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### **‘Temporal scope of the application of the new grounds for refusal of EUTMR’**

The new EU Trade Mark Regulation No 2015/2424 (‘EUTMR’), which entered into force on the 23 March 2016, has amended Articles 7, 8 and 53, introducing a number of additional grounds for refusal and invalidity in absolute and relative grounds which did not exist in the former CTMR.

Those additional grounds are not only applied when dealing with the examinations of incoming EUTM applications and oppositions: they could in principle also be claimed in a request for invalidity filed after the entry into force of the EUTMR against a trade mark validly registered under the previous regime.

The EUTMR does not contain transitory provisions or specific rules on the relevant point in time for the application of those new grounds and this fact has given rise to a number of questions which need clarification.

The Note which is published in attachment seeks to provide further guidance on the application of the grounds for refusal after the entry into force of the new EUTMR

*Annex: Note*

## Temporal scope of the application of the new grounds for refusal of EUTMR

### 1. Introduction

Regulation (EU) No 2015/2424 amending Regulation No 207/2009 on the Community Trade Mark (‘the Amending Regulation’), which entered into force on 23 March 2016, has amended Articles 7, 8 and 53, introducing a number of additional grounds for refusal and invalidity in AG and RG that did not exist in the former CTMR (‘EUTMR’, after amendment).

The Amending Regulation does not contain any transitory provisions or specific rules on the relevant point in time for the application of those new grounds. It is therefore necessary to provide further guidance about the grounds for refusal introduced by the legal reform and whether or not they will be applied in relation to EUTMs applied for before the entry into force of the Amending Regulation.

### 2. The new grounds for refusal in Articles 7 and 8 EUTMR

The EUTMR generally maintains the previously existing grounds for refusal (e.g., descriptiveness, deceptiveness, etc.), while, at the same time, Article 7 EUTMR explicitly refers to additional ones, whereas new Article 8(6) EUTMR introduces a specific relative ground of refusal for oppositions based on designations of origin (PDO) or geographical indication (PGI).

The grounds which have been introduced in the EUTMR and which were not mentioned as such in the previous wording of Articles 7 and 8 of CTMR are the following:

#### ***In absolute grounds for refusal:***

- Article 7(1)(e): examination of ‘other characteristics’ of functional trade marks (apart from their shape);
- Article 7(1)(j): conflicts with an earlier PGI/PDO protected at **national** level;
- Article 7(1)(k): conflicts with earlier **EU** traditional terms for wines;
- Article 7(1)(l): conflicts with earlier **EU** traditional specialties guaranteed;
- Article 7(1)(m): conflicts with earlier **national** plant variety denominations;
- Article 7(1)(m): conflict with earlier **EU** plant variety denominations;

### ***In relative grounds for refusal:***

- Article 8(6) EUTMR: a specific ground of oppositions for earlier GIs protected under EU legislation or the law of a Member State.

### **3. Application of the new grounds in examination proceedings (Article 7 EUTMR)**

To determine the temporal scope of application of the additional absolute grounds for refusal, the Office has opted to take into consideration not only the factual situation but also the **legislation in force** at the time of filing the TM application.<sup>1</sup>

In order to establish the relevant legislation in force, **the Office should take into account not only the provisions of the EUTMR/CTMR at the time of filing, but also other EU provisions dealing with conflicts with trade marks in force at that point in time.** In this regard, it is important to underline that certain EU Regulations foresee the prohibition of registration of a trade mark which is in conflict with, for instance, a plant variety denomination or a geographical indication. Those prohibitions, contained in EU Regulations on Plant Varieties, Geographical Indications, etc. are considered to be equivalent to the 'absolute grounds for refusal' of Article 7 CTMR/EUTMR.

In the past, the fact that these provisions were not included in the former CTMR, but in other EU Regulations, has not prevented the Office from applying them directly. On the contrary, following settled case-law, provided that those provisions have a **clear and unconditional wording**, they have to be directly applied, even if they are neither remitted to, nor contained in the trade mark legislation, since '[EU] Regulations have general application and are directly applicable in all Member States. Accordingly, owing to their very nature and their place in the system of sources of EU law, regulations have immediate effect and operate to confer rights on individuals which the national courts have a duty to protect', (see Joined Cases C-4/10 and C-27/10, 'BNI Cognac', para. 40).

This has been, in fact, the approach taken in the past by the Office to object, for example to trade marks which were in conflict with an **EU plant variety denomination**: the Office applied Council Regulation (EC) No 2100/94 on Community plant variety rights in conjunction with former Article 7(1)(f) CTMR.

In other words, under the former CTMR, there existed absolute grounds for refusal which were contained in Article 7 CTMR, as well as other prohibition of registrations (equivalent to the absolute grounds for refusal) which were contained in other EU Regulations. The different legal instruments (CTMR, other EU Regulations) under which they were foreseen did not amount to a different treatment, since both had to be equally applied by the Office. As a consequence, the explicit inclusion by the Amending Regulation (which does not include transitory provisions as above indicated) of a referral to such EU Regulations does not change the legislative situation.

In light of the foregoing, the absolute grounds included in the EUTMR should be sub-divided as follows:

a) *Grounds which **existed before 23 March 2016** but which were included in EU Regulations other than the CTMR:*

- Conflict with earlier **EU** traditional terms for wines; it was already foreseen in Article 113(2) of Regulation (EU) No 1308/2013 on the protection of geographical indications for wines in combination with Articles 40 and 41 of Commission Regulation (EC) No 607/2009. The Amending Regulation introduces this ground for refusal under Article 7(1)(k);

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<sup>1</sup> See Judgment of 14 July 2011, Joined Cases C-4/10 and C-27/10, *Bureau national interprofessionnel du Cognac (COGNAC)*, ECR I-6131, ECLI:EU:C:2011:484 paragraph 26.

- Conflict with earlier **EU** traditional specialties guaranteed; it was already foreseen in Article 24 of Regulation (EU) No 1151/2012 on the protection of geographical indications for agricultural products and foodstuffs. The Amending Regulation introduces this ground for refusal under Article 7(1)(l);
- Conflict with earlier **EU** plant variety denominations; it was already foreseen in Council Regulation (EC) No 2100/94 on Community plant variety rights. The Office applied this Regulation in combination with Article 7(1)(f). The Amending Regulation introduces a specific ground for refusal under Article 7(1)(m).

*b) Grounds which were not foreseen before, either in the CTMR, or in other EU Regulations, and which **are applied by the Office for the first time on or after 23 March 2016:***

- Article 7(1)(e): examination of ‘other characteristics’ of functional trade marks (apart from their shape);
- Article 7(1)(j): conflicts with an earlier PGI/PDO protected at **national** level;
- Article 7(1)(m): conflicts with earlier **national** plant variety denominations.

The distinction above is important since it determines how they are applied in the different scenarios of examination and invalidity requests, as explained below.

### **3.1. Applications filed before 23 March 2016**

At examination stage, the new grounds contained in Article 7(1) EUTMR which **ARE NOT** applied to applications filed before 23 March 2016 are the following:

- Article 7(1)(e): examination of ‘other characteristics’ of functional trade marks (apart from their shape);
- Article 7(1)(j): conflicts with an earlier PGI/PDO protected at national level;
- Article 7(1)(m): conflicts with earlier national plant variety denominations.

On the other hand, the new grounds for refusal which **ARE** applied to applications filed before 23 March 2016 are the following:

- Conflict with earlier EU traditional terms for wines;
- Conflict with earlier EU traditional specialties guaranteed;
- Conflict with earlier EU plant variety denominations.

As mentioned above, these latter three AGs, although explicitly introduced in the wording of Article 7(1) for the first time, already existed under other legal provisions. It is therefore possible to raise an objection in case of conflict even against applications filed before 23 March 2016.

Consequently, the Office will raise objections against applications filed before 23 March 2016, if it becomes aware, on its own initiative or pursuant to a third party observation, of the applicability of any of those grounds at any stage of the registration procedure.

Since these grounds were not foreseen in the CTMR in force when the application was filed, but in other legal provisions, the Office needs to refer to those legal provisions as a basis for the refusal. Therefore In such cases, the Office will base the objection on the following provisions:

- In case of conflict with earlier **EU traditional terms for wines**: Article 113(2) of Regulation (EU) No 1308/2013 on the protection of geographical indications for

wines in combination with Articles 40 and 41 of Commission Regulation (EC) No 607/2009;

- In case of conflict with earlier **EU traditional specialties guaranteed**: Article 24 of Regulation (EU) No 1151/2012 on the protection of geographical indications for agricultural products and foodstuffs;
- In case of conflict with earlier **EU plant variety denominations**: Council Regulation (EC) No 2100/94 on Community plant variety rights together with Article 7(1)(f);.

The examination criteria to be applied are those contained in the Office's Guidelines.

### 3.2. Applications filed on or after 23 March 2016

At examination stage, **ALL** of the new grounds contained in Article 7(1) EUTMR are taken into account in respect of those applications which have been filed on or after 23 March 2016, namely:

- Article 7(1)(e): examination of 'other characteristics' of functional trade marks (apart from their shape);
- Article 7(1)(j): conflicts with an earlier PGI/PDO protected at national level;
- Article 7(1)(k): conflicts with earlier EU traditional terms for wines;
- Article 7(1)(l): conflicts with earlier EU traditional specialties guaranteed;
- Article 7(1)(m): conflicts with earlier national plant variety denominations;
- Article 7(1)(m): conflict with earlier EU plant variety denominations;

The Office will issue for these cases the standard objection letters. The legal basis for refusal will be Article 7(1) EUTMR in combination, if applicable, with the other EU or national legislation. The examination criteria to be applied are those contained in the Office's Guidelines.

### 4. Application of the new relative ground for refusal (Article 8(6))

To determine the temporal scope of application of the specific relative ground for refusal for GIs, the Office will take into consideration the legislation in force **at the time of filing of the opposition**.

The Amending Regulation introduces Article 8(6) EUTMR as a **specific ground of opposition for GIs**. Moreover, it **does not require** proving that the GI was used in the course of trade of more than mere local significance. Prior to that, GIs could form the basis of an opposition pursuant to Article 8(4) EUTMR as 'another sign used in the course of trade' and the requirement to prove that the GI was used in the course of trade of more than mere local significance applied to them. The introduction of this specific ground means that GIs can only be invoked under the new ground.

Therefore, the ground introduced in Article 8(6) EUTMR will be applied only in respect of oppositions filed on or after **23 March 2016**, irrespective of the filing date (or the priority date) of the contested application.

If an opponent files an opposition based on a GI after the entry into force of the Amending Regulation, in which it indicates (incorrectly) Article 8(4) EUTMR as a ground for opposition, the Office will examine the opposition, to the extent that it is clearly based on a GI, as if the ground invoked was Article 8(6) EUTMR (the latter does not require the opponent to prove use of a GI in the course of trade of more than mere local significance).

Oppositions filed before **23 March 2016** on the basis of a GI are examined under Article 8(4) EUTMR. As the wording of this Article has not changed, the opponent is obliged to prove use of a GI in the course of trade of more than mere local significance.

## 5. Application of the new grounds in requests for invalidity (absolute grounds)

In the absence of transitional provisions in the Amending Regulation, the applicable legal regime is, in principle, the one in force at the **time of the filing of the invalidity action**. Considering, however, that according to settled case law, whether a trade mark should be declared invalid must be assessed on the basis of the factual situation at the **date of its application**, this approach may lead to situations of de facto retroactivity of the new provisions.

According again to the Court's case-law, such retroactivity is possible only where the legitimate expectations or acquired rights of third parties are not affected<sup>2</sup>. Therefore, making the relevant date for considering whether or not the new grounds for refusal apply the **filing date** of the contested trade mark provides a satisfactory solution to this problem.

### 5.1. In respect of actions directed against trade marks filed before 23 March 2016

In consequence, and by analogy to the practice indicated in point (3) above, the new grounds contained in Article 7(1) EUTMR **can NOT** be validly invoked, in a request for invalidity under Article 52(1)(a) in conjunction with Article 7(1) EUTMR filed **on/after** the entering into force of the Amending Regulation, against trade marks **filed** before 23 March 2016, **except the following ones**:

- Article 7(1)(k): conflicts with earlier EU traditional terms for wines;
- Article 7(1)(l): conflicts with earlier EU traditional specialties guaranteed;
- Article 7(1)(m): conflict with earlier EU plant variety denominations.

As explained above, these three AGs, although introduced in the wording of Article 7(1) by the Amending Regulation for the first time, they **already existed** under other EU legal provisions and thus it cannot be said that their application would harm any legitimate expectations or acquired rights of the trade mark owner. Moreover, the Amending Regulation does not contain any transitory provisions or specific rules on the relevant point in time for the application of those new grounds. It is therefore possible for an invalidity applicant to file a request for invalidity **on/after** 23 March 2016 based on conflicts with EU plant variety denominations, EU traditional terms for wines and EU traditional specialties guaranteed even against trade marks filed before 23 March 2016.

As a result, the Office will base the invalidity decision on the following provisions:

- In case of conflict with earlier **EU traditional terms for wines**: Article 52(1)(a) in conjunction with Article 7(1)(k) EUTMR and Article 113(2) of Regulation (EU) No 1308/2013 on the protection of geographical indications for wines in combination with Articles 40 and 41 of Commission Regulation (EC) No 607/2009;
- In case of conflict with earlier **EU traditional specialties guaranteed**: Article 52(1)(a) in conjunction with Article 7(1)(l) EUTMR and Article 24 of Regulation (EU) No 1151/2012 on the protection of geographical indications for agricultural products and foodstuffs.
- In case of conflict with earlier **EU plant variety denominations**: Article 52(1)(a) in conjunction with Article 7(1)(m) EUTMR and Council Regulation (EC) No 2100/94 on Community plant variety rights;

For the sake of completeness, it should be noted that requests for invalidity filed **before** 23 March 2016 are assessed under the legal regime in force at the time of the filing of the invalidity action.

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<sup>2</sup> See Judgment of 14 July 2011, Joined Cases C-4/10 and C-27/10, *Bureau national interprofessionnel du Cognac (COGNAC)*, ECR I-6131, ECLI:EU:C:2011:484 paragraphs 25 and 26.

## 5.2. In respect of trade marks filed on or after 23 March 2016

Any of the new grounds contained in Article 7(1) EUTMR can be invoked in a request for invalidity under Article 52(1)(a) in conjunction with Article 7(1) EUTMR (and, if applicable, in combination with the other EU, international or national legislation) against trade marks filed on or after 23 March 2016.

### 6. Application of the new relative ground for refusal in application for invalidity (Article 53(1)(d) in conjunction with Article 8(6) EUTMR)

The Amending Regulation has introduced Article 53(1)(d) EUTMR in conjunction with Article 8(6) EUTMR as a specific ground of invalidity for GIs protected under EU or national law.

To determine the temporal scope of application of the ground for refusal under Article 53(1)(d) in conjunction with Article 8(6) EUTMR, the Office will take into consideration the legislation in force **at the time of filing the application for invalidity**.

In the absence, on the one hand, of any transitory provisions and temporal restrictions as regards contested European Union trade marks in the Amending Regulation, and, on the other hand, considering that GIs were also a ground for refusal under the previous regime and that their use in the course of trade is inherent in their function, as of its entry into force, Article 53(1)(d) EUTMR in conjunction with Article 8(4a) EUTMR can be invoked against EUTMs **regardless of their filing or priority date**, and therefore even against EUTMs filed and registered with the Office before the entry into force of the Amending Regulation.

The protection afforded to GIs by Article 53(1)(d) EUTMR in conjunction with Article 8(6) EUTMR is therefore a continuation of the protection previously afforded by Article 53(1)(c) EUTMR in conjunction with Article 8(4) EUTMR. Thus, there can be no question of interfering with acquired rights or legitimate expectations of proprietors of EUTMs filed before 23 March 2016.

GIs thus invoked under Article 53(1)(d) EUTMR in conjunction with Article 8(6) EUTMR had to already be protected at the time of filing the contested EUTM and be entitled to prohibit use of a subsequent trade mark. Furthermore, the essential conditions for protection of such earlier GIs as provided for by relevant EU or national legislation (that is, for example, protection against any direct or indirect commercial use; misuse, imitation or evocation; false or misleading indication or other misleading practice) applied already at the filing or priority date of the contested EUTM, even if filed before the entry into force of the Amending Regulation. Article 8(6) EUTMR better reflects the requirements of EU legislation, which does not require that a GI is used in the course of trade in order for it to be entitled to prevent unauthorised use.

As a consequence:

- Article 53(1)(c) EUTMR in conjunction with Article 8(4) EUTMR continues to apply in invalidity proceedings based on GIs pending at the time of entry into force of the Amending Regulation;
- Article 53(1)(d) EUTMR in conjunction with Article 8(6) EUTMR applies in applications for invalidity based on GIs filed on or after 23 March 2016. Consequently, GIs can no longer form the basis of an application for invalidity under Article 53(1)(c) EUTMR in conjunction with Article 8(4) EUTMR, even though the wording of that provision has not changed. They necessarily have to be invoked under Article 53(1)(d) EUTMR in conjunction with Article 8(6) EUTMR.

Nevertheless, if an invalidity request based on a GI is filed after the entry into force of the Amending Regulation (incorrectly) indicating Article 53(1)(c) EUTMR in conjunction with Article 8(4) EUTMR as a ground for invalidity, the Office will examine the request to the extent that it is clearly based on a GI, as if the ground invoked was Article 53(1)(d) EUTMR in conjunction with Article 8(6) EUTMR.

## 7. Overview

The following table gives an overview of what has been explained above.

### Applicable grounds of refusal depending on when the challenged TM was filed and when proceedings started against it

Absolute grounds	Applicable provisions to refusal decisions when the objection letter has been issued before 23/03/2016	Applicable provisions to objection letters issued <u>on or after 23/03/2016</u> and subsequent refusals		Applicable provisions to decisions dealing with an AG Invalidation request filed before 23/03/2016	Applicable provisions to decisions dealing with an AG Invalidation request filed on or after 23/03/2016	
		Challenged TM filed before 23/03/2016	Challenged TM filed on or after 23/03/2016		Challenged TM filed before 23/03/2016	Challenged TM filed on or after 23/03/2016
7(1)(e): 'other characteristics'	N/A	NO	YES	N/A	NO	YES +52(1)(a)
7(1)(j): national (non-agri) GI	N/A	NO	YES	N/A	NO	YES +52(1)(a)
7(1)(j): EU GI for wines (ground unchanged)	YES	YES	YES	YES	YES +52(1)(a)	YES +52(1)(a)
7(1)(j): EU GI for spirit drinks (ground unchanged)	YES	YES	YES	YES	YES +52(1)(a)	YES +52(1)(a)
7(1)(j): EU GI for foodstuffs (ground unchanged, but renumbered)	NO (→Article 7(1)(k) EUTMR, before its amendment by Regulation No 2015/2424)	YES	YES	NO (→Article 7(1)(k) EUTMR, before its amendment by Regulation No 2015/2424)	YES +52(1)(a)	YES +52(1)(a)
7(1)(k): EU traditional term for wines	N/A	NO But direct application of Regulation 1308/2013 and Regulation 607/2009)	YES	N/A <sup>3</sup>	YES +52(1)(a)	YES +52(1)(a)
7(1)(l): EU traditional speciality guaranteed	N/A	NO but direct application of Regulation 1151/2012	YES	N/A <sup>4</sup>	YES +52(1)(a)	YES +52(1)(a)
7(1)(m): national plant variety denomination	N/A	NO	YES	N/A	NO	YES +52(1)(a)
7(1)(m): EU plant variety denomination	NO (→Article 7(1)(f) EUTMR + Article 18(2) of Regulation No 2100/94)	NO (→ 7(1)(f) + Regulation No 2100/94)	YES	NO (→Article 7(1)(f) EUTMR + Article 18(2) of Regulation No 2100/94)	YES +52(1)(a)	YES +52(1)(a)

<sup>3</sup> No request for invalidity on AG was filed before 23/03/2016 directly invoking the relevant EU Regulation on EU TTW (theoretically, there could have been).

<sup>4</sup> No request for invalidity on AG was filed before 23/03/2016 directly invoking the relevant EU Regulation on EU TSG (theoretically, there could have been).

Relative grounds	Applicable provisions to decisions on oppositions filed before 23/03/2016	Applicable provisions to decisions on oppositions filed on or after 23/03/2016		Applicable provisions to decisions dealing with RG Invalidation request filed before 23/03/2016	Applicable provisions to decisions dealing with a RG Invalidation request filed on or after 23/03/2016	
		Challenged TM filed before 23/03/2016	Challenged TM filed on or after 23/03/2016		Challenged TM filed before 23/03/2016	Challenged TM filed on or after 23/03/2016
<b>8(4): 'other signs used in the course of trade'</b>	YES when GIs are invoked → 8(4)	NO when GIs are invoked → 8(4a)	NO when GIs are invoked → 8(4a)	YES when GIs are invoked → 53(1)(c)+8(4)	NO when GIs are invoked → 53(1)(d)+8(4a)	NO when GIs are invoked → 53(1)(d)+8(4a)
<b>8(4a): GI</b>	NO	YES	YES	NO	YES +53(1)(d)	YES +53(1)(d)
