



Amendments to the Industrial Property Act come into force – what you need to know

Slovenia - ITEM doo

- Amendments to the Industrial Property Act came into force on 29 March 2020
- The amendments introduce important changes regarding the consequences of non-use
- A new invalidation action to challenge a trademark based on relative grounds before the Circuit Court was also introduced

On 4 March 2020 the Slovenian Parliament adopted amendments to the Industrial Property Act, which came into force on 29 March 2020. The main reason for the amendments is the implementation of the <u>Trademark Directive</u> (2015/2436) in Slovenia. This article summarises the most important changes.

Starting date of non-use grace period for international trademarks

Previously, the non-use grace period of five years for international trademarks started on the registration date, which is essentially identical to the filing date (or the date of subsequent designation). Therefore, the non-use grace period started even though the trademark application had not been examined and decided upon based on absolute grounds - and, if opposed, based on relative grounds.

The amendments introduced a more reasonable solution - namely, the non-use grace period of five years starts when the statement of grant of protection issued by the Slovenian Intellectual Property Office (SIPO) is published in the WIPO Gazette of International Marks. If the SIPO does not inform WIPO of a provisional refusal or grant of protection within one year of receiving the WIPO notification of a new international trademark designating Slovenia, the non-use grace period will start one day after the expiration of the one-year period following the WIPO notification.

Consequences of non-use

Previously, if a registered trademark had not been used for more than five years, an interested party could file a non-use cancellation action before the court; if the trademark holder failed to prove genuine use, the trademark was cancelled. Now, in addition to non-use cancellation actions, which essentially remain the same, the lack of genuine use of a trademark constitutes a powerful new defence in the following proceedings.

In opposition proceedings before the SIPO, an applicant whose trademark is being opposed may request that the opposing party proves the genuine use of its mark, if the earlier trademark upon which the opposition is based became vulnerable to non-use cancellation before the filing (or priority) date of the opposed trademark application. If genuine use is not proven, the earlier trademark will not be considered in the opposition. It is believed that this will impose a significant additional burden on trademark examiners because, previously, only courts had been dealing with non-use issues. Therefore, this change will likely result in more protracted opposition procedures.

In trademark invalidation actions based on an earlier trademark before the Circuit Court, the defendant whose trademark is being challenged may request that the plaintiff (the holder of the earlier trademark) prove the genuine use of its mark, if the earlier trademark became vulnerable to non-use cancellation before the filing of the invalidation action. Similarly, as in the opposition procedure, the earlier trademarks will not be considered as valid grounds for the invalidation action if genuine use is not proven.

In trademark infringement actions before the Circuit Court, the defendant (the alleged infringer) may request that the plaintiff (the holder of the cited trademark) prove the genuine use of its mark, if the cited trademark became vulnerable to non-use cancellation before the filing of the infringement action. If genuine use is not proven, the cited trademark will not be considered as valid grounds for the infringement.

New invalidation action based on relative grounds

Previously, to challenge a registered trademark based on relative grounds for refusal, one had to file a 'removal' action with the Circuit Court within five years of the registration date of the challenged trademark. If the 'removal' action was successful, the trademark ceased to be valid as of the date of the final judgment. This peculiar 'removal' action caused problems in practice, because even if the trademark was 'removed' from the register, it was still valid before the removal. Therefore, the courts and the SIPO had problems justifying why a removed trademark should be regarded as void *ab initio* as, theoretically, it was valid before its removal from the register.

The amendments introduced a proper invalidation action to challenge a trademark based on relative grounds before the Circuit Court. Therefore, when the trademark is invalidated through such an action, it is considered void *ab initio*. Another change is that the previous time limit of five years to file an invalidation action based on relative grounds has been abandoned. Now, if the holder of the earlier trademark was aware of a later trademark and its use on the market, and tolerated it without opposing it for five consecutive years (acquiescence), the holder of the earlier trademark can no longer successfully challenge the later trademark by filing an invalidation action.

Acquiescence as a defence in infringement actions

The amendments explicitly introduced a new defence in infringement actions: acquiescence. According to this new defence, the holder of the earlier trademark cannot enforce its rights against the holder of a later trademark if the holder of the earlier trademark was aware of the later trademark and its use on the market, and tolerated it without opposing it for five consecutive years.

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TAGS

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