

that the distributor's application to register the mark as a CTM was actuated by bad faith, particularly since he knew that, in his agent-principal relationship, the principal intended to register the mark; the distributor (i.e. an agent) wanted to pre-empt his principal/employer from registering the mark in the UK.

## 2. Relative grounds for invalidity

Relative grounds upon which a CTM may be declared invalid by OHIM or a CTM court are provided for under Article 53 of the CTMR. These are essentially the earlier rights mentioned in Article 8(2) to (4) of the CTMR, which entitle owner of a respective rights to oppose registration of a particular sign as a CTM.<sup>627</sup> Similarly, earlier rights such as a right to a name, a right of personal portrayal, a copyright; or an industrial property right "which may prohibit the use of a trademark pursuant to domestic system of law which governs that earlier right"<sup>628</sup> are also relative grounds for invalidity. However, the holder of the above earlier rights is not entitled to challenge a later CTM if he had expressly consented to its registration. It is important to note, where more than one earlier right forms part of the relative grounds for invalidity, such rights must be outlined in the first application for invalidity or in the first counterclaim in the infringement proceedings. Thus, a person invoking one or some of these grounds cannot be allowed to challenge the validity of a CTM basing on some grounds which were not invoked in the previous proceedings relating to the same CTM.

### *III. Effects of CTM revocation and invalidity*

According to Article 55 of the CTMR, the rights which a CTM proprietor enjoys under the Community trade mark regulation, in particular the exclusive rights provided for under Article 9, are regarded not to have been effective as from the date of application for revocation or of the counter-claim. As one author points out, "the retroactive effect of any revocation of CTM rights does not affect decisions in infringement actions, which have become final and have been enforced prior to the revocation of CTM rights, subject to the application of relevant provisions of national law as to the remedies which might be available

627 See section D of this chapter, for a discussion on relative grounds for refusal to register a sign as a CTM.

628 GASTINEL, E., & MILFORD, M., "The Legal Aspects of the Community Trade Mark" 172 (Kluwer Law International, The Hague 2001).

as a result notably of unjust enrichment, or negligence, or bad faith on the part of the proprietor of a CTM”.<sup>629</sup> Similarly, a CTM revocation does not render void contracts whose conclusion predates the decision revoking the CTM, provided that the decision to revoke was reached well after the relevant contractual obligations have been discharged.<sup>630</sup>

The consequences of revocation and invalidity explained above may be distinguished in a peculiar sense: “the rights of the proprietor shall be declared to be revoked if the trademark or its proprietor *no longer* complies with the provisions laid down in the basic Regulation and in the Implementing Regulation. The trademark shall be declared invalid if the trademark or its proprietor did not comply with the said provisions as from the date of filing of the application”.<sup>631</sup> As a point of convergence, both proceedings for CTM revocation and those for declaration of invalidity are put into legal machinery in a similar manner: the CTM may be revoked or declared invalid by the CTM court pursuant to a counterclaim pleaded by the defendant in infringement proceedings. The CTM may as well be revoked or declared invalid by OHIM (acting through a Cancellation Division).<sup>632</sup>

## ***H. International Registration Procedure under the CTMR***

Trademarks “registered under international arrangements, which have effect in a Member State” or, which have effect in the EU, are mentioned in the CTMR as relative grounds for CTM refusal<sup>633</sup> and as a basis for opposition<sup>634</sup> and revocation<sup>635</sup> of a CTM.

629 GASTINEL, E., & MILFORD, M., “The Legal Aspects of the Community Trade Mark” 160 (Kluwer Law International, The Hague 2001).

630 Nevertheless, “repayment of amounts paid under such contracts may, in certain circumstances, be claimed on grounds of equity” (cf. GASTINEL, E., & MILFORD, M., “The Legal Aspects of the Community Trade Mark” 160 (Kluwer Law International, The Hague 2001).

631 KOOIJ, P.A.C.E. van der, “The Community Trade Mark Regulation: An Article byArticle Guide” 100 (Sweet & Maxwell, London 2000).

632 KITCHIN, D., et al, “Kerly’s Law of Trade Marks and Trade names” (4th ed.) 136 (Sweet & Maxwell, London 2005).

633 Cf. Article 8(2) (a) (iii) & (iv) of the CTMR.

634 Article 41(1) (a) of the CTMR.

635 Article 51 of the CTMR.