

# Review

## Intellectual Property

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## CFI stubs out Iranian Tobacco appeals

In Cases T- 223/08 & T-245/08 Iranian Tobacco Co. v. OHIM (3 December 2009) the CFI has dismissed the appeals against two decisions of OHIM's Board of Appeal and upheld the applications for revocation on the ground of non-use of Community trade mark registrations of BAHMAN and device and TIR and device for cigarettes and tobacco in class 34.

### BACKGROUND

In January 1999 and February 2000, Iranian Tobacco Co. obtained registration of two Community trade mark applications for BAHMAN and device and TIR and device for cigarettes and tobacco in class 34. In November 2005, AD Bulgartabac Holding Sofia applied for revocation of the registrations on the ground of non-use at OHIM under Articles 55(1)(a) and 50(1)(a). In March 2007, the Cancellation Division decided that the marks should be revoked because the proprietor did not submit any evidence of use (or proper reasons for non-use).

Iranian Tobacco Co. appealed the decisions to the Board of Appeal which confirmed the decisions of the Cancellation Division. Iranian Tobacco Co. appealed further to the CFI.

### THE CASE BEFORE THE CFI

Iranian Tobacco Co. raised two pleas in both cases, alleging infringement of Article 55(1)(a) in respect of the requirements for an application for revocation to be admissible and of Article 50(1)(a) in respect of the reasons for revocation based on the absence of genuine use.

In respect of the first plea, Iranian Tobacco Co. argued that the decisions should have been overturned because even if "any person" could apply for revocation on the ground of non-use, it had to be a natural or legal person who would be within the scope of the CTMR and who would have commercial interests. A legitimate interest would therefore be required even in the case of a application for cancellation on absolute grounds.

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Iranian Tobacco Co. also argued that the entitlement to use any legal instrument under the CTMR should meet the minimum requirement of belonging to the public addressed by the CTMR and that the application for revocation by a national of a non-EU country was not acceptable.

AD Bulgartabac Holding Sofia claimed that it had a legitimate interest to apply for revocation because it was the owner of identical Slovenian trade mark registrations, but Iranian Tobacco Co. argued that these marks were evidence of anti-competitive behaviour and bad faith and therefore should have rendered the applications for revocation inadmissible.

In respect of the second plea, Iranian Tobacco Co. claimed that its marks were used on a "virtual" market, i.e. on its internet website.

## CFI JUDGMENT

The question was whether Article 55(1)(a) provided that the admissibility of an application for revocation required the existence of a legitimate interest and EU nationality or a domicile within the EU (Bulgaria not being a Member State at the time when the application for revocation was filed).

The CFI held that Article 55(1)(a) did not refer to a requirement of nationality or any legitimate interest in relation to an application for revocation or a cancellation action based on absolute grounds. The only requirement was that the action was introduced by a natural or legal person or any group or body which had the capacity to sue and be sued. Only cancellation actions based on relative grounds had to be filed by trade mark owners, owners of earlier rights or authorized licensees.

The CFI held that a Community trade mark registration should be protected only if it was in use and therefore, in the absence of use during a fixed period, the possibility to challenge a Community trade mark should be widely available.

There was no requirement for a natural or legal person to be an EU national or to have a domicile, a residence or a real and effective industrial or commercial establishment within the EU in order to have the capacity to sue or be sued under the CTMR. The only requirement in the absence of nationality or a domicile, a residence or a real and effective industrial or commercial establishment within the EU was to be represented before OHIM in all proceedings other than in filing an application further to Article 88.

In respect of the alleged anti-competitive behaviour resulting from the registration of identical Slovenian marks and the alleged bad faith of the applicant for revocation, the CFI stated that there was no need to refer to Article 79 regarding general principles of procedural law recognised in the Member States or to Article 4(4)(g) of Directive 89/104 in respect of a trade mark, filed in bad faith, which would be liable to be confused with a mark in use abroad.

The CFI explained that the provisions of Article 55(1)(a) were not ambiguous and did not require the demonstration of good faith by the applicant for revocation in order to be admissible or well-grounded and that Article 4(4)(g) only related to registration of national marks and not to revocation proceedings. The argument concerning the alleged bad faith was irrelevant in these proceedings insofar as AD Bulgartabac Holding Sofia did not have to show any special standing in order to apply for revocation.

The CFI concluded that AD Bulgartabac Holding Sofia was a legal person and therefore was entitled to apply for a revocation action.

In response to the second plea, the CFI held that Iranian Tobacco Co. did not challenge the alleged absence of evidence of use of the mark during the proceedings

and therefore, facts which were not submitted by the parties before OHIM could not be submitted at the appeal stage. The second plea was rejected in both cases.

Rejecting the appeals and upholding the Board's decisions, the CFI stated that there was no violation of Article 55(1)(a) or 50(1)(a).

## COMMENT

These cases have been decided only a few weeks after the AG's opinion in Case C-408/08 *Lancôme v. OHIM* and confirm the difference between the protection of the general public interest in an application for revocation or in cancellation proceedings on absolute grounds on the one hand, and private interests in cancellation proceedings on relative grounds on the other hand.

Any natural or legal person entitled to sue or to be sued is entitled to file an application for revocation (and a cancellation action on absolute grounds) and limit the protection of Community trade marks to those which are in use. The demonstration of a legitimate interest is not required, by contrast with a cancellation action on relative grounds. The attempt by the CTM proprietor to base its claim on the nationality or domicile of the applicant being outside the EU at the time of the filing of the application for revocation (Bulgaria joined the EU in January 2007) failed because this is not a requirement of admissibility. The applicant chose to be represented by a Slovenian agent, Slovenia being in the EU at the date of the filing of the application (Slovenia joined the EU in January 2004).

## FURTHER INFORMATION

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