

REVOCATION ON GROUNDS OF NON-USE AND PROPER REASONS

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In a recent decision, the Portuguese Court of Intellectual Property confirmed a surprising interpretation of the exception for the revocation of a trademark on grounds of non-use – namely proper reasons for non-use. The Industrial Property Office had rejected a revocation request against the protection in the Portuguese territory of an international trademark assuming that there were proper reasons for non-use.

The international trademark in question designated Portugal in 2004. The request for revocation was filed in November 2014. The relevant period of time in which the use of the trademark should be determined was November 2009 – November 2014.

In reply to the revocation request, the owner of the challenged trademark filed the following evidence: *i)* regarding the period between November 2009 and December 2010, copy of a licensing agreement and copy of reports of royalties paid in that period under the licensing agreement; *ii)* regarding the period between December 2010 and November 2014, evidence of a judicial action pending before a French court concerning the same international trademark.

The Industrial Property Office found the evidence admissible, despite the fact that *i)* the licensing agreement had not been registered before the Industrial Property Office and hence could not be enforced against third parties under Portuguese law and practice; and *ii)* the judicial action was pending in a foreign jurisdiction and there was no evidence that the outcome could have any impact on the use of the

international trademark in Portugal.

In result, the revocation request was dismissed and the protection of the international trademark in Portugal was not revoked. The Court of Intellectual Property confirmed the interpretation of the Industrial Property Office entirely and an appeal against the judicial decision is currently pending before the Lisbon Court of Appeal.

In light of very few previous court decisions regarding the interpretation of what can be considered proper reasons for non-use of a registered trademark, it should be interesting to see what the Court of Appeal will decide in this case. In particular, it will be very important to know if the mere pendency of a judicial action regarding the trademark in question can constitute a proper reason for the non-use, or if only a definitive judicial decision prohibiting the use of the trademark is suitable to justify the lack of use.