

Changes to the Icelandic Trademarks Act

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On June 1st, 2012, the Icelandic parliament Althingi passed a bill to amend the 1997 Trademarks Act. The bill introduces various changes that benefit trademark owners, the most important addition being the introduction of an administrative invalidation process for trademarks.

Requests for trademark invalidation used to be under the sole jurisdiction of the relevant Icelandic Courts, but after the recent amendment, the Icelandic Patent Office and the Icelandic Courts will have joint jurisdiction in trademark invalidation proceedings. Invalidation proceedings can therefore be brought before a District Court or the Patent Office at any time during the lifetime of the trademark and by anyone having a legitimate interest in the relevant mark. The invalidation claim can be based on absolute or relative grounds or on non-use of the trademark.

It has hitherto been our experience that stakeholders have hesitated to initiate Court proceedings for trademark invalidation due to the time and expenses that must be invested in commencing such action and seeing it through. Invalidation proceedings before the Icelandic PTO are anticipated to be more swift and cost effective, and are therefore a beneficial and advantageous change.

We expect that the invalidation process will be increasingly used for cases of non-use in the wake of these changes. Article 25 of the Icelandic Trademarks Act states that trademark owners must commence use of their trademarks within five years from the registration date and that a trademark becomes vulnerable to non-use if it has not been used for five consecutive years. The amendments to the Act help to fully activate the clause on trademark use requirements, as the usefulness of a clause pertaining to use or registration requirements is debatable if its implementation is difficult. It is also important to have such a functional invalidation procedure in order to prevent purely defensive trademark registrations. Until now, trademarks that are not in use have been allowed to remain in the registry for the entire registration period, unless a stakeholder initiates court proceedings to invalidate the trademark. There has therefore been a real need for a more simple and efficient invalidation process to clear up the registry.

Another important change to the Trademarks Act is an amendment to Article 14 pertaining to registration requirements, namely a bad faith clause that has now been re-instated. The amended law indicates that a trademark cannot be registered if a mark is confusingly similar to a mark that has been in use in another country, the applied-for mark is used for the same or similar class of goods or services as the foreign mark and if the applicant is aware of or should have been aware of the foreign mark.

The purpose here is to prevent the abuse of goodwill and notoriety that companies have built up and maintained abroad. The clause is in its nature an exception to the general principle of trademark rights being national and that foreign trademark registrations do not affect registrability in Iceland. For this reason, the re-instated bad-faith clause will most certainly be interpreted narrowly as well as requiring the complainant to prove that the applicant is or was acting in bad faith

The Icelandic PTO is furthermore required by the amended legislation, upon receiving a specific request, to give access to pending trademark applications and their contents. However, this does not mean full access to all pending applications, as the information request must be very specific and in direct relation to a particular trademark. Documents that contain trade secrets are exempt from this provision.

Following the change in the legislation, all communication with the Patent Office must now be conducted in Icelandic. Further changes include rights to the reinstatement of a trademark or a trademark application if a trademark owner misses a term to respond to a refusal or misses a term for renewal.

Finally, various other amendments are worth mentioning, such as a clause that allows the division of applications and registrations, a new official fee for filing oppositions, and amendments that clarify usage of certain concepts in the Trademark Act.

The law entered into force on June 14th and we expect to see an increase in initiated invalidation proceedings. Experts at Arnason Faktor can provide consultation regarding the new trademark legislation for those who have trademark interests in Iceland and in Europe.

For more information, please contact:

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Mrs Palmarsdottir graduated with a law degree from the University of Iceland in 2006. In her studies, she focused on Intellectual Property and Copyright. She worked as a trademark attorney for Arnason Faktor from 2006 – 2008, and as a Committee Secretary at the Icelandic Parliament between 2008 and 2011, re-joining Arnason Faktor in 2011.

Brynhildur's field of work mainly centres around:

Trademarks – registrations search & watch, prosecution of trademark registrations

Copyright – infringement, copyright related agreements, general consultation

General IP matters – consultation and advice.