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SWEMAC case confirms that acquiescence provisions will be applied strictly

European Union - [NJORD](#)

- SWEMAC Medical Appliances sought declaration of invalidity of SWEMAC mark based on unregistered sign corresponding to its company name
- Board of Appeal found that there was likelihood of confusion and that mark was invalid
- Court agreed that mark owner could not rely on limitation in consequence of acquiescence under Article 54(2) of Regulation 207/2009

In [Swemac Innovation AB v European Union Intellectual Property Office](#) (EUIPO) (Case T-287/17, 7 February 2019), the General Court has upheld a decision of the Fifth Board of Appeal of the EUIPO which had accepted the appeal lodged against a Cancellation Division decision.

Background

The case began when Swedish company Swemac Innovation AB registered the EU word mark SWEMAC for goods and services in Classes 10 and 42. The mark was registered on 4 September 2008.

On 3 September 2013 – that is, one day shy of the five-year anniversary of the registration – SWEMAC Medical Appliances AB lodged an application for a declaration of partial invalidity. The cancellation action was based on the alleged likelihood of confusion with the unregistered sign corresponding to its company name, registered in Sweden as a business in 1997 and as a company name in 1998. The Cancellation Division of the EUIPO rejected the cancellation action due to a lack of evidence.

SWEMAC Medical Appliances appealed, submitting additional evidence concerning its use of the earlier sign. The Fifth Board of Appeal of the EUIPO upheld the appeal and annulled the Cancellation Division's decision on the ground that SWEMAC Medical Appliances had demonstrated that it satisfied the conditions required under Article 8(4) of [Regulation 207/2009](#), read in conjunction with Swedish legislation, and that there was a likelihood of confusion. Thus, Swemac Innovation's EU trademark registration was declared invalid.

Swemac Innovation appealed to the General Court, claiming that the court should annul the decision and reinstate the mark at issue to full validity. In support of the action, Swemac Innovation alleged that:

- there was no likelihood of confusion because the marks coexisted in Sweden and, in any case, Swemac Innovation had the earlier right; and

- SWEMAC Medical Appliances had acquiesced to the use of SWEMAC by Swemac Innovation.

General Court decision

The General Court rejected the first plea on the following points of law. With regard to the earlier right, the court held that the validity of a national trademark may not be called in question in proceedings for registration of an EU trademark, but only in cancellation proceedings brought in the member state concerned. Therefore, the *mere existence* of a national registration or another right (even when corresponding to the EU trademark applied for) predating an earlier protected mark was irrelevant in the context of an opposition to an EU trademark application.

Concerning the proof of the alleged coexistence of the signs at issue in Sweden, which was allegedly capable of reducing the likelihood of confusion, the court found that such evidence had been submitted for the first time before the court itself and, therefore, was inadmissible. Such coexistence was thus not demonstrated.

The second plea was rejected as unfounded as well. The Board of Appeal had legitimately considered that Swemac Innovation could not rely on limitation in consequence of acquiescence as provided for in Article 54(2) of Regulation 207/2009. On the one hand, the application for a declaration of invalidity was filed less than five years after the registration of the mark at issue; the period of limitation could not start running from a possible use of a non-registered mark or the applicant's company name. On the other hand, Swemac Innovation failed to demonstrate either the use of the mark at issue in Sweden or that the intervener was aware of such alleged use.

Comment

This case shows the dilemmas that EU trademark holders can face in cancellation actions. First, even if the EU trademark holder wins at first instance, it must present its case thoroughly before the Board of Appeal because the General Court has repeatedly emphasised that it will not admit new evidence on appeal. Second, this case shows that the acquiescence provisions are applied strictly, and that even acquiescence for four years and 364 days will not save an EU trademark registration.

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