

G. Cancellation of CTM rights

Cancellation is a legal concept, according to which CTM rights may either be revoked or invalidated.⁶⁰⁹ Revocation invalidates the CTM rights from the day on which such rights are revoked, whereas, as a result of successful invalidity proceedings, the respective rights are taken to have been non-existent from the time when registration certificate was issued by OHIM. Availability of the cancellation procedure under the CTMR affords to a person who would have objected to the registration of the mark, but for the limitation of time, an opportunity to challenge the validity of a CTM.⁶¹⁰ Grounds for CTM revocation and invalidity are discussed below.

I. Revocation

The use of a CTM as described above, is central for determining the question whether a pertinent trade sign is prone to be revoked or not. Article 51 of the CTMR provides in no uncertain terms that “the rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings” on the basis of non-use or, where allegations of non-use are rebutted by the proprietor, on the basis of improper use of a CTM.

1. Non-use

In order for a non-use of a trademark to constitute a ground for revocation of a CTM, the proprietor must not have complied with the provisions of Article 15 requiring him to put a mark on a genuine use within five years following registration. While Article 51(1) (a) of the CTMR reiterates the genuine use requirement, it additionally provides that even where there are no proper explanations for non-use of a CTM within the statutory period of five years, “no person may claim that the proprietor’s rights in a Community trade mark should be revoked” provided that “during the interval between expiry of the five-year

609 Cf. Article 56(3) of the CTMR.

610 This is particularly the case where invalidity issues are the basis for the cancellation proceedings. Cf. BASTIAN, E.-M., KNAACK, R. & SCHRICKER, G. (eds.), “Gemeinschaftsmarke und Recht der EU-Mitgliedstaaten“ 88 (Verlag C. H. Beck, München 2006).

period and filing of the application or counterclaim, genuine use of a trade mark has been started or resumed”. Moreover, according to the rule laid down in the preceding Article, resumption of trademark use done within a period of three months after an application for revocation has been lodged or a counterclaim to that effect has been requested, may salvage the CTM from revocation only if its proprietor had not made such resumption or commencement of use after being tipped of the impending revocation application or counterclaim action.⁶¹¹ In other words, the proprietor must be judged to have resumed or commenced a trade mark use in good faith.⁶¹²

2. Improper use of a CTM

A CTM may not only be revoked on the basis of non-use, but also on the basis of improper use. Article 51(1) (b) of the CTMR provides as a ground for revocation where because of certain acts or omissions of the proprietor with respect to the CTM use, the CTM is understood by the public as a “common name in the trade for a product or service in respect of which it is registered”. To put it simply, improper use of a trade mark may turn a mark which was once distinctive into a generic mark. It is, nonetheless, incumbent upon the proprietor to salvage his trademark from becoming a generic name. He may do so by engaging on extensive marketing of the trademark while at the same time reinforcing the fact that his sign is not a generic but a brand name. The proprietor may additionally use the symbol ®, which is customarily accepted to signify that the trademark bearing it is registered or protected. Where piracy is a reason for the trademark losing its distinctiveness, the proprietor may reverse the situation by instituting legal proceedings against infringers. The outcome of the court proceedings will send a clear message to the consuming public that the trademark belongs to a particular source of products, in contrast to merely serving as a name of the products concerned.⁶¹³

611 Cf. BOMHARD, V. von, “Dormant Trademarks in the European Union – Swords of Damocles?” 96(5) TMR 1122, 1125 (2006).

612 The ECJ’s jurisprudence reveals that, whereas in considering the question whether an alleged trade mark use is “genuine use” such consideration must be directed to the use made of the mark before the filing date of an application for revocation, trademark use after this period may be taken into account, provided that according to the circumstances of the case, such use does not reflect an intention on the part of the proprietor to defeat that application for trademark revocation (cf. ECJ, Case C-259/02 *La Mer Technology Inc. v. Laboratoires Goemar SA* [2004] E.C.R. I-1159, para. 2 of the operative part.

613 SHYLLON, F., “Intellectual Property Law in Nigeria” 189 IIC Studies Vol. 21 (Beck, München 2003).

However, the generic nature of a CTM under Article 51 of the CTMR must be distinguished from a generic mark addressed in the provisions of Article 7(1) (d) of the CTMR. While the former trade mark becomes generic due to inactivity or acts of the proprietor, the proprietor is not an instrumental in making the mark in the latter category generic. The mark in the latter category is inherently generic and its registration may be objected on the basis of absolute grounds described above.

Another mode of improper trade mark use which renders a CTM liable for revocation is stated in Article 51(1) (c) of the CTMR. The provisions warrant revocation of a CTM “if, in consequences of the use made of it by the proprietor of the trade mark or with his consent in respect of the goods or services for which it is registered, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services”. However, there is a notable difference between the provisions of Article 51(1) (c) of the CTMR, which, accordingly, deals with the trade mark liable to mislead the public following the use made of it, and the legal import of Article 7(1) (g), addressing the trade signs which have potentialities to mislead the public *ab initio*. As a matter of law, the former provisions serve as a ground for revocation, while the latter serve as an absolute ground for refusal to register a trade sign as a CTM.

II. Invalidity

The rights of a CTM proprietor are not immune from being challenged. Third parties are empowered by the provisions of Articles 52 and 53 of the CTMR to challenge the legality of a registered CTM under certain circumstances. Two options are available to the one who seeks to challenge the existence of CTM rights: 1. He may lodge his claim for invalidity directly with OHIM asking the Office to cancel the CTM, or; 2. if the CTM proprietor institutes infringement proceedings before a CTM court, the defendant may counterclaim by pleading that the registration of the CTM is invalid.⁶¹⁴ The substantive justifications for invalidity proceedings are not based on whether such proceedings are instituted before OHIM or the CTM court; but rather on the existence of substantive and relative grounds for invalidity.

614 Cf. Article 99(1) which stipulates as follows: “The Community trade mark courts shall treat the Community trade mark as valid unless its validity is put in issue by the defendant with a counterclaim for revocation or for a declaration of invalidity”.