



European Communities Trade Mark Association

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## **ECTA POSITION PAPER ON THE INTRODUCTION OF A NON-USE CENTRAL ATTACK FOR INTERNATIONAL TRADE MARK REGISTRATIONS (MADRID SYSTEM)**

### **I. INTRODUCTION**

In the Madrid System, the deletion of the requirement of a basic application or registration and the Dependency Clause are very closely linked (central attack). The Dependency Clause provides that, if the basic national application/registration fails during a period of 5 years after the registration of the International Trade Mark, the corresponding International Trade Mark follows the same fate in all the countries where it has been extended (Article 6, paragraphs 2 & 3 of the Madrid Agreement and Protocol).

In this respect, it should be remembered that at the beginning of the International System, and practically for 70 years, until the Nice revision in 1957, the link was perpetual and that it was only at that time reduced to 5 years.

It should also be noted that a cancellation (or refusal) decision of the basic trade mark need not necessarily be reached within 5 years. It is sufficient that a legal action has been started within the 5 years, which leads to a final decision of partial or total cancellation of the basic (home) trade mark, which will then lead to the cancellation of the International Trade Mark. This may take place many years after.

The above-mentioned system seems to have worked efficiently so far.

### **II. COMMENTS**

ECTA concluded (in a separate *Position Paper on the dependency of International Trade Marks on a national basic application or registration*) that a majority of our relevant Committee Members supports maintaining the existing dependency period, as it is considered to be a very powerful and useful instrument, which carries considerable weight in trade mark prosecution strategy. Although situations may arise that are not completely fair (such as non-use cancellation actions, which are expensive and cumbersome), the introduction of the possibility of transformation has compensated this.

In view of the above, and in order to maintain the right balance between national, international and EU trade mark registrations, it is considered crucial to maintain the dependency and the central attack option.

However, it turned out in practice, that after the period of (3 or) 5 years, it is very costly, cumbersome and difficult to cancel an International Trade Mark Registration in all designated countries if such mark is not used. The time period to start a non-use cancellation action against the home or basic trade mark ends usually after the dependency period expired, that means that non-use cancellation actions have to be initiated in each of the designated countries.



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In many countries, non-use cancellation actions have to be brought before a court. That means that in some jurisdictions, the plaintiff has to prove that the mark has not been used, rather than that the trade mark proprietor, the one who claims to have a right, has to prove use. The plaintiff has to do market research and has to spend a lot of money to cancel non-used trade marks. In some countries, the fees for the court procedure are not carried by the losing party of the case, so the plaintiff, who cancelled a non-used trade mark, then even has to bear the costs. That is the reason why only recently, by revision of the EU Trade Mark Regulation and EU Trade Mark Directive, it is foreseen, that until 2023, all Member States of the EU must introduce a national (inexpensive) administrative non-use cancellation action, where the trade mark owner has to prove use upon (a simple) request of any third party.

An (inexpensive) administrative non-use cancellation action, where the trade mark owner has to prove use upon (a simple) request of any third party, balances the rights of trade mark owners, who may easily obtain a trade mark through an application process, and the rights of the public and competitors, who may file a simple cancellation request and then it is up to the one who claims to have a right, to prove such right. It is also relevant to secure that any such procedure would be in balance for the trade mark owner not to be economically burdened too much by collecting sufficient proof of use.

In the USA, for example, the trade mark owner has to prove the use of the trade mark on a frequent basis when renewing the mark.

However, the non-use cancellation of an International Trade Mark is not possible. While it is a straightforward process to obtain a mark, it is very difficult for third parties to cancel such mark after 5 years because of non-use. ECTA members report that cancellation costs in a handful of countries easily go beyond EUR 100.000,-. In one instance, the trade mark owner even admitted that there was no use anywhere and the third party paid around EUR 130.000,- to cancel the mark in 5 selected countries.

Some of our members are therefore of the opinion that it would be good to introduce a new legal instrument, namely a central non-use cancellation request against the International Registration at the level of the International Bureau (central attack based on non-use). Here, there should be a formal pre-procedure, where the trade mark owner could object to such request. Then, the National Offices are informed by the International Bureau and the trade mark owner has to prove the use of the trade mark on a national level either before the National Office or the national court concerned. The requester may be or may not be a party to these proceedings, depending on the national law. In case the trade mark owner does not object or does not reply, the International Bureau would then inform all National Offices, which are concerned by the request, that the national protection should be cancelled because of the non-use.

### **III. CONCLUSION**

In view of the above, ECTA suggests the Working Group on the Legal Development of the Madrid System for the International Registration of Marks examining the possibility of such non-use cancellation request at the WIPO level. The carrying out of the cancellation procedure of the given national part would remain in the competence of the given National Office.

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# ECTA

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ECTA, which was formed in 1980, is an organisation concerned primarily with trade marks and designs. ECTA has approximately 1,500 members, coming from all the Member States of the EU, with associate Members from more than 50 other countries throughout the world. ECTA brings together those practicing in the field of IP, in particular, trade marks, designs, geographical indications, copyright and related matters. These professionals are lawyers, trade mark and patent attorneys, in-house lawyers concerned with IP matters, and other specialists in these fields. ECTA does not have any direct or indirect links to, and is not funded by, any section of the tobacco industry.



The extensive work carried out by the Association, following the above guidelines, combined with the high degree of professionalism and recognised technical capabilities of its members, has established ECTA at the highest level and has allowed the Association to achieve the status of a recognised expert spokesman on all questions related to the protection and use of trade marks, designs and domain names in and throughout the European Union, and for example, in the following areas:

- Harmonization of the national laws of the EU member countries;
- European Union Trade Mark Regulation and Directive;
- Community Design Regulation and Directive;
- Organisation and practice of the EUIPO.

In addition to having close links with the European Commission and the European Union Intellectual Property Office (EUIPO), ECTA is recognised by WIPO as a non-Government Organisation (NGO).

ECTA does also take into consideration all questions arising from the new framework affecting trade marks, including the globalization of markets, the explosion of the Internet and the changes in the world economy.