

CTM court rejects doctrine of immunity through registration

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HUGO BOSS TRADEMARK MANAGEMENT GMBH & CO. KG (hereinafter "HUGO BOSS") took action for trademark invalidity and infringement of its "BOSS" trademarks against the entity responsible for the importation and marketing in Spain of products identified with the "B055" sign, applying at the same time for the adoption of precautionary measures.

By its decision of 27 June 2011, the Commercial Court nº 2 of Alicante ("Juzgado nº 2 de Marca Comunitaria") granted in full the measures requested in the interim injunction proceedings.

The defendant, alleging that this decision was not in accordance with law, filed an appeal before the Spanish Community Trademark Court ("Tribunal de Marca Comunitaria"). His defence mainly focused on the fact that the use of the sign "B055" that identified the products at issue would be allowed by a later Spanish trademark registered by the defendant. Thus, he argued, infringement proceedings could not be successfully brought since he was using his own registered trademark.

Indeed, Article 34 of the Spanish Trademarks Act 17/2001 confers the holder of a Spanish trademark the right to use it and to prohibit its use by others without his consent, contrary to Article 9 of Regulation nº 207/2009 on the Community trademark which only confers the right to prohibit. This has generated a doctrinal and jurisprudential debate in Spain regarding the possibility of invoking a registered trademark to exclude infringement actions brought by the proprietor of an earlier right. In this sense, there was case law by the Supreme Court, known as the doctrine of "immunity by virtue of registration", considering that the national trademark conferred on its holder an almost absolute right to use it, so that unless this trademark was declared invalid, its use could not be regarded as unlawful.

This jurisprudential trend on the "immunity by virtue of registration" has recently been qualified by the Spanish Supreme Court judgment of 4 April 2012, which together with another rendered on 29 June 2012, complete this doctrine with the possibility of a cumulative exercise of the action aiming at the invalidity of the defensive trademark and of the infringement action of the earlier trademark, as well as by Article 54 of the Trademark Act, under which the possible declaration of invalidity, whatever the reason, will have retroactive effects ("ex tunc"); consequently, the cancelled trademark will be deemed to have never had any effects, including the referred right to use it.

In its recent decision of 29 November 2012, the Community Trademark Court, surpassing the previous case law on the "immunity by virtue of registration" and in line with the most recent decisions of the Supreme Court, has rejected the allegation of the defendant's later trademark as ground to exclude the prima facie analysis of the trademark infringement in the interim injunction proceedings.

The Court, invoking the most recent Supreme Court case law on the subject, argues that in the main proceedings the plaintiff HUGO BOSS brought, jointly with the infringement actions, the action for invalidity against the subsequent defensive trademark of the defendant. If deemed invalid, such registration shall be considered never to have been valid and as if it had never had the effects specified in the law, including the right to use it. Therefore, the Court finds that there is no objection to the possibility that the final judgment in the main proceedings, and the effectiveness which is sought

by the precautionary measures adopted, declares the infringement during the period in which the defendant used his trademark.

In addition, the Court relies on the recent Opinion of Advocate General of the European Court of Justice (ECJ) Paolo Mengozzi, delivered on 15 November 2012 in the context of a reference for a preliminary ruling (Case C-561/11, Fédération Cynologique Internationale) raised by the Commercial Court nº 1 of Alicante (“Juzgado nº 1 de Marca Comunitaria”) in this same controversy over the “immunity by virtue of registration”, but at a Community level.

This same question in relation to community designs was the subject of the Opinion of Advocate General Mengozzi of 8 November 2011 and the later ECJ Judgment of 16 February 2012 (Case C-488/10, Celaya Emparanza y Galdos Internacional), in which it was concluded that the proprietor of a registered design should be able to bring infringement actions even against a third party invoking a subsequent design registered in his name, without the need to previously seek the declaration of invalidity of such design.

The Advocate General Mengozzi has now reached the same conclusion regarding trademarks, so that in proceedings of community trademark infringement the right to prevent the use thereof extends to any third party, including a third party which holds a later registered community trademark.

As explained by the Advocate General, there is a conflict between the right of the holder of the earlier mark to prohibit its use and the right of the holder of the later mark to use it. This clash should be resolved on the basis of the priority principle, in accordance with which the earlier exclusive right takes precedence over subsequently established rights.

Notably, the Advocate General advises extending this interpretation to the holder of a later national mark, regardless of the substance of the relevant national legislation. A different interpretation, besides not being logical or consistent with the above reasoning, would make it possible to limit, on the basis of the national registration, the protection conferred by the earlier community trademark and would be at odds with the unitary nature of the community trademark.

The Community Trademark Court, despite being a matter pending before the ECJ, has followed this interpretative approach in its recent decision of 29 November 2012, extending it to the later national trademark. It remains to be seen whether the ECJ will follow it.

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