

European Union trademark legislation: an overview on restoration of rights

Júlia Alves Coutinho, Trademark and Patent Attorney at Inventa, explores the requirements for *restitutio in integrum* and the importance of a well-founded request.

In Intellectual Property systems there are many deadlines that applicants and owners have to comply with. So, missing a deadline is a mistake that should always be taken into account. However, there are exceptional occasions that cannot be foreseen from experience and are therefore unpredictable and involuntary.

As is known, the failure to comply with a time limit, for which the possibility of requesting an extension does not exist or has already been requested, can lead to the loss of a right or the loss of the possibility of appeal. For these cases, the European Union trademark legislation, as well as the design legislation, provides the possibility to reinstate the rights, despite the parties having taken all due care required by the circumstance by them or their representatives, under strict conditions, following a request addressed to the EUIPO and subject to the payment of a fee.

The legal institute of the restoration of rights is best known by the Latin expression *restitutio*



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in integrum, including in Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark, which deals with the subject in article 104.

Exactly 10 years ago, the case law T-326/11 of the General Court established the two requirements for *restitutio in integrum*, as above mentioned:

- i. that the party has exercised all due care required by the circumstances; and
- ii. that the non-observance (of a deadline) by the party has the direct consequence of causing the loss of a right or means of redress.

First requirement – all due care exercised

Over the years, court decisions were issued that were able to determine some examples acceptable and not acceptable by the legislator about the fulfilment of the 'all due care' requirement, as explained below:

- Failure to deliver by the postal or delivery service: acceptable. However, it is up to the parties' representative at least to find out in advance from the delivery company what the usual delivery times are.
- Relevant error by the Office: acceptable.
- Natural disasters and general strikes: acceptable.
- Errors in the management of files caused by the representative's

Résumé

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employees or by the computerised system itself: NOT acceptable.

- Exceptional workload and organisational strains to understand a new or actual applicable law: NOT acceptable.
- Erroneous calculation or time entry of the deadline: of course, NOT acceptable.
- Absence of a key member of the Accounts Department: of course, NOT acceptable.
- Delay by the owner in providing instructions: NOT acceptable.
- Financial problems at the proprietor's business, its closure and the loss of jobs: NOT acceptable.
- Legal errors by a professional representative: NOT acceptable.

Second requirement – failure to meet the time limit has to cause direct the loss of rights or means of redress

This requirement is applicable to the late response to an examiner's notification of provisional refusal if the application is not rectified by the time limit specified because, in this case, there is a direct relationship between failure to meet the time limit and possible refusal. That is, the trademark was refused due to the absence of response from the right holder.

Restitutio in integrum is also available for the late submission of facts and arguments and late filing of observations on the other party's statements in *inter partes* proceedings if and when the Office refuses to take them into account as being filed too late. The loss of rights in this case involves the exclusion of these submissions and observations from the facts and arguments on which the Office bases its decision. In principle, the Office will disregard any statements filed in

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inter partes proceedings after the deadline has passed.

Always remember that these cases will only be acceptable if the first requirement is met.

On the other hand, the restoration of rights is not applicable to the case where the legislation offers procedural options that parties to proceedings are free to use, such as requesting an oral hearing, requesting that the opponent prove genuine use of its earlier mark, or applying for an extension of the cooling-off period. The cooling-off period itself is not subject to *restitutio in integrum* either because it is not a time limit within which a party must perform an action.

As previously seen, the restoration of rights is available in *ex parte* proceedings, *inter partes* proceedings and appeal proceedings, to any party in proceedings before the Office. However, the applicant for *restitutio in integrum* is the sole party to the *restitutio in integrum* proceedings, even where failure to meet the time limit occurred in *inter partes* proceedings.

Inapplicability of the restoration of rights

Contrary to the aforementioned, the Article 104(5) states specific exceptions regarding the inapplicability of this institute, which are:

- The time limits for *restitutio in integrum* itself, namely: a) a time limit of two months for filing the application for *restitutio in integrum* as from the removal of the cause of non-compliance; b) a time limit of two months from the date for completing the act that was omitted; c) a time limit of one year for filing the application for *restitutio in integrum* as from the expiry of the missed time limit – that is, this benefit cannot be used in order to obtain the benefit itself – Article

- 104(2);
- The 3-month time limit to file an intention of opposition (form of EUIPO's website) following the publication of a European Union trademark application – Article 46(1);
- Failure to pay the intention of opposition form until the time limit of the opposition period – Article 46(3);
- Request of continuation of proceedings (an applicant for or proprietor of an EU trademark or any other party to proceedings before the Office who has omitted to observe a time limit *vis-à-vis* the Office may, upon request, obtain the continuation of proceedings, provided that at the time the request is made the omitted act has already been carried out) or failure to pay the request of continuation of proceedings – Article 105(1). Consequently, *restitutio in integrum* is available for the time limits mentioned in Article 105(2) to the extent that they are not expressly excluded by Article 104(5);
- The two-month time limit to file an appeal against the decision of the Boards of Appeal before the General Court – Article 72(5).

Deadlines for the request for restoration of rights

The applicant must make the application, in writing, for *restitutio in integrum* within two months of the removal of the cause of non-compliance and no later than one year after expiry of the missed time limit. Within the same period, the act that was omitted must be completed.

The date when the cause of non-compliance is removed is the first date on which the party knew or should have known about the facts that led to the non-observance. If the ground for non-compliance was the absence or illness of the professional representative dealing with the case, the date on which the cause of non-compliance is removed is the date on which the representative returns to work.

If the applicant fails to submit a request for renewal or to pay the renewal fee, the one-year time limit starts on the day on which the protection ends, and not on the date the further six-month time limit expires.

So, for example, if the renewal of a trademark ended on February 25 the grace period expired on August 25 but the applicant missed this last deadline due to a natural disaster in the city that caused the failure of all online communication in the region for three weeks – until September 15. Therefore, the applicant has until November 15 to file the request of the restoration of rights,

pay the fee concerning to the restoration of rights and pay the renewal fee (including the payment of the additional fee for late payment). If well-founded, the application will be accepted, since it is within the one-year time limit, which started on February 25.

Importance of a well-founded request

The applicant must state the grounds on which the application is based and set out the facts on which it relies. As granting *restitutio in integrum* is essentially based on facts, it is advisable for the requesting party to submit evidence by means of sworn or affirmed statements. Statements drawn up by the interested parties themselves or their employees are generally given less weight than independent evidence.

Moreover, the act that was omitted must be completed, together with the application for *restitutio in integrum*, at the latest by the time limit for submitting that application.

If the grounds on which the application is based, and the facts on which it relies are not submitted, the application for *restitutio in integrum* will be rejected as inadmissible. The same applies if the omitted act is not completed.

Decision and its effects

The decision on restoration of rights will be taken, if possible, in the decision terminating the proceedings. If, for specific reasons, the Office makes an interim decision on the application for *restitutio in integrum*, it will generally not allow a separate appeal. The applicant for *restitutio in integrum* can appeal the refusal of its request for restoration of rights together with an appeal against the decision terminating the proceedings.

The decision to grant restoration of rights cannot be appealed.

The other party to *inter partes* proceedings will be informed both that *restitutio in integrum* has been requested and about the outcome of the proceedings. If *restitutio in integrum* is actually granted, the other party's only means of appeal is to initiate third-party proceedings.

The mention of the re-establishment of rights will be published only if the failure to meet the time limit that gave rise to the application for *restitutio in integrum* has actually led to publication of a change of status of the EUTM application or registration, because only in such a case would third parties be able to take advantage of the absence of such rights. For example, the Office will publish a mention that *restitutio in integrum* has been granted if it published a mention that registration had expired due to failure to meet the time limit for paying the renewal fee.

In the event of such a publication, a corresponding entry will also be made in the Register.

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Granting *restitutio in integrum* has the retroactive legal effect that the time limit that was not met will be considered to have been met, and that any loss of rights in the interim will be deemed never to have occurred. If the Office has taken a decision in the interim based on failure to meet the time limit, that decision will become void, with the consequence that, once *restitutio in integrum* is granted, there is no longer any need to lodge an appeal against such a decision of the Office in order to have it removed. Effectively, *restitutio in integrum* will re-establish all the rights of the party concerned.

A third party who, in the period between the loss of rights and publication of the mention of the re-establishment of rights, has, in good faith, put goods on the market or supplied services under a sign that is identical or similar to the EUTM may bring third-party proceedings against the decision re-establishing the rights of the applicant, proprietor or holder of the EUTM or RCD.

This request is subject to a two-month time limit, which starts:

- on the date of publication, where publication has taken place;
- on the date on which the decision to grant *restitutio in integrum* took effect, where publication has not taken place.

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The Office will conduct adversarial *inter partes* proceedings, which means that it will hear both parties before taking a decision.

As can be concluded, the restoration of rights is a complex procedure, which involves compliance with very specific deadlines and a very well-founded basis, so that it can be granted.

The best thing to do is always pay attention to meeting the deadlines related to intellectual property rights, specifically trademarks, through all possible mechanisms and not having to resort to this legal institute.

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