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General Court considers cancellation of register entries containing errors attributable to the EUIPO

European Union - [Bugnion SpA](#)

- The EUIPO adopted two decisions retroactively cancelling two register entries relating to successive transfers of the marks at issue
- The court had to decide whether the Board of Appeal was right in finding that the decisions cancelling the entries were lawful under Article 103 of Regulation 2017/1001
- A controversial aspect was whether the EUIPO had exceeded its competence in examining the request for recordal of the transfers

In [Henry Cotton's Brand Management Co Ltd v European Union Intellectual Property Office](#) (EUIPO) (Case T-173/20), the General Court (Ninth Chamber) has dismissed the action brought against the decision of the Second Board of Appeal of the EUIPO of 10 February 2020, which related to proceedings between Industries Sportswear Co Srl and Henry Cotton's Brand Management Co Ltd regarding the cancellation of entries in the register.

Background

Industries Sportswear ('the intervener'), the owner of word and figurative EU trademarks for HENRY COTTON'S (Nos 821769 and 2580728), was declared insolvent by judgment No 142/2017 of the Court of Venezia on 13 October 2017, following insolvency proceedings.

The appointed liquidator informed the EUIPO that the intervener had been declared insolvent, providing a copy of the 13 October 2017 judgment, and that the insolvency had become effective as of 13 October 2017 on account of the entry of that judgment in the Italian Companies Register. The liquidator requested that the insolvency proceedings be entered in the EUIPO's register, in accordance with Article 24 of Regulation 2017/1001.

However, the EUIPO failed to enter the insolvency proceedings in the register and subsequently entered the transfers of ownership of the marks at issue from the intervener to Spring Holdings, following a deed of assignment signed in 2014 but never recorded. The transfer from Spring Holdings to Henry Cotton's Brand Management ('the applicant') then occurred in December 2017.

Upon the liquidator's request and after an exchange of observations between the parties, the EUIPO adopted two decisions retroactively cancelling the two register entries, since they post-dated 13 October 2017.

The applicant appealed the EUIPO's decisions, but the Board of Appeal dismissed the appeals. An action was brought by the applicant before the General Court to challenge the Board of Appeal's decision.

General Court decision

The court had to decide whether the Board of Appeal was right in finding that the decisions of the EUIPO cancelling the entries relating to the successive transfers of the marks at issue were lawful under Article 103 of Regulation 2017/1001.

One of the controversial aspects of the case was whether the EUIPO had exceeded its competence in examining the request for recordal of the transfer of the marks at issues.

The court held that:

[...] although it is true that the EUIPO must confine itself to examining the formal requirements for the validity of an application for registration of a transfer of a mark under Article 20(5) of Regulation 2017/1001 and Article 13 of Implementing Regulation 2018/626, that examination nonetheless implies that it must diligently take into account facts that are capable of having legal implications for the application for registration of such a transfer, including the existence of insolvency proceedings.

The court added that:

[...] the competent institution or agency is required to examine carefully and impartially all the relevant factual and legal aspects of the individual case [...] The EUIPO, which keeps a public register, must, in this respect, diligently take into account facts that are capable of having legal implications for the entries it makes in that register.

In light of all the above, the court found that the Board of Appeal was therefore right in, among other things, finding, that, since the marks at issue were mentioned in the inventory list annexed to the judgment declaring the intervener insolvent, the EUIPO was required to take that fact into account and enter the insolvency proceedings relating to those marks in the register, as requested by the liquidator. Further, the Board of Appeal was also right in stating that the EUIPO had no competence to challenge that inventory list, since it could not substitute itself for the national courts.

The General Court thus dismissed the action.

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