

A new amendment to the Act on Trademarks imposes higher requirements on trademark owners in the Czech Republic

Dentons Prague

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On 1 January 2019, an amendment to Act No. 441/2013 Coll., on Trademarks, that implements new rules for trademark owners, came into effect. We have prepared a brief summary of selected issues with respect to the amendment for you. We believe that the most important part of the amendment is the transfer of liability for the examination of the trademark identity from the Industrial Property Office (in Czech: *Úřad průmyslového vlastnictví*; hereinafter: „UPV“) to the owner of the earlier registered trademark.

Other changes brought by the amendment to the trademark law include, inter alia, the following:

1. Stricter liability on trademark owners – the UPV will no longer review the identity of pending trademarks with already registered trademarks; the owner of the trademark must actively challenge the identity in respective opposition proceedings;
2. Introduction of the possibility to register speculative trademarks (the lack of good faith is no longer a reason for the rejection of the trademark application);
3. Possibility to register non-conventional trademarks or certification marks;
4. Explicit prohibition of use of a trademark or its part in the business name of a company without the consent of the trademark owner;
5. Lower protection for trademark owners that do not use their trademarks for more than 5 years;
6. Extension of the period for removal of trademark application deficiencies following its formal review by the UPV from 15 days to 2 months;
7. Unification of a 3 month period for submitting notice of opposition with the period for submitting observations by the third parties; the period commences from publication of the application; and
8. The right of the UPV to revoke a trademark retroactively to the moment when the reasons for the revocation have been fulfilled.

I. Increasing trademark owners' liability (change in the provisions governing the review of the identity of trademarks with earlier registered trademarks and the possibility to register speculative trademarks)

According to the amendment, the identity of a pending trademark with an earlier trademark already registered for identical products or services does not establish absolute grounds for refusal anymore as assessed by the UPV *ex officio*. Nowadays, the identity solely constitutes relative grounds for refusal, which means that the owner of the already registered trademark must challenge the identity in opposition proceedings on his own by means of a notice of opposition. Such proceedings are subject to an administrative fee.

Therefore, the current law requires that the owner of an earlier duly registered trademark is to actively protect his trademark against an application for identical trademark with respect to identical products or services. In the event the owner fails to act, the new identical trademark will be registered. Thus, trademark owners should regularly monitor the Bulletin published by the UPV to see if pending applications breach their trademark rights and to actively defend against applications containing identical trademarks by raising the notice of opposition within 3 months from their respective publication in the Bulletin.

Furthermore, according to the amendment, a lack of good faith does not constitute absolute grounds for the application refusal

anymore. Therefore, good faith is not being reviewed by the UPV *ex officio*. In practice, this brings an opportunity to register trademarks for speculative reasons. However, even in this case, a third party is entitled to contest the trademark by raising a motion for trademark invalidity provided that the application of the trademark was not filed with good faith.

II. Non-conventional trademarks and certification marks

By removing the requirement of the graphic representation of the trademark in the application, any so-called non-conventional trademark (e.g. audio, motion, multimedia, holographic, event, flavor, olfactory or other trademarks) is easier to register. Instead of the graphic representation, the new law requires that

a trademark be expressed in a way which allows its clear and accurate identification. In practice, such trademarks will be attached to the application in the formats specified by the UPV (i.e. jpeg, gif, mp3, mp4). Extension of the opportunity to register non-conventional trademarks introduced by the amendment is in response to the worldwide trend in technology and product development.

Another novelty is the ability to register a certification mark, which its primary purpose is to distinguish products of a certain quality, grade or precision from products not having such qualities. Based on this, the certification mark should indicate whether a particular product or service has a given standard or not. Only a person not carrying out business in the area of supply of products and services, with regards to which the certification mark should relate, may apply for the registration of the certification mark. The application must include, inter alia, rules for its use.

III. Use of a trademark or its part in the business name of legal persons

The amendment explicitly prohibits any legal person to use the trademark or its part in its business name without consent of the trademark owner. The aim is to clarify the conflict between the right of the trademark owner and the right of the third party to its business name. This provision confirms that the use of the trademark or its part as a business name of a legal person without the consent of the owner constitutes a trademark infringement, which provides the owner with means of

protection and claims prescribed by the trademark law.

IV. Emphasis on genuine use of a trademark

The amendment extends consequences should the trademark owner fail to genuinely use the trademark for products and services (e.g. the owner fails to label its products or its packaging with the trademark). The amendment newly establishes the right of the applicant for the trademark to require the owner of a trademark older than 5 years to declare and prove the genuine use of the trademark in the opposition proceedings. Provided that the owner of the earlier trademark fails to prove the genuine use of its trademark within the 4 month period, the UPV will reject the notice of opposition and register the trademark that was applied for.

Therefore, the position of the applicant under the amendment is much stronger, since he is entitled to raise a defense of non-use. The purpose of such rule is the promotion of the trademark's use and the elimination of trademarks that are not being used for the aforementioned period.

The same applies for a declaration of invalidity of a subsequent trademark. In this proceeding, the petitioner, as the owner of a trademark older than 5 years seeking invalidity of the subsequent trademark, is obliged to prove that he genuinely uses his own trademark.

V. Modification of statutory periods for completing the application and submitting a notice of opposition and observations

The amendment unifies the statutory periods for submitting a notice of opposition by the

owners of trademarks with the period for submitting observations by the third parties. In practice, this means that the period for submitting observations is shortened to 3 months commencing on the publication of a trademark application. The purpose of the shortening is to simplify the procedure and reduce the amount of unreasonable observations.

At the same time, the amendment extends the period for completing the application provided that it fails to meet the requirements set out by law to a minimum of 2 months. In the event that the application has basic deficiencies, the date on which the application has been filed is deemed to be the date on which it was properly completed.

VI. Trademark invalidity proceedings and effects of the trademark revocation

The amendment removes the possibility to initiate proceedings for the invalidity of the trademark by the UPV ex officio. Therefore, the trademark invalidity can be declared only based on a motion filed at the UPV on the basis of the absolute grounds of unregistrability or for a conflict of the application with good faith. The latter case may be used as a defense against certain speculative trademarks.

If a trademark is revoked due to the motion of the third party on the grounds of non-use of the trademark for 5 years, either for the loss of ability to distinguish goods and services or for deceiving public, for example, the UPV is entitled to revoke the trademark as of the moment the reason for its invalidity has occurred, not limited to the moment the decision is issued as in accordance with the former law.

In you have any additional inquiries, please do not hesitate to contact us.

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