

# Non-infringement action against EUTM based on prior use defence: Circuit Court issues landmark decision

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ITEM doo  
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## SLOVENIA

Legal updates: case law analysis and intelligence

- Albanian wineries Adol and Kantina both named their brandy after a famous Albanian war hero, Skanderbeg
- Following successful EUTM registrations, Adol took action against distributors and retailers of brandy produced by Kantina; in response, Kantina filed an action for a declaration of non-infringement
- The court found that Article 9(2) precludes the enforcement of a later mark against earlier rights, including any rights established by national law

In *Kantina e Pijeve "Gjergj Kastrioti Skenderbeu sh a" v Adol shpk* (Ref No IV Pg 1214/2022), the Slovenian Circuit Court has granted a declaration of non-infringement to Kantina e Pijeve "Gjergj Kastrioti Skenderbeu sh a ('Kantina'), finding that the use of an unregistered sign is considered a "previous right" under Article 9(2) of [Regulation 2017/1001](#), and that a later EU trademark (EUTM) cannot in any way limit or derogate such right.

## Background

The proceedings in question are part of the ongoing dispute between two Albanian wineries, Adol shpk ('Adol') and Kantina, over the fact that they both named their brandy after a famous 16<sup>th</sup>-century Albanian war hero and leader, George Castriot Skanderbeg (ie, the Skanderbeg/Skenderbeu brandy). Both wineries have been using the name since the middle of the 20<sup>th</sup> century; however, Adol was the first to register valid EUTMs.

After the successful registration of the marks, Adol took action against several Slovenian distributors and retailers of Skenderbeu brandy produced by Kantina. Kantina responded by filing an action for a declaration of non-infringement, claiming that its use of the Skenderbeu signs constituted a right which could not be derogated by a later trademark.

## Decision

The three main issues before the court were as follows.

### ***Unitary character of a EUTM***

The main objection raised by Adol was that it should not be possible to limit the scope of protection of the EUTM in Slovenia due to the unitary character of EUTMs. Adol argued that such a limitation of the EUTM would be possible only if the regulation explicitly provided such an exception. The court reasoned that the scope of Article 9(2) ("Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trademark..."), in connection with the [Agreement on Trade-Related Aspects of Intellectual Property Rights](#), should preclude the enforcement of the later trademark against earlier rights, including any rights established by the national law of the member state.

### ***Does prior use constitute a right?***

The court also answered this question affirmatively. Article 48(1)(d) of the [Intellectual Property Act](#) provides that the holder of a trademark cannot enforce its trademark rights against a person who had been using an identical or similar sign in good faith before the application or priority date of the trademark in question. Article 48(1)(d), according to the court, recognises a right based on prior use of the sign.

## ***Jurisdiction***

The third issue was procedural - namely, the question was whether the Slovenian court had jurisdiction to hear an action for a declaration of non-infringement, given that both companies are domiciled outside of the European Union. According to Article 125(3) of Regulation 2017/1001, in such cases the proceedings should be brought in the courts of the member state where the European Union Intellectual Property Office has its seat (ie, in Spain). Kantina argued extensively that the Slovenian court must have jurisdiction, as it was the closest to the subject matter (eg, Adol was attacking Slovenian distributors in Slovenia, and Kantina was raising its rights according to the Slovenian laws). The court agreed with the abovementioned connection to Slovenia, but ultimately found the Slovenian courts competent based on the fact that the defendant appeared before the Slovenian court, referring to Article 26 of [Regulation 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters](#).

## Comment

Previous decisions in Slovenia had already hinted at this outcome, stating that prior use can be a valid defence against EUTMs. Nevertheless, this is an important first decision confirming the availability of such defence to interested parties. The court, for the first time, resolved several important legal issues and conflicts between national and EU laws.

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