

# Austria: German trademark registration as a defence in (EUTM) CTM preliminary injunction proceedings in Austria - possible under the CTMR (but not the EUTMR)

Kluwer Trademark Blog

May 9, 2016

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*Please refer to this post as: Katharina Schmid, 'Austria: German trademark registration as a defence in (EUTM) CTM preliminary injunction proceedings in Austria - possible under the CTMR (but not the EUTMR)', Kluwer Trademark Blog, May 9 2016, <http://trademarkblog.kluweriplaw.com/2016/05/09/austria-german-trademark-registration-as-a-defence-in-eutm-ctm-preliminary-injunction-proceedings-in-austria-possible-under-the-ctmr-but-not-the-eutmr/>*

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The Austrian Supreme Court (short “the Court”) denied a motion for a preliminary injunction (short “PI”) against the use of the mark “Duff (BEER)” based on the Claimant’s EUTM “Duff”, since the EUTM could be declared invalid on the basis of Defendant’s earlier German trademark rights (decision of **27.01.2016, 4 Ob 183/15p - DUFF Beer**).

The Claimant, Twentieth Century Fox Film Corporation, producer of the famous “**The Simpsons**” TV series, in which “Duff beer” designates a fictitious beer, owns EUTM no. 8351091 “Duff” for, inter alia, *beer* in class 32, and sued German Duff Beer GmbH for producing (or having produced) beer under the mark “Duff” in Austria and having it delivered from Austria to Germany. While the Claimant’s EUTM for “Duff” (fig.) was applied for in 2009 and registered on 26 March 2014 (so non-use of the fictitious mark was no issue), the Defendant owns German TM no.

39901100 (fig.) for Duff Beer“, filed and registered already in 1999 (on a side note: a claim for revocation of the said mark had been finally denied by the German BGH in 2012 [I ZR 135/11]).



In the *main proceedings*, which were started in parallel with the PI proceedings (this is the normal course of action in Austria) the Defendant brought a *counterclaim* for declaration of invalidity of EUTM 8351091 „Duff“ on the basis of its earlier German mark. In the **PI proceedings**, however, a counterclaim is not possible, and the Defendant relied on the **priority of its German mark** and submitted that the **Claimant's mark was not legally valid**. The Court considered this as a valid claim under Art 99 (3) CTMR (Council Regulation (EC) No 207/2009).

Namely, Art 99 (3) CTMR, which the Court had to apply in its decision, allowed the Defendant in an infringement action (Art 96 (a) CTMR) to make a **plea** that the rights of the CTM proprietor could be declared invalid on account of an earlier right of the defendant (or could be revoked for lack of use) not only by way of a counterclaim (which is only possible in main proceedings) but also by way of an **exception**. (N.B.: This is no longer possible under the new Art 99(3) EUTMR, in force since 23 March 2016, I will get back to this below).

The second, and even more important question for the Court was whether the Defendant could rely on its earlier **German** TM rights as a defence in infringement proceedings **in Austria**, i.e. if it could raise an exception on the basis of an earlier right which does not exist in the member state where the infringement action was

brought: And the Court said **yes, it can**. According to the Court, this follows from the **unitary character** of the EUTM (**N.B.:** as established in Art 1(2) CTMR/EUTMR), and from the **purpose of the exception of an earlier right**, which is not limited to a defence against potentially locally restricted claims as such, but which is that an **EUTM could be declared invalid on the basis of such national earlier right**. This justifies it, in the view of the Court (and the majority of the German doctrine, with the notable exception of *Eisenführ/Overhage* in the 4th edition of the *Eisenführ/ Schennen* legal commentary to the Community Trademark Regulation Art 99, at para 11 ), that an exception on the basis of an earlier right from a different member state be considered in the PI proceedings.

Obviously, raising an exception is a far lesser effort for Defendants than filing a counterclaim or a request for invalidity at the EUIPO, and if this interpretation of Art 99 (3) CTMR ran rampant with EU Trademark Courts, the „unitary“ character of EUTMs could turn into a major disadvantage for their owners in PI proceedings. However, in the **amended Art 99 (3) EUTMR** the reference to „earlier rights“ of the defendant was deleted, so there is **no earlier rights exception** any more. Accordingly, future Defendants will have to make the effort to go to Alicante to file a request for a declaration of invalidity against the EUTM, or - this is only possible in main proceedings - file a counterclaim in order to fend off infringement actions based on EUTMs.