

CANCELLATION No C 28 752 (INVALIDITY)

Worldwide Machinery Ltd., 16031 I-10 East Freeway, 77530 Channelview, Texas, United States (applicant), represented by **AKD N.V.**, Wilhelminakade 1, 3072 AP Rotterdam, Netherlands (professional representative)

against

Scaip S.P.A., Via Roma, 18 - Frazione San Pancrazio, 43126 Parma, Italy (EUTM proprietor), represented by **Ing. Dallaglio S.R.L.**, Via Mazzini, 2, 43121 Parma, Italy (professional representative).

On 23/04/2024, the Cancellation Division takes the following

DECISION

1. The request for assignment is upheld.
2. The European Union trade mark No 11 385 333 is assigned to the applicant in its entirety.
3. The EUTM proprietor bears the costs, fixed at EUR 1 080.

REASONS

On 19/10/2018, the applicant filed a request for an assignment or in the alternative a declaration of invalidity against European Union trade mark No 11 385 333



(figurative mark) (the EUTM). The request is directed against all the goods covered by the EUTM, namely against all the goods in Class 12. The application for the invalidity of the EUTM is based on:

- 1) Two copyrights claimed in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden and the United Kingdom for the logos



and . The applicant invoked Article 60(2)(c) EUTMR in relation to this ground.

- 2) The ground of bad faith under Article 59(1)(b) EUTMR.

The application for an assignment of the EUTM is based on:

- 3) The claims that the applicant is/was an agent or representative of the invalidity applicant and applied for registration of the invalidity applicant's mark without his consent. In relation to this ground the applicant relies on the use of non-registered trade marks in Australia, Belgium, France, Germany, the Netherlands, Spain, the United Kingdom and the United States for the signs 'SUPERIOR' (word mark),

'SUPERIOR MANUFACTURING' (word mark),

SUPERIOR
SUPERIOR EQUIPMENT MANUFACTURING COMPANY

(figurative mark),



(figurative mark) and

(figurative mark) as based on the ground of Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR.



SUMMARY OF THE PARTIES' ARGUMENTS

The case for the applicant

In relation to the application for an assignment of the EUTM under Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR the applicant argues that it is the owner of earlier non-registered trade marks in Australia, Belgium, France, Germany, the Netherlands, Spain, the United Kingdom and the United States for variations of the sign 'SUPERIOR' as detailed above in the reasons section. It claims to have used these signs for goods in classes 7, 12 and 37 as detailed in the application for invalidity. It submits evidence of use of the marks and also two agreements signed between the parties, the details of which will be provided in the examination of the request. The applicant claims to have made use of the earlier non-registered trade marks since 1998 in relation to, inter alia, pipeline equipment. The applicant and the EUTM proprietor have had a long business relationship under which the proprietor fulfils the production orders of the applicant in relation to pipeline equipment. The proprietor, in the provision of these services, attaches the 'SUPERIOR' mark to the equipment that is produced for the applicant. By contractual agreement the proprietor is not allowed to sell equipment outside of Italy, whereas the applicant can sell worldwide and non-exclusively in Italy along with the proprietor. Despite this long-standing relationship the proprietor filed the EUTM in its own name in 2012 and hijacked the trade marks as developed and used by the applicant who owned non-registered trade mark rights to the signs. The applicant claims to have been established in 1950 in the US and is an international company specializing in the sale and rental of heavy construction machinery and equipment around the world. It claims to have first sold 'SUPERIOR' branded goods in May 1998 in the US and since then it has continually used the 'SUPERIOR' marks in relation to pipeline specialty equipment and

SUPERIOR

SUPERIOR EQUIPMENT MANUFACTURING COMPANY

related services. Initially it used the sign until 2002 and then it commissioned the design of a modernized logo between August and October 2002 and by



November 2002 it started using said logos, namely: (the 'round logo'),



(the 'straight' version) and



(the

'straight' version in colour). It also used the word marks 'SUPERIOR' and 'SUPERIOR MANUFACTURING'. It provides information about its business and the geographical scope of same and then provides information about the proprietor's business and marks 'SCAIP' or



the logo . It provides evidence of use of the earlier marks and claims that the proprietor was aware of such use when it filed the EUTM. It claims that the parties have had manufacturing and distribution agreements in place for over 15 years consecutively, although the agreements only refer to the goods without reference to the 'SUPERIOR' or other trade marks. It submits two agreements, one from 2007 which is prior to the time of filing and one from 2013. It argues that the title of 'Distribution Agreements' is somehow misleading when compared to the contents of the agreement which must be taken into account, and they would more correctly be entitled 'Manufacturing Agreements'. The applicant states that there is no mention of the 'SUPERIOR' goods within this agreement and claims that the goods bore the EUTM proprietor's 'SCAIP' marks, but the contract shows that they were in a commercial relationship of agent/representative prior to the time of filing and that the proprietor was aware of the existence of, and the applicant's rights to, the signs 'SUPERIOR', but filed the EUTM in its own name. The applicant states that the relationship between the parties has deteriorated in recent years and they are involved in further proceedings in other jurisdictions and the agreements between the parties ended in 2016. The applicant states that the last number of machines ordered by the applicant from the proprietor bore the proprietors 'SCAIP' mark on the machine and it submits a photo of same in Exhibit 34 which it claims that this indicates that the Superior marks do not belong to the proprietor. The applicant then compares the earlier rights to the contested sign and finds them similar and argues that the goods in conflict in Class 12 are identical or at least equivalent in commercial terms. It claims that even when the commercial agreement indicates that both parties would operate as equal parties, reciprocal duties of loyalty and integrity arise and as long as there is some form of commercial co-operation or agreement between the parties it gives rise to a fiduciary duty. It also states that it is sufficient for the present purposes to base the claim on non-registered trade marks. The proprietor did not obtain the consent of the applicant to file the contested EUTM and the proprietor has not justified its act nor will it be able to show any justification. Therefore, it claims that the parties are in an agent/representative relationship, the proprietor has filed a sign in its own name that is identical or highly similar to that of the non-registered trade marks owned by the applicant for identical goods and without the applicant's consent and for which the proprietor cannot justify its acts. Therefore, the application must be upheld under this ground.

The applicant also argues that the EUTM was filed in bad faith. The proprietor knew of the existence of the applicant's earlier similar marks for identical or similar goods and filed the EUTM in its own name with a dishonest intention. Therefore, the application should also be upheld on this ground.

The applicant argues that it owns a copyright to an identical logo as that contained in the EUTM and that it holds prior rights to that logo. The applicant submitted evidence concerning the law on copyrights in the US and claims that as it is a member of the Berne Convention that it also has protection for this copyright in all of the EU Member States. It submitted copies of the national legislation regarding copyrights in the Netherlands, Spain and the United Kingdom to prove the content of some of the claimed Member States. The applicant argues that Mr G.F., an employee of the applicant, created the logo in 2002 while under the employment of the applicant and therefore, the copyright lies with the applicant. The logo is identical to the sign of the contested EUTM. As such, it claims to have a prior right to the copyright and the EUTM must be entirely invalidated.

In support of its observations the applicant submitted the following evidence:

On 11/01/2019:

- Exhibit 1. Screenshots of the current website of the applicant.
- Exhibit 2. Declaration MR G.F. stating that he created the logo for which copyright is claimed while under the employment of the applicant.
 - Annexure GF-1: Brochures showing the 'SUPERIOR' sign at the top.
 - Annexure GF-2: Extracts from his work electronic files showing the names and dates of the files with different versions of the 'SUPERIOR' logo dated between 2001-2012.
 - Annexure GF-3: An invoice for the decals for the 'straight' version of the 'SUPERIOR' dated 15/11/2002.
 - Annexure GF-4: Copy of his correspondence with the trade mark designs ordering the sending of zinc plates for the 'SUPERIOR' logo to SCAIP in Italy dated in 2002.
- Exhibit 3. Screenshot from the website Scalp dated in 2016 from the Wayback machine. At the top of the screen is SCAIP but at the bottom it states

Manufacturer of  SUPERIOR products
- Exhibit 4. The applicant's EUTM's and trade mark portfolio. It consists of EUTM No

12 329 645  **SUPERIOR**
MANUFACTURING

filed on 20/11/2013,



EUTM No 12 329 711

filed on 20/11/2013 (both extracts from TMView) and also a table drawn up by the applicant detailing its 'SUPERIOR'

(word and figurative marks) registered in many different countries, including, inter alia, in Australia and the United States, the earliest filing date being 11/11/2013 (United States) and the rest filed thereafter between November 2013-February 2016.

- Exhibit 5. USPTO Registration for 'Superior' (word) filed on 11/11/2013 including an 'in use' declaration. It also contains documents filed in response to the USPTO claiming acquired distinctiveness through use and it specifies that the first use anywhere date was 'At least as early as 04/30/1997' and first use in commerce date 'At least as early as 05/27/1998 as claimed by the applicant. There is also some undated evidence including photographs of equipment or leaflets with equipment, as well as an internet printout from 2014 which contains a copyright notice @2012-2014 at the bottom, as well as a declaration signed by the President of the applicant claiming that use began in 1998. These documents were submitted as evidence of use in response to USPTO.



- Exhibit 6. USPTO Registration (figurative, the applicant refers to it as the 'straight' version of the logo) filed on 18/11/2013, including an 'in use' declaration and a claim of first use anywhere and first use in commerce both 'At least as early as 00/00/2002', and the same evidence as detailed in the last exhibit to prove acquired distinctiveness.



- Exhibit 7. USPTO Registration (figurative, the applicant refers to it as the 'round' version of the logo) filed on 18/11/2013, including an 'in use' declaration. The form states that first use was on 0-0-2002 and first use in commerce on 0-0-2002 and includes 2 images of goods bearing the sign:



- Exhibit 8. Available 'Superior' products for sale, showing products with dates to indicate the year of manufacture being between 2002 and 2012 on the website [https:// worldwiderentalservices.com/for-sale](https://worldwiderentalservices.com/for-sale). The sign cannot, for the most part, be seen on the small images of the goods although each one refers to 'Superior' in the



2012 Superior SVL-130 Vacuum Lift

Houston TX

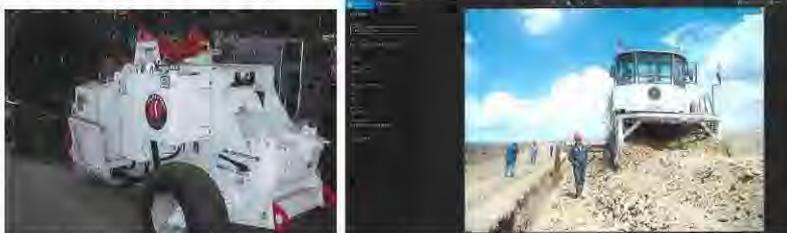


description below the image. One image does show the sign
The printout itself of the webpage is dated in 2019.

- Exhibit 9. A printout from the website www.wwmach.com with a date of extraction in 2019 showing 'Superior' Products for sale with dates between 2002-2014 with the make indicated as 'SUPERIOR' and their prices in USD, as well as goods of other brands.
- Exhibit 10. Evidence to show use of 'SUPERIOR' on water towers, trucks and on the production facilities 1997-1999.
- Exhibit 11. Evidence of the use of 'SUPERIOR' marks from April 2002.
- Exhibits 12 and 13. IPLOCA Yearbook advertisement in 2002 and 2003 attached in an email, showing use of the 'SUPERIOR' mark for a full range of pipeline equipment and offering the equipment worldwide. Also an extract explaining the global reach of the IPLOCA website.
- Exhibit 14. World Pipelines Advertisement in 2003 attached in an email, showing use of 'Superior' mark for a full range of pipeline-equipment worldwide and information on the global reach of World Pipelines.
- Exhibit 15. Photographs showings use of Superior marks on various pipeline-equipment and specification sheets (dated between 2003 — 2007) showing



equipment bearing, inter alia, the logo such as



- Exhibits 16-18. Product overview of the 'Superior'-line from 2006 and 2007 and the 'Superior' a selection of specification sheets.
- Exhibit 19. Press releases 2007 showing worldwide use of 'Superior' marked products in the previous years 2004 — 2007.
- Exhibits 20 and 21. Rental rates for 2006 and 2010 available through the applicant's website.
- Exhibit 22. Invoices for the period 2002—2012 reflecting sales of 'Superior' products in the US market.
- Exhibit 23. Legal Opinion from Morgan Lewis regarding the US law regulating unregistered trade mark rights and copyright.
- Exhibit 24. Extracts of the relevant Sections of US (case) law and literature as referred to in the Legal Opinion of Morgan Lewis.
- Exhibit 25. Legal Opinion from Ashurst on Australian law regarding unregistered trade mark rights including:
 - A Declaration of Mr D.S. (2014);
 - DS-07 contains representative images of equipment and machinery featuring either the 'SUPERIOR MANUFACTURING' "round" logo or 'SUPERIOR MANUFACTURING' "straight" logo at the applicant's jobsites in Australia:
 - the SPD-250 at a jobsite in 2006;
 - (b) the SPD-350 at the Snelson jobsite in 2006;



- (c) the SPD-450 at the Snelson jobsite in 2008
- (d) the SPD-350 at the Tacinth Ambrosia Alliance jobsite in 2009;
- (e) the SPD-350 at a jobsite in 2010.
- DS-08 is a table showing the annual sales figures for products and services sold under the 'SUPERIOR MANUFACTURING' brand in Australia.
- DS-09 a sample of invoices relating to the sale of 'SUPERIOR MANUFACTURING' products in Australia between 2007 and 2014 (commercially sensitive information has been redacted).
- DS-14 WWM's sponsorship Of Australian Pipeline Industry Association (APIA) Convention.
- DS-IS examples of advertisements of 'SUPERIOR MANUFACTURING' products in 'The Australian Pipeliner' magazine and articles about 'SUPERIOR MANUFACTURING' products on www.nipeliner.com.au from 2006 to 2014, along with information from the 'Australian pipeliner' website describing the circulation of the magazine.
- DS-16 examples of advertisements of 'SUPERIOR MANUFACTURING' products in the APIA Directory from 2007, 2008, 2013 and 2014.
- DS-17 an advertisement for 'SUPERIOR MANUFACTURING' products in APIA's "40 Years Book" in 2008.
- DS-18 The applicant's expenditure on advertising packages with 'The Australian Pipeliner' from 2011 to 2014.
- DS-19 The applicant's broader advertising expenditure in connection with products and services sold under the 'SUPERIOR MANUFACTURING' brand between 2007 and 2014 and, separately, the applicant's global advertising expenditure across its businesses, from which the 'SUPERIOR MANUFACTURING' brand benefits also:
 - (a) The Declaration of Mr W., CEO/Managing Director of Wasco Australia Pty Ltd, a global energy infrastructure group, (paragraphs 7 to 14) in which he states that he has known of the 'SUPERIOR MANUFACTURING' brand since at least 2005 and associates the brand with the applicant;
 - (b) The Declaration of Mr G., Executive General Manager of PIHA Pty Ltd, a pipeline construction and civil engineering business, (paragraphs 6 to 10) in which he states that he has known of the 'SUPERIOR MANUFACTURING' brand since 2005 and associates it with the applicant;
 - (c) The Declaration of Mr D., Business Manager of the Australian Pipeline Industry Association Ltd, (paragraphs 7 to 11) in which he states that he has known of the 'SUPERIOR MANUFACTURING' brand since about 2005, and that he associates the brand with the applicant and no one else;
 - (d) The Declaration of Mr B., President of NACAP Australia PW Ltd, a leading pipeline construction contractor, (paragraphs 7 to 14) in which he states that he has known of the 'SUPERIOR MANUFACTURING' brand since about 2004 and associates it with the applicant.

- (e) The Declaration of Mr B., Plant and Equipment Manager at Monadelphous KT Pty Ltd, a construction contractor specialising on the construction of cross-country pipelines, (paragraphs 9 to 19) in which he states that he has known of the 'SUPERIOR MANUFACTURING' brand since about 2007 and associates it with the applicant.
- EXHIBIT 26. Extracts of relevant Sections of Australian (case) law as referred to in Legal Opinion (Ashurst).
- EXHIBIT 27. Invoices (mainly Europe) showing use and sale of 'Superior' products and Marks from 1998 until 2012.
- Exhibit 28. Distribution Agreement 2007 between the applicant and the proprietor.
- Exhibit 29. Distribution Agreement 2013 between the applicant and the proprietor.
- Exhibit 30. Extracts concerning Dutch Copyright Law.
- Exhibit 31. Extracts on Spanish Copyright Law (Revised Law on Intellectual Property, regularizing, clarifying and harmonizing the applicable statutory provisions).
- Exhibit 32. Information regarding Spanish Trademark Law.
- Exhibit 33. Extracts on UK Copyright Act.
- Exhibit 34. Photographs recent 'SCAIP' machines (2018) delivered to the applicant.
- Exhibit 35: Information from the Texas Secretary of State containing details about the applicant's business.

On 03/06/2019:

- Exhibit 36. Decision of the Australian IPO dated 10/04/2019 in which the opposition filed by the present proprietor against the present applicant was rejected. It found that the applicant was the owner of the trade marks (paragraph 43), the Agreements did not benefit the proprietor (paragraph 80) and that the reference in the 2007 Agreement to 'trade marks of SCAIP' is understood as a reference to the 'SCAIP' trade mark and logo and the trade marks of other manufacturers whose products the proprietor supplies to the applicant. In paragraph 73 it held that the devices that form the trade marks were the original artistic works of Mr. G.F. which he authored between August and October 2002 and at that time he was employed by the applicant as its Art and Marketing Director and the directions he was given in relation to the creation of the logo were given by the Senior Vice President of the applicant. They were created in the pursuance of the terms of his employment with the applicant and therefore the applicant is the owner of any copyright subsisting in those works. It also found that the first use of the marks by the applicant was in 2007 but that this predated the filing of the trade marks by the proprietor or any use thereof in Australia or otherwise.
- Exhibit 37. An additional Declaration of Mr G.F., the Art and Marketing Director of the applicant, also relied on in the Australian proceedings, in which he insists that he created the copyrighted logo and the rights to same vest in his employer, the applicant. The declaration also contains a screenshot of his file with the different logos, showing that even if the initial file photo was 'modified' 7 days after receiving the fax from Mr. G. that Mr. G.F. had older images in files from January 2002 with variations of the sign with the wavy line, like 'Logo1'



The case for the EUTM proprietor

The EUTM proprietor contests the applicant's arguments. It points out that there is a long commercial agreement between the parties that has existed since 1996 with the applicant being the proprietor's distributor. It denies that the applicant has any rights over the sign as it is merely its distributor and the applicant could not have filed for the mark as such. It argues that according to the contract between the parties the proprietor had reserved the right to sell goods itself directly to some parts of the territory in Europe. It refers to a parallel case (without providing a number) in which it claims that the applicant had its mark revoked for non-use. It points to the agreements and the relationship outlined therein. It denies that the applicant has proven that the EUTM was filed in bad faith and it claims that the present proceedings are vexatious.

The proprietor claims that the parties have been in contact since 1996 and it states that Mr G.G. sent a fax to the applicant with a series of trade marks it was studying in the graphic part and the idea was to place the trade mark on the advertising which had to be carried out by the applicant. It denies that the applicant owns any copyright in the logo and that it has proved such ownership and there is a complete lack of evidence of the acquisition, existence or scope of protection of the copyright or any of the rights, or a clear identification of the national law by providing publications of the provisions or the relevant jurisprudence. The proprietor denies that the mere fact that a figurative logo was created does not mean that there is any presumed copyright belonging to the applicant who has failed to prove its acquisition. Therefore, it denies that any copyright exists and the application cannot prosper to this extent. It also argues that the applicant has failed to substantiate any bad faith and that the agreement since 1996 between the parties excludes any bad faith. It argues that in fact it is the applicant that acted in bad faith as it was aware of their distribution agreement and it is causing confusion on the market.

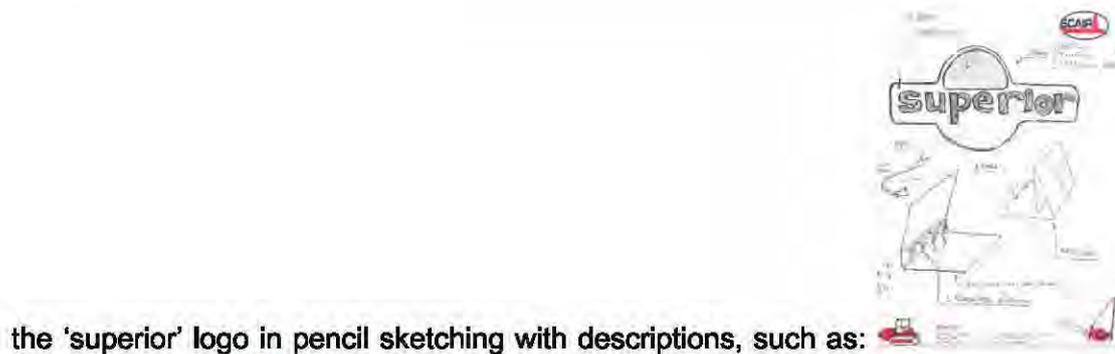
In its further observations the proprietor insists that the 1996 Agreement refers to all of the proprietor's trade marks which, although not mentioned specifically, would include the 'SUPERIOR' marks. It argues that on some of the documents filed, like the technical sheets and the catalogues, both the SCAIP trade mark and the other marks appear. It is the manufacturer of the goods and the applicant is merely a distributor according to the Agreements and the applicant is obliged to promote the sale of the goods supplied by the proprietor in return for revenue without the need to specify trade marks. It is not necessary to

include the trade marks in the Agreements specifically. The applicant had no issue with the EUTM until the business relationship between the parties ended in 2016. The proprietor refers to the decision of the Australian IP Office and states that Mr. G.F.'s declaration seems to have been crucial therein. However, it notes that it is a different jurisdiction and it argues that Mr G.F.'s declaration referred to other versions of the logo and not the claimed copyright which is the same as the contested EUTM. The fax sent by Mr G.F. in April 2002, as submitted by the proprietor, show that in fact it was the proprietor who is the legitimate owner of the logo. Even if Mr G.F.'s evidence dates back to 2002 there is no evidence on file that he was effectively active in the applicant's company until that date. Also, the fax of Mr G states that 'I send you my idea for the logo' which it claims unequivocally shows that the logo was of Mr G and not Mr G.F.. The fax was sent for collaboration purposes to inform the distributor about the changes to the new graphic design of the mark as the distributor had to take care of the advertising and publications. Therefore, it was necessary to decide how to use the mark in the material. It claims that the fax (10/04/2002) predates Mr G.F.'s filed (modified on 17/04/2002) for the logo. It argues that even if the other logo suggestions were denied they were still in the file as shown by the applicant and it shows that the proprietor was involved in the creation of the logo. It casts doubt over the second declaration of Mr G.F. which clears up any doubts about the creation of the logo and that it was submitted later after the first decision was in favour of the proprietor and then, due to this later declaration, the second decision was found in favour of the applicant. It also submitted a copy of its arguments in another revocation proceeding C 28 762. The proprietor again submitted further observations in relation to the other grounds of the cancellation which will not be listed unless otherwise necessary.

In support of its observations the proprietor submits the following evidence:

On 11/02/2019:

- Copy of the 1996 Distribution Agreement signed between the parties and sent by fax which is also dated in 1996.
- Copy of the 2013 Distributorship Contract signed between the parties.
- Copy of the 2015 Renewal of Distributorship Agreement signed between the parties and a copy of the 2014 Amendment to Distributorship Agreement Contract.
- Copy of the 2007 Distributorship Agreement signed between the parties.
- Copy of a fax dated 10/04/2002 sent by the proprietor to Mr E.G. with ideas for the logo, all containing the 'SCAIP' figurative logo on the top right and then versions of



the 'superior' logo in pencil sketching with descriptions, such as:



- A 'Notice of Decision on Freedom of Information Request regarding Trade Mark No. 1592355' from the Australia IP Office dated 18/08/2017.

Preliminary remark

Evidence

The proprietor submitted further evidence on 14/08/2019. The Office informed the proprietor on 26/09/2019 that the evidence did not comply with the requirements of Article 55(2) EUTMDR as the annexes were not numbered and there was no index. It is also noted that the observations in the letter of 14/08/2019 were in Italian. The proprietor was provided until 01/11/2019 to remedy the deficiency. On 16/09/2019 the proprietor submitted a copy of the observations (from 14/08/2019) in English. As the 14/09/2019 was a Saturday the 16/09/2019, when the observations were received, was the first day the Office was open and thus the translation of the observations fell within the one month deadline for same. However, this letter did not contain any index or description of the annexes. The proprietor did submit further observations on 08/11/2019, which was after the end of the time limit of 01/11/2019. It contained a request for a continuation of proceedings in Italian but there was no translation of same into English submitted within the one month deadline and therefore, the observations were deemed to have been submitted late and cannot be taken into consideration, as was communicated to the parties on 02/03/2020. As the letter of 08/11/2019 containing the index of the annexes was deemed to have been received late it cannot be taken into consideration, nor can the evidence submitted along with the letter of 14/08/2019 for the reasons outlined above. In any event, the Cancellation Division notes that even if the index had been received on time it is noted that the index did not contain any indication of the page number of the submission and the pages were not numbered. Therefore, this evidence cannot be taken into consideration. The Cancellation Division notes for the sake of completion, that even if the documents were taken into consideration (they have been carefully examined), they would not change the outcome of the present decision for reasons that will become clear later.

Procedural issues

On 14/03/2023 the Office informed the applicant that the contested EUTM had been partially revoked pursuant to the final decision of the Cancellation Division 12/03/2020, C 28 762 and

requested the applicant to inform the Office as to whether it wished to maintain the application for invalidity. The applicant did not reply to this communication. Therefore, on 06/06/2023 the Office informed the parties that it would proceed to take a decision on the evidence before it. However, on 07/09/2023 the Office notified the applicant that it intended to take a decision on the merits only in relation to the remaining goods after the partial revocation of EUTM 11 385 333 pursuant to the final decision 12/03/2020, C 28 762 unless the applicant could show a legitimate interest in obtaining a decision on the merits for all the goods and set the applicant a time limit of 12/10/2023 in which to reply. The applicant did not reply within the given time limit or at all. Therefore, on 06/02/2024 the Office closed the proceedings and now will proceed to take a decision on the merits only in relation to the remaining goods of the contested EUTM.

REQUEST FOR ASSIGNMENT OF AN EUTM – Article 21(1) and (2)(a) EUTMR and Article 20 EUTMDR

Article 21 EUTMR

Transfer of a trade mark registered in the name of an agent

1. Where an EUTM is registered in the name of the agent or representative of a person who is the proprietor of that trade mark, without the proprietor's authorisation, the latter shall be entitled to demand the assignment of the EU trade mark in his favour, unless such agent or representative justifies his action.
2. The proprietor may submit a request for assignment pursuant to paragraph 1 of this Article to the following:
 - (a) the Office, pursuant to Article 60(1)(b), instead of an application for a declaration of invalidity.

Article 20 EUTMDR

Request for assignment

1. Where the proprietor of a trade mark requests, in accordance with Article 21(1) and (2)(a) of Regulation (EU) 2017/1001, an assignment instead of a declaration of invalidity, the provisions of Articles 12 to 19 of this Regulation shall apply *mutatis mutandis*.
2. Where a request for assignment pursuant to Article 21(2) of Regulation (EU) 2017/1001 is partially or totally granted by the Office or by an EU trade mark court and the decision or judgment has become final, the Office shall ensure that the resulting partial or total transfer of the EU trade mark is entered in the Register and published.

The cancellation applicant may request an assignment of the EUTM as an alternative to a declaration of invalidity if the conditions of Article 21(1) and (2)(a) EUTMR are fulfilled. In summary, the cancellation applicant will become the proprietor of the EUTM if the claim is successful. As the request is dealt with in the context of a procedure for a declaration of invalidity pursuant to Article 60(1)(b) EUTMR, the rules of such proceedings apply.

Assignment will apply only in the case of an application for invalidity based on Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR, namely where an EUTM is registered in the name of an agent, without the proprietor's authorisation. For these cases, the applicant in the invalidity proceedings may request **either** the invalidity of the mark (pursuant to Article 60(1)(b) EUTMR), **or** the assignment of the EUTM in the applicant's favour (pursuant to Article 21 EUTMR and Article 20(1) EUTMDR).

If the contested EUTM survives the action in part, either because the action was directed against part of the goods and services only or was partly unsuccessful, the mark will be split. The part for the successful applicant will be given a new trade mark registration number with the new proprietor, its representative from the invalidity proceedings and the list of goods and services for which the claim was successful. All other particulars of the mark remain as in the original mark.

Unauthorised filing by agents of the Trade Mark proprietor – Article 60 (1)(b) EUTMR in conjunction with Article 8(3) EUTMR

Pursuant to Article 60(1)(b) EUTMR an EUTM will be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings where there is a trade mark as referred to in Article 8(3) and the conditions set out in that paragraph are fulfilled.

According to Article 8(3) EUTMR, upon opposition by the proprietor of an earlier trade mark, a trade mark will not be registered where an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's consent, unless the agent or representative justifies his action. This applies also to cancellation proceedings.

Article 8(3) EUTMR entitles trade mark proprietors to oppose the registration of their marks as EUTMs, provided the following substantive cumulative requirements are met (13/04/2011, T-262/09, First Defense Aerosol Pepper Projector, EU:T:2011:171, § 61).

1. The applicant for the contested mark is or was an agent or representative of the proprietor of the earlier mark.
2. The application for the contested mark was in the name of the agent or representative.
3. The application for the contested mark was filed without the proprietor's consent.
4. The agent or representative fails to justify its acts.
5. The signs and the goods and services are identical or closely related.

These requirements are cumulative. Therefore, the cancellation based on Article 8(3) EUTMR cannot be successful if one of the conditions is not met.

1. Earlier trade mark

The request for assignment is based on non-registered trade marks in Australia, Belgium, France, Germany, the Netherlands, Spain, the United Kingdom and the United States for the signs 'SUPERIOR' (word mark), 'SUPERIOR MANUFACTURING' (word mark),



(figurative mark),



(figurative mark)



and (figurative mark).

As Article 8(2) EUTMR does not apply to cancellation actions based on Article 8(3) EUTMR, it cannot serve to define the territorial extent of protection granted by Article 8(3) EUTMR. In

the absence of any other reference in Article 8(3) EUTMR to a 'relevant territory', it is immaterial whether the earlier trade mark rights reside in the European Union or not and, hence, a trade mark registered in, inter alia, Australia, the United Kingdom (as at the time of taking the present decision the UK is no longer a member of the EU after Brexit) or the United States can also constitute the basis for a cancellation action based on Article 8(3) EUTMR.

For the sake of procedural economy, the Cancellation Division will firstly examine the request under this ground on the basis of earlier non-registered trade mark in the United States. In this respect the applicant submitted a legal opinion in Annex 23 from the firm Morgan Lewis. The opinion lays out the US law in relation to enforceable trade mark rights as based on use of the mark in the marketplace and quotes from a US text book¹. It also cites case law on the matter which state that 'Trademark ownership results only from use, not from registration';² 'Ownership of the trademark rests on adoption and use, not on registration'³ and 'The basic premise [is] that a trademark is not acquired by registration. The right to a trademark stems from prior appropriation and use'⁴. The legal opinion considers that the applicant holds such unregistered trade mark rights over 'SUPERIOR' and 'SUPERIOR MANUFACTURING' (both word marks) as early as 1998 and to the 'SUPERIOR' and 'SUPERIOR MANUFACTURING' (figurative marks) as early as 2002 in connection with the advertising, promotion and sale of goods in the US. They conclude that the extensive sales shown of goods bearing these marks under the signs, along with the rather substantial revenue figures which it lays out for the years 2002-2012 in USD ranging for the most part from the hundreds of thousands of USD to millions or tens of millions of USD for each year is sufficient to show use of the marks. It points to the evidence submitted, including the advertising and promotional material dated prior to 2012 and the invoices showing sales of goods branded under the claimed non-registered marks (word and figurative as detailed above). It points to Exhibits 8-22 in this regard and claims that this evidence significantly predates the filing of the EUTM. The opinion states that it has been well-established under §43(a)(1)(A) of the Lanham Act and by case law that unregistered trade mark rights are enforceable against would-be infringers. Moreover 'All courts have held that §43(a) provides a federal vehicle for assertion of infringement of even unregistered marks and trade names'⁵. It also states that 'It is common ground that §43(a) protects qualifying unregistered trademarks...'⁶. '[E]ven if a trademark is not federally registered, it may still be enforceable under §45(a) of the Lanham Act, which creates a federal cause of action for trademark infringement'⁷. The opinion continues by pointing out that the applicant is also the owner of US trade mark registrations for the claimed rights (Exhibits 5-7) and the printouts from the USPTO acknowledge a date of first use and which it claims shows *prima facie* evidence of the applicant's ownership of the marks and their validity as per the Lanham Act, 15 U.S.C. §1057(b) (1946). It states that 'A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner's ownership of the mark and of the owner's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate...'⁸. Exhibit 24 contains copies of the text book excerpt and case law cited in the legal opinion to back up the claimed arguments therein.

¹ J. McCarthy, Trademarks and Unfair Competition §16.18 (5th ed. 2017);

² Jean Patou, Inc. v. Theon, Inc., 9 F.3d 971, 975, 29 U.S.P.Q.2d 1771 (Fed. Cir. 1993)

³ Turner v. HMM Pub. Co., 380 F.2d 224, 228, 154 U.S.P.Q. 330 (5th Cir. 1967).

⁴ Haviland & Co. v. Johann Haviland China Corp., 269 F. Supp. 928, 935, 154 U.S.P.Q. 287, 291 (S.D. N.Y. 1967).

⁵ J. McCarthy, Trademarks and Unfair Competition §27.14 (5th ed. 2017).

⁶ Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768, 112, S. Ct. 2753, 2757, 120 L. Ed. 2d 615, 768, 23 U.S.P.Q.2d 1081 (1992).

⁷ Matal v. Tam, 137 S. Ct. 1744, 1752, 198 L. Ed. 2d 366, 45 Media L. Rep. (BNA) 1849, 122 U.S.P.Q.2d 1757 (2017).

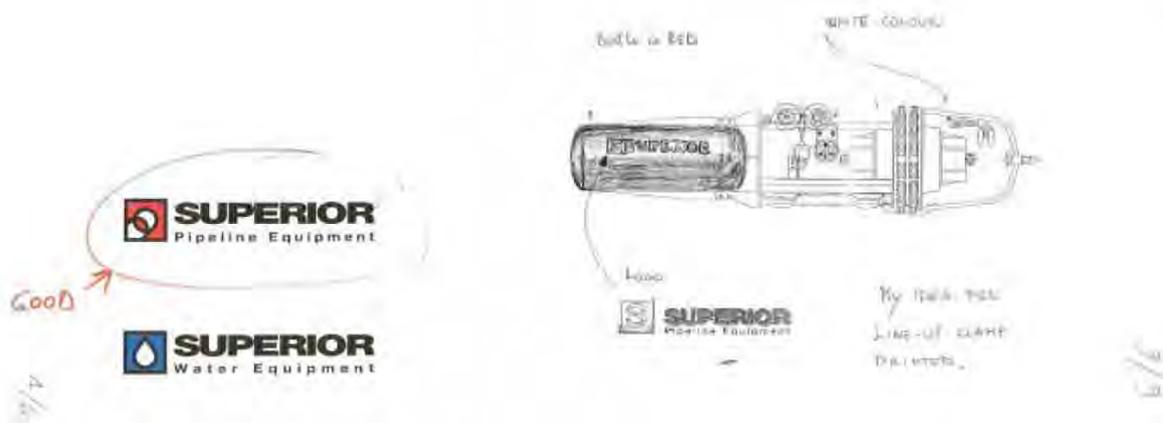
⁸ J. McCarthy, Trademarks and Unfair Competition §16.19 (5th ed. 2017);

The applicant has submitted copies of the US trade marks as detailed in Exhibits 5-7 (all filed just after the EUTM in November 2013) which all contain a first usage declaration and some evidence that was submitted, and accepted by the USPTO, as being sufficient to prove use either from 1998 (for the word marks) or from 2002 for the figurative marks. The Cancellation Division notes that the evidence filled within these Exhibits on use is rather scant but notes that the USPTO considers the level of use required in order to be acceptable in that jurisdiction. Moreover, the applicant has also submitted many invoices and advertising materials dating from at least 2002 onwards and prior to the filing of the EUTM showing that it undertook advertising to sell its goods and actually sold its goods in the US to a sufficient extent. The invoices back up the claimed revenue figures as they appear to be mere examples thereof due to the non-consecutive numbering. The contested EUTM was filed on 29/11/2012 and the applicant had been selling its goods in the US since at least 2002, even though some of the evidence also shows the sign 'SUPERIOR' on goods in 1998 and 1999 such as Exhibit 10. There are also printouts from the Wayback Machine for the applicant's website from 02/04/2002 showing the 'SUPERIOR' sign and images of its goods (heavy machinery and equipment) and stating that the applicant has been in continuous business since 1966 in Texas and is also in other locations both in the US and internationally, as well as further evidence of use prior to the filing of the EUTM. The evidence shows that the earlier non-registered marks were indeed used in the US to a sufficient extent over many years, at least dating from 2002 but even some indications that the use began prior to this, perhaps around 1998 for some of the non-registered signs and the USPTO has also accepted use from these dates as mentioned above. Thus the applicant has successfully proven the existence of non-registered trade marks in the US for the four claimed rights as laid out above, all containing 'SUPERIOR' and they predate the contested mark, filed on 29/11/2012. Although the applicant claims use in relation to Classes 7, 12 and 37, for the sake of procedural economy, the Cancellation Division notes that the use submitted is sufficient to prove at least some of the claimed goods in Class 12, namely: *land vehicles comprising self-propelled equipment for placing pipes, kits for converting crawler land vehicles to land vehicles comprising self-propelled equipment for placing pipes, screening equipment, sifting buckets, self-propelled vehicles with screening equipment and sifting bucket, crawler land vehicles with vacuum lifters, suction cups for lifters, hydraulic chucks, self-propelled pipe bending machines, tractors.*

The Cancellation Division notes that the proprietor contests that the applicant actually owns any rights over the earlier non-registered marks and as such this point will be explored further. The proprietor claims that the applicant was merely the distributor of its goods as per the Distribution Agreements which have existed since 1996. It submitted a copy of the initial Agreement from 1996 and some of the other contracts, while the applicant has submitted others. It denies that the applicant created the figurative signs and it submitted a copy of a fax in which it offered advice on the creation thereof. It must be noted that the earliest dated evidence on file is from the applicant showing use of the word mark 'SUPERIOR' in relation to its goods, as from 1998. The use of the figurative signs came slightly later as will be discussed below.

In relation to the creation of the figurative signs the applicant claims that the logo was created by an employee of the applicant, Mr G.F., at the time the Art and Marketing Director, on the request of the applicant. The applicant states that it decided in 2001 to adopt a new, more contemporary logo for its business. Mr G.F. began the designs at that point and some different versions of the sign were created between August and October 2002. By November 2002 the applicant began using the logo on its machinery sold to customers in the US, along with other versions of the sign. Mr G.F. states in his second declaration in Exhibit 37 that he only received instructions or direction regarding the sign from the Senior Vice President of the applicant. The proprietor denies this and claims that Mr G. from the proprietor was instrumental in the creation of the sign and it was created on his request. The proprietor submits a copy of a fax dated on 10/04/2002 which includes different versions of proposed

signs to be used. The fax was sent to Mr E.G. the Senior Vice President of the applicant and not to Mr G.F.. It states 'Here after I'm sending you my idea about: 1 – Logo 'SUPERIOR'...'. The fax then contains different images of signs, all on the proprietor's SCAIP' paper, such as:



The proprietor argues that these logos are earlier than any proven logo of the applicant. Although the Cancellation Division notes that they only coincide in the word 'SUPERIOR' but not in any of the graphic elements of the claimed figurative non-registered marks of the applicant. Indeed, the circle within a circle and wavy line (as in the figurative earlier marks



and) and the word 'MANUFACTURING' below are not included in any of these suggestions. It is noted that the proprietor has included some comments on the designs in the fax such as: 'good' and 'very good' on some of the examples and also that there is a clear suggestion of 'can you try work about this??' on one of them, indicating that the creation of the logo was up to the applicant.

The fax does show that the proprietor sent some suggestions for a design to the applicant but the wording of 'can you try work about this??' suggests that it was the applicant that was designing the mark and that these were merely suggestions. Moreover, this fax was directed to Mr E.G. the Senior Vice President of the applicant and not Mr G.F. who designed the logo. Mr G.F. states that he only took instructions or direction from Mr E.G. in the applicant and

not from the proprietor. In Mr G.F.'s second declaration in Exhibit 37 he also submitted screenshots of file data from his records regarding the different logos that he created, many of which were discarded and not used. Some of the dates of modification of these images are from January 2002, which predate the fax of the proprietor and show images containing the curvy line, sometimes within a circle/oval, with the word 'SUPERIOR' such as:

- 'Logo1'



- 'Logo3'



Indeed, even if the image of the logo as claimed was dated just seven days after the fax of the proprietor, it is noted that the file's date records 'modified' and not 'created'. In any event, the proprietor has not submitted any evidence to show that it was using or owned any prior rights to the 'SUPERIOR' sign logo or that it created it, nor is there any concrete evidence to prove that the proprietor was the one responsible for its creation or that this was done on its commission or while Mr G.F. was an employee of the proprietor. On the contrary, Mr G.F. was an employee of the applicant and created the sign on the request of the applicant in the course of his employment. The proprietor argues that the applicant has not submitted any evidence of the gainful employment of Mr G.F. by the applicant, however, both the applicant and Mr G.F. have stated in their sworn declarations that he was an employee and there is no reason to doubt that he was not, nor has the proprietor submitted evidence to prove that he worked somewhere else at the time or shown any other reason to doubt this claim. The proprietor also argues that the second Declaration of Mr G.F. does not refer to the logo which is identical to the contested sign but to other logos. Indeed this is true, Mr G.F. refers to and shows the file details of the 'rejected logos' as detailed above (and others). However, this Declaration does show the development and creation of similar logos which finally culminated in the claimed logo, as can be seen from the additions of a curved line or the circle/oval shape with 'SUPERIOR' and that this creation began prior to the fax (and the fax does not contain any wavy lines or circles etc). This Declaration supports and corroborates the applicant's arguments and other evidence as to the time of creation and its author, Mr. G.F. for and under the instruction and employment of the applicant. The proprietor casts doubt over the second Declaration of Mr G.F. but has not shown proof or put forward any convincing arguments as to how or why the information contained therein is erroneous and thus the Cancellation Division must assume that it is valid and true.

As such, the evidence on file shows that Mr G.F., while under the employment of the applicant and on the request of the applicant, created the figurative logos also, which were then later applied to goods, such as machinery as can be seen in the photographs in the list of evidence (along with other indications on other parts of the goods) and was used for a number of years prior to the filing of the EUTM. Although the use is disputed by the proprietor there is evidence on file of same and the USPTO has accepted the prior use declaration when registering the applicant's US figurative trade marks noting that its first use and use in commerce commenced in 2002. The Cancellation Division considers that the evidence on file proves that the logo was created by Mr G.F. for the applicant. This position was confirmed by the Australian IP Office in its decision submitted by the applicant in Exhibit 36. As the proprietor correctly states the Australian IP Office is in a different jurisdiction and thus its decision is not binding. However, the same facts have been presented and the Cancellation Division is in agreement that they point to the fact that the creator of the logo was Mr G.F. who created the design for the applicant.

The proprietor also argues that it is the manufacturer and supplier of the goods and the applicant is merely a distributor according to the Agreements and the applicant is obliged to promote the sale of the goods supplied by the proprietor in return for revenue without the need to specify the trade marks in the Agreements specifically. Moreover, it also points to the Agreements as they mention that the products concerned therein had been on the market for many years and that the proprietor was the supplier. However, the Cancellation Division notes that, without the trade marks specifically included in the Agreements or any other independent evidence to prove that it was the proprietor who used the 'SUPERIOR MANUFACTURING' mark or that the mark was used on the goods, before the applicant's use which is on file, it cannot be immediately or clearly inferred from the documents on file that the Agreement referred to goods under this sign or that the proprietor owned any rights to this sign. The applicant claims that the evidence shows that indeed the Agreement could have been in relation to goods under a different brand, without further information it cannot be established that the Agreements referred to the 'SUPERIOR MANUFACTURING' brand. The proprietor also argues that the applicant had no issue with the EUTM until the business relationship between the parties ended in 2016. However, even if this is so, the proprietor did not specifically argue the defense of acquiescence and the time limit for acquiescence was not reached at the time of filing of the present application nor is there is no evidence on file regarding when the applicant became aware of the EUTM's existence. Therefore, even if the Cancellation Division were to consider it as being pleaded the argument must be rejected for the above reasons. Finally the proprietor argues that if a distributor asks to affix its own trade mark to a product then it should be indicated precisely in writing and if not the mark would be that of the producer which means that the mark 'SUPERIOR' affixed on the products belonged to the proprietor. However, again this cannot be substantiated and the proprietor has not submitted sufficient evidence to prove that it had used or was using the 'SUPERIOR' mark prior to the applicant, had it done so it could have submitted evidence to back up this argument. The proprietor lastly makes reference to the parallel revocation proceedings C 28 762 in which the proprietor was considered to have shown sufficient use of the 'SUPERIOR' sign in Italy. However, this also cannot show that the proprietor owned the mark or created the mark prior to the applicant. The relevant period in that case was 19/10/2013 to 18/10/2018 and there is no evidence in that file that predates the evidence submitted by the applicant in the present case. It is noted that the applicant contested the use and the proprietor's right to the sign in that revocation also and argued that the EUTM had been filed in bad faith. It is also unclear whether the proprietor was allowed to sell these goods in Italy under the same Distribution Agreement or a different one or at all. The proprietor could have submitted evidence to substantiate its claim that it owned the mark and was using it prior to the applicant in 1998 and later in 2002. The evidence of the fax was insufficient in this regard. If the proprietor did have rights to the sign that predated that of the applicant it could have produced documents to prove this claim, which it did not.

Therefore, without any further information in any of the Agreements or any further evidence that the proprietor had used either the word or figurative marks itself or actually designed the figurative marks, it is impossible to determine that the proprietor held any prior rights to the 'SUPERIOR' or 'SUPERIOR MANUFACTURING' signs (either word or figurative marks). Even, for the sake of completion, taking into consideration the later evidence submitted on 14/08/2019, which were excluded as mentioned in the preliminary remark, this evidence does not show that the proprietor created, used or held prior rights to the logo. Most of the evidence is dated well after (2012 onwards) the claimed creation date of the logo in 2002 and the figurative 'SCAIP' mark is prominent with only a reference to 'Manufacturer of SUPERIOR products' which was agreed by both parties. The fact that the proprietor manufactures the goods or can sell them in Italy (while the applicant can sell them worldwide) does not show that it owns the logo.

To summarise the above findings, the proprietor's arguments must be set aside and the Cancellation Division considers that the evidence on file is sufficient to prove the prior use, scope and existence of the earlier rights as detailed above.

2. The applicant is or was an agent or representative of the proprietor of the mark

In view of the purpose of this provision, which is to safeguard the legal interests of trade mark proprietors against the misappropriation of their trade marks by their commercial associates, the terms 'agent' and 'representative' should be interpreted broadly to cover all kinds of relationships based on any business arrangement (governed by a written or oral contract) where one party is representing the interests of another, regardless of the *nomen juris* of the contractual relationship between the principal-proprietor and the EUTM applicant (confirmed 13/04/2011, T-262/09, First Defense Aerosol Pepper Projector, EU:T:2011:171, § 64).

Therefore, it is sufficient for the purposes of Article 8(3) EUTMR that there is some agreement of commercial cooperation between the parties of a kind that gives rise to a fiduciary relationship by imposing on the applicant, whether expressly or implicitly, a general duty of trust and loyalty as regards the interests of the trade mark proprietor. It follows that Article 8(3) EUTMR may also extend, for example, to licensees of the proprietor, or to authorised distributors of the goods for which the mark in question is used and to situations in which the parties are in commercial cooperation.

The parties have both submitted copies of (different) Distributorship Agreements signed between them over many years. The proprietor submitted evidence of a Distributorship Agreement between the parties signed in 1996, and others dated 2007, 2013, 2015 (amending that of 2014). The applicant submitted in Exhibits 28 and 29 a copies of the Distribution Agreements for 2007 and 2013.

The Cancellation Division notes that the parties were clearly working together prior to the filing of the EUTM and both have submitted evidence in support of this conclusion as laid out in the preceding paragraph. Therefore, this evidence is sufficient to prove the contractual relationship between the parties and it is sufficient to prove the above point of an agent/representative relationship. This, notwithstanding the fact that the Distributorship Agreement of 2013 it refers to the proprietor as the 'Supplier' and the applicant as the 'Distributor', inverting the agency. However, from a careful study of the different Distributorship Agreements submitted by the parties there is no mention of the proprietor owning trade mark rights to the sign(s) 'SUPERIOR' or 'SUPERIOR MANUFACTURING' (word or figurative marks). At best there is a mention, for example, in the 2007 Agreement, Section 8 on trade marks it speaks about 'any trademarks of SCAIP or other manufacturers of products finished by SCAIP to WORLDWIDE now or hereafter used in connection with the PRODUCTS pursuant to this Agreement'. Similar wording is also included in the 1996

Agreement as well as other Agreements. The proprietor (SCAIP) did not list any trade marks held by it. Furthermore it did not submit any evidence to prove that it was using this sign independently of the applicant prior to the use shown by the applicant itself or that the contract involved the earlier non-registered marks.

Despite the above, what is evident is that the parties were in a contractual relationship which gave rise to a fiduciary relationship by imposing on the proprietor, whether expressly or implicitly, a general duty of trust and loyalty as regards the interests of the applicant.

Moreover, the agent-representative relationship was established prior to the filing date of the EUTM application. The first Agreement was signed in 1996 and there are copy of further agreements all signed prior to (and after) the filing of the contested EUTM in 29/11/2012.

The Cancellation Division finds, therefore, that the evidence as a whole shows that an agent relationship existed before the filing of the application of the contested mark.

3. The application is in the name of the agent or representative

The EUTM was filed on 29/11/2012 in name of SCAIP S.R.L.. On 19/02/2018 the EUTM proprietor notified the Office of a change of name of the company to SCAIP S.P.A., which is the name of the present EUTM proprietor and it maintained the same address. Therefore, the EUTM was filed in the name of the agent or representative of the applicant.

4. The application was filed without the proprietor's consent

Even though the absence of the proprietor's consent is a necessary condition for the application of Article 8(3) EUTMR, the applicant does not have to submit evidence that shows that the agent was not permitted to file the EUTM application. A mere statement that the filing was made without its consent is generally sufficient. This is because the applicant cannot be expected to prove a 'negative' fact, such as the absence of consent. In these cases the burden of proof is reversed and it is up to the proprietor to prove that the filing was authorised, or to give some other justification for its acts.

The Distribution Agreement regulates the rights and obligations of the parties as detailed above. However, as also discussed above, there is no mention in any of the Agreements to the 'SUPERIOR' or 'SUPERIOR MANUFACTURING' (word or figurative) marks. The applicant has submitted sufficient evidence of the existence and its prior ownership of these non-registered marks in the US.

Although the wording of Article 8(3) EUTMR is in principle broad enough to include cases of tacit or implied consent, such consent should only be inferred if the evidence is sufficiently clear as to the intentions of the proprietor. If the evidence is completely silent as to the existence of an express or implied authorization in relation to the mark itself, a lack of consent should be generally presumed.

The EUTM proprietor did not argue or prove that it had, as the applicant for the contested trade mark, clear, specific and unconditional permission to file the trade mark in the EU. Instead it considers that as the true owner of the mark it could do so but the applicant could not do so, save in bad faith. However, for the reasons already laid out above this argument cannot be accepted. The proprietor could have easily submitted evidence to prove that it was using the 'SUPERIOR' marks prior to the applicant but did not submit a single piece of evidence in this regard. Had the proprietor owned the rights to the mark in 1996 it could have submitted evidence to substantiate this claim and to show that this mark was used at that time and was contemplated within the Agreements. However, it has failed to do so and thus the earliest use of the sign on file is that of the applicant and the Agreements do nothing to

clarify that they covered the 'SUPERIOR' marks or that they were contemplated as forming part thereof.

As such, the Cancellation Division considers that the application was filed without the applicant's consent.

5. The agent or representative fails to justify its acts

As mentioned above, since it is not possible for the applicant to prove the absence of consent, the burden of proof is reversed and it is up to the EUTM proprietor to show that the filing of the application was authorised by the applicant. Although Article 8(3) EUTMR treats the lack of the applicant's consent and the absence of a valid justification on the part of the EUTM proprietor as two separate conditions, these requirements largely overlap to the extent that if the EUTM proprietor establishes that the filing of the application was based on some agreement or understanding to this effect, then it will also have provided a valid justification for its acts.

The applicant submitted evidence of its prior use and ownership of the non-registered marks and of the contractual relationship between the parties. The Agreement regulates the relationship between the parties although it is silent in relation to the trade marks involved. For all of the above reasons the rights to the signs lay with the applicant and the proprietor would have needed its consent to use the marks and there is no stipulation that the proprietor had the right to file the EUTM in its own name or at all.

The proprietor has not submitted any observation or evidence in order to prove that it did in fact have the applicant's consent to file the EUTM or that it owned any previous rights to the sign.

Therefore, the Cancellation Division considers that the EUTM proprietor does not provide any justification for its action.

6. The signs and the goods and services are identical or closely related

a) The goods

A literal interpretation of Article 8(3) EUTMR would lead to the conclusion that its application is only possible where the agent or representative intends to register a mark identical to that of the proprietor.

However, applying Article 8(3) EUTMR exclusively to identical signs for identical goods or services would render this provision largely ineffective, as it would allow the applicant to escape its consequences by merely making slight modifications either to the earlier mark or to the specification of goods and services. In such a case, the proprietor's interests would be seriously prejudiced, especially if the earlier mark were already in use and the variations made by the applicant were not significant enough to rule out confusion. What is more, if the application were allowed to proceed to registration despite its similarity to the earlier mark, the applicant would be in a position to prevent any subsequent registration and/or use of the earlier mark by the original proprietor within the EU, by relying on Article 8(1) or 9(2) EUTMR, or the equivalent provisions of national law.

As mentioned above the applicant has, inter alia, shown use for the following goods:

Class 12, namely: Land vehicles comprising self-propelled equipment for placing pipes, kits for converting crawler land vehicles to land vehicles comprising self-propelled equipment for placing pipes, screening equipment, sifting buckets, self-propelled vehicles with screening

equipment and sifting bucket, crawler land vehicles with vacuum lifters, suction cups for lifters, hydraulic chucks, self-propelled pipe bending machines, tractors.

The contested goods are the following:

Class 12: Self-propelled machines for creating oil pipelines, gas and water conduits; land vehicles, namely self-propelled equipment for placing pipes; kits for converting crawler land vehicles to land vehicles comprising self-propelled equipment for placing pipes; sifting buckets; suction cups for lifter; hydraulic chucks; self-propelled pipe bending machines.

Before proceeding the Cancellation Division notes that, unlike cases under Article 8(1)(b) EUTMR, the goods under comparison do not have to be strictly identical or similar. It must be verified whether the goods and services display a close relationship in commercial terms such that the use of the contested mark for those goods or services would pose a serious obstacle for the original proprietor to enter the EU market or continue exploiting its mark on that market.

The contested goods may be perceived by the public as being provided as a result of an agreement between the parties and that it would be reasonable for the original proprietor (the applicant) to provide such goods or services itself in view of the scope of protection of the earlier non-registered marks. Article 8(3) EUTMR applies when the goods and services in conflict are closely related (e.g. complementary), essentially the same or largely equivalent in commercial terms. It must be verified whether the contested goods or services may be perceived by the public as 'authorised' products, the quality of which is somehow 'guaranteed' by the applicant, and which it would have been reasonable for the applicant to market itself in view of the goods and services protected under the earlier mark. Moreover, a likelihood of confusion is not a condition for the application of Article 8(3) EUTMR (11/11/2020, C-809/18 P, MINERAL MAGIC, EU:C:2020:902, § 92). The degree of similarity between the marks and the goods or services should be such so as to guarantee that the purpose of Article 8(3) EUTMR is met, namely to prevent the misappropriation of the mark by the proprietor's agent (11/11/2020, C-809/18 P, MINERAL MAGIC, EU:C:2020:902, § 72).

The contested goods are identical or at least highly similar to the earlier goods and are clearly equivalent in commercial terms and thus could lead the consumer to believe that the goods are provided as a result of an authorization due to an agreement between the parties and that the applicant would guarantee the quality of the goods.

b) The signs



The contested sign is a figurative mark consisting of the word 'SUPERIOR' at the top of the sign in plain white uppercase typeface and depicted in a curved manner around the top part of the outer black circle. This word in English means, inter alia, 'better than average, or better than others of the same type' (meaning extracted from the Collins Online English Dictionary on 18/04/2024 <https://dictionary.cambridge.org/dictionary/english/superior>). This word is at best weak as it implies the quality of the goods if not totally descriptive. However, it is noted that the non-registered US word mark (No 1) above) was later registered in the US under registration No 4,766,863 due to acquired distinctiveness through use as shown in Exhibit 5. In any event, it is noted that the distinctive character of this word is at best very weak. The contested sign also contains the word 'MANUFACTURING' in much smaller and thinner uppercase standard white typeface curved around the bottom of the same outer black circle. This word in English means 'the business of producing goods in large numbers'(meaning extracted from the Collins Online English Dictionary on 18/04/2024 <https://dictionary.cambridge.org/dictionary/english/manufacturing>). Thus it is clearly descriptive in relation to the relevant goods as it refers to the type of company that produces goods in large amounts. In the middle of the sign is a red or wine coloured circle with a lighter red on the bottom left part and it is intersected with a white/greyish white curved line from top to bottom and outside of it is another black circle. This figurative element is somewhat fanciful and thus it has a degree of distinctive character. There is no element which is strikingly more dominant in the sign, even if 'SUPERIOR' is depicted in larger or thicker text to 'MANUFACTURING' its colouring in white on a black background still highlights the word and even if the circles are larger than the words the white text is still very striking.

The earlier marks all contain the word 'SUPERIOR' which is at best weakly distinctive as laid out above. The word is depicted in standard uppercase typeface in all signs, although in sign No 3) it is depicted in red with a dark grey/black outline, in No 4) it is in black typeface and in No 5) it is in white typeface. The use of different colours is merely decorative and secondary. Signs 2) to 5) all contain the word 'MANUFACTURING' which is also descriptive as previously detailed. Sign No 3) also contains the words 'EQUIPMENT' and 'COMPANY' which are also clearly descriptive in relation to the goods and the legal personality of the owner. The word 'SUPERIOR' in that sign being clearly dominant visually due to the much larger typeface and colour. Sign No 3) also contains 'SUPERIOR' in a thick black bold typeface at the top of the sign and a black circle to its left with a white curved line in the

centre, these elements are more visually striking than 'MANUFACTURING' which is in a thinner and smaller black typeface at the bottom of the sign. Sign No 5) contains the same elements, configuration, style and colour as the contested mark and the previous findings in relation to its distinctive and dominant parts are equally applicable here.

All of the signs coincide in the word 'SUPERIOR' and are similar to this extent. Moreover, the earlier signs Nos 2) to 5) also coincide in the word 'MANUFACTURING'. The signs Nos 4) and 5) also coincide in the same image of a darker circle (either in red/wine and outlined in black or just in black) with a white or greyish white curved line intersecting the circle in the middle as also shown in the contested sign and which is the most distinctive part of that sign and they are also similar to this extent. Finally, it is clear that the earlier sign No 5) is identical to that of the EUTM. Thus the earlier marks can be considered to be either visually similar to varying degrees (low or average) or even identical (earlier sign No 5) to the contested EUTM. They will all have an identical pronunciation in the beginning of the signs (signs No 1) and 3)) and are thus phonetically similar to at least an average degree or they are overall phonetically identical (signs Nos 2), 4) and 5)). The signs also contain the same concept of 'SUPERIOR' and/or 'MANUFACTURING'. Therefore, overall the signs are at least similar.

As explained above, not only identical signs are covered by Article 8(3) EUTMR but also marks that are similar. Considering the above, the signs are at least similar and No 5) is identical. Therefore, it is considered that Article 8(3) EUTMR is applicable to the conflicting signs.

Conclusion

For the above reasons, the Cancellation Division considers that the application is well-founded in accordance with Article 21(1) and (2)(a) EUTMR. It follows that the contested mark is to be fully assigned to the applicant.

Since the invalidity application is fully upheld on the basis of Article 60(1)(b) EUTMR in conjunction with Article 8(3) EUTMR as based on the earlier non-registered US trade marks there is no need to examine the same ground in relation to any of the remaining pleaded earlier non-registered marks in other jurisdictions as such an examination will not alter the outcome of the present decision. Moreover, for the same reason, there is no need to examine the remaining grounds of the application in relation to which the invalidation of the EUTM was pleaded, namely, the ground of an earlier copyright under Article 60(2)(c) EUTMR or the ground of bad faith under Article 59(1)(b) EUTMR.

COSTS

According to Article 109(1) EUTMR, the losing party in cancellation proceedings must bear the fees and costs incurred by the other party.

Since the EUTM proprietor is the losing party, it must bear the cancellation fee as well as the costs incurred by the applicant in the course of these proceedings.

According to Article 109(7) EUTMR and Article 18(1)(c)(ii) EUTMIR, the costs to be paid to the applicant are the cancellation fee and the representation costs, which are to be fixed on the basis of the maximum rate set therein.

**The Cancellation Division**

VII MAHELKA

Nicole CLARKE

Raphaël MICHE

According to Article 67 EUTMR, any party adversely affected by this decision has a right to appeal against this decision. According to Article 68 EUTMR, notice of appeal must be filed in writing at the Office within two months of the date of notification of this decision. It must be filed in the language of the proceedings in which the decision subject to appeal was taken. Furthermore, a written statement of the grounds of appeal must be filed within four months of the same date. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 720 has been paid.