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# COVID-19 and Non-Use of a Trade Mark – Around the World

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The world has undoubtedly changed due to the COVID-19 pandemic and this has adversely impacted a large number of businesses and brands. Some of whom are no longer able to trade in the same quantities, or at all, or are trading in a very different way to previously and/or producing very different products to normal – for example, breweries producing hand sanitiser!

Whether this is a short term affect or long term remains to be seen. As it is unclear as to how long the current situation will continue, or whether there may be additional pressures resulting from the global pandemic which will impact on these brands in the future, there is added uncertainty.

This article looks at what to do in the situation where a trade mark proprietor is outside of the 3-5 year (dependent on territory) non-use grace period but use of the trade mark cannot commence due to COVID-19.

**Will your trade mark be vulnerable to cancellation on the basis of non-use or is the impact of COVID-19 going to be recognised as a legitimate mitigating factor?**

As well as considering the UK and EU (under the EUTM system) position, Charlotte Wilding, Head of Trade Marks at Kemp Little, speaks to a number of excellent attorneys throughout the world to obtain their opinions. If you require advice in a particular country, please do let us know.

## and EUTM

In the UK and EUTM, a mark may be removed from the Register(s) if it has not been put to use in the five years after registration, or for any uninterrupted period of five years, and (**importantly**) there are no proper reasons for non-use (Section 46(1)(a)/(b) of the Trade Marks Act 1994 and Article 58(1)(a) of the European Union Trade Mark Regulations (EU) 2017/1001).

Trade mark use must be **real commercial use** of the mark, not just token use to maintain the trade mark, and in respect of the goods/services for which the mark is registered. To evidence genuine use of an EUTM, it is possible that use in one EU member state only may be sufficient depending on the level of use evidenced and the exact goods/services covered by the registration. For example, the sale of one beer in one member state is unlikely to be sufficient but the sale of an industrial brewing machine might (can you see a theme with the examples!).

However, in some cases, a mark is not able to be put to use after the expiry of the five year non-use grace period and therefore a key element of the UK and EUTM non-use grounds is **no proper reasons for non-use.**

There is no exhaustive list as to what no proper reasons are and therefore we must look at case law. In this regard, circumstances arising **independently of the will of a trade mark owner that constitute an obstacle to the use of the trade mark**, rather than to circumstances associated with the commercial difficulties an owner is experiencing, should be recognised as a valid reason for non-use (*RTB v OHIM, T-156/01 [2013]*). Where use of a trade mark is made **impossible, or at least unreasonable**, case law has also confirmed that this is a proper reason for non-use (*Haupl v Lidl, Case C-246/05 [2007]*)

In my opinion, **the COVID-19 pandemic would likely justify non-use of a trade mark**, where it can be shown that the proprietor was unable to put the mark to use **due to circumstances outside of its control**, for example, government restrictions on trading. Where a trade mark has not been put to use due to other circumstances, such as failure to sell, trying to rely on COVID-19 without evidence to demonstrate that use was intended to start prior to COVID-19 and therefore genuinely unable to commence, will not work.

In order to rely on this provision, trade mark owners will need to **provide evidence that COVID-19 prevented use of the trade mark** and therefore all issues should be documented and safely saved in case they are required in the future.

Where trade mark owners are unable to use their mark in respect of the goods/services covered by the registration due to COVID-19, they should do their best to try and preserve their position by:

- moving online and **start selling products online** where possible;
- **maintaining a website** containing use of the trade mark;

- communicating to its customers / prospective customers** about why they are unable to use the mark and when use may (re)commence; and
- putting in place **measures to commence use of the mark as soon as they are able.**

Essentially, every case will **depend on the facts** and therefore we **strongly recommend seeking advice from trade mark attorneys where use has changed or unable to commence**. If use has changed significantly, it may be that additional searches and protection are required to ensure that you are not infringing third parties and/or able to continue with the amended use if necessary.

**Australia** – Sarah Dixon, Principal, at **Chrysiliou IP** –

In Sarah's opinion, in Australia, the COVID-19 virus and the impact it has had on the economy and the ability for business to operate as they would normally have in most cases will be **valid reason to support the defence to a non-use action because circumstances existed that were an obstacle to use of the trade mark during that period** (Section 100(3)(b) *Trade Marks Act 1995* (Cth)) – the circumstances are not so much the virus itself but businesses ability to open stores, restaurants, bars, operate services the way they normally would have, for example.

That being said, there may be businesses such as an ecommerce business that would arguably not be affected by the COVID-19 virus so it may be more difficult for them to rely on it. They would need to establish that because of the COVID-19 virus and its effects it created an obstacle to use of the trade mark. If they operate in much the same way during the virus as before the COVID-19 virus, it will be difficult to rely on the virus as an obstacle. In any event, it has not yet been tested so the parameters of when the "circumstance was an obstacle to use" are not yet clear.

In Australia it is generally considered that even one instance of *genuine* use of the trade mark during the relevant period is considered sufficient to establish use. That being said, **we would certainly advise clients to continue to make use of their trade marks during this time electronically if no other option is available** – this might include displaying the trade marks on websites, email signatures, social media and the like and where possible, in reference to the goods and / services covered by the trade mark registration. As mentioned above, **the parameters of when an owner can rely on the Section 100(3)(b) exception is not yet clear so there is still a risk in looking to rely on that later on if their registration is challenged.**

**Canada** – Janine MacNeil, Trade Mark Agent, at **Fasken Martineau DuMoulin LLP** –

Our daily lives have changed as a result of the COVID-19 pandemic, which has forced business owners to adapt to this new norm, and be creative and innovative in their business offerings. So it begs the question, does the COVID-19 pandemic provide a viable reason for a trade mark owner to not use its mark?

For the most part, businesses are continuing to operate with adjustments to their regular operations. The **Canadian Trademarks Office** (the "Office") **remains open for business**. They have

— ded relief by **extending deadlines** to respond to the Office. Therefore, it is a reminder to trade  
— owners that it is **their responsibility to continue to use their trade marks in Canada.**

In Canada, **use of a trade mark is no longer a requirement to obtain federal protection**. A trade mark owner has three years from the date of registration to use its mark, or it will be vulnerable to be expunged from the trade marks register. If the registration is challenged for non-use, an owner will be required to file evidence of use, or **provide special circumstances justifying the lack of use**. Therefore, trade mark owners are encouraged to continue to maintain the integrity of their marks and continue to use them in commerce. **Any variations to a mark as registered because of the new business norm may jeopardise their trade mark right.**

So, it is advisable for trade mark owners to **continue to use their marks**. Any **changes to the mark should be reviewed by a trade mark professional** as it might be advisable to seek protection for these new variants.

#### **China** – Peng Wei, Partner, and Zhao Wei, Legal Manager, at **Liuming International**

In China, anyone can apply to cancel a registered trade mark on the ground that the trade mark has not been used for three consecutive years after registration.

The registrant is allowed to make a defence in a non-use attack. Where the registrant can prove that it has a **justified cause on not using the trade mark**, the China Trademark Office will not cancel its registration of the relevant trade mark. Chinese law provides that “justified cause” for this purpose include force majeure and other reasons that are not attributable to the trade mark registrant.

COVID-19 has caused substantial business interruption since its outbreak but it **does not provide a safe harbour to trade mark registrants on not using their registered trade marks**. To refer to COVID-19 as the ground of defence in a non-use attack, a trade mark registrant will need to prove that the suspension of its use of the relevant trade mark was caused by the outbreak of COVID-19, and in this circumstance, its obligation to use the mark will be exempted to the extent justified by the exact impact of COVID-19 on it.

#### **India** – Aamna Hasan, Partner, at **Vutts & Associates LLP Advocates –**

In India, COVID-19 cases have reached around 37000 and, in order to implement social distancing, there has been a nation-wide lock-down since 25 March 2020, set to continue till 17 May 2020 at the time of this article.

In India, only certain (essential) goods and services are allowed to operate. The Ministry of Home Affairs (MHA) in India has provided a list of such goods and services, which changes over time, which are allowed to operate during the lock down period. A copy of the list can be provided if required.

~~Accordingly, if your goods and services do not fall under list of goods and services allowed by the  
then non-use of the mark for said goods or services during the period of lock-down cannot  
be used as a ground for cancellation or any other action against the mark based on non-use.~~

Again, a copy of the list of goods and services issued by MHA can be provided if required.

The Supreme Court of India vide order dated 23 March 2020 has suspended all deadlines till further orders. Therefore, **non-use during this period cannot be calculated or taken into account for any action against the mark**. In furtherance to the order of Supreme Court, the Indian Intellectual Property Office (IPO) has issued a notice suspending all deadlines falling during the lock-down period. The suspension of the non-use period of a trade also finds support in the provision of Section 47 of the Indian Trade Marks Act 1999 (cancellation on grounds of non-use).

The present lock-down situation and suspension of deadlines being a force majeure situation imposed by the government. Therefore, non-use of the trademark during the lock-down period is due to special circumstances and falls under the exemption provided in the above Section 47 provision.

In order to show bonafide intention to use the mark in India, **a website can be maintained** for the of the goods and services under the mark. Obviously, the goods and services cannot be provided unless they are essential item. Accordingly, **a small notice can be mentioned that due to COVID-19 and the lock-down the goods and /or services cannot be delivered during this period.**

**Ireland** – Patricia McGovern, Head of Intellectual Property and Business Departments, at **DFMG Solicitors** –

The Irish Trade Marks Act 1996 (the Act) contains a number of provisions that deal with non-use. Section 51(1)(a) – no genuine use 5 years following the date of publication of the registration – and Section 51(1)(b) – no genuine use for an uninterrupted period of 5 years. Key to both of these provisions is the phrase “**no proper reason for non-use**”.

The word “unprecedented” is bandied about daily in relation to the COVID-19 crisis that we and our clients are subject to. Likewise some of the legal issues that it gives rise to are also unprecedented. Nevertheless, some guidance can be taken from the case law that currently exists on non-use and it is also to be hoped that the Courts and intellectual property offices will show some flexibility when issues relating to non-use due to the COVID-19 crisis comes before them.

The first step will be for clients to **identify what their trade mark registration actually covers** and then to ascertain if any use that they are currently engaging in, in fact falls within the terms of their registration. Clearly **if the use doesn't fall within the terms of the specification, it may not be valid use at all.**

The Court of Justice has always been reluctant to set down specific targets that must be met on the basis that each case will turn on its specific facts. However, we can look at some cases in the past

get some guidance, as mentioned above, in the case before the Court of Justice of *Haupl -v- Lidl* *ng & Co KG.*

The arguments to be made here is that the reasons for the non-use during the current period are not directly associated with commercial difficulties that the proprietor is experiencing but rather it is a **global problem unconnected with the trade mark owner himself**. In some instances, currently, certain businesses have been specifically prohibited from trading, hence they have no choice in the matter. In the 1949 case of *Manus AB -v- RJ Fulwood & Bland Limited* restrictions on trade during World War II were deemed to be sufficient reason to justify non-use. **UK cases are of high persuasive authority before Irish courts.**

So, what could clients be doing to try and preserve their position? As mentioned earlier, if clients are engaging in any sort of use of their mark, they should check and see if the use falls within the terms of the mark's specification. If a client is not allowed to use its mark at all, or is not in a position to use its mark for the goods for which it is registered, the client could consider ensuring that it **maintains its website**, that at all times it **makes clear its intent to resume activities** and hence use of the mark on or in relation to the goods or services for which it is registered as soon as the current impediments to so doing are lifted. It's important that use is **not just internal**, that it is external and therefore clients could consider **mail shots or another social media contact with its customer client base**. The key thing is showing an intent to resume. However **each mark and the proposed use needs to be considered on a case by case basis as the case law on this topic tends to be very fact specific** e.g. in a case before the Patents Office in Ireland (as it was then known), the relevant mark was for agricultural and horticultural products but use on lorries was held not to be sufficient use as there was no proof it came to the attention of pertinent customers. (*Campina Nederland Holding BV v Joseph Stewart & Co. - 1 May 2007*).

**UAE** – Yahia H. Hamade, Corporate Communications Dept, at **Saba & Co Intellectual Property –**

In spite of the COVID-19 pandemic, **the United Arab Emirates (UAE) Patent and Trademark Office remains operational** with most of its staff working from home with most of its staff working from home. Moreover, given that most of the filing requirements are now handled exclusively online, disruptions are minimised and business continues to be conducted as usual. **No extensions for any deadlines have been announced** and original documents can still be submitted electronically or sent by courier.

It is possible to register a trade mark in the UAE without actually using it. This means that it will not be necessary to provide detailed information in applications regarding the existing use of the trade mark. However, it is worth noting that trade mark registrations in the UAE may be vulnerable to cancellation in the event of non-use, usually within a period of five years. It is therefore highly recommended that trade mark rights be maintained through actual use in the UAE in order to circumvent any possible non-use cancellation proceeding.

Notwithstanding the complicated legal proceedings of a non-use cancellation proceeding, it will be important to establish valid and genuine use in the UAE. It will be necessary for the trade mark to be directly used by the sale of goods bearing the trade mark (or rendering of services under the trade mark, as the case may be). Other standards of use are available but are not clearly defined in the underlying laws and regulations. The use required by law is use that is for the purpose of distinguishing the goods and services. Whether the products or services are available in the relevant jurisdiction may also be significant.

In fact, the body of case law arbitrating the issue of use does not clearly shed light on the types of affirmative activities and explanations for the absence of active plans that will be deemed sufficient proof of use, either in a summary judgment motion or at a trial. Furthermore, there is no structure or guidance as to what would constitute adequate evidence to prove that a mark had been or had not been used in the relevant period. The Court would typically appoint an expert to look at the question and the expert would receive submissions and evidence from the parties and prepare a report for the Court.

**Non-use that occurs because of circumstances outside the trade mark owner's control may be considered excusable non-use** – such as the current COVID-19 pandemic, for example. The Court may generally be receptive to the contention that an owner has not abandoned a trade mark as a result of excusable non-use. Examples of circumstances deemed to be outside the trade mark owner's control include: (1) legal restrictions on the continued sale of goods or offer of services under the mark, (2) civil unrest, and (3) any other reason that falls under the force majeure definition similar to pandemics.

#### US – Thomas Walsh, Attorney, at Montagu Law –

In the United States, a trade mark owner must periodically file documents with the Trademark Office in order to maintain its trade mark registration, including:

- a Declaration of Use (between the 5th and 6th year anniversary of the registration date); and
- a Renewal (every 10th anniversary of the registration date).

As part of these filings, the registrant must submit a sworn Affidavit that the mark is actively in use along with evidence of current use of the mark. However, there is a very limited exception for “excusable non-use” (i.e. non-use due to special circumstances beyond the owner's control that excuse non-use). The determination of whether certain circumstances qualify as excusable non-use requires a highly fact specific inquiry, but the following examples provide some general guidelines as to what may be considered a special circumstance that excuses non-use:

- **Illness, Fire, and Other Catastrophes.** Illness, fire, and other catastrophes may create situations of excusable non-use, if the owner is able to demonstrate arrangements and plans for resumption of use. However, a mere statement that the owner is ill and cannot conduct his or her business will

It in itself be acceptable; the owner must show that the business is an operation that could not continue without his or her presence.

- **Trade Embargo or Other Circumstance Beyond Owner's Control.** Non-use may be considered excusable where the owner of the registration is willing and able to continue use of the mark, but is unable to do so due to a trade embargo.
- **Retooling.** If a trade mark is out of use temporarily because of an interruption of production for retooling of a plant or equipment, non-use may be excusable if the owner can show that the plant or equipment being retooled was essential to the production of the goods and that alternative equipment was unavailable on the market.
- **Orders on Hand.** If the goods covered by the registration are of a type that cannot be produced quickly or in large numbers (e.g., airplanes), yet there are orders on hand and activity toward filling them, non-use might be considered excusable.

With the above guidelines in mind, **it appears likely** that an owner's temporary non-use of a trademark due to unforeseen circumstances arising out of the COVID-19 pandemic **could qualify as excusable non-use**, provided that the owner is able to **provide suitable supporting evidence** to the Trademark Office. However, any trade mark owner seeking to avail itself of this exception should ensure that it resumes use of the mark as soon as circumstances allow.

Another scenario in which a trade mark owner may have to demonstrate continued use of a mark is in response to an attack against its registration on the ground of abandonment. Under US law, a mark will become vulnerable to an abandonment claim when the owner (i) discontinues use of the mark (ii) with an intent not to resume use. Because of the evidentiary difficulties involved in proving another party's intent not to resume use, **there is a presumption of abandonment after three consecutive years of non-use**. However, abandonment can occur in less than three years, and can even be instantaneous if the owner ceases all use of a mark and makes it clear that it does not intend to resume use of the mark.

If an owner temporarily ceased use of the mark due to the COVID-19 pandemic, it would likely be difficult for a third-party to demonstrate, without more, that the owner had the requisite intent not to resume use of the mark. However, to mitigate against the risk of an abandonment claim, a trade mark owner in this situation may wish to consider taking steps such as (i) **maintaining an active online presence** and issuing public statements communicating its **intent to resume operations when circumstances allow**, and (ii) **maintaining internal records** evidencing its intent to continue usi

**Charlotte Wilding is the  
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