



CJEU considers whether warning letter is sufficient to terminate acquiescence

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- The CJEU has interpreted the EU rules on the concept of ‘acquiescence’
- An act by which the owner of an earlier mark opposes the use of a later mark without taking the necessary steps to obtain a legally binding solution does not stop acquiescence
- Where a trademark owner is time-barred from bringing an invalidity action or opposing the use of a mark, it is also time-barred from bringing ancillary or related claims

In [*HEITEC AG v HEITECH Promotion GmbH*](#) (Case C-466/20, 19 May 2022), the Court of Justice of the European Union (CJEU) has ruled on several aspects of the EU rules concerning the loss of rights due to acquiescence by a trademark owner.

Background

Heitec AG is the owner of the EU trademark HEITEC, registered as an EUTM, claiming priority from Germany since 1991. Heitech Promotion GmbH is the proprietor of a German figurative mark containing the word element ‘heitech promotion’, registered in 2003, and of an EU figurative mark containing the word element ‘heitech’, registered on 20 November 2008. The former had been used since 29 September 2004 at the latest, and the latter had been used since 6 May 2009 at the latest. These dates are important.

Other dates are important as well. It appears from the decision that, in 2004, Heitech contacted the representatives of Heitec to ask whether the latter would agree to conclude a co-existence agreement. In 2008 Heitec became aware of Heitech’s application for registration of the EU figurative mark containing the word element ‘heitech’. On 22 April 2009 Heitec sent Heitech a warning letter regarding use of its trade name and of the EU trademark containing the word element ‘heitech’. In its reply of 6 May 2009, Heitech again proposed the conclusion of a co-existence agreement.

On 31 December 2012 Heitec filed a lawsuit against Heitech in the Regional Court in Nuremberg-Fürth, Germany. By decision of 4 January 2013, Heitec was asked to pay an advance on the costs of the proceedings. On 12 March 2013 that court pointed out to Heitec's representative that the advance payment had not been made and that the originals of the application initiating proceedings had not been lodged.

By letter of 23 September 2013, Heitec informed Heitech that it refused to conclude a co-existence agreement and proposed to conclude a licence agreement, while stating that it had initiated legal proceedings. On 29 December 2013 Heitec informed Heitech that it was relying on its trade name and that it was the proprietor of the EU trademark HEITEC, and that legal proceedings were pending.

On 30 December 2013 the Regional Court in Nuremberg-Fürth received written submissions from Heitec, together with a cheque for court fees and a new application initiating proceedings bearing the date of 4 October 2013. Due to several procedural matters and delays attributable to Heitec, notice of the proceedings was finally served on Heitech on 23 May 2014.

The EU rules concerning acquiescence are set out in Article 9(1) of Directive 2008/95, corresponding to Article 54 of Regulation No 207/2009), which states as follows:

“

Where ... the proprietor of an earlier trademark ... has acquiesced, for a period of five successive years, in the use of a later trademark registered ... while being aware of such use, he shall no longer be entitled on the basis of the earlier trademark either to apply for a declaration that the later trademark is invalid or to oppose the use of the later trademark in respect of the goods or services for which the later trademark has been used, unless registration of the later trademark was applied for in bad faith.

”

Heitec was unsuccessful and appealed twice. The second appeal was rejected because the court action had not interrupted the period of limitation, since it had been served on Heitech more than five years after the warning letter had been sent.

Heitec appealed to the *Bundesgerichtshof* (the German Federal Court of Justice), which referred four questions to the CJEU for a preliminary ruling. These can be summarised as follows:

- whether the EU rules on acquiescence (quoted above) must be interpreted as meaning that an act, such as a warning letter, whereby the owner of an earlier mark opposes the use of a later mark without bringing an administrative or judicial action, is capable of ending acquiescence within the meaning of those provisions; and
- whether it matters that the owner of the earlier mark was responsible for the delay, and whether they can still seek damages and the destruction of goods.

CJEU decision

The CJEU ruled that the rules must be interpreted as meaning that an act, such as a warning letter, by which the owner of an earlier mark opposes the use of a later mark without taking the necessary steps to obtain a legally binding solution does not stop acquiescence and, consequently, does not interrupt the period of limitation.

Further, the limitation in consequence of acquiescence may not be prevented by the bringing of a court action in which the owner of an earlier mark sought a declaration of invalidity of a later mark, where the application initiating proceedings, although filed before the date of expiry of the period of limitation, did not, owing to a lack of diligence on the part of the owner of the earlier mark, satisfy the requirements of the applicable national law for service, and was rectified only after that date for reasons attributable to the applicant.

Finally, as regards damages and the destruction of goods, where the owner of an earlier mark is time-barred from seeking a declaration of invalidity of a later mark and from opposing the use of that mark, that owner is also time-barred from bringing ancillary or related claims, such as claims for damages, the provision of information or the destruction of goods.

Comment

This decision is interesting because it shows that owners of prior rights who send cease-and-desist-letters must follow-up within five years at the latest, or be time-barred from bringing actions, including ancillary actions such as claims for damages.

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