



22 Oct 2020 General Court considers application for *restitutio in integrum* submitted by licensee

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- The case concerned an application for *restitutio in integrum* of the right to request the renewal of the mark 7SEVEN, filed by licensee Seven SpA
- The applicant could not remedy a failure to renew on the proprietor's part, unless such a failure occurred in spite of the proprietor's having exercised all due care
- There was nothing to indicate that the proprietor had taken all due care required by the circumstances

On 23 September 2020 the General Court issued its decision in [Seven SpA v European Union Intellectual Property Office](#) (EUIPO) (Case T-557/19).

Background

On 22 July 1997 Seven SpA (‘the applicant’) filed an application for registration as an EU trademark (EUTM) of the figurative sign 7SEVEN for goods in Classes 16, 18 and 25. On 29 September 2005 the applicant assigned the mark, in respect of the goods in Class 25, to Seven Licensing Company Sàrl and was granted a licence in respect of that mark. The mark was then assigned on 30 April 2013, in respect of the goods in Class 25, to Seven7 Investment PTE Ltd (‘the proprietor’) and was given a new registration number.

On 26 December 2016 the EUIPO informed the proprietor that the period of protection of the mark was coming to an end on 22 July 2017 and that a request for renewal could be submitted. The EUIPO also stated that, if an additional fee for late payment of the renewal fee was paid, the deadline would be extended. The proprietor did not request the renewal of the mark.

On 2 February 2018 the EUIPO notified the proprietor’s representative that the period of protection of the mark had expired as of 22 July 2017. On 21 July 2018 the applicant filed an application for *restitutio in integrum* and requested that its right to request the renewal of the registration of the mark be re-established. This was done on the basis of the licence granted in respect of that mark and that the proprietor of the mark had failed to comply with its contractual obligation to inform it of its intention not to renew the registration of the mark.

By decision of 30 August 2018, the EUIPO confirmed the cancellation of the registration of the mark. On 23 October 2018 the applicant appealed. On 4 April 2019 the Board of Appeal of the EUIPO stated that the re-establishment of the right to request the renewal of the registration of the mark could not be granted to the applicant, since the situation described did not show that it had taken all due care required by the circumstances. By decision of 4 June 2019, it dismissed the appeal. The case was brought to the General Court.

General Court decision

Whether the applicant had a right to file an application to have its rights re-established and to request the renewal of the registration of the mark

Article 53(1) of Regulation 2017/1001 provides that “registration of the [EUTM] shall be renewed at the request of the proprietor of the [EUTM] or any person expressly authorised by him, provided that the fees have been paid”.

Under Article 104(1) of the regulation, such an application before the EUIPO presupposes that:

- the applicant is a party to the proceedings in question;
- despite the fact that it exercised all due care required by the circumstances, it has been unable to comply with a time limit *vis-à-vis* the EUIPO; and
- the obstacle to compliance has the direct consequence of causing the loss of a right or means of redress.

As regards the first condition, only the proprietor of the mark or a person expressly authorised by the proprietor can be regarded as a party to the renewal proceedings. The use of the conjunction ‘or’ in Article 104(1) means that an application to have rights re-established is capable of benefiting any party to proceedings before the EUIPO, whether or not it is the proprietor of the registered EUTM at issue. However, in no way does it follow from those provisions that the applicant, as the holder of a licence in respect of the mark at issue, was on the same legal footing, for the purposes of the renewal of its registration, as the proprietor of that mark, but, on the contrary, that, in the same way as any other person, the applicant must be expressly authorised by the proprietor of the mark in order to be able to submit a request for renewal, and must prove the existence of such authorisation.

In the present case, the applicant, on 17 July 2018, obtained an authorisation from the proprietor of the mark allowing it to file an application on the basis of Article 104 of the regulation with the aim of having the right to request the renewal of the registration of that mark re-established. However, that authorisation was given after the expiry of the period within which that renewal could be requested.

The General Court confirmed that the Board of Appeal had correctly pointed out that the period for requesting the renewal of a mark runs regardless of any express authorisation which the proprietor of the mark might grant to the licensee. The renewal procedure thus comes to an end when the period provided for in Article 53(3) of the regulation expires. Consequently, in order to be regarded as a party to those proceedings under Article 53(1), the applicant had to obtain the express authorisation of the proprietor in order to be able to request the renewal of the registration of that mark at a point in time before the expiry of the prescribed period. Since the applicant received an express authorisation only after that period had expired, it could not be regarded either as a party to the renewal proceedings, under Article 53(1), or as a “party to proceedings before [the EUIPO]” within the meaning of Article 104(1). The applicant could not therefore file an application to have its rights re-established as a licensee which had lost a right and must therefore, in the present case, be held to have acted before the EUIPO solely in the name and on behalf of the proprietor of the mark, with the result that the issue of whether there was compliance with the conditions in Article 104(1) must be examined with regard to that proprietor.

Consequently, as the Board of Appeal correctly pointed out, the applicant could not remedy the failure to renew on the part of the proprietor of the mark, unless it was shown that such a failure had occurred in spite of the proprietor’s having exercised all due care. This interpretation was judged as the most apt to comply with the principle of effectiveness and meet the requirement of legal certainty. It ensures a clear determination and meticulous observance of the starting and end points of the periods referred to in Articles 53 and 104.

According to settled case-law, the strict application of the EU rules on procedural time limits serves the requirements of legal certainty and the need to avoid any discrimination or arbitrary treatment in the administration of justice. No derogation from those rules may be made, save where the circumstances are quite exceptional. Regardless of whether such circumstances are considered unforeseeable or to amount to *force majeure* or excusable error, they include, in any event, a subjective element involving the obligation, on the part of the party acting in good faith, to exercise the care and diligence required of a normally well-informed trader to monitor the course of the procedure set in motion and to comply with the prescribed periods. The conditions for the application of Article 104(1) must therefore be interpreted strictly.

Consequently, a proprietor of a mark who has failed to renew the registration of that mark within the prescribed period cannot circumvent the consequences of its own negligence by authorising a third party to file an application in order to have its right to request the renewal of the registration of an EUTM re-established after that period has expired. For its part, a licensee cannot apply to have its rights re-established on the sole ground that the proprietor of the mark has failed to act, and be permitted to go against the wishes of the proprietor of a mark who has consciously decided not to renew its registration.

Consequently, the Board of Appeal was right in finding that it was necessary to ascertain whether the proprietor of the mark had complied with the conditions set out in Article 104(1) and the first plea was rejected.

Whether there was a failure to comply with the obligation to exercise the due care required by the circumstances and with the time limits laid down in Article 104

The examination of the first plea shows that the admissibility of the application to have the rights re-established were subject to compliance, by the proprietor of the mark, with the conditions laid down in Article 104 of Regulation 2017/1001.

The applicant did not give any explanation regarding the failure on the part of the proprietor act with regard to the renewal of the registration of the mark. Therefore, there was nothing to indicate that the proprietor took all due care required by the circumstances.

In addition, according to Article 104(2) of the regulation, an application to have rights re-established must be filed in writing within two months of the removal of the obstacle to compliance with the time limit. However, pursuant to Article 104(5), Article 104 is not applicable to the time limits referred to in Paragraph 2 of that article. Thus, where the time limit of two months, which is one of the conditions for the admissibility of the application, has not been complied with, there is no longer any possibility of filing a new application to have rights re-established, even if an explanation is given for that failure to comply with the time limit.

The argument that the two-month period could begin to run only as of the date on which it received the authorisation of the proprietor of the mark at issue, namely 17 July 2018, with the result that the application was filed within the time limit, was rejected.

Further, the proprietor had appointed a representative, which was notified of the expiry, failing renewal, of the actual registration on 22 July 2017. However, it was not apparent from the file that that proprietor has claimed that there was any obstacle to compliance that concerned it.

Lastly, the question as to whether the applicant could rely on the compliance by the proprietor with its obligation to fulfil its contractual obligations was relevant only from the point of view of their contractual relationship and the establishment of liability for any damage suffered by the applicant, but could not affect its legal position *vis-à-vis* the EUIPO.

Therefore, the application filed by the applicant was inadmissible because it did not satisfy the conditions of Article 104(1) and (2).

Whether there was infringement of the general principle of protection afforded by an EUTM

The applicant submitted that the board’s decision had the effect of exposing the public to a likelihood of confusion caused by possible future registrations of signs that are similar to the mark with regard to which the registration has expired, with the result that it infringed the general principle of protection afforded by an EUTM, according to which the function of the registration of a trademark is, in particular, to guarantee that mark as an indication of origin.

Although the objective of Recital 11 of Regulation 2017/1001 is to guarantee the mark to the consumer or end-user as an indication of origin of the goods or services at issue, its purpose is not, contrary to what the applicant seemed to imply, to guarantee the registration of an EUTM indefinitely where it has expired on account of a failure to renew the registration of that mark. Where a mark expires and its registration is not renewed, it, in principle, enters the public domain. Consequently, and in accordance with the principle of availability, it is necessary to return to the public domain trademarks which are ultimately not, or no longer, used.

The last plea was thus rejected and the action dismissed in its entirety.

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