

the infringed interests are of personal or of purely economic²⁶⁹ nature respectively.²⁷⁰ The OHIM presents a different approach, including in the scope of distinctive signs only those names that are trade or business-related and not merely personal,²⁷¹ which consequently would allow for invalidation of a Community design only if the owner of a right to a name invokes his economic, and not personal interests against the design right.

D. The limits of protection of distinctive signs

1. The limits of protection of trade marks

In infringement proceedings under the trade mark law, the defendant has a range of defences that, if they prove successful, render his behaviour legal. Since the invalidation of a Community Design under Art. 25 (1)(e) CDR is based on the concept of infringement of the prior distinctive sign, the question can be posed, whether these defences can be called upon in invalidation proceedings by the holder of the design.

The most far reaching defence strategy is challenging the validity of the prior mark or accusing it of being subject to revocation (Art. 99(3) CTMR, Art. 11(3) TMD²⁷²) and furnishing a proof of lapse of the right (e.g. due to lack of payment of the renewal fees, Art. 46 and 47 CTMR), as a non-existing right is unenforceable.

Challenging the validity of the prior trade mark in the design invalidity proceedings has not been accepted. The registered rights are subject to the presumption of validity²⁷³ and there is no legal ground that would allow challenging such presumption in the design infringement proceedings. If the validity of a distinctive sign is contested – the Invalidity Division may suspend its proceedings on invalidation,²⁷⁴ however OHIM will not of itself inquire into the question of existence or validity of the sign on which the invalidation application is based and

269 BGH GRUR 1998, 696, 697 - *Rolex-Uhr mit Diamanten*.

270 Ingerl/Rohnke, *supra* note 24, Nach §15 para. 19-20.

271 Manual of Trade Mark Practice, available at: http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/partc_nonregisteredrights.pdf (last visited June 5, 2012), C.4.5.3.1.

272 Art. 11(3) TMD provides for optional harmonisation.

273 Art. 99(1) CTMR.

274 Art. 2.6 OHIM Guidelines on Invalidation of Registered Community Design; *Community Design Invalidity Manual*, *supra* note 15, B.1.6.2, providing a list of situations in which the proceedings can be suspended and stressing the OHIM's discretion in the decision on suspension.

will treat the prior right as valid.²⁷⁵ Submitting a proof that the right does not exist or has lapsed will result in rejection of the application, due to the nonexistence of the prior right to a distinctive sign,²⁷⁶ although in fact it is on the applicant to establish the existence of his right.

A defence that has been recognised by the case-law in design invalidation proceedings is requiring the applicant to provide the proof of genuine use of the trade mark which has been registered for at least five years.²⁷⁷ As the General Court stated in *Beifa*, since the national law allows the alleged infringer to require in the infringement proceedings that the proprietor of a trade mark invoking his rights provides proof of genuine use of his mark, the proprietor should do it and if he fails – he has no right under the national law to prohibit the use of the Community design, which results in the inapplicability of Art. 25(1)(e) CDR.²⁷⁸ This decision was issued on the basis of national (German) trade mark,²⁷⁹ however Art. 99 (3) CTMR provides for similar defence with respect to the Community trade mark²⁸⁰ and Art. 11(3) TMD provides for optional implementation of a corresponding provision into national laws of the Member States. In its decision, the General Court referred to the rules of infringement of the trade mark law and defences provided therein. This seems a correct approach since Art. 25(1)(e) CDR refers to “right to prohibit use” which suggests that a regular assessment of infringement under national or Community law should be made on application for invalidation of a Community design.

However, Art. 99(3) CTMR allows not only for the request of proof of use but also for raising a defence of invalidity of the trade mark based on earlier rights of the design proprietor (similarly 11(3) TMD, however the TMD does not provide for defence of invalidity of the trade mark, unlike Art.99(3) *in fine* CTMR), nevertheless a defence stating that the Community trade mark or a national trade mark could be declared invalid should not be allowable. The question of invalidity of the trade mark invoked against the design should be judged in separate proceedings. Under Art 53 CDR the Office is entitled only to examine the invalidity of the Community design, therefore allowing for the examination of a trade mark validity would go beyond the competences of the OHIM in design invalidity

275 Ruhl 2007, *supra* note 89, Art. 53 para. 38, *Community Design Invalidity Manual*, *supra* note 15, C.7.4.

276 José J. Izquierdo Peris, *OHIM Practice in the Field of Invalidity of Registered Community Designs* [2008] 2 E.I.P.R. 56; Schlötelburg, *supra* note 129, 126; Ruhl 2007, *supra* note 89, Art. 25 para. 34.

277 Art. 99(3) CTMR, Art. 11(3) and 12(1) TMD.

278 GC Case T-148/08 - *Beifa Group Co. Ltd. v OHIM*, 2010 ECR II-01681, para. 65-66; this rule has been incorporated in *Community Design Invalidity Manual*, *supra* note 15, B.1.1.2.

279 §25(2) MarkenG.

280 Ingerl/Rohnke, *supra* note 24, §25 para.4.

proceedings. This however does not exclude the applicability of request of proof of genuine use of the mark, since it has no direct bearing on the mark's validity, only on its enforceability. Hence this approach is consistent with both the case-law and submissions of the scholars and practitioners.

Another provision stating a ground of defence in infringement is the “fair use” provision of Art 12 CTMR / Art. 6(1) TMD. This defence has not been addressed by the case-law as of now. It has been raised by the design holder in *Zygmunt Piotrowski v Danone*,²⁸¹ however the Board of Appeal confirming the Invalidity Division's decision on invalidation, did not address this issue. It is submitted that since Art. 25(1)(e) CDR requires that the owner of the prior distinctive sign “has the right to prohibit such use”, the “fair use” defence should be accepted, just as it is accepted in infringement proceedings. Although for it to be allowed, the design proprietor will have to fulfil the stringent requirements of proving that the use of the mark in a Community design is in accordance with honest practices in industrial or commercial matters and taking into account all possible circumstances in which the design might be used.²⁸² Similarly as in the assessment under unfair competition rules, the decision on this defence depends very much on the factual pattern and therefore might lead to only some uses of the mark being fair. It is submitted that such an inconsistency might be solved by an application of a disclaimer under Art. 25(6) CDR.

A defence of express consent to registration (Art 53(3) CTMR / Art. 4(5) TMD) could be considered to be used by the proprietor of a Community design in invalidation proceedings by way of analogy to the provisions of the CTMR. One argument for it could be the systematic interpretation of the CDR, which has been based on the provisions of the CTMR.²⁸³ However a strong argument against such an approach is the fact that such provisions have not been included in the CDR, hence it should be seen as a deliberate decision of the EU legislator and analogical application of the CTMR should not be accepted. Nevertheless such arguments could be enforced in national courts²⁸⁴ – in the case of application for an invalidation of a Community design its owner could apply for the non-

281 Case R 137/2007-3 - *Zygmunt Piotrowski v Compagnie Gervais Danone*, OHIM Third Board of Appeal Sept. 18, 2007, available at: http://oami.europa.eu/search/legaldocs/la/EN_boa_index.cfm under the case number, para. 4.

282 ECJ Case C-533/06 - *O2 Holdings Limited and O2 (UK) Limited v Hutchison 3G UK Limited*, 2008 ECR I-04231, para. 66.

283 Commission of the European Communities, *Green Paper on the Legal Protection of Industrial Design* [1991] (hereinafter: *Green Paper*), states (8.2.1 at 106) that unless there are solid reasons for not doing so, solutions adopted in CTMR should be accepted for Community design.

284 E.g. affirmative action under §256 ZPO.

tional court's declaratory judgement and for suspension of proceedings in OHIM until the national judgement becomes final.

The application for the invalidation of a design can be submitted as long as the design exists. However, since acquiescence (Art. 54 CTMR/ Art. 9 TMD) precludes the trade mark proprietor from opposing the use of that trade mark, it is arguable that under Art. 25(1)(e) CDR, such a defence could be accepted by way of analogy. However, similarly as with express consent to registration, CDR lacks legal ground for such an application.

2. Limits of protection of other distinctive signs and statute of limitations

With the exception of protection for company symbols and work titles, which under §23 MarkenG are subject to the fair use limitation in the same way as trade marks are, and names, which cannot be enforced in cases of use of own name and where freedom of speech has priority, there are no special limitations of protection for enforcement of the other types of distinctive signs. The application of the statute of limitations should however be considered with regard to all distinctive signs.

The right to prohibit use, as required by Art 25(1)(e) CDR is not limited in time and exists as long as the infringing activity takes place, i.e. in case of a Community design – as long as it is registered or protected as unregistered Community design. This lack of limitation can be questioned, as on the one hand the justification for the invalidation of a Community design is certainly the public interest in clearing the register of rights that do not deserve protection,²⁸⁵ which should not be limited in time, but on the other hand – Art. 25(1)(e) CDR expressly refers to the fact that the invalidation can go only as far as the owner of the prior sign has the right to prohibit the use of the allegedly infringing design under the Community or national law, which may include the national provisions regulating the statute of limitations. As it has been argued by Hacker, the registration of a sign leads to a constant infringement and therefore the right to apply for its invalidation cannot be limited in time.²⁸⁶ On the other hand arguably due to the public character of the Design Register, it must be assumed that the registration has become known to the holders of prior rights and the begin of the term of limitation is easy to establish. It is submitted that since Art. 25(1)(e) CDR refers to right to prohibit use, the assessment should not differ from that of

285 Ruhl 2007, *supra* note 89, Vor Art. 24-26, para. 3.

286 Hacker, *supra* note 19, 261.