

# **Non-Use Grace Period**

**Opposition and Cancellation Standards and Procedures Subcommittee  
INTA Enforcement Committee**

**April 2015**

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## I. Introduction

In many jurisdictions, a mark can be removed from a trademark register if use has not commenced during a prescribed period of time. However, this prescribed period not only varies in terms of the time frame in which use must commence, but also the date from which to begin calculation of the non-use period (defined herein as the non-use grace period). In some jurisdictions, this date is three (3) years from registration while others prescribe a period of five (5) years. Furthermore, some calculate this period from the filing date or from the publication date and others from the date on which the registration is actually granted.<sup>1</sup>

In terms of a mark filed through the International Registration (Madrid) system, the date from which the non-use grace period will start to run differs from one jurisdiction to another depending upon the national law of the contracting party. Even within a jurisdiction, there may be variance in calculating the non-use grace periods depending upon whether the registration has been obtained by way of a national filing or through the International Registration system.

Therefore, to give surety to trademark holders, practitioners, and businesses seeking to adopt new marks and in order to foster certainty in the trademark practice, INTA's Opposition and Cancellation Standards and Procedures Subcommittee proposes harmonization as to the date from which non-use grace periods are to be calculated. To that end, the Subcommittee proposes that this period does not begin until all procedures concerning the protection of the mark, such as the registration date, and deadline for opposition or a decision on an opposition are concluded before the national office in post registration opposition countries, irrespective of whether the application is national or in the International system.

## II. Background & Summary of Findings

In order to develop the above recommendation, the Subcommittee created and distributed a questionnaire (see Appendix A) to identify specific differences in practices affecting calculation of non-use grace periods and to help determine whether harmonization or standardization is necessary and desirable. The Subcommittee reviewed responses from 65 jurisdictions<sup>2</sup>. The findings confirmed that almost all of the surveyed jurisdictions allow non-use cancellation actions, however, differences exist in the length of grace period and date of its commencement. Further, jurisdictions which are a part of the International Registration system render different treatment to International Registrations vis-à-vis commencement of the non-use grace periods which may even be at odds with how National Registrations are treated within the same country. Thus, the owner of a trademark is faced with variances not only in the non-use grace periods from country to country, but also inconsistent starting points for non-use grace period calculation for nationally registered trademarks and International Registrations within the same country.

In developing its proposal, the Subcommittee also took into consideration its June 2011 report, "Partial Cancellation Actions Based on Non-Use" ("2011 Report").<sup>3</sup>

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<sup>1</sup> Non-use cancellations can also be initiated in many jurisdictions where the use has ceased for a certain period of time. This report does not address those circumstances and is confined to initial non-use.

<sup>2</sup> For the purposes of this survey, Belgium, the Netherlands and Luxemburg are considered as three separate jurisdictions.

<sup>3</sup>

<http://www.inta.org/Advocacy/Documents/INTA%20Enforcement%20Committee%20Report%20on%20Partial%20Non-Use%20Cancellation.pdf>

## **A. Calculation of Non-Use Grace Period – National Registrations**

The survey showed that 64 of 65 countries surveyed establish a period of time before a third party can bring a non-use cancellation action. Although it varies from country to country, such time frame is generally either three or five years. Certain jurisdictions (e.g. the United States) require trademark owners to use their marks in commerce before they can obtain a registration absent ownership of and reliance upon a foreign registration where use in commerce may not be required for the initial issuance of a registration.

The dates from which the non-use grace period is calculated for nationally registered trademarks may be divided in the following categories:

- *The date of the actual national registration of a trademark:* 49 countries fall into this category. These are Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, China, Colombia, Croatia, Czech Republic, Estonia, Finland, France, Georgia, Ghana, Greece, Hungary, Iceland, Israel, Japan, Kazakhstan, Republic of Korea, Lithuania, Luxemburg, Republic of Macedonia, Madagascar, Moldova, Montenegro, Morocco, the Netherlands, Oman, the Philippines, Poland, Romania, Russia, Serbia, Singapore, Slovakia, Slovenia, Sudan, Sweden Syria, Tajikistan, Turkey, Turkmenistan, United Kingdom, Uzbekistan;
- *The filing of trademark application :* Six (6) countries fall into this category: Algeria, Australia, Bahrain, Cyprus, Norway, Vietnam;
- *The end of the opposition period, or, in case of opposition, the date of closure of opposition proceedings:* Three (3) countries fall into this category which are all post registration opposition jurisdictions - Germany, Denmark, Switzerland;
- *Publication of grant of protection which may coincide with the date of registration:* Four (4) countries are in this category - Ireland, Latvia, Spain, Ukraine.

Therefore, as can be seen, the date from which this time period begins to toll varies though the majority of countries (49 of 65) calculate the non-use grace period for nationally registered trademarks from the date of actual registration of the trademark.

## **B. Calculation of Non-Use Grace Period – International Registrations<sup>4</sup>**

According to the International Registration (Madrid) system, a member country that has been notified by the International Bureau of an international trademark registration extending to that country, has a right to issue a notification of refusal to grant protection to that mark. Any member country wishing to exercise this right shall notify the International Bureau, providing a statement of all grounds for its refusal. This must be done: (1) within the period prescribed by the refusing country's applicable law; (2) before the expiry of 12 months (as per the Madrid Agreement or Protocol); or (3) 18 months (Madrid Protocol) from the date notification of the registration was sent to that country.

If no notice of refusal is issued within the given time period, the internationally registered trademark is presumed to be accepted in the designated country. After acceptance, the

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<sup>4</sup> In the US, to avoid vulnerability to an abandonment challenge, it is believed that registrants who rely upon a filing under the International system must commence use of their mark in commerce within three years of actual issuance of registration.

trademark enjoys the same protection in each of the designated countries as if it had been prosecuted directly before the Trademark Office of that country.

***i. Calculating the Non-Use Period for an International Registration with no Notification of Refusal***

The results of the Subcommittee's survey showed that although a trademark owner might apply for International Registration in multiple countries by filing a single application, the rules that are applied in each of the countries for the calculation of non-use grace period are not uniform because they are based on national criteria. Respondents to the survey generally indicated three distinct points from which the non-use grace period for International Registrations is calculated.

28 countries begin to calculate the non-use grace period from the date of International Registration of a trademark which is based on the date on which the international application is received at the trademarks office of the applicant's country of origin provided that the international application reaches the International Bureau within two (2) months. In case of delay, the date of the International Registration will be the date of receipt of the international application by the International Bureau. 24 countries begin calculation with the date a decision is made regarding the grant or the publication of the grant, where publication does not coincide with grant. Finally, seven (7) countries calculate non-use grace period from the date of expiry of the refusal notification period (i.e. after 12 or 18 months from the filing date).

The distribution of countries into the above mentioned categories are as follows:

- *From the date of International Registration:* 28 countries - Algeria, Armenia, Australia, Bahrain, Belarus, Bosnia and Herzegovina, Bulgaria, China, Czech Republic, France, Ghana, Iceland, Luxembourg, Republic of Macedonia, Montenegro, Morocco, the Netherlands, Oman, the Philippines, Russia, Serbia, Slovenia, Sudan, Syria, Tajikistan, Turkmenistan, Uzbekistan, Vietnam;
- *From the date of decision about grant of protection (or publication of such decision):* 24 countries - Albania, Azerbaijan, Belgium, Colombia, Cyprus<sup>5</sup>, Estonia, Finland, Georgia, Hungary, Ireland, Israel, Japan, Republic of Korea, Madagascar, Moldova, Norway, Poland, Romania, Singapore, Slovakia, Spain, Turkey, Ukraine, United Kingdom;
- *From the date of expiry of the refusal notification period:* Seven (7) countries – Austria, Croatia, Germany, Italy, Kazakhstan, Lithuania, Switzerland.<sup>6</sup>

Some countries surveyed did not fit squarely in the above categories, yet most of them calculate the start of non-use grace period after the expiry of the opposition period. These countries are:

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<sup>5</sup> The issue of calculation of non-use grace period for internationally registered trademarks is not resolved and this approach may be contested.

<sup>6</sup> The countries which calculate non-use from the date of expiry of the refusal notification period may be consolidated with jurisdictions (taking the number to 31) which calculate non-use grace period from the date protection is expressly granted (by way of a decision or publication) as these countries await completion of all procedures for the purposes of calculation of non-use grace period.

-Denmark, where the non-use grace period is calculated after two months from the date of expiry of the opposition period;

-Sweden, where the non-use grace period is calculated from the date on which the question of registration was conclusively resolved which is after the opposition period has ended;

-Greece, where the non-use grace period starts 4.5 months after the publication of the decision accepting the mark in the Official Greek Gazette.

According to the research, out of the 28 countries that calculate non-use grace period for an International Registration starting from its International Registration date where no refusal notification has been issued, 24<sup>7</sup> have a different approach for National Registrations and calculate the non-use grace period for a nationally registered trademark from the date of its national registration (i.e. from the date of positive act of the office to grant protection to the trademark).

**ii. Calculating the Non-Use Period for an International Registration when Notification of Refusal Issued**

21 countries responded that the non-use grace period would commence from the date of the International Registration even when provisional refusal was notified and later withdrawn.

33 countries calculate the non-use grace period from the date of decision about the grant of protection after the issuance and withdrawal of a refusal notice. Four (4) countries calculate the non-use grace period from the date of expiry of the period for the notification of refusal.

Following the above, the countries may be divided as follows:

- *From the International Registration date:* 21 countries - Algeria, Armenia, Australia, Bahrain, Belarus, Bosnia and Herzegovina, Bulgaria, Czech Republic, France, Iceland, Republic of Macedonia, Montenegro, Morocco, Oman, the Philippines, Slovenia, Sudan, Syria, Tajikistan, Uzbekistan, Vietnam;
- *From the date of decision about grant of protection (or publication of such decision):* 33 countries - Albania, Azerbaijan, Belgium, China, Colombia, Estonia, Finland, Georgia, Ghana, Greece, Hungary, Ireland, Israel, Italy, Japan, Kazakhstan, Republic of Korea, Luxembourg, Romania, Serbia, Singapore, Switzerland, Madagascar, Moldova, the Netherlands, Norway, Poland, Slovakia, Spain, Turkey, Turkmenistan, Ukraine, United Kingdom;
- *From the date of expiry of the period for the notification of refusal:* Four (4) countries – Austria, Croatia, Germany, Lithuania.

As with the previous question, the survey indicated that Cyprus, Denmark and Sweden could not be attributed to any of the three categories presented above. Russia also does not fall within any of the three categories as there are precedents for calculating non-use grace periods both from the date of International Registration and the date of withdrawal of a provisional refusal.

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<sup>7</sup> Australia, Algeria, Bahrain and Vietnam calculate non-use grace period from the date of filing of the National Registration and not the date of actual registration.

Based on the above, 51 countries of the 65 surveyed provided the same answer irrespective of whether notification of refusal was issued or not. Therefore, in these countries, the provisional refusal and its subsequent withdrawal do not affect the calculation of the non-use grace period, i.e. it is the same as in the case of no provisional refusal.

### **C. Local Publication of International Registrations**

The survey results showed that the questioned countries are divided equally into two groups: those that publish the International Registrations locally (32 countries) and those which do not (32 countries). This suggests that there is no predominant practice regarding the publication of International Registrations locally. There also does not seem to be a correlation between whether the International Registrations are published locally and the calculation of the non-use grace period.

At the same time, the collected data suggests that for the countries where International Registrations are published locally, and where the non-use grace period starts from the date of publication of the trademark, the approach of the local authorities is similar to non-use grace period for International and Nationally registered trademarks.

### **D. Provisional Refusal as Justification for Non-Use**

The last question of the survey asked whether a trademark owner could refer to a country's provisional refusal as a valid justification of non-use until the refusal was withdrawn. Out of the 21 countries which commence non-use grace period from the date of the filing of the International Registration, eight (8) would not allow provisional refusal as a valid reason to justify non-use of the International Registration within the period till the provisional refusal is withdrawn. In three (3) countries, provisional refusal will be a valid reason to justify non-use of the International Registration. Four (4) countries opined that such reason is likely to be a valid justification while six (6) returned an uncertain or no response.

## **III. Related INTA Policy**

INTA's Model Law Guidelines (last revised Nov. 2007) include a recommended provision for non-use cancellation (p. 1.2):

*“Trademark registrations should be capable of cancellation at the application of any person if they are not used at any time within a continuous period (minimum three years; maximum five years) after the date when all procedures for registration of that mark have been completed (i.e. after exhaustion of any periods post-registration whereby the registration may be opposed provided that such periods comply with Proposal 6 below)”.*

INTA's position in case of non-use cancellation of registrations is clear in that the period to calculate non-use should not commence until the rights to exclusive use have been established in favor of the trademark owner and the mark is registered, or in the case of post-registration opposition countries, after the opposition deadline has passed or a final decision is rendered in an opposition. The calculation of non-use grace periods with respect to International Registrations should also be meted out the same treatment without any disparity.

## **IV. Conclusion**

The absence of consistent calculation of non-use grace periods is ripe for harmonization. Currently, the trademark owner or user has no surety of how the non-use grace period will be

calculated. The position as to International Registrations vs. National Registrations, in particular, is far from being clear. The data collected by the Subcommittee reveals that there is no clear majority position amongst the countries surveyed regarding when to begin calculating non-use grace period for International Registrations. In case of National Registrations, the majority of the countries surveyed (53 of 65) calculate the non-use grace period from the date of the actual registration of a trademark or from the date of publication of grant of protection. In the case of International Registrations where no provisional refusal is notified, several countries (28) begin to calculate the non-use grace period from the date of International Registration. This results in inclusion of the duration for which the mark is pending into the non-use grace period.

A peculiar feature of the International Registration system is that an owner of International Registration may not be sure of its statutory rights until the Office of a Contracting Party sends a statement to the International Bureau informing it of the final status of a mark in the Contracting Party concerned, or at least until the period for notification of provisional refusal lapses. This puts the applicants of National and International Registrations in unequal positions. While for the former non-use period starts after their trademarks are actually granted protection and their availability is confirmed, in the case of the latter, the non-use period may start from the date of deposit of the International application in the home country. Of course, some countries begin calculation when they withdraw the provisional notice of refusal. This is in line with INTA's position that the non-use grace period should be calculated from the time a trademark owner is confident that he has secured the rights to the trademark in a particular jurisdiction.

## **V. Recommendation**

The Subcommittee recommends harmonization of the date from which the non-use grace period will be calculated and to this end, jurisdictions should amend existing laws and procedures to calculate the date by which a registration becomes vulnerable to cancellation for non-use, for both domestic and international registrations, from the date of when all procedures before the national or regional office necessary for the mark to be protected as a registered mark have been concluded, including opposition procedures in jurisdictions which provide for post-registration opposition.

## **VI. Subcommittee Members**

The Subcommittee members who contributed to this report include:

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## Appendix A

The survey questions were as follows:

- From which date a non-use grace period is calculated for nationally registered trademarks? (Question 1);
- Are International Registrations published locally? (Question 2);
- From which date a non-use grace period is calculated for International (Madrid) Registrations, in case of no (provisional) refusal protection was notified to International Registration (part I) or if provisional refusal was notified, but later withdrawn (part II)? (Question 3);
- May the owner refer to provisional refusal as a valid reason to justify non-use of the trademark within the period till provisional refusal is withdrawn? (Question 4).