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TRADEMARK CANCELLATION FOR NON USE IN EU

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Abstract. The report focuses on the peculiarities of trademark cancellation in connection with its non-use in the European Union. The author considers the questions of procedure and strategies to preserve the rights to the trademark.

Keywords: trademark, European trademark, non-use, genuine use, trademark cancellation, opposition, European Union Intellectual Property Office.

Obligation of EUTM use: basis and general regulation

As a starting point, it should be noted that the basis of the obligation to use the trade mark is closely related to the nature of the trade mark right. IP rights, in general, as exclusive rights are against freedom of competition, which is the general principle that regulates market relationships [1–6].

Notwithstanding the above, IP rights are accepted and regulated by the legal system to the extent that they protect a higher value. In the case of trademarks, market transparency is the target that justifies the protection of an exclusive right. Market transparency should be understood as the situation in which the offers of products and services are clear and neat as to their business origin. Market transparency as a protected higher value is justified for the protection of a triple interest:

First, and most importantly, the interest of consumers. It is a question of guaranteeing the right to clear and transparent information on offers that allows consumers to make free purchasing decisions, avoiding cases of decisions based on assumptions of identical or related business origins, when they are not.

Secondly, the interest of undertakings in being able to distinguish their goods and services from those of their competitors which allows them to be selected by the consumer.

Finally, thirdly, the public or general interest in maintaining open, plural and transparent markets, based on operators's equal status, in satisfying the needs of demand and in the free formation of economic relations.

In view of the foregoing, the trademark will not fulfil its functions of transparency if it is not used in the market to designate goods or services. Hence, the obligation to use becomes an institution to force the trademark to achieve the value of the transparency described. Therefore, the obligation to use becomes an institution to force the trademark to achieve the value of the transparency described. Thus, if the trademark is not used, the system penalizes that exclusive right by understanding that it is no longer justified.

General regulation of obligation of use of EUTM is contained in article 18 EUTMR (Regulation (EU) 2017/1001 of the European Parliament and of the council of 14 june 2017) on these terms:

“Art. 38.1. If, within a period of five years following registration, the proprietor has not put the EU trade mark to genuine use in the Union in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the EU trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use”.

Consequently, a potential sanction is established against the trademark in the event that it is not used within a period, in a territory, and with certain parameters.

Scenarios of obligation of EUTM use

There are three different scenarios where the obligation to use may appear, and in particular where the use of the trademark must be proven, with different legal consequences.

Firstly, in *opposition proceedings against an EUTM* (art. 47.2 EUTMR) on the basis of earlier trade mark rights, whether EUTM or international trade marks or national trade marks.

In this case, the basic mark(s) of the opposition must have been registered for at least five years on the date of application (priority) of the contested mark. Only in such a case the applicant of the challenged EUTM could ask for proof of use.

The penalty for failure to prove the use of the opposing trademark consists of the total or partial rejection of the opposition. Consequently, in this scenario, the lack of proof of use of the trademark does not trigger a decision to revoke the opposing EUTM.

Secondly, in *non-use EUTM cancellation procedure* (art. 58 EUMR) before EUIPO.

Thirdly, as a result of a *counterclaim for revocation for non-use against EUTM infringement actions* (art. 58 EUTMR) before EUTM Courts.

In these last two scenarios, a decision may be made on the total or partial revocation of the EUTM.

Genuine use. This section deals first of all, with general aspects of the EUTM use, such as the place of use and acts of use.

Secondly, we deal with the objective circumstances of the use that must be assessed for the purposes of considering such use as relevant. Indeed, the assessment of whether a trademark use is "relevant" or "not relevant" requires weighing all the factual circumstances of the particular case.

ECJ decisions. In this section we will focus on the treatment of certain judgments of the ECJ on the EUTM obligation of use, in particular those preliminary ruling which respond to preliminary questions raised by a Court or Tribunal of an EU Member States.

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