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Amicus Curiae briefs of ECTA, INTA and MARQUES agree on "NIGHTWATCH" approach to conversion of EUTMs

Sara Parrello, Fabio Angelini (Bugnion S.p.A) · Wednesday, July 17th, 2024

In February 2023, we reported the NIGHTWATCH decision of the Fourth Board of Appeal of the EUIPO addressing conversion of EUTMs, and more specifically, whether conversion can be filed where the EUTM (application) was withdrawn or surrendered after a first-instance decision refusing or invalidating it but before the appeal period has expired. The EUIPO in that situation required the appeal to be actually filed, while the Fourth Board saw that differently. For more background, we refer to our earlier post.

Following that decision, the Executive Director (ED) of the EUIPO made a Referral to the Grand Board of Appeal of February 22, 2024, asking for clarification. User groups could present observations on the point of law raised in the Referral. ECTA, INTA, and MARQUES submitted their briefs which can be found at the below:

ECTA:

https://ecta.org/ECTA/documents/FINAL_ECTAAmicusCuriaeBrief_caseR04972024G_forp ublication6260.pdf

INTA:

https://www.inta.org/wp-content/uploads/public-files/advocacy/amicus-briefs/20240604_INTA-A micus-Brief-Nightwatch.pdf

MARQUES: https://www.marques.org/publications/positionpapers/

All three briefs agreed that requiring the filing of an appeal against the EUIPO's decision, in order to allow the conversion of an EUTM application or an EUTM registration in a Member State, is not supported by any provision of law.

It is apparent that there is no justification for treating differently a request for conversion filed following the withdrawal of an EUTM application during the appeal period (within two months of the date of notification of the decision), or during appeal proceedings. These considerations are valid at any stage of the EU *ex parte* and *inter partes* proceedings (EUIPO, Board of Appeal and General Court).

Decisions shall *take effect* only as from the date of expiration of the appeal period (Articles 66(1) and 71(3) EUTMR).

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The alleged distinction between "operative effects" and "legal effects" of a decision of the Office mentioned by the ED in its Referral in order to justify the preclusion of the conversion during the appeal period, has not found any support. MARQUES and INTA expressly held that there is no legal basis for this distinction.

Therefore, according to the three groups of stakeholders, the concept of "decision of the Office" included in Article 139 (2)(b) of EUTMR[1] shall be interpreted as including only final decision, notably decisions whose appeal period already expired.

In its Referral, the ED expressed concern about the 'unfair' consequences of interpreting Article 139(2)(b) EUTMR as applying only to decisions that become final, such as the possibility to circumvent the EUIPO's decision and having a second chance at national level, but the three Amicus Curiae briefs did not share these concerns.

Firsly, users can in any event file new trademark applications at national level, regardless of the refusal at EU level. The "only" negative consequence of filing a new national trademark application without taking advantage of conversion would be the loss of priority. The registrability of the new national trademark application would be re-examined at national level either way – following conversion or a new filing.

Secondly, as noted by ECTA, the EUIPO has held for decades that it is not bound by the practice of Member States. The same is valid the other way around. National IP offices are not bound by EUIPO case law and can decide the same case differently. Therefore, the possibility to obtain a different decision by a national IP Office is a consequence of the lack of harmonisation of law and practice in the European Union and not an abuse of law. For MARQUES, the possibility to have a "second opinion" from a national IP Office should even be advisable, given the greater familiarity with the relevant public in a given Member State. We look forward to seeing whether the Grand Board will take into account these opinions which all agree with the NIGHTWATCH decision of the Fourth Board, and whether in the end the EUIPO's Guidelines will have to be modified. Stay tuned for further updates.

[1] According to Article 139 (2)(b) Conversion shall not take place in those Member States in which, in accordance with the **decision of the Office** or of the national court, grounds for refusal of registration or grounds for revocation or invalidity apply.

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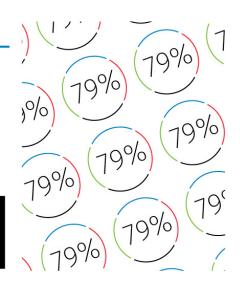
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