

Implementation of Trademark Directive 2015/2436 in France (only certain aspects)

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French, German and Polish AIPPI Trilateral Seminar
Changing IP in changing Europe
4-5 April 2019, Paris



Implementation schedule in France

Deadline of January 14, 2019: NO implementation in France

Draft law “PACTE” (“*Plan d’Action pour la Croissance et la Transformation des Entreprises*,” i.e. Action Plan for Business Growth and Transformation)

- Article 69: Government authorized to take measures of law as per an ordinance within 6 months from the publication of the law:
 - to implement Directive (EU) No 2015/2436;
 - to ensure compatibility of the trademark legislation with Regulation (EU) No 2017/1001
 - ordinance amending the legislative part of the IPC
 - decree amending its regulatory part.

Then ratified by a law of ratification within 6 months

- Consultation on draft texts for legislative and regulatory parts
 - For all provisions including the administrative proceedings that could be implemented until January 14, 2023 (7 years)
 - Observations from associations on March 27, 2019, and informal meetings with French authorities

- Published this summer 2019 in Law PACTE adopted in April ?

Comments on draft available texts amending the legislative and regulatory parts of the IPC

COMMENTS ONLY ON:

- Opposition proceedings
- Administrative proceedings for invalidity or revocation
- Limitation of the effects of a trademark
- Non-use defense
- Intervening right

OPPOSITION PROCEEDINGS IN FRANCE

Current proceedings	Directive to be transposed - Art. 43	New article L. 712-4 (Changes v. Directive)
<p>Duration: 6 months (+ possibility of suspension twice for 3 months)</p>	<p>Institution of a period of at least 2 months in the context of the opposition proceedings to enable an out-of-court settlement</p>	<p>Formal opposition and then 1 month to file the observations as long as it does not modify the prior rights relied upon Art R 712-6-1: phase of case coordination – Possible oral hearing Art R 712-17: possible suspension of the proceedings at the parties’ joint request for 4 months X 2 No more draft decision</p>
<p>Persons authorized to file an opposition: - proprietor or exclusive licensee of an earlier trade mark (French trade mark, European Union trade mark, international trade mark designating France that is registered or merely filed) or well-known trade mark as defined by article 6 bis of the Paris Union Convention) / territorial community, AOP, IGP</p>	<p>Opening of the proceedings at least - for earlier trade marks, including well known trademarks in the sense of article 6bis - for trade marks with a reputation, irrespective of whether similar or non similar - for protected designations of origin and geographical indications, subject to their registration</p> <p>Possibility of extension to other rights – Optional</p>	<p>Extension to:</p> <ul style="list-style-type: none"> - Corporate names if there is a likelihood of confusion for the public - Name image and reputation of a territorial collectivity or public institution - A trademark protected in a member state and filed with no authorization by the agent or representative in its own name (new article L 711-4-1) - No extension to Trade name, Domain name, Authors’ rights, Design Rights Rights, bad faith etc

OPPOSITION PROCEEDINGS IN FRANCE

Current proceedings	Directive to be transposed -Art. 43	New article L 712-4 & 712-5 (Changes v. Directive)
Only against identical or similar goods/services	Opening of the oppositions against the dissimilar goods and services (reputed trade mark)	will be implemented
Only on the basis of one prior trademark	Possibility of filing an opposition on the basis of multiple rights held by the same proprietor	will be implemented
Proof of use within 5 years preceding the request for proof of use [Art. R-712-17 of the French IPC]	Non-use = means of defense in opposition proceedings (art 44) Proof of use within 5 years preceding the date of filing or priority date of the later trademark	will be implemented
Proof of use for one good/service referred to in support of the office No assessment of the proof of use by INPI or possibility of challenge by the applicant	Examination of the opposition solely with regard to the goods and services for which proof of use has been provided → reinforcement of the Office's supervising powers with respect to use	will be implemented Art R 712-16-1 IPC

ADMINISTRATIVE PROCEEDINGS FOR REVOCATION OR INVALIDITY

- **Article 45 of the Directive (7 years to transpose – January 14, 2023)**
- Compulsory, efficient and quick administrative proceedings

UNPRECEDENTED PROCEEDINGS IN FRANCE

- Currently in France: exclusive jurisdiction of some First Instance Courts

[D.211-6-1 COJ]

- French Courts can rule on revocation, validity, infringement and damages in the same proceedings
- On the basis of the multiple rights belonging to the same proprietor
- On part or on all the goods or services
- **IMPLEMENTATION IN THE DRAFT TEXTS IN DISCUSSION for an entry into force in January 2020**

ADMINISTRATIVE PROCEEDINGS FOR REVOCATION OR INVALIDITY

Article 45 of the Directive

- MANDATORY FOR
- For the revocation grounds
 - lack of use
 - trade mark that has become generic or misleading
- For the absolute grounds of article 4
- At least for the following relative grounds (articles 5.1 to 5.3):
 - earlier trade marks, including well-known trade marks
 - reputed trade marks for similar or dissimilar goods and services
 - trade marks filed by the representative in its name
 - designations of origin and geographical indications

Draft texts for implementation

ADMINISTRATIVE PROCEEDINGS also for

- Corporate names if there is a likelihood of confusion for the public (art L 711-4 b/)
- Name image and reputation of a territorial collectivity or public institution
- BUT EXCLUSIVE JURISDICTION OF JUDICIAL COURTS for
 - Authors' rights
 - Trade names
 - Domain names,
 - Industrial Property rights,
 - Bad faith etc...(or claims including one of these grounds)

ADMINISTRATIVE PROCEEDINGS FOR REVOCATION OR INVALIDITY

Article 45 of the Directive

- No mention of exclusivity in the text of the Directive
- “Without prejudice to the parties’ right to lodge an appeal before the courts, Member states shall provide for an efficient and expeditious administrative procedure before their offices for the revocation or declaration of invalidity of a trade mark”

Draft texts (article L 716-5 IPC)

- EXCLUSIVE JURISDICTION OF INPI, for the grounds for which administrative proceedings are implemented (if exclusively on these grounds)
- EXCEPT in case of main claims or counterclaims by the parties in connection with an infringement action on the merits or in summary proceedings or if provisional or protective measures ordered are under implementation

= all counterclaims + all

claims after infringement action
dtmv & associés

ADMINISTRATIVE PROCEEDINGS FOR REVOCATION OR INVALIDITY

Draft texts

Article 45 of the Directive

- Without prejudice to the parties' right to lodge an appeal before the courts

Rules on stays of proceedings

- Art R 716-15 IPC: Suspension of judicial proceedings by the court if administrative proceedings brought before, until final administrative decision
 - After an infringement seizure?
 - After a cease and desist letter?
- INPI's stay of proceedings if the same request between the same parties is pending before judicial courts, but parties could ask the court to stay the proceedings until a decision is issued by INPI...
- Art R 716-14: INADMISSIBILITY of a claim that has the same purpose and cause between the same parties in case of final decision

ADMINISTRATIVE PROCEEDINGS FOR REVOCATION OR INVALIDITY

➤ ADMINISTRATIVE PROCEEDINGS BEFORE INPI

- (NO standing to sue)
- Fee to be paid: losing party may be sentenced to reimburse a lump sum
- NO formal notice of invalidity or revocation: grounds needed as of the beginning of the proceedings
- 3 rounds of observation and possibly oral observations (no extension of deadlines)
- DEADLINE OF ONE YEAR
- But possible suspension of the proceedings
 - If on the basis of an application
 - In case of revocation or invalidity claim of the rights relied upon
 - In case of joint request of the parties (4 months X2)
 - On the INPI's initiative, in case of proper administration of the procedure (?), in particular for CJEU decisions
- Closing of the proceedings
 - If the plaintiff withdraws its request
 - If agreement between the parties
 - If the effects of the challenged trademark have ceased
 - If the effects of the prior rights have ceased
 - If no finalization of the proceedings to get the geographic designation registered
 - If after a suspension because of judicial invalidity proceedings, no answer to a notification of INPI asking for information

ADMINISTRATIVE PROCEEDINGS FOR REVOCATION OR INVALIDITY

➤ APPEAL OF THE ADMINISTRATIVE DECISION

- CURRENTLY
- Appeal before the Court of Appeal of administrative decisions in opposition proceedings
- The appeal does not readdress the facts: only grounds and evidence discussed before INPI
- = cancellation appeal only

- APPEAL PROCEEDINGS IN THE NEW ADMINISTRATIVE PROCEEDINGS FOR INVALIDITY OR REVOCATION
- No board of appeal before French INPI
- Suspensive appeal and devolutive effect of the appeal (readdressing all facts/grounds of the case)
- = appeal for cancellation AND reversal
- At this stage, complex appeal proceedings with the obligation to summon for a fixed-date trial and strict deadlines
- Possible cross appeal in interpartes proceedings as in EUTM regulation (article 68 (2))

- For appeal of decision in opposition proceedings : no main change with the current situation – cancellation appeal only

LIMITATIONS OF THE EFFECTS OF A TRADE MARK (ART. 14)

➤ 3 situations (Article 14 of the Directive)

- No prohibition of use in the course of trade:
 - of the name and address for a natural person
 - Exclusion of legal entities?
 - of signs which are not distinctive or which concern the kind, quality, quantity, intended purpose, etc. or other characteristics = descriptive use
 - for use *“to identify or refer to goods or services as those of the proprietor,”* in particular when use necessary to indicate the intended purpose, in particular as accessories or spare parts = **for use of a genuine product**

However, use by a third party in accordance with **honest dealing in industry or trade**

- No prohibition from using in the course of trade an earlier right which only applies in a particular locality within the limits of the territory where it is recognised.

LIMITATIONS OF THE EFFECTS OF A TRADE MARK

- **DRAFT IMPLEMENTATION ALMOST IDENTICAL (article L 713-6 IPC)**
- No prohibition of use in the course of trade, in accordance with **honest dealing in industry or trade:**
 - of the name and address for a natural person
 - Exclusion of legal entities? ~~Prior corporate name, tradename or billboard or when the fact of a person using its family name in good faith~~
 - of signs which are not distinctive or which concern the kind, quality, quantity, intended purpose etc. or other characteristics = descriptive use
 - for a use “to identify or refer to goods or services as those of the proprietor,” in particular when use is necessary to indicate the intended purpose, in particular as accessories or spare parts (~~Provided there is no confusion as to their origin~~) = **use for a genuine product** (broader than in current IPC)
- No prohibition from using an earlier trade name or billboard within the limits of the territory where it is recognized.
(Previously, French IPC mentioned that if such use violates its rights, the owner of the trademark could ask for a limitation of this use)

NON-USE AS DEFENCE IN THE DIRECTIVE

- NON-USE as a means of defense:
 - Art. 17 – In infringement proceedings (on the date of bringing the action)
 - Art. 44 – In opposition proceedings
 - Art. 46 – In invalidity proceedings
- No possibility of challenging a trademark on the basis of a trademark likely to be revoked for lack of use when the opposition/ infringement/invalidity action is initiated
- No possibility of challenging a trademark (opposition and invalidity) on the basis of a trademark likely to be revoked for lack of use on the date of filing or priority of the later trademark

INTERVENING RIGHT IN THE DIRECTIVE

- Article 18: Intervening right of the proprietor of a later registered trademark as defense in infringement proceedings
 - NO prohibition of the use of a later registered trademark where the later trademark would not have been declared invalid because of
 - Lack of distinctive character or acquired distinctiveness on the date of filing or priority of later registered trademark
 - Lack of acquired reputation on the date of filing or
 - Acquiescence
 - Lack of use (if trademark registered for more than 5 years on the date of filing or priority)
- = No possibility of challenging use of a registered trademark on the basis of a trademark likely to be revoked for lack of use or distinctive character on the date of filing or priority of the later trademark

NON-USE AS DEFENCE - implementation in France

- **Completely new** in France
 - Until now, the owner of a trademark could start using his/her trademark at any time, recovering full effect of trademark rights and full possibility to validly assert them against third parties
- Draft implementation of NON-USE as a means of defense
 - NON-USE as a means of defense:
 - Art. L 716-2-3 – In invalidity proceedings
 - Evidence of use within 5 years preceding the invalidity action & within 5 years preceding the filing or priority of subsequent trademark
 - Trademark taken into consideration only for used products and services
 - In infringement proceedings on the date of the action (art 17, : art L.716-4-3) ?
 - Art. R 712-16-1 IPC – In opposition proceedings
(deemed to be registered only for used goods)

INTERVENING RIGHT

- Implementation of intervening right of the proprietor of a later registered trademark as defense in infringement proceedings = article L.716-4-3
 - NO cancellation or prohibition of the use of a later registered trademark where the later trademark would not have been declared invalid because of
 - Lack of distinctive character or acquired distinctiveness on the date of filing or priority (new art. L.716-2-4 IPC for invalidity)
 - Lack of acquired reputation on the date of filing or priority (new art. L.716-2-4 for invalidity)
 - Acquiescence (new art. L.716-2-8 for invalidity)
 - Lack of use (if trademark registered for more than 5 years) on the date of filing or priority (new art L.716-2-3 § 2)

There is no mention of the last paragraph of article 18

INTERVENING RIGHT

- NECESSARY ASSESSMENT BOTH
 - on the date of the action
 - on the date of filing or priority of subsequent trademark
- COEXISTENCE
 - Art 18.3. Directive: The subsequent trademark cannot prevent the use of the prior trademark that could not prevent its use as per the intervening right
 - Not in the draft texts at this stage, even if it seems obvious
- Advantages of registered trademark (even if subsequent)
 - Acquiescence
 - **NEW:** Effects linked to non-use defenses & intervening right with consideration of the filing date or priority date



**THANK YOU FOR
YOUR ATTENTION**

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& associés

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