

Plaintiff's legal interest in non-use trademark cancellation equals public interest in removing unused trademarks from register **Registration Cancellation**
Slovenia - Item doo

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In *Chint doo v KBM-Leasing doo – Skupina Nove KBM – in liquidation* (Cases IV Pg 3301/2013, February 25 2014 and V Cpg 1347/2014, October 28 2015, released in December 2015), the Ljubljana Higher Court partly set aside the first-instance judgment and remitted the case to first instance, holding that the plaintiff's legal interest in non-use cancellation of a trademark which had not actually been used should always be recognised, although Article 120(1) of the Industrial Property Act appears to provide that only parties with a specific interest can request cancellation.

In July 2013 Chint filed a cancellation action against Slovenian national trademark 9471057 AVTO MAGAZIN (device) – registered by KBM-Leasing for goods and services in Classes 16, 25, 28, 35, 39 and 41 of the Nice Classification – before the Ljubljana Circuit Court on the grounds of non-use. Chint asserted that the contested trademark had not been genuinely used in connection with the goods and services for which it was registered for a continuous period of more than five years.

KBM-Leasing argued that Chint lacked legal interest to cancel the contested trademark under Article 120(1) of the Industrial Property Act, which states that only an "interested party" may request cancellation. Chint responded that according to Paragraph 10 of the Preamble to the EU Community Trademark Regulation, there exists a public interest in cancelling trademarks which are not being used, and that legal interest need not be specifically asserted and proven before the Slovenian courts. In addition, Chint invoked the Supreme Court precedent that owners of trademark registrations which are identical or similar to unused trademarks and which cover similar or identical goods must be acknowledged to have legal interest in the non-use cancellation of such marks. Chint proved ownership of a Community trademark registration and a Community trademark application which contained an identical verbal element to the contested trademark, and thus were similar, and covered goods and services in Classes 16, 35 and 41.

KBM-Leasing submitted no evidence of use of the contested trademark for any of the registered goods and services. Rather, it asserted use of a different sign and offered no proper reasons for non-use of the registered sign. The Ljubljana Circuit Court cancelled the contested trademark, but only in Classes 16, 35 and 41. In regard to Classes 25, 28 and 39 the action was rejected without being considered on the merits because Chint's trademark registrations for AVTO MAGAZIN did not cover those classes, and according to the circuit court this meant that Chint lacked legal interest to cancel the contested trademark in these classes.

Both parties appealed to the Ljubljana Higher Court. KBM-Leasing appealed the part of the judgment cancelling the contested trademark in Classes 16, 35 and 41, while Chint appealed the rejection of its case.

In its appeal, Chint argued that the circuit court should not have denied its legal interest because there was a public interest in cancelling a trademark that has not been genuinely used, according to Paragraph 10 of the Preamble to the EU Community Trademark Regulation. Moreover, the EU Trademarks Directive (2008/95/EC) defines no additional requirements concerning a plaintiff's interest in this type of cancellation, and according to Paragraph 9 of the Preamble there exists a public interest in removing unused trademarks from the register. According to Chint, the Office for Harmonisation in the Internal Market (OHIM) and the European Court of Justice's interpretation of the Community Trademark Regulation and their practices (eg, *Iranian Tobacco Co v OHIM*, Cases T-223/08 and T-245/08, December 3 2009) confirm that no specific interest is required in order to be allowed to request cancellation. Chint argued that the circuit court should have recognised its legal interest and cancelled the contested trademark entirely, because the holder had not proven use.

In October 2015 the Ljubljana Higher Court upheld the first-instance judgment insofar as it cancelled the trademark in Classes 16, 35 and 41. Moreover, it upheld Chint's appeal, set aside the first-instance judgment insofar as it rejected the cancellation action concerning Classes 25, 28 and 39 and remitted the case to first instance for consideration on the merits. Invoking an earlier Supreme Court judgment, the higher court held that the circuit court's interpretation of legal interest in non-use cancellation actions as a procedural prerequisite was too narrow and that Chint's legal interest in cancellation of the contested trademark in its entirety should be recognised, due to the existence of a public interest in removing unused trademarks from the register.

In the remitted proceedings, the Ljubljana Circuit Court should follow the Ljubljana Higher Court's guidelines and recognise Chint's legal interest in cancellation. Bearing in mind that the higher court endorsed the

circuit court's view that the use of the contested trademark had not been proven because KBM-Leasing asserted the use of a different sign, it is expected that in the remitted proceedings the contested trademark will also be cancelled in Classes 25, 28 and 39.

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