EUIPO Torpedoes

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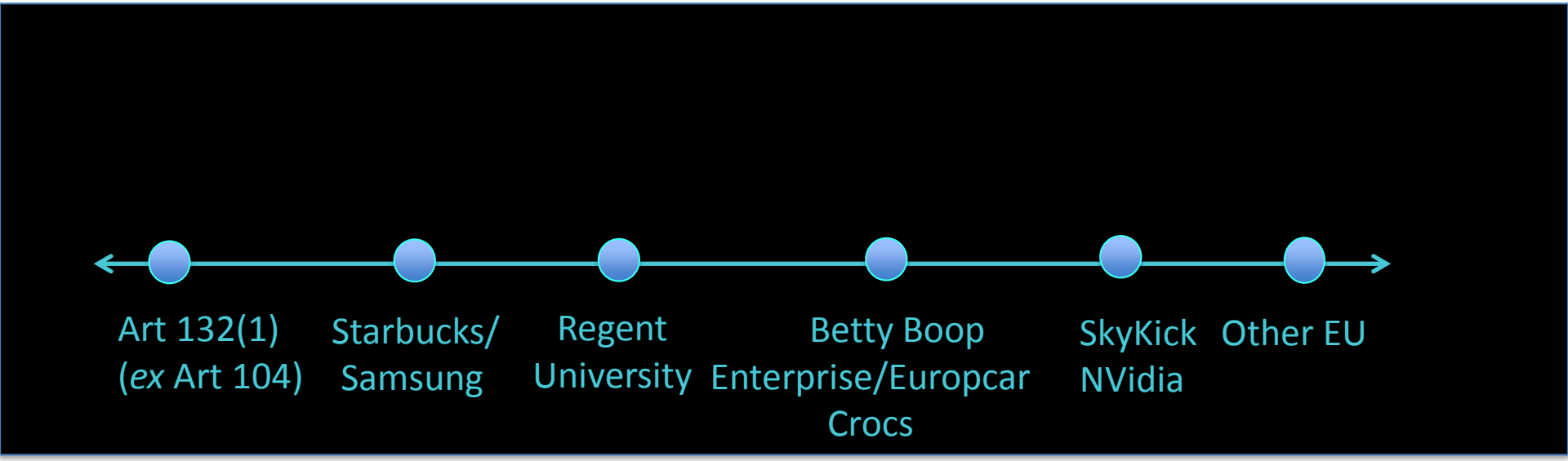

Article 132(1) of Regulation 2017/1001

The basic torpedo provision

1. An EU trade mark court hearing an action referred to in Article 124 other than an action for a declaration of non-infringement **shall, unless there are special grounds** for continuing the hearing, of its own motion after hearing the parties or at the request of one of the parties and after hearing the other parties, stay the proceedings where the validity of the EU trade mark is already in issue before another EU trade mark court on account of a counterclaim or where an application for revocation or for a declaration of invalidity has already been filed at the Office.

Starbucks (Court of Appeal)– the leading case

Starbucks v Sky; EMI v Sky **[2013] FSR 16**

Starbucks

Key holdings

- Purpose: avoid inconsistent decisions
- Presumption of stay “strong” (only “rare and exceptional cases”
- “Special grounds” = specific facts
- Urgency not enough; agreement not enough; national actions (passing off) not enough

Samsung v Apple – Declarations of non-infringement

Samsung v Apple [2013] FSR 8

- **Declarations of non-infringement were an important mechanism for Ds to clear the way without putting validity in issue, delay could frustrate**
- **Declarations specifically excluded by the stay provisions**
- **Here validity was not in issue**

Aftermath of Starbucks – strict application

Regent University v Regent's University London [2013] EWPCC 39

BUT…is no stay the new normal?

Hearst Holdings v AVELA [2015] FSR 2

- **Rare and exceptional to try to torpedo post-judgment**
- **Parties were criticised for leaving consideration so late**
- **"Special grounds" applied in unusual circumstances because late stage at which the issue arose**

No stay in *Crocs*

***D Jacobson v Crocs* [2014] ECC 16**

No stay in *Enterprise* (Arnold J again)

Enterprise v Europcar [2015] FSR 22

[13] I have to say that it does not seem to me that it made sense for these infringement claims to be stayed. There can be little doubt that the Trade Marks in question have been used in relation to "vehicle rental and leasing services", which is all that matters for the purpose of the infringement claims. Furthermore, **staying the infringement claims in respect of these Trade Marks potentially exposed the parties to the need for two trials**. The potential problems caused by the stay are illustrated by the point about the scope of the black and white registration discussed below. In my view Europcar should have agreed to the stay being lifted, so as to enable all the issues between the parties with regard to infringement in the UK to be resolved in one trial.

No stay in Nvidia (& another irritated judge)

***NVidia Corp v Hardware Labs* [2017] FSR 28**

- **Claimant wanted to stay own threats action (probably worried about strike-out)**
- **Defendants opposed stay (wanted strike out)**
- **"It is hard to avoid the conclusion that commercial litigation tactics are heavily in play here …"**

No stay in SkyKick

***Sky v Skykick* [2018] FSR 2**

No stay in Ireland

Glaxo v Rowex [2015] ETMR 41

- Neither party seeking a stay
- Proceedings in Alicante and Hamburg would take many years
- Hamburg Court didn't stay, inconsistency already a possibility
- No counterclaim for invalidity/passing off continuing

No stay in Germany

(VOODOO - German Federal Court of Justice, 6 February 2013)

The crucial point in time to determine which action has been first is the pendency of proceedings, i.e. when the complaint is served on the defendant (based on the German wording of Art. 104 CTMR "erhoben" which is the legal term for a pending lawsuit in Germany – as opposed to the English version of Art. 104 "a CTM court hearing"). Sending a warning letter is not sufficient for pending lawsuit

Stay of the proceedings requires consideration of (i) the merits of the application for revocation, and (ii) the delay caused by the stay. Court refused to stay the proceedings, interest in having a final decision prevails and stay would cause unreasonable delay

No stay in France
(PVG & Koziol cases)

PVG (Paris Court of Appeal, 30 November 2012)

No stay. Special grounds. Stay application was motivated by delaying tactics (nullity action was filed after the warning letter and the seizure that preceded the claim form), and because of existence copyright infringement claim.

No stay in Netherlands

Samsung v Apple

Samsung/Apple (District Court The Hague 30 May 2012)

No stay of counterclaim for infringement.

Special grounds, because the principal claim continues and in each case the same subject matter is at issue, namely that concerning the scope of protection of the community design; therefore it is efficient from a procedural point of view to continue both; should the court hearing the counterclaim rule that Samsung's products fall within the scope of protection of the design and should OHIM at that point not yet have decided on the validity of the design, it would then still be possible to suspend the proceedings

Notification requirements

DON'T FORGET

Art 128(4) The EU trade mark court with which a counterclaim for revocation or for a declaration of invalidity of the EU trade mark has been filed shall not proceed with the examination of the counterclaim, until either the interested party or the court has informed the Office of the date on which the counterclaim was filed. The Office shall record that information in the Register. If an application for revocation or for a declaration of invalidity of the EU trade mark had already been filed before the Office before the counterclaim was filed, the court shall be informed thereof by the Office and stay the proceedings in accordance with Article 132(1) until the decision on the application is final or the application is withdrawn.

Thanks for listening

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