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REVOCATION OF TRADE MARK REGISTRATION

ABSTRACT
OF
DISSERTATION
FOR OBTAINING THE PHD DEGREE

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I. GENERAL CHARACTERISTICS OF THE DISSERTATION PAPER.

1. Relevance of the topic.

The need for independent study of the revocation of the trade mark registration is necessitated by the wide application of the institute in practice and at the same time the lack of legal definitions in the current legal framework of many of the concepts relevant to the institute.

The revocation of the trade mark registration has so far not been the subject of an in-depth and systematic legal analysis, and the theoretical developments related to this institute are on the occasion of the general consideration of the trade mark as an object of intellectual property and concern only certain aspects of the legal framework, not giving a complete picture of the institute nature. After the accession of Bulgaria to the European Union and the harmonization of the national legislation with the European one, a rich case law has been accumulated, which, however, is casuistic and not systematized. This leaves a wide field for theoretical discussions, especially with regard to the questions of the grounds and consequences of its revocation and delimitation from other related institutes, which lead to the termination or restriction of the subjective right to the trade mark.

2. Subject, goals and tasks of the research.

The subject of the study is the trade mark registration revocation. The issues concerning the grounds, proceedings and consequences of the registration revocation of a national, European and international trade mark have been considered.

Historical and theoretical questions have been included in the course of the research. The historical development of the trade mark protection concept and the balance achievement between the public interest and the exclusivity of the subjective right to the trade mark has been traced. The mark is considered as an object of law and as a subjective right on a theoretical level, tracing the effect of each of the mark characteristics on the institution of revocation and vice versa. An attempt has been made to analyze as specifically as possible the concepts of “genuine use” and “commercial activity”, without which it is impossible to analyze all the grounds for revocation, as well as to consider in detail all substantive and procedural issues related to the revocation institute. Transferred to the field of registration cancellation, the theoretical formulations are supported by practical examples.

At the theoretical level, a distinction has been made between the registration revocation and other institutes that have similar factual structures - registration cancellation, registration refusal, restriction of rights as a result of inaction of the trade mark proprietor or due to latent invalidity of registration.

The subject of the dissertation also includes the proposals “de lege ferenda”, related to the improvement of the existing legal framework.

The purpose of the research is to analyze the institute of registration revocation. Achieving the set goal is possible by solving the following tasks:

- Defining the terms for which there is no legal definition.
- Detailed examination of the substantive grounds for registration revocation of the three types of trade marks - national, European and international.
- Clarification of the nature, basic principles and procedures in annulment proceedings.
- Clarification of issues related to the consequences of revocation and the effect of revocation on other rights.
- Comparative analysis of the registration revocation with other institutes.

3. Research methods.

The research methods used by the author are: induction, deduction, analysis, synthesis, historical and systematic approach, comparative legal method.

4. Scientific contributions of the study.

In the context of the whole dissertation significance, specific scientific contributions are:

The first of a kind systematic and in-depth study of the institute of revocation both under current legislation and historically.

In-depth analysis of the terms “genuine use”, “commercial activity”, “conversion of the mark into a common term”, “misleading”, “latent invalidity of registration” within the meaning of national and European law and international legal acts in the field of the right to a trade mark.

Proposals “de lege ferenda” for the improvement of the national legislation and its better harmonization with the European law:

- Replacing the legal term “well-known mark” with the term “reputation mark”, which will achieve better conceptual clarity and demarcation from the well-known mark.
- Supplementing §1, item 1 of the Additional Provisions of the Law on Trademarks and Geographical Indications regarding the legal capacity of persons to be holders of a subjective right to a trade mark, as civil companies and associations that are not legal entities are included in the circle of legal entities.
- Supplementing the provision of Art. 35, para 1, item 2 of the Law on Trade marks and Geographical Indications with the specification that the use of the mark as a common designation should be in the commercial activity.
- Supplementing the provision of Art. 39, para 5 and Art. 40, para 6 of the the Law on Trade marks and Geographical Indications, regarding the grounds for revocation of the collective and the certificate trade mark, by introducing a special ground for revocation - misleading the consumers regarding the type of the mark, i.e. the trade mark is used in a way that does not make it clear that it is a collective or certified mark.
- Creation of a new provision, which should clearly define the limits of the official inspection in the proceedings on the requests for revocation and for registration cancellation, specifically stipulating that in the registration cancellation proceedings on the grounds of art. 36, para 3 in connection with art.12 of the Law on Trade marks and Geographical Indications. The Patent Office is limited by the facts and arguments put forward by the parties, but not in the annulment proceedings.
- Supplementing the provision of Art. 68, para 1 of the Law on Trade marks and Geographical Indications regarding the division of the registration in the case of pending proceedings for revocation of the registration.
- Amendment of Art. 112, para 2 of the Law on Trade marks and Geographical Indications regarding the obligatory professional representation in the proceedings for transformation of an EU trade mark, in order to avoid the contradiction with Art. 141, § 3, letter c) of Regulation 2017/1001 and with Art. 3, para 2 of the Law on Trade marks and Geographical Indications.
- Amendment of the provision of Art. 38, para 4, item 2 of the Law on Trade marks and Geographical Indications, deleting the word “licensing” - regarding the effect

of the revocation of the registration in relation to contracts that have been performed before the revocation.

- Amendment of Art. 38, paragraph 2 of the Law on Trade marks and Geographical Indications as follows: *“At the request of one of the parties, an earlier date may be determined in the decision on which one of the grounds for revocation appeared.”*
- Establishment of new provisions regulating the conditions for a posteriori revocation of registration in accordance with Art. 14 of the First Directive 89/104 / EEC and Article 6 of Directive (EU) 2015/2436 on the approximation of the laws of the Member States relating to trade marks.
- Creation of a new provision, analogous to Art. 63, § 3 of Regulation 2017/1001, which explicitly declares the request for revocation or declaration of invalidity inadmissible when, upon a request relating to the same subject and the same ground between the same parties, a decision has been rendered on the merits, which has entered into force.

5. Practical significance of the paper.

The paper is the first independent study of the institute of registration revocation. It is fully compliant with the Law on Trade marks and Geographical Indications (promulgated in the State Gazette, issue 98 of 13.12.2019), but draws many parallels with the repealed Law on Trade marks and Geographical Indications, which makes it possible to clearly trace the new provisions and to achieve a good understanding of the law.

The results of the research can influence the improvement of the internal rule-making processes, as well as the law enforcement.

The dissertation paper presents those of purely utilitarian significance, the case law is systematized, many practical examples are given - all this would facilitate the practice in interpreting and applying the revocation institute.

The proposed study could be used by practicing lawyers in the field of intellectual property rights, as well as by researchers and by students.

6. Volume and structure of the study.

The dissertation has a net volume of 242 pages. 227 footnotes has been made. The list of cited literature includes 51 sources, and the other sources used are 15. The dissertation paper has been structured in an introduction and introductory notes, seven chapters and a conclusion.

II. CONTENT OF THE DISSERTATION PAPER

Introduction and introductory notes

The introduction justifies the choice of the topic and its relevance. The subject, the main theses, the goals and the scientific tasks of the dissertation have been outlined.

The Introductory Notes “Origin, Development and Protection of the Trade Mark - Historical Review” traces the historical development of the mark from antiquity to the present day. Historically and comparatively, an analysis of the creation and development of the legal framework in our country and in other countries has been made.

Chapter One: “Concept for Trade Mark”

The chapter has been structured in three sections, first considering the objective law, and then - the mark as an object of law and as a subjective right.

Section I: Objective law

The objective law has been examined in detail, and in separate paragraphs the relevant international acts, the normative acts of the European Union law and of the national legislation have been indicated. The objective law has been systematized on a chronological basis, paying special attention to the development of the concept of intellectual property protection and in particular the trade mark.

Section II: The trade mark as an object of law

In this section the trade mark has been considered as an object of intellectual property rights, and has been compared with other objects - invention, industrial model, industrial design, geographical indication, topology of integrated circuits, new breeds of animals and plant varieties, copyright and related rights.

The trade mark has been also considered as an object of ownership, as a comparison has been made with the property and the right of ownership.

Section III: The subjective right to a trade mark

The subjective right to a trade mark - origin, content and termination – has been analyzed in detail.

A detailed distinction has been made between the various grounds for termination of trade mark rights, in particular between the revocation and cancellation of the registration.

Chapter Two: Revocation of registration due to non-use of the trade mark

An attempt has been made to give a theoretical explanation of the essential concepts in relation to the genuine use or non-use of the mark, taking into account the binding preliminary rulings given by the Court of Justice of the European Union.

Section I: Obligation for genuine use of the trade mark in the commercial activity

This section defines the concepts of commercial activity and genuine use.

A thesis has been substantiated for a different meaning of the term commercial activity under the Law on Trade marks and Geographical Indications in comparison with the meaning attached to the Commercial Law.

Two categories of cumulative prerequisites for recognition of genuine use of the trade mark have been derived. The first category is related to the objective use of the mark, and the second category - to the subjective factors of use.

Section II: Objective limits of the genuine use

The section is structured in 9 paragraphs, where the objective limits of the genuine use have been considered in detail and with many examples.

1. Genuine use of the trade mark;
2. The place of use of the trade mark;
3. Use of the trade mark for the goods and services for which it has been registered;

4. Duration of use of the trade mark;
5. Degree of use of the trade mark;
6. Use of the trade mark in a form different from the type in which it has been registered;
7. Forms of genuine use of the trade mark;
8. General use of the trade mark in commercial activity;
9. Special hypotheses of trade mark use.

Section III: Subjective limits of the genuine use

The section exhausts all possible hypotheses of the subjective limits of the trade mark use.

1. Use of the trade mark by its proprietor - personally and through a representative;
2. The use of the trade mark by third parties with the consent of its proprietor and related parties;
3. The use of the mark by third parties without the consent of its proprietor and parallel import.

Section IV: Factual composition of the revocation due to non-use

The factual composition under Art. 35, para 1 of the Law on marks and Geographical Indications and Art. 58, §1 in connection with Art. 18 of Regulation 2017/1001 includes three elements: 1) non-use of the mark; 2) a continuous period of 5 years; 3) lack of valid reasons for non-use.

The continuous period of non-use is limited by the general limitation period, and a detailed comparative analysis of the two institutes has been made.

Criteria for recognition of certain circumstances as justified reasons for non-use have been indicated: 1. Existence of a direct connection between the circumstances and the use; 2. Objective nature of the circumstances; 3. Irresistibility of the circumstances; 4. Duration of the circumstances for a significant period of time.

Chapter Three: Revocation of trade mark registration due to conversion of the mark into a common name

Art. 35, para. 1, item 2 of the Law on Trade marks and Geographical Indications and Art. 58, §1, b) of Regulation 2017/1001 regulate a situation where the use of the trade mark has become so widespread that the associations in the consumer consciousness have changed - instead of associating the product with its manufacturer, the mark begins to name the product itself, regardless of who has produced it.

Many practical examples illustrate the triad mark - product/service – language and the process of transforming the mark into a common name has been followed both from a linguistic point of view and in view of the relevant circle of consumers, which includes participants in the chain of trade in different quality - distributors, agents, wholesalers and retailers, end users.

Issues have been discussed that are debatable in practice, but are absolutely not affected by the legislation - the moment when the transformation of the trade mark into a generic concept and the restoration of the distinctive character of the mark in the course of proceedings for revocation of registration, actions and omissions of the proprietor of the mark in cases of mass infringement of the right to a mark.

Chapter Four: Revocation of registration due to use of the trade mark in a way that misleads consumers

The chapter has been structured in paragraphs, which correspond to the elements of the factual composition on this ground for revocation of the registration: 1. use of the trade mark by the proprietor or by other persons with his consent; 2. misleading consumers and 3. causal link between the use of the trade mark and misleading.

Misleading within the meaning of the Law on Trade Marks and Geographical Indications is limited by the abuse of rights in commercial transactions and by fraud as grounds for the annulment of transactions.

The subject matter of the misrepresentation has been examined in detail: the nature, quality, geographical origin or other characteristics of the goods or services. Special attention is paid to the misconception about the geographical origin of goods, which is an independent object of intellectual property.

Chapter Five: Revocation of the registration of collective and certificate trade marks

The collective and the certified marks are a special category of trade marks, due to which the revocation of their registration is carried out not only on the general grounds for all trade marks, but also on the special grounds, consistent with their specifics.

First of all, the importance of the rules for the use of marks, which rules are an essential element of their registration, has been considered.

Next, the revocation of the registration due to the use of collective and certificate marks in violation of the rules has been considered.

The special grounds for revocation of the registration of a certificate mark under Art. 40, paragraph 6 of the Law on Trade marks and Geographical Indications have been commented: when its owner has used the trade mark to indicate goods and services produced or performed by him.

The dissertation focuses on two additional grounds for revocation of a collective and certificate mark, provided for in Article 58 of Regulation 2017/1001, but missing in the Law on Trade marks and Geographical Indications: 1. Misleading about the meaning of the trade mark and 2. Modification of the rules of use presented in the register.

Chapter Six: Revocation proceedings and consequences

In this part of the dissertation paper the procedural issues related to the revocation of the registration have been considered.

Section I: Revocation of a national trade mark registration

The procedure for revocation of the registration is a two-phase one. In its first phase, it takes place before the Patent Office and has an administrative character. The second phase is the judicial one, where a two-instance judicial control over the administrative proceedings is carried out.

Proceeding from the basic foundations and principles of civil and administrative proceedings, the author has substantiated the thesis that the proceedings before the Patent Office are not adversarial and disputable, but a special administrative proceeding conducted with a limited official beginning and combining only some of the features of the claim process.

Section II: Revocation of EU trade mark registration

Emphasis has been placed on the differences in the proceedings for revocation of a national and European mark. The European law provides for two ways of revoking the

registration of an EU trade mark: on the basis of a request submitted to EUIPO or on the basis of a counterclaim in infringement proceedings before a national court with international jurisdiction as an EU court, Article 58, §1 of Regulation 2017/1001.

The Bulgarian court, which is competent to consider the request for violation - Sofia City Court, is a court of the European Union and derives exclusive jurisdiction from the direct application of Art. 123, Art. 124 and Art. 128 of Regulation 2017/1001, including to examine the counterclaim for revocation of the European trade mark registration. The regulation binds the court with regard to the substantive grounds for revocation, but the main procedural order is under national legislation.

Section III: Revocation of an International Trade Mark Registration

First of all, the significance of the recognized effect of the international registration for Bulgaria has been considered, taking into account the normative change in the regime of the international registration of a trade mark, where Bulgaria is indicated as a country of protection. With the adoption of the current Law on Trade marks and Geographical Indications (promulgated SG, issue 98 of 13.12.2019) the regime of international trade marks with effect for Bulgaria has been significantly changed. With the new Law on Trade marks and Geographical Indications, the effect of the international registration is determined by an act of the Patent Office, by which it is recognized. For the first time, there is a possibility for any international registration with recognized effect on the territory of the Republic of Bulgaria to be subject to a request for revocation or cancellation.

Section IV: Consequences of revocation

With regard to persons, revocation is *erga omnes*.

With regard to the subjective right, the revocation acts *ex tunc*, terminating the right to a mark *ab initio* proceedings, as of the date of filing the request for revocation – Art. 38, paragraph 1 of the Law on Trade marks and Geographical Indications, regardless of what and how much grounds the registration has been revoked.

Another consequence of the registration revocation is that the conviction on a claim for infringement of the trade mark right loses its executive force and cannot be enforced. However, if the entry into force of the decision on the infringement claim has been enforced before the revocation, the trade mark proprietor shall not be obliged to return the compensation received.

In the case of individual marks, the adverse effect of the revocation is limited to the cessation of the subjective right without giving effect to *ex nunc*. Immediately after the revocation, another identical or similar mark may be registered in the name of the same proprietor or of another person. However, in the case of collective and certificate marks, the effects of the revocation take effect for another 3 years in time, during which period of time no other identical or similar collective or certificate mark may be registered in the name of third parties. This prohibition is analogous to the prohibition on competitive commercial activity under the Commercial Law and is aimed at third parties in order to prevent them from benefiting from the revoked or terminated registration.

Section V: Revocation of registration after termination of the subjective right

The possibility of revocation *a posteriori* is a manifestation of the general principle of law that no one can derive rights from his wrongful conduct, even if it has already ceased. The proprietor of a national trade mark who has not actually used it or has used it in such a way as

to allow it to become commonplace or to mislead the public as to the origin and quality of the goods or services may not enjoy the advantages, which gives it the precedence of the national trade mark in relation to its later EU mark. The possibility of revocation a posteriori extends the latent invalidity of the mark even after the termination of its registration as long as rights from the precedence of the trade mark are derived.

Chapter Seven: Distinction of the registration revocation from similar institutes and proceedings

In the last chapter of the dissertation, the institute of revocation has been distinguished from other similar institutes.

Section I: Limitation of revocation due to non - use of the requirement to prove genuine use in other proceedings

In all cases where the trade mark proprietor invokes the exclusivity of his subjective right, affecting another's legal sphere - when he opposes an application for a later mark (opposition), when he seeks the cancellation of the registration of a later mark or when he claims, that his right has been infringed, he must be able to prove that he actually uses the trade mark. Thus, in the context of those three main proceedings, an internal counter-procedure is developed to prove the genuine use of the mark, which takes place between the same parties.

The consequences of the request for proof occur only inter parte and only in the context of the specific proceedings where it has been brought. In other proceedings between the same parties, the latter may not rely on the decision on the evidentiary request.

Section II: Limitation of revocation on grounds of non-exercise of the rights of the proprietor of a trade mark relating to the use of the trade marks

The institute of restriction of the rights of the owner of an earlier trade mark as a result of his inaction with regard to the use of a later mark is regulated in Art. 37 of the Law on Trade marks and Geographical Indications. The regulation in Ar. 61 of Regulation 2017/1001 is similar, where this institute is called loss of rights due to tolerance.

The actual composition of the restriction as a result of inaction includes the following elements: 1. Use of a later registered trade mark; 2. Five-year period of use of the later mark; 3. Knowledge of the proprietor of the earlier trade mark for the use of the earlier mark; 4. Inaction of the owner of the earlier mark / tolerance of use; 5. Conscientious registration of the later trade mark. The factual composition of the institute of restriction of the right to a mark as a result of inaction is close to the factual composition of the first and second grounds for revocation, including the elements of use of the trade mark in 5 years and inaction of its proprietor.

Section III: Limitation of the registration revocation from the refusal of the registration

The section covers two paragraphs.

A distinction has been made in the revocation due to the conversion into a common name of the grounds for refusal of registration due to the lack of distinctiveness of the mark. The provision of Art. 35, para. 1, item 2 of the Law on Trade marks and Geographical Indications refers to the cases when at the time of registration the mark had a distinctive character, but lost it subsequently - ie. here we are not talking about an initial lack of

distinctiveness, but about an acquired one, and it is subjectively conditioned as a result of the behavior of the trade mark proprietor.

The use of the mark in a way that misleads consumers should be distinguished from the grounds for refusal of registration under Art. 12 of the Law on Trade marks and Geographical Indications and the cancellation of the registration under Art. 36 of the Law on Trade marks and Geographical Indications. In this hypothesis, the likelihood of confusing consumers is inherent and is not conditioned by the applicant's conduct, whereas in the case of revocation of registration, that ground arises after the registration of the trade mark. There is no comparison with an earlier protected right in the revocation of the registration - misleading the consumers is regarding the characteristics of the goods, by transmitting false information through the trade mark, and not by linking the goods with an earlier trade mark.

Conclusion

The dissertation ends with a conclusion where the main conclusions and summaries have been presented.