final judgment on the merits given on the same cause of action between same parties on the basis of identical TM valid for identical goods/services?

- 2nd action based on **EUTM** shall be rejected in case of final judgment re national TM (Article 136(2))
- 2nd action based on **national TM** shall be rejected in case of final judgment re EUTM (Article 136 (3))

Lis Pendens

Article 136 EUTMR

CJEU, Merck, 19 October 2017 (C-231/16)

Merck KGaA

«MERCK»

UK TM and EUTM

Merck & Co Inc

Use of sign «Merck»,

- Merck KGaA first brought an infringement **action in UK** based on its **UK TM** and then **in Germany** based on its **EUTM**
SCOPE of action based on **UK TM = UK**
SCOPE of action based on **EUTM = EU wide**, but Merck **limited** its second action **by excluding UK territory**
- CJEU:
« *the same ‘cause of action’ must be given the same interpretation as that given by the Court to the condition relating to the existence of proceedings involving the ‘same cause of action’ within the meaning of Article 27(1) Recast* » (par. 33)
« *the same ‘subject matter’ only in so far as the alleged infringements relate to the same territory* », otherwise « *the rights which he derives from an EUTM in the territory of other MS would be unduly restricted* » (par. 42-43)
➔ NOT the same cause of action

4. Brexit



Influence of Brexit on EUTM court

Withdrawal Agreement 12 November 2019 = UK leaving the EU on **1 February 2020**

- Until 31 December 2020 = **transition period** during which EU law remains applicable to and in the UK → this extends to the EUTMR
- As of 1 January 2021 =
 - UK will be a 3d country as regards the **implementation and application** of EU law in the EU MSs
 - Provisions regarding **jurisdiction** of EUTMR **shall apply** in the UK, as well as in the MSs in situations involving the UK, in respect of:
 - legal proceedings instituted before the end of the transition period, and
 - proceedings or actions that relate to such legal proceedings pursuant to Articles 29, 30 and 31 (on lis pendens) Recast

5. Conclusions



Applicable legal instrument

Article 7(2) Recast	Infringements of TM rights that are protected through national TM law
EUTMR > Recast	Infringements of EUTM rights that are protected under ‘uniform’ EUTM rights
Article 24(4) Recast	Regarding validity or registration of national TM rights
EUTMR > Recast	Regarding validity or registration of ‘uniform’ EUTM rights

Jurisdiction

Online Infringement

National TM rights

- **Domicile of the infringer** (Article 4 Recast)
- **MS in which the TM is registered** (Article 7(2) Recast « harmful event » cfr. place where the damage occurred // *Erfolgsort*)
- **MS of establishment of the infringer which is the place where the activation of the display process is decided** (Article 7(2) Recast « harmful event » cfr. place where the event giving rise to the damage // **handlungsort** – **Wintersteiger** case)

EUTM rights

- **Domicile of the infringer** (Article 125(1))
- **Domicile of the plaintiff** (Article 125(2))
- **EUIPO** (Article 125(3))
- Place of the infringing or threatening act (Article 125(5)): **MS of targeting** (e.g. through advertising) (**AMS Neve** case)

Jurisdiction

Offline Infringement

National TM rights

- **Domicile of the infringer** (Article 4 Recast)
- **MS in which the TM is registered** (Article 7(2) Recast « harmful event » cfr. place where the damage occurred // *Erfolgsort*)
- **MS of establishment of the infringer** (Article 7(2) Recast « harmful event » cfr. place where the event giving rise to the damage // *Handlungsort*)

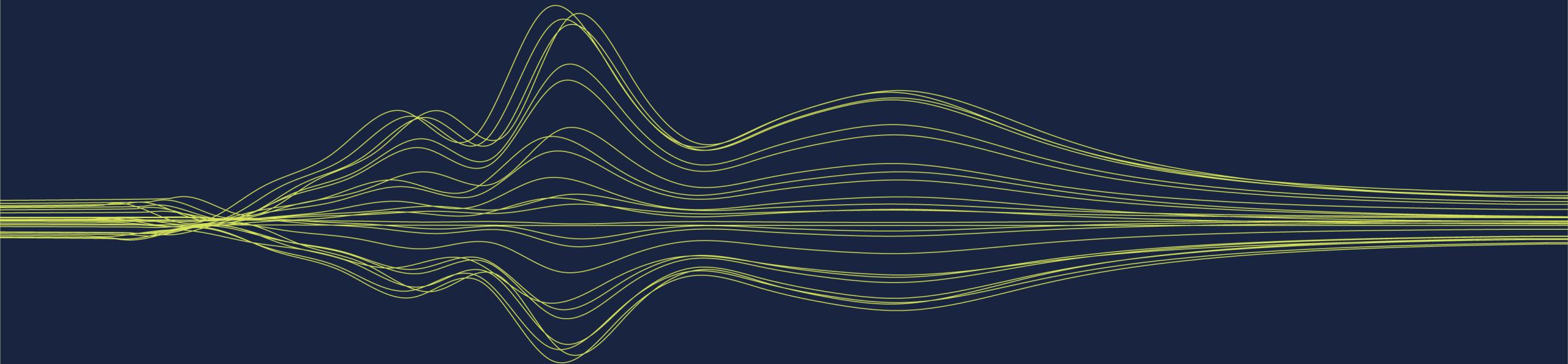
EUTM rights

- **Domicile of the infringer** (Article 125(1))
- **Domicile of the plaintiff** (Article 125(2))
- **EUIPO** (Article 125(3))
- Place of the infringing or threatening act (Article 125(5)): **MS of activation // where the infringer has its establishment** (*Coty* case)

Questions?

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Thank you!

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