

## Court of Appeal clarifies when acquiescence clock starts ticking

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### UNITED KINGDOM

Legal updates: case law analysis and intelligence

- Knowledge of use of a later mark is sufficient to start the five-year acquiescence period
- It is not necessary to show that the other party was aware of the later mark' registration
- This is the first time that the Court of Appeal has departed from EU law

In a departure from EU law, the Court of Appeal has considered when time started running in "statutory acquiescence" under Section 48 of the [Trademarks Act 1994](#) and the corresponding provisions in the EU trademark directives and regulations. The Court of Appeal found that the clock for the five-year period for statutory acquiescence starts ticking when the earlier trademark owner becomes aware of the use of a later trademark ([Industrial Cleaning Equipment \(Southampton\) Ltd v Intelligent Cleaning Equipment Holdings Co Ltd](#) ([2023] EWCA Civ 1451, 6 December 2023)).

### Background

The claimant had been using the ICE logos for the sale and rental of cleaning machines in the United Kingdom since around 2007. The defendant manufactured floor cleaning machines in China which were imported (through a further defendant in the proceedings) in the United Kingdom since 2013.

The defendant's trademark rights included an International Registration (word mark) for ICE, received at the EUIPO on 23 July 2015, and a logo mark, received at the EUIPO on 13 August 2015. Both marks were registered at WIPO on 18 June 2015. Upon Brexit, the defendant's EU marks were taken on to the UK register with filing dates of 18 June 2015 and dates of entry on the register of 25 May 2016 and 15 June 2016, respectively.

The claimant filed for a UK trademark incorporating ICE in October 2015. The mark proceeded to registration in January 2016.

The parties were aware of each other in 2014. There was later contact from around 2017, not least because the claimant maintained some of the defendant's products in the United Kingdom.

On 2 July 2019 the claimant sent a letter before claim alleging infringement and passing off. The defendant's response letter of 26 July 2019 denied the claims and relied on the defendant's registrations. Some further discussion ensued but negotiations broke down; a claim form was issued on 24 May 2021 and served on 21 September 2021. The defendant raised the defence of statutory acquiescence.

## High Court decision

The High Court rejected the defendant's defence of acquiescence. Following [Budejovický Budvar np v Anheuser-Busch Inc](#) (Case C-482/09) (*'Budvar'*), the court found that the five-year period for acquiescence started running only when the earlier rights holder had knowledge of both the **use** of the later mark and its **registration**. Knowledge of the registration came at its receipt of the letter of the 26 July 2019.

The defendants appealed.

## Key issues for the Court of Appeal

Arnold LJ identified two key points:

1. Must the proprietor of the earlier trademark be aware of the **registration** of the later trademark in order for the five-year acquiescence period to start running?
2. What is the registration date in the case of an international trademark protected in the European Union?

The Court of Appeal considered the case law on when the acquiescence clock started ticking, most notably examining the Court of Justice of the European Union (CJEU)'s assessment of *Budvar* - the trademark owner must be aware of the **registration** of the later trademark and of the **use** of that trademark. However, other case law is mixed on this point - *Cristanini v Ghibli SpA* (Case R 1299/2007-2) found that, for the acquiescence clock to begin ticking, knowledge of **registration** of the later mark was not required, only knowledge of **use** of the mark. The CJEU also considered in [I Marchi Italiani v OHIM](#) (Case C-381/12 P) whether knowledge of both registration and use was required.

With the mixed position in mind, Arnold LJ noted that, as the United Kingdom was no longer in the European Union, "we must decide the issue for ourselves".

## Court of Appeal decision

The Court of Appeal found that knowledge of **use** of the mark was sufficient to start the five-year acquiescence period. It was not necessary to show that the other party was aware of the **registration**.

On the second point, the Court of Appeal held that acquiescence runs from either registration (24 or 25 May 2016) or from publication of the grant of protection by the EUIPO. The claim form was issued on 4 May 2021, which was the last day of the five-year period and so stopped a full five years' acquiescence accruing.

The appeal was dismissed.

## Comment

The Court of Appeal has clarified the position in the United Kingdom as to when the acquiescence clock starts ticking. The position in the European Union presumably remains mixed.

The Court of Appeal further clarified that statutory acquiescence is also a bar to claims in passing off.

Finally, but importantly, this is the first time that the Court of Appeal has departed from EU law. There is a "need for caution" in so doing, as commented by Nugee LJ in agreement (Paragraph 119). It will be interesting to see when (and arguably it is when, rather than if) and how the courts "exercise the new freedom to depart from EU retained case law" (Paragraph 122).

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