

***GUIDELINES FOR EXAMINATION OF
EUROPEAN UNION TRADE MARKS***

***EUROPEAN UNION
INTELLECTUAL PROPERTY OFFICE
(EUIPO)***

PART D

CANCELLATION

SECTION 2

SUBSTANTIVE PROVISIONS

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1 General Remarks

1.1 The grounds for cancellation

Pursuant to Article 63(1) EUTMR, cancellation proceedings comprise applications for revocation and for declarations of invalidity.

The grounds for revocation are established in Article 58 EUTMR.

The grounds for invalidity are established in Article 59 EUTMR (absolute grounds), and Article 60 EUTMR (relative grounds). For the temporal scope of application of the grounds for invalidity following the entry into force of Regulation (EU) 2015/2424, see Annex 1 below.

In addition to those general grounds, specific grounds can be invoked by a cancellation applicant in support of its request to cancel a collective mark as per Article 81 EUTMR (grounds for revocation) and Article 82 EUTMR (grounds for invalidity), or a certification mark, as per Article 91 EUTMR (grounds for revocation) and Article 92 EUTMR (grounds for invalidity) (see paragraphs 2.5 and 2.6, 3.4 and 3.5 below).

Where an EUTM is registered in the name of the proprietor's agent or representative without its authorisation, the proprietor may request that the Office assigns the EUTM in his or her favour. This is as an alternative relief in a procedure for a declaration of invalidity under Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR. For further details, see paragraph 1.3.3 below and the Guidelines, Part D, Cancellation, Section 1, Cancellation Proceedings.

The EUTMDR in Articles 12 to 19, lays down the relevant provisions concerning applications for revocation and for a declaration of invalidity, including the languages of such proceedings, admissibility, substantiation and examination of the merits, etc.

1.2 *Inter partes* proceedings

Cancellation proceedings are never initiated by the Office itself. The initiative lies with the applicant for cancellation, even in cases based on absolute grounds for invalidity.

Article 63(1) EUTMR establishes the conditions that the applicant must fulfil in order to have *locus standi* for filing an application for revocation or for a declaration of invalidity. For further details, please see the Guidelines, Part D, Cancellation, Section 1, Cancellation Proceedings, paragraphs 2.1 and 4.1.

1.3 The consequences of revocation and invalidity

1.3.1 The legal effect of revocation

According to Article 62(1) EUTMR, in the event of **revocation**, and to the extent that the rights of the proprietor have been revoked, the EUTM will be deemed not to have the effects specified in the EUTMR as from the date of the application for revocation.

An earlier date on which one of the grounds for revocation occurred may be fixed by the Office if this is requested by one of the parties, provided that the requesting party

shows a legitimate legal interest in this respect. On the basis of information available in the relevant case file, it must be possible to determine the earlier date accurately. The earlier date should, in any event, be set after the five-year 'grace period' that the EUTM proprietor has after the registration of an EUTM pursuant to Article 18 EUTMR (see decision of 28/07/2010, 3 349 C, Alphatrad, confirmed by decision of 08/10/2012, R 444/2011-1, § 48-50 and judgment of 16/01/2014, T-538/12, Alphatrad, EU:T:2014:9).

For Office practice regarding surrenders when there is a revocation case pending, see the Guidelines, Part D, Cancellation, Section 1, Cancellation Proceedings, paragraph 4.3.

1.3.2 The legal effect of invalidity

According to Article 62(2) EUTMR, in the event of a **declaration of invalidity**, the EUTM will be deemed not to have had, as from the outset, the effects specified in the EUTMR.

For Office practice regarding surrenders when there is an invalidity case pending, see the Guidelines, Part D, Cancellation, Section 1, Cancellation Proceedings, paragraph 4.3.

1.3.3 The legal effect of a request for assignment of an EUTM

Pursuant to Article 21(2)(a) EUTMR and Article 163(1)(b) EUTMR, where the EUTM proprietor seeks a declaration of invalidity under Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR, the proprietor may request, as an alternative to invalidating the mark, its assignment in his or her favour if it was registered in the name of its agent or representative without its authorisation. Such a request for assignment is not a separate ground for action, but merely **alternative relief**. If the claim is successful, the applicant will become the proprietor of the EUTM with retroactive effect to the date of filing, or where applicable, priority, of the contested EUTM. Such an alternative remedy is not available in other grounds for invalidity.

2 Revocation

2.1 Introduction

According to Article 58(1) EUTMR, there are three grounds for revocation.

- The EUTM has not been put to genuine use during a continuous period of five years.
- The EUTM has become generic due to acts/inactivity of its proprietor.
- The EUTM has become misleading due to the use made by its proprietor or with its consent.

These grounds are examined in further detail in the paragraphs below. According to Article 58(2) EUTMR, where the grounds for revocation exist for only some of the registered goods and services, the EUTM proprietor's rights will be revoked only for those goods and services.

In addition to these grounds, Article 81 EUTMR lists three further specific grounds on which the rights of the proprietor of an **EU collective mark** may be revoked. Specific, additional grounds for revocation of **EU certification marks** are listed in Article 91 EUTMR.

2.2 Non-use of the EUTM — Article 58(1)(a) EUTMR

According to Article 58(1)(a) EUTMR, if within a continuous period of five years after the EUTM has been registered and before the filing of the application for cancellation the EUTM has not been put to genuine use, within the meaning of Article 18 EUTMR, then the EUTM must be revoked unless there are proper reasons for non-use.

Pursuant to Article 58(2) EUTMR, if the EUTM has been used for only some of the goods and services for which it is registered, the revocation will be limited to the non-used goods and services.

As regards **procedural aspects** of the submission of the evidence (time limits for submitting evidence, additional rounds for observations and submission of additional relevant evidence, translation of evidence, etc.), see the Guidelines, Part D, Cancellation, Section 1, Cancellation Proceedings.

The practice rules applicable to the **substantive assessment** of proof of use of earlier rights in opposition proceedings are applicable to the assessment of requests for revocation based on non-use (see the Guidelines, Part C, Opposition, Section 6, Proof of Use, paragraph 2). However, there are a number of particularities to be taken into account in the context of revocation proceedings, which will be examined below.

2.2.1 Burden of proof

Pursuant to Article 19(1) EUTMDR, the burden of proof lies with the EUTM proprietor.

The role of the Office is to assess the evidence put before it in the light of the parties' submissions. The Office cannot determine *ex officio* genuine use of earlier marks. It has no role in collecting evidence itself. Even proprietors of purportedly well-known marks must submit evidence to prove genuine use of their marks.

2.2.2 Genuine use

According to Article 19(1) EUTMDR in conjunction with Article 10(3) EUTMDR, the indications and evidence for submitting proof of use must consist of indications concerning the place, time, extent and nature of use of the contested trade mark for the goods and services for which it is registered.

As indicated above, the assessment of genuine use (including place, time, extent and nature of use) is the same in cancellation proceedings and in opposition proceedings. The detailed considerations in the Guidelines, Part C, Opposition, Section 6, Proof of Use, paragraph 2 should be followed.

Lack of genuine use for some of the contested goods/services in a revocation case implies the revocation of the registered EUTM for those goods/services. Consequently,

great care must be taken when assessing the evidence of use in revocation proceedings regarding **the use for the registered (and contested) goods/services**.

Case No	Comment
R 1857/2011-4 AQUOS	The EUTM was registered for <i>angling articles; angling equipment; angling accessories</i> in Class 28. The Board confirmed the Cancellation Division decision and maintained the EUTM for <i>fishing rods</i> and the unchallenged <i>fishing lines</i> in Class 28. The Board concurred with the Cancellation Division that the evidence submitted in order to prove use of the contested EUTM showed genuine use for 'fishing rods' and that these goods are sufficiently distinct from the broad categories of <i>angling articles</i> and <i>angling equipment</i> to form coherent subcategories. This finding was not challenged by the appellant.

2.2.3 Period of time to be considered

The relevant date is the date on which the **application for revocation** was filed.

- The EUTM is subject to revocation only if it has been registered for more than five years on that date.
- If this condition is fulfilled, the EUTM must have been genuinely used within the five years preceding that date (i.e. the five-year period is always counted backwards from the relevant date).

For example, if the EUTM was registered on 01/01/2011, it became subject to revocation on 02/01/2016. If the application for revocation was filed on 15/09/2016, the EUTM proprietor would have to prove genuine use of its mark within the period from 15/09/2011 to 14/09/2016.

There is one **exception**: where genuine use of the EUTM started or was resumed within the three months preceding the date on which the application for revocation was filed, such use will be disregarded where preparations for the commencement or resumption of use only began after the EUTM proprietor became aware that the request for revocation might be filed (Article 58(1)(a) EUTMR).

The burden of proof for this exception is on the applicant for revocation, who must file evidence that it made the EUTM proprietor **aware of its intention** to file an application for revocation.

2.2.4 Proper reasons for non-use

The detailed considerations in the Guidelines, Part C, Opposition, Section 6, Proof of Use, paragraph 2 and in particular paragraph 2.11 should be followed.

2.3 EUTM becoming a common name (generic term) — Article 58(1)(b) EUTMR

An EUTM will be revoked if, as a result of action or inaction on the part of the proprietor, it has become the common name in trade for a product or service for which it was registered.

2.3.1 Burden of proof

The burden is on the applicant for revocation to prove that the term has become the common name in the trade as a result of either:

- action; or
- inaction

on the part of the proprietor.

The Office will examine the facts in accordance with Article 95(1) EUTMR within the scope of factual submissions made by the revocation applicant (judgment of 13/09/2013, T-320/10, Castel, EU:T:2013:424, § 28). In doing so, it may take into consideration obvious and well-known facts. However, it will not go beyond the legal arguments presented by the revocation applicant. If a request for revocation is based only on Article 58(1)(b) EUTMR, the trade mark could not then be revoked due to being, for example, against public order and morality.

2.3.2 Point in time to be considered

The applicant for revocation must prove that the trade mark has become the common name in trade for the product or service in question after the date of registration of the EUTM, although facts or circumstances that took place between application and registration can be taken into account. The fact that the sign was, at the date of application, the common name used in trade for the goods or services in respect of which registration was sought would only be relevant in the context of an invalidity action.

2.3.3 Relevant public

An EUTM is liable to be revoked in accordance with Article 58(1)(b) EUTMR if it has become the common name for the product or service not just among some but among the vast majority of the relevant public, including those involved in the trade for the product or service in question (judgment of 29/04/2004, C-371/02, Bostongurka, EU:C:2004:275, § 23, 26). Whether a trade mark has become the common name in the trade for a product or service in respect of which it is registered must be assessed not only in the light of the perception of consumers or end users but also, depending on the features of the market concerned, in the light of the perception of those in the trade, such as sellers (judgment of 06/03/2014, C-409/12, Kornspitz, EU:C:2014:130, § 28). However, in some specific circumstances, it might be sufficient that the sellers of the finished product do not inform their customers that the sign has been registered as a trade mark and do not offer their customers assistance at the time of sale, which

includes an indication of the origin of the goods for sale (judgment of 06/03/2014, C-409/12, Kornspitz, EU:C:2014:130, § 23-25 and § 30).

2.3.4 Common name

A sign is regarded as the 'common name in the trade' if it is established practice in the trade to use the term in question to designate the goods or services for which it is registered (see the Guidelines, Part B, Examination, Section 4, Absolute Grounds for Refusal, Chapter 5, Customary Signs or Indications (Article 7(1)(d) EUTMR)). It is not necessary to prove that the term directly describes a quality or characteristic of the goods or services, but merely that it is actually used in the trade to refer to those goods or services. The distinctive force of a trade mark is always more likely to degenerate when a sign is suggestive or apt in some way, especially if it has positive connotations that lead others to latch on to its suitability for designating not just a particular producer's product or service but a particular type of product or service (decision of 30/01/2007, 1 020 C, Stimulation, § 22, 32 et seq.).

The fact that a trade mark is being used as the common name to refer to a specific product or service is an indication that it has lost its ability to differentiate the goods or services in question from those of other undertakings. One indication that a trade mark has become generic is when it is commonly used verbally to refer to a particular type or characteristic of the goods or services. However, this is not in itself decisive: it must be established whether the trade mark is still capable of differentiating the goods or services in question from those of other undertakings.

The absence of any alternative term or the existence of only one long, complicated term may also be an indication that a sign has become the common name in the trade for a specific product or service.

2.3.5 Defence for the proprietor

Where the proprietor of the EUTM has done what could reasonably have been expected in the particular case (e.g. organised a TV campaign or placed advertisements in newspapers and relevant magazines), the EUTM cannot be revoked. The proprietor must then check whether its trade mark appears in dictionaries as a generic term; if it does, the proprietor can request from the publisher that in future editions the trade mark will be accompanied by an indication that it is a registered trade mark (Article 12 EUTMR).

2.4 EUTM becoming misleading — Article 58(1)(c) EUTMR

If, as a result of use made of the mark by the proprietor or with its consent, the mark is liable to mislead the public, particularly concerning the nature, quality or geographical origin of the goods or services for which it is registered, the EUTM can be revoked. In this context, quality refers to a characteristic or attribute rather than a degree or standard of excellence.

2.4.1 Burden of proof

The Office will examine the facts in accordance with Article 95(1) EUTMR within the scope of factual submissions made by the revocation applicant (judgment of 13/09/2013, T-320/10, Castel, EU:T:2013:424, § 28). In doing so, it may take into consideration obvious and well-known facts. However, it will not go beyond the legal arguments presented by the applicant for revocation.

The burden of proof that the mark has become misleading rests on the applicant for revocation, who must further prove that it is the use made by the proprietor that causes the misleading effect. If the use is made by a third party, the burden is on the applicant for revocation to prove that the proprietor has consented to that use, unless the third party is a licensee of the proprietor.

2.4.2 Point in time to be considered

The applicant for revocation must prove that the trade mark has become liable to mislead the public, particularly concerning the nature, quality or geographical origin of the goods or services in question, after the date of registration of the EUTM. If the sign was already deceptive or liable to deceive the public at the date of application, this would be relevant in the context of an invalidity action.

2.4.3 Standards to be applied

The Guidelines contain details of the criteria to be applied when assessing whether an EUTM application complies with Article 7(1)(g) EUTMR (see the Guidelines, Part B, Examination, Section 4, Absolute Grounds for Refusal, Chapter 8, Deceptive Trade Marks (Article 7(1)(g) EUTMR). The criteria are comparable to those applied in revocation proceedings under Article 58(1)(c) EUTMR.

2.4.4 Examples

A trade mark composed of, or containing, a geographical indication will, as a rule, be perceived by the relevant public as a reference to the place from where the goods originate. The only exception to this rule is where the relationship between the geographical name and the products is manifestly so fanciful (e.g. because the place is not known, and unlikely to become known, to the public as the place of origin of the goods in question) that consumers will not make such a connection.

In this regard, the trade mark MÖVENPICK OF SWITZERLAND was revoked because the goods in question were produced (according to the facts) solely in Germany, not in Switzerland (decision of 12/02/2009, R 697/2008-1, MÖVENPICK OF SWITZERLAND).

Moreover, where a trade mark containing the word elements 'goats' and 'cheese' and a figurative element clearly depicting a goat is registered for 'goats' cheese', and use is proven for cheese not made from goats' milk, the EUTM will be revoked.

Where a trade mark containing the word elements 'pure new wool' is registered for 'clothing' and use is proven for clothing manufactured from artificial fibres, the EUTM will be revoked.

Where a trade mark containing the words 'genuine leather' or the corresponding pictogram is registered for 'shoe wear' and use is proven for shoes not made of leather, the EUTM will be revoked. 

2.5 Additional grounds for revocation of EU collective marks (Article 81 EUTMR)

According to Article 81 EUTMR, in addition to the grounds for revocation provided for in Article 58 EUTMR, the rights of the proprietor of an EU collective mark will be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings, if:

- (a) the proprietor does not take reasonable steps to prevent the mark being used in a manner incompatible with the conditions of use, where these exist, laid down in the regulations governing use, amendments to which have, where appropriate, been mentioned in the Register;
- (b) the proprietor of the EU collective mark uses it in such a way that it becomes liable to mislead the public as regards the character or significance of the mark, in particular, if it is likely to be taken to be something other than a collective mark, as stated in Article 76 EUTMR;
- (c) the amended regulations do not satisfy the requirements of Article 75 EUTMR or involve one of the grounds for refusal referred to in Article 76 EUTMR, but the amendment has been mentioned in the Register in breach of the provisions of Article 79(2) EUTMR, unless the proprietor of the mark, by further amending the regulations governing use in order to comply with the requirements of those provisions.

2.6 Additional grounds for revocation of EU certification marks (Article 91 EUTMR)

According to Article 91 EUTMR, in addition to the grounds for revocation provided for in Article 58 EUTMR, the rights of the proprietor of an EU certification mark will be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings, where any of the following conditions is fulfilled:

- (a) the proprietor carries on a business involving the supply of goods or services of the kind certified, in breach of Article 83(2) EUTMR;
- (b) the proprietor does not take reasonable steps to prevent the mark being used in a manner that is incompatible with the conditions of use laid down in the regulations governing use, amendments to which have, where appropriate, been mentioned in the Register;
- (c) the manner in which the mark has been used by the proprietor has caused it to become liable to mislead the public in the manner referred to in Article 85(2) EUTMR;
- (d) an amendment to the regulations governing use of the mark has been mentioned in the Register in breach of Article 88(2) EUTMR, unless the proprietor of the

mark, by further amending the regulations governing use, complies with the requirements of that Article.

3 Absolute Grounds for Invalidity

3.1 EUTM registered contrary to Article 7 EUTMR — Article 59(1)(a) EUTMR

An EUTM can be declared invalid if, at the time of its application, an objection could have been raised under any of the grounds listed in Article 7 EUTMR.

3.1.1 Burden of proof

The purpose of invalidity proceedings is, inter alia, to enable the Office to review the validity of the registration of a trade mark and to adopt, where necessary, a position that it should have adopted of its own motion in the registration process in accordance with Article 42(1) EUTMR (judgment of 30/05/2013, T-396/11, Ultrafilter International, EU:T:2013:284, § 20).

Article 95(1) EUTMR, second sentence, explicitly states that in invalidity proceedings pursuant to Article 59 EUTMR, the Office will **limit its examination to the grounds and arguments submitted by the parties**. The EUTM enjoys a **presumption of validity and it is for the invalidity applicant to invoke before the Office the specific facts that call the validity of a trade mark into question** (judgment of 13/09/2013, T-320/10, Castel, EU:T:2013:424, § 27-29).

Consequently, the Office will examine the facts in accordance with Article 95(1) EUTMR, second sentence, within the **scope of factual submissions** made by the applicant for the declaration of invalidity (judgment of 13/09/2013, T-320/10, Castel, EU:T:2013:424, § 28). In doing so, it may take into consideration obvious and well-known facts. However, it will **not go beyond the legal arguments presented by the applicant** for the declaration of invalidity.

One of the arguments that the EUTM proprietor may put forward against the invalidity applicant's claim is evidence that the EUTM has acquired distinctive character following use. See paragraph 3.2 below.

3.1.2 Points in time to be considered

The General Court has held that whether a trade mark should be registered or should be declared invalid must be assessed on the basis of the situation at the date of its application, not of its registration (judgment of 03/06/2009, T-189/07, Flugbörse, EU:T:2009:172; confirmed by order of 23/04/2010, C-332/09 P, Flugbörse, EU:C:2010:225).

Generally speaking, any developments or events after the date of application or priority date will not be taken into consideration. For example, the fact that a sign has, after the date of application, become the common term used in the trade for the goods or services for which registration was sought is in principle irrelevant for the purposes of examining an invalidity action (it would only be relevant in the context of a revocation

action). However, such facts subsequent to the date of application can nevertheless be taken into account where and to the extent that they allow conclusions to be drawn regarding the situation at the date of application for the EUTM. This might be the case, for example, with dictionary extracts that post-date the application date. Unless rapid development of linguistic usage or living conditions (in the sense of social or technical 'trends') has taken place after the date of application, words will usually only be listed in dictionaries if their actual use and meaning has been established over a considerable period of time (judgment of 25/11/2015, T-223/14, Vent Roll, EU:T:2015:879, § 39).

3.1.3 Standards to be applied

The Guidelines, Part B, Examination, Section 4, Absolute Grounds for Refusal, contain details of the criteria to be applied when assessing whether an EUTM application complies with Article 7 EUTMR. The criteria are identical to those applied in invalidity proceedings under Article 59(1)(a) EUTMR.

3.2 Defence against a claim of lack of distinctiveness

A trade mark that falls foul of Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b), (c) or (d) EUTMR will not be declared invalid where it has acquired distinctiveness through use (Articles 7(3) or 59(2) EUTMR).

The distinctive character acquired following use is, in the context of invalidity proceedings, an exception to the grounds for invalidity of Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b), (c) and (d) EUTMR. Since it is an exception, the **onus of proof** is on the party seeking to rely on it, namely the proprietor of the contested mark. The proprietor of the contested mark is best placed to adduce evidence in support of the assertion that its mark has acquired a distinctive character following the use which has been made of it (e.g. concerning the intensity, geographical extent, duration of use, promotional investment). Consequently, where the proprietor of the contested mark is requested to adduce evidence of distinctive character acquired through use, but fails to do so, the mark must be declared invalid (judgment of 19/06/2014, joined cases C-217/13 and C-218/13, Oberbank e.a, EU:C:2014:2012, § 68-71).

The Guidelines, Part B, Examination, Section 4, Absolute Grounds for Refusal, Chapter 14, Acquired Distinctiveness Through Use (Article 7(3) EUTMR), contain details of the criteria to be applied when assessing whether an EUTM has acquired distinctiveness through use.

The proprietor must demonstrate that either:

- the trade mark acquired distinctive character on or before the date of application, or the priority date (Article 7(3) EUTMR); or
- distinctive character was acquired after registration (Article 59(2) EUTMR).

Evidence of use during the period between the date of application and the date of registration can serve to support a finding of acquired distinctiveness after registration.

3.3 Bad faith — Article 59(1)(b) EUTMR

The EUTMR considers bad faith only as an absolute ground for the **invalidity** of an EUTM, to be relied on either before the Office or by means of a counterclaim in infringement proceedings. Therefore, bad faith is not relevant in examination or opposition proceedings (for opposition proceedings, see judgment of 17/12/2010, T-192/09, Seve Trophy, EU:T:2010:553, § 50).

3.3.1 Relevant point in time

The relevant point in time for determining whether there was bad faith on the part of the EUTM owner is the **time of filing of the application for registration**. However, it must be noted that:

- facts and evidence dated prior to filing can be taken into account for interpreting the owner's intention at the time of filing the EUTM. Such facts include, in particular, whether there is already a registration of the mark in a Member State, the circumstances under which that mark was created and the use made of it since its creation (see paragraph 3.3.2.1 below, third paragraph).
- facts and evidence dated subsequent to filing can sometimes be used for interpreting the owner's intention at the time of filing the EUTM, in particular whether the owner has used the mark since registration (see paragraph 3.3.2.1 below, third paragraph).

3.3.2 Concept of bad faith

As observed by Advocate General Sharpston (opinion of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 36), the concept of bad faith referred to in Article 59(1)(b) EUTMR is not defined, delimited or even described in any way in the legislation. However, the Court of Justice provided some guidance on how to interpret this concept in its judgment in the same case, as did the General Court in several cases (judgments of 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39; 14/02/2012, T-33/11, Bigab, EU:T:2012:77; and 13/12/2012, T-136/11, Pelikan, EU:T:2012:689). In its preliminary ruling of 27/06/2013, C-320/12, Malaysia Dairy, EU:C:2013:435, the Court of Justice declared that the concept of bad faith is an autonomous concept of European Union law, which must be given a uniform interpretation in the European Union.

One way to describe bad faith is 'conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices' (opinion of Advocate General Sharpston of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 60; similar decision of 01/04/2009, R 529/2008-4, FS (fig.), § 14).

In order to find out whether the owner had been acting in bad faith at the time of filing the application, an **overall assessment** must be made in which all the relevant factors of the individual case must be taken into account. A **non-exhaustive** list of such factors is given below.

3.3.2.1 Factors likely to indicate the existence of bad faith

Case-law shows three cumulative factors to be particularly relevant:

1. **Identity/confusing similarity of the signs:** the EUTM allegedly registered in bad faith must be identical or confusingly similar to the sign to which the invalidity applicant refers. Although the fact that marks are identical or confusingly similar is not in itself sufficient to show bad faith (regarding identity, see judgments of 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 90, and of 28/01/2016, T-335/14, Doggis, EU:T:2016:39, § 59-60), a dissimilar or not confusingly similar mark will not support a finding of bad faith.
2. **Knowledge of the use of an identical or confusingly similar sign:** the EUTM owner knew or must have known about the use of an identical or confusingly similar sign by a third party for identical or similar products or services.

There is knowledge, for example, where the parties have been in a business relationship with each other and, as a result thereof, ‘could not ignore, and was probably aware that the invalidity applicant had been using the sign for a long time’ (judgment of 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 25), when the reputation of the sign, even as a ‘historical’ trade mark, is a well-known fact (judgment of 08/05/2014, T-327/12, Simca, EU:T:2014:289, § 50), or when the identity or quasi-identity between the contested mark and the earlier signs ‘manifestly cannot be fortuitous’ (judgment of 28/01/2016, T-335/14, Doggis, EU:T:2016:39, § 60).

Knowledge **may be presumed to exist** (‘must have known’) on the basis, *inter alia*, of general knowledge in the economic sector concerned or duration of use. The longer the use of a sign, the more likely it is that the EUTM owner had knowledge of it (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 39). Depending on the circumstances of the case, this presumption may apply even if the sign was registered in a non-EU country (judgment of 28/01/2016, T-335/14, Doggis, EU:T:2016:39, § 64-71).

However, knowledge of an identical or similar earlier sign for identical or similar goods or services is **not sufficient in itself** to support a finding of bad faith (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 40, 48-49). It always depends on the circumstances of the case.

For example, it cannot be excluded that, where a number of producers use, on the market, for identical or similar goods, identical or similar signs that could give rise to confusion with the sign for which registration is sought, the EUTM owner’s registration of the sign **may be in pursuit of a legitimate objective**. This could be the case where the EUTM owner knows, at the time of filing the EUTM application, that a third undertaking is making use of the mark covered by that application by giving its clients the impression that it officially distributes the goods sold under that mark, even though it has not received authorisation to do so (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 27).

Similarly, the fact that the applicant knows or should know that, at the time of filing of its application, a third party is **using a mark abroad** that is liable to be confused with the mark whose registration has been applied for is not sufficient, **in itself**, to permit the conclusion that the applicant is acting in bad faith within the meaning of that provision (preliminary ruling of 27/06/2013, C-320/12, Malaysia Dairy, EU:C:2013:435, § 37).

Knowledge or presumption of knowledge of an existing sign is not required where the EUTM owner misuses the system with the intention of preventing **any** similar sign from entering the market (see, for example, the artificial extension of the grace period for non-use in paragraph 3(d) below).

3. **Dishonest intention on the part of the EUTM owner:** this is a subjective factor that has to be determined by reference to objective circumstances (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 42). Again, several factors can be relevant. See, for example, the following case scenarios.
- (a) Bad faith exists where applications for trade marks are diverted from their initial purpose and filed speculatively or solely with a view to obtaining financial compensation (judgment of 07/07/2016, T-82/14, Luceo, EU:T:2016:396, § 145).
 - (b) Bad faith is found when it can be inferred that the purpose of the EUTM applicant is to ‘free-ride’ on the reputation of the invalidity applicant’s registered marks and to take advantage of that reputation (judgment of 08/05/2014, T-327/12, Simca, EU:T:2014:289, § 56), even if those marks have lapsed (decision of 21/12/2015, R 3028/2014-5, PM Pedro Morago (fig.), § 25).
 - (c) While it is not a requirement of the EUTM system that an EUTM owner must at the time of applying for an EUTM also have the intention of using it, it could be seen as an indication of dishonest intention if it subsequently becomes apparent that the owner’s sole objective was to prevent a third party from entering the market (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 44) and/or to obtain economic advantages (judgment of 07/07/2016, T-82/14, Luceo, EU:T:2016:396, § 126).

However, if there is commercial logic to the filing of the EUTM and it can be assumed that the EUTM owner intended to use the sign as a trade mark, this would tend to indicate that there was no dishonest intention. For example, this could be the case if there is a ‘commercial trajectory’, such as the registration of an EUTM after registration of the mark in a Member State (judgment of 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 58), if there is evidence of the EUTM owner’s intention to develop its commercial activities, for example by means of a licensing agreement (judgment of 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 67), or if the EUTM owner had a commercial incentive to protect the mark more widely, for example an increase in the number of Member States in which the owner generates turnover from goods marketed under the mark (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 20 and 23).

The existence of a direct or indirect relationship between the parties prior to the filing of the EUTM, for example a pre-contractual, contractual or post-contractual (residual) relationship, can also be an indicator of bad faith on the part of the EUTM owner (judgment of 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 85-87; judgment of 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 25-32). The EUTM owner’s registration of the sign in its own name in such cases can, depending on the circumstances, be considered a breach of honest commercial and business practices.

- (d) Bad faith has been found where an EUTM owner tries to artificially extend the grace period for non-use, for example by filing a repeat application of an earlier EUTM in order to avoid the loss of a right as a result of non-use (judgment of 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 27).

This case needs to be distinguished from the situation in which the EUTM owner, in accordance with normal business practice, seeks to protect variations of its sign, for example, where a logo has evolved (judgment of 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 36 et seq.).

- (e) Bad faith has also been found where the EUTM owner makes a successive chain of applications for registration of national trade marks, designed to grant him a blocking position for a period exceeding the six-month period of reflection provided for by Article 34(1) EUTMR and even the five-year grace period provided for by Article 58(1)(a) EUTMR (judgment of 07/07/2016, T-82/14, Luceo, EU:T:2016:396, § 51).
- (f) A request for financial compensation made by the EUTM owner to the invalidity applicant may lead to a finding of bad faith if there is evidence that the EUTM owner knew of the existence of the earlier identical or confusingly similar sign and expected to receive a proposal for financial compensation from the invalidity applicant (judgment of 08/05/2014, T-327/12, Simca, EU:T:2014:289, § 72).

In addition to the factors mentioned above, **other potentially relevant factors** identified in case-law and/or Office practice to assess the existence of bad faith include:

- (i) the circumstances under which the contested sign was created, the use made of it since its creation, the commercial logic underlying the filing of the application for registration of that sign as an EUTM and the chronology of events leading up to that filing (judgments of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 21 et seq.; 08/05/2014, T-327/12, Simca, § 39; judgment of 26/02/2015, T-257/11, Colourblind, EU:T:2015:115, § 68).
- (ii) the nature of the mark applied for. Where the sign for which registration is sought consists of the entire shape and presentation of a product, the fact that the EUTM owner was acting in bad faith at the time of filing might more readily be established where the competitor's freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, with the result that the EUTM owner is able to prevent its competitors not merely from using an identical or similar sign, but also from marketing comparable products (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 50).
- (iii) the degree of inherent or acquired distinctiveness enjoyed by the invalidity applicant's sign and the EUTM owner's sign, as well as its degree of reputation, even if this is only residual (judgment of 08/05/2014, T-327/12, Simca, EU:T:2014:289, § 40, 46 and 49).
- (iv) the fact that the national mark on which the EUTM owner has based a priority claim has been declared invalid due to bad faith (decision of 30/07/2009, R 1203/2005-1, BRUTT).

Finally, the case-law and/or the Office have identified a number of factors that, considered in isolation, are not enough to find bad faith but that, in combination with other relevant factors (to be identified on a case-by-case basis), might indicate the existence of bad faith.

- The fact that an earlier, very similar, EUTM was revoked for goods or services in a number of classes is not, in itself, sufficient to allow any conclusions to be drawn as to the EUTM owner's intentions at the time of filing the EUTM application for the same goods or services (judgment of 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 45).
- The fact that the application for registration of the contested EUTM is filed three months before expiry of the period of grace for the earlier EUTMs is not sufficient to counteract factors that show that the EUTM owner's intention was to file a modernised trade mark covering an updated list of services (judgment of 13/12/2012, T-136/11 Pelikan, EU:T:2012:689, § 50 and 51).
- The filing of applications for declarations that the invalidity applicant's marks are invalid constitutes the legitimate exercise of an EUTM owner's exclusive right and cannot in itself prove any dishonest intent on its part (judgment of 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 66).
- The fact that, after successfully registering the EUTM at issue, the EUTM owner serves formal notice on other parties to cease using a similar sign in their commercial relations is not in itself an indication of bad faith. Such a request falls within the scope of the rights attaching to the registration of an EUTM; see Article 9 EUTMR (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 33). However, in circumstances where this request is connected with other factors (e.g. the mark is not being used), it might be an indication of the intention to prevent another party from entering the market.
- In cases where the EUTM proprietor owns more than one trade mark, the mere fact that the differences between the EUTM at issue and the previous EUTM registered by the same proprietor are so insignificant as not to be noticeable to the average consumer cannot establish by itself that the contested EUTM is a mere repeat application made in bad faith (judgment of 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 33-34).

3.3.2.2 Factors unlikely to indicate the existence of bad faith

Case-law has identified several factors that, in general, are unlikely to prove bad faith.

- Extending the protection of a national mark by registering it as an EUTM falls within a company's normal commercial strategy (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 23; judgment of 01/02/2012, T-291/09, Pollo Tropical chicken on the grill, EU:T:2012:39, § 58).
- Bad faith cannot be found on the basis of the length of the list of goods and services set out in the application for registration (judgment of 07/06/2011, T-507/08, 16PF, EU:T:2011:253, § 88). As a rule, it is legitimate for an undertaking to seek registration of a mark not only for the categories of goods and services that it markets at the time of filing the application but also for other categories of goods and services that it intends to market in the future (judgment

of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 25; judgment of 07/06/2011, T-507/08, 16PF, EU:T:2011:253, § 88).

- The fact that the owner of several national marks decides to apply for an EUTM for only one and not all of them cannot be an indication of bad faith. The decision to protect a mark at both national and EU level is a choice dictated by the proprietor's marketing strategy. It is not for the Office or the Court to interfere with this choice (judgment of 14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 29).
- If a sign enjoys a reputation at national level and the owner applies for an EUTM, the extent of the sign's reputation might justify the owner's interest in ensuring broader legal protection (judgment of 11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 51-52).
- The act of filing an application for cancellation of the earlier trade mark while opposition proceedings brought on the basis of that earlier trade mark are still pending is not evidence of bad faith (judgment of 25/11/2014, T-556/12, KAISERHOFF, EU:T:2014:985, § 12).

3.3.3 Proof of bad faith

Article 95(1) EUTMR, second sentence, explicitly states that in invalidity proceedings pursuant to Article 59 EUTMR, the Office will **limit its examination to the grounds and arguments submitted by the parties**. Good faith is presumed until proof to the contrary is adduced (judgment of 13/12/2012, T-136/11, Pelikan, EU:T:2012:689, § 57). The invalidity applicant needs to prove that there was bad faith on the part of the EUTM owner at the time of filing the EUTM.

3.3.4 Relation to other EUTMR provisions

Whilst Article 8(3) EUTMR is a manifestation of the principle that commercial transactions must be conducted in good faith, Article 59(1)(b) EUTMR is the general expression of that principle (see p. 4 et seq. of the Guidelines, Part C, Opposition, Section 3, Unauthorised Filing by Agents of the TM proprietor (Article 8(3) EUTMR).

3.3.5 Extent of invalidity

When bad faith of the EUTM owner is established, the whole EUTM is declared invalid, even for goods and services that are unrelated to those protected by the invalidity applicant's mark. The only exception is where the applicant has directed its invalidity application against only some of the goods and services covered by the contested EUTM, in which case a finding of bad faith will invalidate the EUTM only for the goods and services that have been contested.

For example, in its decision R 219/2009-1 (GRUPPO SALINI / SALINI), the Board of Appeal concluded that bad faith had been proven and declared the contested EUTM invalid in its entirety, that is to say, also for services (insurance, financial and monetary services in Class 36 and services related to software and hardware in Class 42) that were dissimilar to the invalidity applicant's building, maintenance and installation services in Class 37.

The General Court confirmed the Board of Appeal's decision and stated that a positive finding of bad faith at the time of filing the contested EUTM could only lead to the invalidity of the EUTM in its entirety (judgment of 11/07/2013, T-321/10, Gruppo Salini, EU:T:2013:372, § 48).

Whereas the Court did not expand on the reasons for this conclusion, it can be safely inferred that it took the view that the protection of the general interest in business and commercial matters being conducted honestly justifies invalidating an EUTM also for goods/services that are dissimilar to the invalidity applicant's ones and do not even belong to an adjacent or neighbouring market.

Therefore, it seems only logical that the invalidity, once declared, should extend to all the goods and/or services covered by the contested EUTM, even those that in a pure Article 8(1)(b) EUTMR scenario would be found to be dissimilar.

3.4 Absolute grounds for invalidity for EU collective marks

Apart from the grounds for invalidity explained above, provided for in Articles 59 and 60 EUTMR, an EU collective mark that has been registered in breach of the provisions of Article 76 EUTMR will be declared invalid on application to the Office in the following cases:

- where Articles 74 and 75 EUTMR are not satisfied, or where the regulations governing use are contrary to public policy or to accepted principles of morality;
- where the public is liable to be misled regarding the character of the significance of the mark, in particular if it is likely to be taken to be something other than a collective mark.

Article 76(3) EUTMR in conjunction with Article 82 EUTMR *in fine* clarify that where the proprietor amends the regulations of use then meets the requirements of paragraphs 1 and 2 above, such EU collective mark will not be refused.

3.5 Absolute grounds for invalidity for EU certification marks

Article 92 EUTMR states that when an EU certification mark has been registered in breach of Article 85 EUTMR (e.g. the conditions in Articles 83 and 84 EUTMR are not satisfied), it will be declared invalid unless the proprietor amends the regulations governing use, and consequently, these meet the requirements of Article 85 EUTMR.

4 Relative Grounds for Invalidity

4.1 Introduction

Article 60 EUTMR enables proprietors of earlier rights to apply for a declaration of invalidity of an EUTM in a range of situations (grounds), which are detailed below.

- The same grounds as in opposition proceedings.
 - An earlier trade mark, within the meaning of Article 8(2) EUTMR, is identical or similar to the contested EUTM and covers identical or similar goods and services or is reputed (Article 60(1)(a) EUTMR in conjunction with Article 8(1)(a) or (b) and Article 8(5) EUTMR).
 - A trade mark has been filed without authorisation by an agent or representative of its proprietor (Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR).
 - A non-registered trade mark or other sign used in the course of trade can invalidate an EUTM registration if national legislation allows the proprietor of the earlier non-registered trade mark or another sign to prohibit the use of the subsequent EUTM (Article 60(1)(c) EUTMR in conjunction with Article 8(4) EUTMR).
 - A designation of origin or a geographical indication can invalidate an EUTM registration if EU or national legislation allows the person authorised under the relevant law to exercise the rights arising from a designation of origin or a geographical indication to prohibit the use of the subsequent EUTM (Article 60(1)(d) EUTMR in conjunction with Article 8(6) EUTMR).
- An additional ground based on **another earlier right**, to the extent that EU law or national law (including rights deriving from international agreements having effect in a Member State) entitles the proprietor to prohibit the use of the contested EUTM (Article 60(2) EUTMR), in particular:
 - a right to a name
 - a right of personal portrayal
 - a copyright
 - an industrial property right.

These **grounds** are further developed below (paragraphs 4.2 and 4.3).

As in opposition proceedings, the proprietor of the contested EUTM may require the invalidity applicant to submit **proof of genuine use** of its earlier trade mark. The particularities regarding the relevant period for assessing genuine use in invalidity proceedings are explained in paragraph 4.4 below.

Finally, the EUTMR includes a number of provisions that can be invoked by the EUTM proprietor against an invalidity application, depending on the type of earlier right invoked (e.g. whether or not it is an earlier EUTM or national trade mark). These provisions are dealt with under paragraph 4.5 below.

4.2 Grounds under Article 60(1) EUTMR

4.2.1 Standards to be applied

The substantive conditions for considering an earlier right referred to in Article 60(1) EUTMR in conjunction with Article 8 EUTMR as a relative ground for a declaration of invalidity are the same as in opposition proceedings. The practice rules in the Guidelines, Part C, Opposition, in particular Section 2, Double Identity and Likelihood

of Confusion; Section 3, Unauthorised Filing by Agents of the TM Proprietor (Article 8(3) EUTMR), paragraph 4; Section 4, Rights under Articles 8(4) and (6) EUTMR; and Section 5, Trade Marks with Reputation (Article 8(5) EUTMR) should be applied accordingly.

4.2.2 Points in time to be considered

4.2.2.1 For the assessment of enhanced distinctiveness or reputation

In line with opposition proceedings, in invalidity proceedings an invalidity applicant relying on enhanced distinctiveness or reputation must prove that its earlier right has acquired **enhanced distinctiveness or reputation** by the **filing** date of the contested EUTM, taking account, where appropriate, of any priority claimed. In addition, the reputation or the enhanced distinctive character of the earlier mark must still exist when the **decision on invalidity is taken**.

In opposition proceedings, due to the short time span between the filing of the EUTM application and the opposition decision, it is normally presumed that the enhanced distinctiveness or reputation of the earlier trade mark still exists at the time of the decision¹. In invalidity proceedings, however, the time span can be considerable. In this case, the invalidity applicant must show that its earlier right continues to enjoy enhanced distinctive character or reputation at the time the decision on invalidity is taken.

4.2.2.2 Application based on Article 60(1)(c) EUTMR in conjunction with Article 8(4) EUTMR

In the event of an application for invalidity based on Article 60(1)(c) EUTMR in conjunction with Article 8(4) EUTMR, the invalidity applicant must show the earlier sign's **use in the course of trade of more than local significance** by the **filing date** of the contested EUTM (or the priority date if relevant). In **invalidity proceedings**, the applicant also has to prove that the sign was used in the course of trade of more than local significance at another point in time, namely **at the time of filing of the invalidity request**. This condition stems from the wording of Article 60(1)(c) EUTMR, which states that an EUTM will be declared invalid 'where there **is** an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled' (decisions of 05/10/2004, 606 C, and 03/08/2011, R 1822/2010-2, Baby Bambolina (fig.), § 15). Once proved, this requirement is considered still to be fulfilled at the **time the decision on invalidity is taken** unless there is evidence to the contrary (e.g. a company name is invoked but the company has ceased to exist).

There are further particularities regarding **substantiation and admissibility**, which are dealt with in the Guidelines, Part D, Cancellation, Section 1, Cancellation Proceedings.

¹ See the Guidelines, Part C, Opposition, Section 5, Trade Marks with Reputation (Article 8(5) EUTMR).

4.3 Grounds under Article 60(2) EUTMR — other earlier rights

An EUTM is liable to be declared invalid on the basis of the rights below where use of the trade mark could be prohibited under the EU or national law governing their protection. This is **not an exhaustive list** of such earlier rights.

Article 60(2) EUTMR applies only where the rights invoked are of such a nature that they are not considered typical rights to be invoked in cancellation proceedings under Article 60(1) EUTMR (decision of 13/12/2011, 4 033 C, § 12).

4.3.1 A right to a name/right of personal portrayal

Not all Member States protect the right to a person's name or portrayal. The exact scope of protection of the right will follow from the national law (e.g. whether the right is protected irrespective of the goods and services the contested mark covers).

The invalidity applicant will have to provide the necessary **national legislation in force** and put forward a **cogent line of argument** as to why it would succeed in preventing the use of the contested mark under the specific national law. A mere reference to the national law will not be considered sufficient: it is not for the Office to make that argument on the applicant's behalf (judgment of 05/07/2011, C-263/09 P, Elio Fiorucci, EU:C:2011:452).

Earlier right	Contested sign	Case No
TELESIS	TELESIS	R 134/2009-2
<i>Right to a name under Austrian law</i>		
<p>Under Austrian law (Section 43 AGBG), 'the person whose right to use his name has been contested or whose name is used without due [cause] to his detriment, infringing his protectable interests, can request the infringer to cease and desist and to compensate any damages. Such protection extends as well to distinctive designations of traders, even if they deviate from the civil name of that trader ... Even if Section 43 AGBG may also apply to a trader's name, the scope of protection does not go beyond the field of activity of the sign used. The remaining contested services are dissimilar to the services of the earlier right as ... they concern different branches of activity (paras 61-63)'. Thus, the requirements under Austrian law were not fulfilled and the request for invalidity based on Article 53(2)(a) of Regulation No 207/2009 [now Article 60(2)(a) EUTMR] in conjunction with Austrian law was rejected.</p>		

Earlier right	Contested sign	Case No
'MARQUÉS DE BALLESTAR' Nobility title (título nobiliario)	 MARQUÉS DE BALLESTAR	R 1288/2008-1
<p><i>Right to a name under Spanish law</i></p> <p>In Spain, noble titles are protected under Law 1/1982 as if they were persons' names. The applicant for cancellation proved that this noble title exists and that it is held by her. The European Union trade mark comprises a small coat of arms and the words MARQUÉS DE BALLESTAR in large letters. The wine could not be correctly identified in any business transaction without mentioning the words MARQUÉS DE BALLESTAR. The right conferred by the EUTM consists of using this in the following ways: placing it on the product container, putting the product bearing the trade mark onto the market, and using it in publicity (Article 9 EUTMR). Consequently, trade mark use is use 'for publicity, commercial or similar purposes', within the meaning of Article 7(6) of Law 1/1982. Since these uses are considered by this Law as 'unlawful intrusions', the protection provided by Article 9(2) of that same Law would be admissible. This Article allows the adoption of measures to 'put an end to the unlawful intrusion'. The EUTM must be declared invalid because its use can be prohibited as a result of a right to a name in accordance with the Spanish legislation on protection of the right to honour, personal and family privacy and own image (para. 14 et seq.).</p>		

Earlier right	Contested sign	Case No
DEF-TEC	DEF-TEC	R 871/2007-4
<p><i>Right to a name under German law</i></p> <p>The Board considers that 'what could eventually be protected under § 12 BGB is the name of the cancellation applicant, which is "DEF-TEC Defense Technology GmbH", but not the sign "DEF-TEC" which is not the cancellation applicant's name ... the registration, and eventual use as a trade mark, of the designation "DEF-TEC" on pepper sprays cannot infringe the right to the cancellation applicant's name. ... § 12 BGB protects the names of physical persons and as there is no absolute prohibition to bear a name which is similar to another person's name, its protection is limited to cases where the right to the other person's name is denied or misappropriated ... and nothing else applies to the extended application of § 12 BGB to the names of legal persons ... The request for declaration of invalidity fails on account of all the earlier rights invoked' (para. 38 et seq.).</p>		

Earlier right	Contested sign	Case No
Personality rights of Michael Jackson		R 944/2012-2
Personality rights of Michael Jackson		R 878/2012-2
<p><i>Right to a personal portrayal under German law</i></p> <p>The request for a declaration of invalidity was based on a right to personal portrayal in Germany according to German national law, namely Sections 823 and 1004 German Civil Code (BGB) in conjunction with Articles 1, 2 of the German Constitution.</p> <p>The Board finds that the famous person (Michael Jackson) is recognisable in the contested EUTM due to the characteristics resulting from the image that are specific to him and the text that accompanies it. This is considered to be use of an image right according to German case-law, which is a special form of general personality rights protected by German law. The Board finds that the cancellation applicants have sufficiently proved that the right to one's own image is a special form of personality rights protected under German Law, that use of the contested EUTM by the EUTM proprietor infringes Michael Jackson's image and that the cancellation applicants are entitled to prohibit this use according to German law as developed by established German jurisprudence. As a result, the request for a declaration of invalidity of the contested EUTM must be upheld in its entirety</p>		

4.3.2 Copyright

According to Article 60(2)(c) EUTMR, a European Union trade mark will be declared invalid on application to the Office where the use of such trade mark may be prohibited pursuant to another earlier right under the EU legislation or national law governing its protection, and in particular copyright.

Although the EU legislator has harmonised certain aspects of copyright protection (see Directive 2001/29/EC of the European Parliament and of the Council of 22/05/2001 on the harmonisation of certain aspects of copyright and related rights in the information society, OJ L 167, 22/06/2001, pp. 10-19), so far there is no full-scale harmonisation of the copyright laws of the Member States, nor is there a uniform EU copyright. However, all the Member States are bound by the *Berne Convention for the Protection of Literary and Artistic Works* and the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (TRIPS).

The invalidity applicant will have to provide the necessary **national legislation in force** and put forward a **cogent line of argument** as to why it would succeed under the specific national law in preventing the use of the contested mark. A mere reference to the national law will not be considered sufficient: it is not for the Office to make that argument on the applicant's behalf (see, by analogy, judgment of 05/07/2011, C-263/09 P, Elio Fiorucci, EU:C:2011:452).

The notion of copyright protection is applicable irrespective of the goods and services the contested mark covers. It merely requires an unauthorised reproduction or adaptation of the protected work or a part thereof in the contested mark. It follows, that similarity for the purposes of the assessment of likelihood of confusion is not the relevant test to be applied.

Earlier right	Contested sign	Case No
		R 1235/2009-1
<p><i>Copyright under Italian law</i></p> <p>The Board indicates that this ground for invalidity is relative and, therefore, only holders of earlier rights — or other parties, if allowed by the law governing those rights — are entitled to invoke it (Article 56(1)(c) of Regulation No 207/2009 [now Article 63(1)(c) EUTMR]). The right relied upon here is copyright. Therefore, the party entitled to act is the holder of the copyright in the flower design or another party authorised by the law governing copyright. The invalidity applicant acknowledges that ownership of the copyright in the design ‘belongs to third parties’ (in fact to one third party: Corel Corporation, the graphic design company). The invalidity applicant does not own the right it seeks to rely upon. It solely has the right to use clip art with the flower shape and use it for purely private purposes. The ground was rejected (para. 32 et seq.).</p>		

Earlier right	Contested sign	Case No
		R 1757/2007-2
<p><i>Copyright under French law</i></p> <p>‘... the mere fact that the stylisation of the letter ‘G’ is ‘simple’, does not exclude its protection under French copyright law ... Indeed, for a work of the mind to be protected, it is sufficient for it to be “original” ... While it is true that the contested EUTM is not an exact copy of the earlier work, it must be borne in mind that the partial reproduction and adaptation without the consent of the owner of the copyright is also prohibited. The Board considers this to be the case here. The contested EUTM has taken all the essential characteristic features of the prior work: a stand-alone capital ‘G’ in straight, thick, black lines, in a perfectly square flattened shape ... the ‘G’ of the contested EUTM is drawn in a thick, black line of equal width and its inner part reaches further inside, than is the case in the prior work. However, the difference in these minor details constitute minimal modifications which do not affect the overlap in the essential characteristic features of the earlier work, namely, a stand-alone capital ‘G’ with a perfectly rectangular form, a flattened shape and thick, black lines ... As the partial reproduction or adaptation of the prior work has been done without the owner’s consent, it is unlawful. Therefore, the contested decision must be annulled and the request for a declaration of invalidity ... must be upheld’ (para. 33 et seq.).</p>		

Earlier right	Contested sign	Case No
		<p>R 1925/2011-4</p>
<p><i>Copyright under German law</i></p> <p>'Pursuant to § 1 of the German Copyright Act, copyright protection is granted to the "authors" of "works of literature, science, or art". § 2 of the Act lists various types of work considered works of art. Pursuant to § 16 et seq., the copyright law protects the author. Under the assumption that the claimed subject-matter constituted a "work" in the sense of those provisions, the cancellation applicant failed to demonstrate and to prove who was its author, and, how the cancellation applicant (a legal person with its seat in Japan) acquired the exclusive rights from the author' (paras 12-13). The Board examined each of these aspects. Moreover, it describes the differences between trade mark similarity and copying for the purposes of copyright infringement. The cancellation applicant had mixed up both concepts (paras 22-24).</p>		

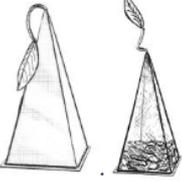
Earlier right	Contested sign	Case No
		<p>Cancellation Division decision 5377 C (05/03/2012).</p>
<p><i>Copyright protected in the United Kingdom</i></p> <p>Section 1(1)(a) of UK Copyright Designs Patents Act 1988 ('CDPA') provides that a copyright subsists in original artistic works; Section 4(1) CDPA defines an 'artistic work' as 'a graphic work, photograph, sculpture or collage irrespective of artistic quality'. Section 4(2) CDPA defines a 'graphic work' as including any 'painting, drawing, diagram, map, chart ... plan ... engraving, etching, lithograph, woodcut or similar work'. The Cancellation Division held, at the outset, that the applicants have established that both logos were created by their authors at a time prior to the filing of the EUTM. The designs at issue can be considered to meet also the substantive standards of the protection in the UK. The similarities are 'original and so marked as to warrant a finding that the one has been copied from the other', or expressed in other words, similarities are 'sufficiently numerous or extensive to justify an inference of copying'. Accordingly, the similarities between the copyrights and the contested EUTM are such that they are sufficiently close, numerous and extensive to be rather the result of copying than of coincidence. For the above reasons, the contested EUTM must be declared invalid since its use may be prohibited under Section 16(3) CDPA, which applies by virtue of Article 53(2)(c) of Regulation No 207/2009 [now Article 60(2)(c) EUTMR] (paras 36-49).</p>		

4.3.3 Other industrial property rights

Other industrial property rights and prior works at national or European Union level, such as a registered Community design (RCD), may be invoked.

The invalidity applicant will have to provide the necessary national legislation in force and put forward a cogent line of argument as to why it would succeed under the specific national law in preventing the use of the contested mark. A mere reference to the national law will not be considered sufficient: it is not for the Office to make that argument on the applicant's behalf (see, by analogy, judgment of 05/07/2011, C-263/09 P, Elio Fiorucci, EU:C:2011:452).

In the case of an RCD there is no need to prove what protection is given under the law. The Cancellation Division will apply the standards of the applicable design law of the European Union.

Earlier right	Contested sign	Case No
 <p>(earlier RCD)</p>	 <p>(shape of a teabag)</p>	<p>R 2492/2010-2</p>
<p>'Article 19(1) Council Regulation CDR states that a registered Community design confers on its holder the exclusive right to use it and to prevent any third party not having his consent from using it. The aforementioned use covers, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes. According to Article 10(1) CDR the scope of the protection conferred by a Community design includes any design which does not produce on the informed user a different overall impression. The earlier RCD and the contested EUTM provoke a different overall impression. ... Furthermore, it is observed that the earlier RCD introduces additional differences, such as the presence of a remarked base that does not form part of the contested EUTM. Consequently, the Board confirms the Cancellation Division finding that the rights conferred by RCD No 241 427 pursuant to Article 19(1) CDR cannot be invoked against the contested EUTM' (paras 59-64).</p>		

4.4 Non-use of the earlier mark

According to Article 64(2) and (3) EUTMR, where the **earlier mark has been registered for five years or more** when the application for a declaration of invalidity is filed, the proprietor of the EUTM may request that the proprietor of the earlier mark submit proof that the earlier mark has been put to genuine use in the EU in connection with the goods or services for which it is registered or that proper reasons for non-use exist.

According to Article 19(2) EUTMDR in conjunction with Article 10(3) EUTMDR, the indications and evidence of use must establish the place, time, extent and nature of use of the earlier trade mark for the goods and services for which it is registered and on which the application for a declaration of invalidity is based.

The practice rules applicable to the **substantive assessment** of proof of use of earlier rights in opposition proceedings are applicable to the assessment of proof of use in invalidity proceedings (see the Guidelines, Part C, Opposition, Section 6, Proof of Use, paragraph 2). In particular, when the EUTM proprietor requests proof of use of the earlier rights, the Office will examine whether, and to what extent, use has been proved for the earlier marks, provided this is relevant for the outcome of the decision.

Finally, there is a particularity to be taken into account in the assessment of proof of use in the context of invalidity proceedings. It regards the **relevant time of use**. Pursuant to Article 64(2) EUTMR in conjunction with Article 47(2) EUTMR, in contrast to opposition proceedings, there are two relevant periods during which use has to be established.

- The first relevant period applies in all cases where the earlier trade mark had been registered for more than five years prior to the application for invalidity: the

period of five years preceding the date of **filing** of the application for a declaration of invalidity (first relevant period).

- Additionally, in cases where the earlier trade mark had been registered for at least five years, in the case of a contested EUTM, on the date of filing or, where applicable, priority², and, in the case of a contested international registration designating the European Union, on the date of international registration (INID code 151) or subsequent designation (INID code 891), or, as the case may be, the date of priority (INID code 300) of the contested international registration³: the period of five years preceding that date (second relevant period).

These two relevant periods do not necessarily overlap: they may totally or partially overlap or follow on from each other (with or without a gap).

4.5 Defences against an invalidity application based on relative grounds

4.5.1 Consent to registration

According to Article 60(3) EUTMR, the EUTM may not be declared invalid if the owner of the earlier right consents expressly to the registration of the EUTM before filing the application for a declaration of invalidity.

Consent does not have to be given before the date of registration of the EUTM. It is sufficient if it is given before the application for invalidity is filed. For these purposes, the Office will take into account, for instance, a contract to this effect between the parties.

Evidence of express consent must take the form of a statement (and not of conduct). The statement must come from the applicant (and not from third parties). The consent must be 'express' (and not implicit or presumed) (decision of 23/07/2009, R 1099/2008-1, BRANDY MELVILLE (fig.) / MELVILLE (fig.) et al., § 46). The burden of proof for such consent lies with the EUTM proprietor.

The peaceful coexistence of the marks on the market cannot take the place of the 'express consent' of the right holder for the purposes of Article 60(3) EUTMR. Furthermore, the coexistence agreement cannot be interpreted in such a way as to extend beyond its scope without the express consent of the parties (judgment of 03/06/2015, T-544/12 and T-546/12, PENSA PHARMA, EU:T:2015:355, § 40, 50).

Merely withdrawing an opposition unilaterally does not imply that the opponent consents to the registration of the EUTM application (decision of 14/10/2008, R 946/2007-2 and R 1151/2007-2, VISIONIC, § 26). Therefore, the Office will analyse the circumstances under which withdrawal of the opposition has been made (see examples below, namely judgment of 03/06/2015, T-544/12 and T-546/12, PENSA PHARMA; decision of 01/12/2012, R 946/2007-2, R 1151/2007-2, VISIONIC).

² For invalidity applications filed before 23/03/2016, the relevant date is the date of publication.

³ For invalidity applications filed before 23/03/2016, the relevant date is six months after the date of the first republication of the contested international registration by the Office.

4.5.1.1 Examples rejecting the claim of consent to registration

Earlier right	Contested sign	Case No
PENTASA	PENZA PHARMA 	T-544/12, T-546/12
<p>In the present case, in the letters sent to the Office and to the applicant, the interveners expressly stated that the withdrawal of the oppositions would be followed up with applications for a declaration of invalidity once those marks were registered. The Court concluded that in those circumstances, the withdrawals in question cannot be interpreted as being tantamount to the interveners' express consent, for the purposes of Article 53(3) of Regulation No 207/2009 [now Article 60(3) EUTMR] to the registration of the contested marks. That withdrawal does not, in law, have any effect on the lawfulness of the filing of a future application for a declaration of invalidity. There is no provision in the EUTMR that provides, at least expressly, that the withdrawal of an opposition entails the renunciation of the right to file an application for a declaration of invalidity (paras 43-45).</p> <p>The Court also stated that there is no consent to the extension of the coexistence agreement to the contested mark and goods (para. 51). The mark to which the coexistence agreement relates and the contested figurative mark are different, with the result that coexistence agreement cannot apply to the latter mark, to which it does not relate, and which is not, in any event, identical to the mark covered by the agreement (para. 53).</p>		

4.5.1.2 Examples accepting the claim of consent to registration

Earlier right	Contested sign	Case No
	VISIONIC	R 946/2007-2, R 1151/2007-2
<p>In the present case the cancellation applicant made the express offer 'to withdraw the opposition' in exchange for the limitation of the list of goods applied for on the part of the proprietor. The Board of Appeal noted that the unequivocal offer, corresponding to the subsequent limitation of the list of goods, became legally binding as soon as it was accepted by the proprietor. It was conclusively executed by the express, unconditional (once the condition of the limitation had been fulfilled) and unequivocal withdrawal of the opposition filed by the cancellation applicant. Taking into account the foregoing, the Board concluded that the cancellation applicant consented expressly and unequivocally to the registration of the contested EUTM, which therefore should not have been declared invalid by the contested decision ... (paras 27, 30 and 31).</p>		

Earlier right	Contested sign	Case No
SKYROCK		R 1736/2010-2
<p>The EUTM proprietor argued that by virtue of the coexistence agreement, the cancellation applicant had effectively consented to the registration of the contested EUTM pursuant to Article 53(3) of Regulation No 207/2009 [now Article 60(3) EUTMR]. BoA examined the coexistence agreement and the interpretation thereof by the French courts. It concluded that the French courts construed the coexistence agreement as conferring a right on the part of the EUTM proprietor to register marks, other than 'SKYROCK' and 'SKYZIN', that contain the prefix 'SKY'. 'That agreement has a worldwide scope of application and therefore applies to European Union trade mark applications or registrations, such as the one in dispute in the present case' (para. 32).</p>		

4.5.2 Earlier applications for declaration of invalidity or counterclaims

According to Article 60(4) EUTMR, where the proprietor of an earlier right has previously made an application for a declaration of invalidity of an EUTM or has made a counterclaim for invalidity in infringement proceedings on the basis of rights in Article 60(1) or (2) EUTMR before an EUTM court, it may not submit a new application for a declaration of invalidity on the basis of other rights referred to in Article 60(1) or (2) EUTMR that it could have invoked in the original proceedings.

This means that in practice, the Office will reject as inadmissible, in its entirety, any new application filed by the proprietor of an earlier right referred to in Article 60(1) or (2) EUTMR or by its successor in title, where such an application is based on other rights provided for in the said Article(s), which could have been claimed in the original proceedings but were not. This applies, irrespective of whether the new application is directed against the same and/or other goods/services than the ones initially contested.

Such an approach follows from the general principles of legal certainty and legitimate expectations, which require that the application of the law to a specific situation be predictable and the interests of an EUTM proprietor protected against any subsequent 'attacks' from the same applicant (or its successor in title), which should not be allowed to circumvent the prohibition established by Article 60(4) EUTMR by submitting new application(s) for a declaration of invalidity on the basis of rights that were available to it at the moment of the original proceedings.

However, where an applicant requests the assignment of an EUTM pursuant to Article 21(2)(a) EUTMR in a procedure brought under Article 60(1)(b) EUTMR, and, in a later application, requests a declaration that the EUTM is invalid on other relative grounds, Article 60(4) EUTMR cannot be interpreted so as to bar the applicant from pursuing its claims under the other invalidity grounds should its primary request for assignment fail.

As regards counterclaims, although Article 128 EUTMR imposes an obligation on EUTM courts or the interested party to notify the Office of the initiation of counterclaims for invalidity and their outcome, where this is not done, an EUTM proprietor wishing to rely on the defence provided for by Article 60(4) EUTMR must submit evidence from the EUTM court to support its claim.

4.5.3 Acquiescence

According to Article 61 EUTMR, where the proprietor of an earlier EUTM or national trade mark has acquiesced in the use of the contested EUTM for a period of five successive years, while being aware of the use, the contested EUTM is not liable to be declared invalid, unless registration of the later EUTM was applied for in bad faith.

The aim of Article 61 EUTMR is to penalise the proprietors of earlier trade marks that have acquiesced, for a period of five successive years, in the use of a later EUTM while being aware of such use, by excluding them from seeking a declaration of invalidity of that trade mark, which will then therefore be able to coexist with the earlier trade mark (judgment of 28/06/2012, T-133/09, B. Antonio Basile 1952, EU:T:2012:327, § 32).

The burden of proof is on the proprietor of the contested EUTM to show that:

- the contested EUTM was used in the European Union (or in the Member State where the earlier trade mark is protected) during a period of at least five successive years;
- the invalidity applicant was aware of this or could reasonably be presumed to be aware of it;
- although the invalidity applicant could have stopped the use, it nevertheless remained inactive (judgment of 22/09/2011, C-482/09, Budweiser, EU:C:2011:605, § 44). This is not the case where there was a licence or distribution relationship between the parties, so that the invalidity applicant could not lawfully oppose use of the sign.

All three conditions must be fulfilled. If they are, the limitation on acquiescence will apply only to the contested goods or services for which the later EUTM has been used.

The period of limitation as a consequence of acquiescence starts running from the time when the proprietor of the earlier trade mark **becomes aware** of the use of the later EUTM. That date must necessarily be later than that of registration of the contested EUTM, that is to say, when the rights in an EUTM are obtained and it is used as a registered trade mark on the market with third parties therefore being aware of its use. It is at this point that it has the option of not acquiescing in its use and, therefore, opposing it or seeking a declaration of invalidity of the later trade mark (judgment of 28/06/2012, T-133/09, B. Antonio Basile 1952, EU:T:2012:327, § 33; judgment of 06/06/2013, C-381/12 P, B. Antonio Basile 1952, EU:C:2013:371, § 56).

An example of where the proprietor could reasonably be presumed to be aware of the use of the contested EUTM is where both proprietors have exhibited goods or services under the respective marks at the same event.

Article 61 EUTMR is not applicable when the contested EUTM was filed in bad faith. This exception will only be considered if it is argued and proven by the applicant.

Article 61 EUTMR does not refer to the possible consequences of acquiescence by a person authorised to exercise the rights arising from a designation of origin or a geographic indication. Therefore, the proprietor of an EUTM cannot rely on acquiescence where an invalidity application is based on an earlier designation of origin or a geographical indication pursuant to Article 8(6) EUTMR.

4.5.3.1 Examples rejecting the acquiescence claim

Earlier right	Contested sign	Case No
BASILE		T-133/09 (C-381/12 P appeal dismissed)
<p>The appeal applicant did not adduce 'any evidence capable of establishing when the intervener became aware of the use of the contested trade mark after its registration. It merely stated that the contested trade mark had been used for more than five years in Italy and that the intervener must have been aware of that use. Nevertheless, ... less than five years had elapsed between the date of registration of the contested trade mark and the date when the application for a declaration of invalidity was filed, as use of that mark prior to its registration is not relevant since it had not yet been registered' (para. 34).</p>		

Earlier right	Contested sign	Case No
DIABLO	DIABLO	R 1022/2011-1
<p>'In the case at hand, the contested European Union trade mark was registered on 11 April 2007 and the request for invalidity was filed on 7 July 2009. Thus, the contested mark had been registered as a European Union trade mark for less than five years. Given that one of the conditions provided for in Article 54(2) of Regulation No 207/2009 [now Article 61(2) EUTMR] is not fulfilled, the Board concludes that the Cancellation Division was right in holding that the applicant has not acquiesced in the use of the EUTM' (paras 25-26).</p>		

Earlier right	Contested sign	Case No
VAGUA FLOW		R 2230/2010-4 (confirmed by T-417/12)
<p>'The late evidence [filed] by the EUTM proprietor shows that in 2005 "AQUA FLOW" branded products were being distributed by various companies in Spain including Hydro Sud. It is claimed that the cancellation applicant was aware of that use. The EUTM proprietor furnished three invoices to third companies located in Spain: "Hydro Sud", "Tonocolor SL Hydro Sud" and "H2O Problematica del Agua". These invoices are dated 18 June 2004, 31 May 2005 and 31 July 2006 and contain headings with a representation of the mark "AQUA FLOW". However, all these invoices postdate May 2004 (five years before the date of the cancellation request (May 2009). Under the assumption that the cancellation applicant had knowledge of them, or of the underlying commercial transactions, this would not be enough for the finding that there was an uninterrupted period of five years preceding the cancellation request ... (paras 21-22). Therefore, the EUTM proprietor's claim of acquiescence was dismissed.</p>		

Earlier right	Contested sign	Case No
PURELL	PURELL	R 1317/2009-1
<p>'Article 54(2) of Regulation No 207/2009 [now Article 61(2) EUTMR] requires that the contested European Union trade mark be used for five successive years in Germany and that the cancellation applicants have acquiesced in this use for this period. In the present case, the arguments and materials submitted by the parties do not allow for the conclusion that the contested mark was used in Germany and that the cancellation applicants could reasonably be presumed to be aware of that use and to have acquiesced, for five successive years, in that use ... the sole elements that would suggest some connection with Germany and on which the EUTM proprietor relies primarily on appeal (i.e. the figures related to the unique local distributor and the internet excerpts examined in light of the correspondence of 2001 between the parties) are insufficient to hold that the cancellation applicants have acquiesced in the long and well-established honest use of the contested mark in Germany' (para. 47).</p>		

Earlier right	Contested sign	Case No
	BONA	R 267/2014-2
<p>The request for invalidity is based on the earlier UK trade mark registration. There was no dispute as to the fact that there was a verbal coexistence agreement in force concerning the United Kingdom from 2004 onwards (although there was no agreement as to its exact content). The Board indicates that as long as there existed coexistence agreement between the parties, the cancellation applicant had no reason to prohibit this use of the latter EUTM.</p> <p>In the present case the moment in time when the proprietor of the earlier trade had the option of not acquiescing in the use of the contested EUTM could be 16/02/2010, when, according to the cancellation applicant, the verbal agreement between the parties was breached and ceased. There is no evidence that the cancellation applicant had this option earlier. The application for a declaration of invalidity was filed on 11/07/2012 and, therefore, less than five successive years had passed between the end of the verbal agreement, in other words, from the moment when the cancellation applicant gained the option of not acquiescing in the use of the contested EUTM, and the application for a declaration of invalidity (paras 31-33).</p>		

4.5.3.2 Examples (partially) accepting the acquiescence claim

Earlier right	Contested sign	Case No
CITYBOND	CITIBOND	3971 C R 1918/2011-5 (appeal withdrawn; the Cancellation Division decision has become final)
<p>Taking the evidence as a whole, it showed that all the conditions for acquiescence were met for some of the contested services. In particular, the exchange of letters between the parties showed that the applicant was aware of the existence of the EUTM 'CITIBOND' for some of the services. Moreover, the extracts and the statutory declaration (2003) included in proceedings in the UK, and the rest of the financial information, demonstrated that the applicant was conscious of the use of the EUTM 'CITIBOND' in the UK, bearing in mind that the financial market is very specific and highly specialised.</p>		

Earlier right	Contested sign	Case No
Ghibli et al.		R 1299/2007-2
<p>The cancellation applicant acknowledged that he was aware of the use of this sign, in Italy. The legal issue was whether ... the cancellation applicant also had to be aware of the legal status of the sign used, namely, that it had been used as a registered EUTM in Italy. In the Board's view, Article 53(2) of Regulation No 207/2009 [now Article 60(2) EUTMR] cannot be interpreted to require the EUTM proprietor to prove — in addition to the five years' concurrent use, knowingly tolerated by the proprietor of the earlier right — that the cancellation applicant also knew, for at least five years, that the later mark was protected as an EUTM. What matters in this context is the objective circumstance that the sign (the use of which has been knowingly tolerated by the cancellation applicant), must have existed, for at least five years, as an EUTM. In view of the evidence in the file, it was proven that when the request for a declaration of invalidity was filed, the cancellation applicant had been aware and tolerated the use of the contested EUTM in Italy for more than five years, irrespective of whether or not he was aware of the fact of registration (para. 35 et seq.).</p>		

5 Res Judicata

Pursuant to Article 63(3) EUTMR, in addition to any particular defence that an EUTM proprietor may raise against an application for a declaration of invalidity or against a revocation application (see paragraphs above), an invalidity or revocation application is inadmissible where an application relating to the **same subject matter and cause of action, and involving the same parties**, has been adjudicated on its own merits by

an EUTM court or by the Office and a final decision has been taken. This is what is known as the 'triple-identity' requirement.

The defence of res judicata only applies where there is a previous **final decision on the substance** in a counterclaim or cancellation application. The bar to admissibility does not apply, for instance, when a cancellation application was withdrawn before the corresponding decision became final (decision of 12/05/2014, R 1616/2013-4, PLAYSEAT, § 13) or when the previous final decision declared the application inadmissible (e.g. because the contested EUTM was not yet registered) and did not adjudicate on the substance.

(i) Same subject matter

Res judicata does not apply to a request for revocation where the previous final decision refers to another request for revocation submitted on a different date. This is because the points in time at which the circumstances leading to the revocation have to be established (lack of use, EUTM becoming generic or subject to misleading use) are different and the subject matter cannot therefore be deemed to be the same (decision of 31/01/2014, 7 333 C, judgment of 15/07/2015, T-398/13, TVR ITALIA, EU:T:2015:503, § 39).

(ii) Same cause of action

A prior decision by the Office in **opposition proceedings** between the same parties and relating to the same mark does not preclude a later cancellation request based on the same earlier rights (judgments of 14/10/2009, T-140/08, TiMiKinderjoghurt, EU:T:2009:400, § 36, appeal to the Court dismissed; 22/11/2011, T-275/10, Mpay24, EU:T:2011:683, § 15; 23/09/2014, T-11/13, Mego, EU:T:2014:803, § 12), since the cause of action is different. However, a different outcome in invalidity or revocation proceedings is unlikely to arise except where one or more of the following conditions is fulfilled.

- New facts are proven (e.g. proof of use or reputation of the earlier mark, not made available during opposition proceedings).
- The manner in which key legal assessments are made has changed (e.g. with regard to the standards for assessing likelihood of confusion), for example as a result of intervening judgments of the Court of Justice of the European Union.

(iii) Same parties

The triple identity required by res judicata also means that the parties to both proceedings (the one in question and the one that led to the previous final decision) have to be the same.

The notion of 'the same parties' also covers successors in title and authorised licensees. In other words, res judicata applies if the party in the second action is the successor in title or an authorised licensee of the party in the first case.

Annex 1 — Grounds for Invalidity: Temporal Scope of Application Following the Entry into Force of Regulation (EU) 2015/2424 on 23 March 2016

1 Absolute Grounds for Invalidity

The general principle is that the Office applies those absolute grounds for invalidity that were laid down in the law to a European Union trade mark (application) — that is to say, either in Regulation (EC) No 207/2009 or in any other directly applicable legislative text binding the EU and thus the EUIPO — **at the date of their filing**.

Therefore, the **new** grounds for invalidity, that is to say, those that have been introduced to the EUTMR by Regulation (EU) 2015/2424, apply only to a European Union trade mark (application) filed on and after 23 March 2016.

However, some grounds for refusal and invalidity introduced for the first time by Regulation (EU) 2015/2424 into the EUTMR are, as a matter of law, not new as they had already been applied before 23 March 2016, by virtue of other binding legislative texts of the EU.

On this basis, the following distinction applies:

1.1 Grounds for invalidity that applied before 23 March 2016 by virtue of EU regulations other than the CTMR

The following grounds for invalidity introduced for the first time into the EUTMR by Regulation (EU) 2015/2424 apply to European Union trade marks filed before 23 March 2016.

- Article 7(1)(k) EUTMR: conflict with earlier EU traditional terms for wines
This ground for invalidity was already envisaged in Article 113(2) of Regulation (EU) No 1308/2013 on the protection of geographical indications for wines in conjunction with Articles 40 and 41 of Commission Regulation (EC) No 607/2009.
- Article 7(1)(l) EUTMR: conflict with earlier EU traditional specialties guaranteed
This ground for invalidity was already envisaged in Article 24 of Regulation (EU) No 1151/2012 on the protection of geographical indications for agricultural products and foodstuffs.
- Article 7(1)(m) EUTMR: conflict with earlier EU plant variety denominations
This ground for invalidity was already envisaged in Council Regulation (EC) No 2100/94 on Community plant variety rights. The Office applied this Regulation in conjunction with Article 7(1)(f) EUTMR.

1.2 Grounds for invalidity that were not envisaged by EU law before the entry into force of Regulation (EU) 2015/2424 on 23 March 2016

The following grounds for invalidity did not exist in EU law before the entry into force of Regulation (EU) 2015/2424 and apply therefore only to European Union trade marks filed on and after 23 March 2016.

- 'Other characteristics' (than the shape), under Article 7(1)(e) EUTMR.
- Conflicts with an earlier PGI/PDO protected at **national** level, under Article 7(1)(j) EUTMR.
- Conflicts with an earlier plant variety denomination protected at **national** level, under Article 7(1)(m) EUTMR.

2 Relative Grounds for Invalidity, Namely Article 60(1)(d) EUTMR in Conjunction with Article 8(6) EUTMR and the Relationship with Article 60(1)(c) EUTMR in Conjunction with Article 8(4) EUTMR

Regulation (EU) 2015/2424 amending Regulation (EC) No 207/2009 on the Community trade mark (Amending Regulation) introduced Article 53(1)(d) of Regulation No 207/2009 in conjunction with Article 8(4a) of Regulation No 207/2009 [now Article 60(1)(d) EUTMR in conjunction with Article 8(6) EUTMR] as a specific ground for invalidity for designations of origin and geographical indications (GIs) protected under EU or national law.

Prior to that, GIs could form the basis of an application for invalidity pursuant to Article 53(1)(c) of Regulation No 207/2009 in conjunction with Article 8(4) of Regulation No 207/2009. However, the introduction of this specific ground means that as of the entry into force of Article 53(1)(d) of Regulation No 207/2009, GIs can only be invoked under the new ground. GIs can no longer form the basis of an application for invalidity under Article 53(1)(c) of Regulation No 207/2009, even though the wording of that provision has not changed. Nevertheless, if an invalidity request based on a GI is filed after entry into force of the Amending Regulation, incorrectly indicating Article 53(1)(c) of Regulation No 207/2009 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 were Article 53(1)(d) of Regulation No 207/2009. In such a case, there is no doubt as to the intention of the invalidity applicant to invoke the provision protecting earlier GIs.

Article 53(1)(c) of Regulation No 207/2009, in conjunction with Article 8(4) of Regulation No 207/2009, continues to apply in invalidity proceedings based on GIs pending at the time of entry into force of the Amending Regulation.

As stated above, only Article 8(4a) of Regulation No 207/2009 can be invoked in applications for invalidity based on GIs as of the date of entry into force of the Amending Regulation. 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, 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) of Regulation No 207/2009 in conjunction with Article 8(4a) of Regulation No 207/2009 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) of Regulation No 207/2009 in conjunction with Article 8(4a) of Regulation No 207/2009 is therefore a continuation of the protection previously afforded by Article 53(1)(c) of Regulation No 207/2009 in conjunction with Article 8(4) of Regulation No 207/2009. GIs thus invoked under Article 53(1)(d) of Regulation No 207/2009 in conjunction with Article 8(4a) of Regulation No 207/2009 had already to 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 (e.g. 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(4a) of Regulation No 207/2009 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.

Nevertheless, Article 63(3) EUTMR prevents an applicant whose previous request for invalidity based on a GI under Article 53(1)(c) of Regulation No 207/2009 has been adjudicated on its merits from filing a new application for invalidity under Article 53(1)(d) of Regulation No 207/2009 on the basis of the same GI against the same contested mark.