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CJEU: The EUTM unitary character requires a homogenous application of procedural rules, including in counterclaims for revocation.

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In the absence of specific EU provisions, EU national court shall apply in regard to EUTM registrations the applicable national law pursuant to art. 129 EU Reg. 2017/1001 (EUTM Regulation). However, this may lead to different national interpretations and treatment of EUTM registrations and affect the unitary character of the EU mark, and as we all know, the Court of Justice does not really like that. [Case C-607/19](#), decided on 17 December 2020 on a request for a preliminary ruling from the Bundesgerichtshof (Federal Court of Justice, Germany), shows that the EUTM unitary character is still an overriding concern for the CJEU and that it will go to great lengths to ensure it.

The case concerned the calculation of the five-year period for assessing genuine use of an EUTM in the context of a counterclaim for revocation. In infringement proceedings based on an EUTM, the defendant can counterclaim for revocation if the EUTM has been registered for more than five years. The counterclaim will be successful if, during five years before the relevant point in time, the mark was not used. The question was - when is that relevant point in time: when the counterclaim is raised, or can it be later?

In the German proceedings, the earlier EUTM (basis of the claim) had not been used since May 2012. The revocation counterclaim was filed in September 2015. The last oral hearing before the Court of Appeal was in October 2017. The question was therefore whether the fact that the five-year period ended during the infringement proceedings but before the last hearing on the facts could lead to the EUTM being revoked on account of the counterclaim, or whether this period would have had to have ended before the revocation counterclaim was brought.

Neither art. 128 EUTM Regulation (which deals with counterclaims) nor art. 58 (which concerns revocation actions before the EUIPO) addresses this question. § 25(2) German Trademark Act provides clearly that, if the five-year period of continuous non-use ends during the infringement proceedings but before the last hearing on facts, a non-use defense will still be successful.

For the referring Court, the Bundesgerichtshof, the German law should have been

chosen because the “starting” date of the five-year period is a procedural matter and therefore, in the absence of any clarification in the EUTM Regulation, it falls within the scope of national law from a combined reading of art. 17(3) and 129(3) EUTM Regulation. Furthermore, the latter solution would be justified because, since there is no rationale for protecting an EUTM unless it is actually used, and requiring a party to file a new application for revocation or counterclaim would not be procedurally efficient, since as a matter of fact the earlier mark has not actually been used for five years.

The CJEU was unimpressed and held instead that the date with regard to which it must be determined whether the continuous period of five years has ended is the date on which the counterclaim in question was filed. It derived this primarily from the fact that art. 62(1) EUTM Regulation determines that a successful revocation counterclaim leads to the EUTM being revoked as from the time when the counterclaim was raised, or an earlier - but not a later point in time.

Moreover, for the CJEU, the objectives of protecting marks only if they are actually used and of procedural economy could not be accepted, as this would be inconsistent with the relevant provisions of the EUTM Regulation and therefore liable to undermine the unitary character of the EU mark. Indeed, if the scope of the protection of a EUTM could vary, in the context of counterclaims for revocation, according to the procedural rules of the Member States where those counterclaims are filed, and thus depending upon the length of the national proceedings, then the unitary character could be called into question.

While the decision of the Court seems to be reasonable, because it prefers a date which is certain and unchangeable while the date of the last hearing of any proceeding is not, still the Court appears to be stretching a little the unitary character argument.

In earlier cases, most notably the Combit case (C-223/15), the Court expressly recognized the possibility to limit the territorial scope of prohibition of use (and so the unitary character) in case of “linguistic grounds”. Thus, it is somewhat puzzling why something so ephemeral like “linguistic grounds” may justify a “limitation” of the unitary character, while a civil procedural rule enacted by a Member State (and which is not discriminatory, given that it is also applicable for national marks) may not, also if one considers that such rule does serve another EU principle, namely that there is no justification for protecting EU trade marks except where it is actually used.

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