

# THE EFFECT OF REGISTRATION AND USE ON TRADEMARK OWNERSHIP\*

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The reasons that lead to gaining the right to a trademark may be material facts and legal facts that are used and registered. Therefore, the ownership of the trademark is acquired by use, and the registration for this trademark is considered a decision of ownership. The trademark, and the immutable right to own the trademark is limited to a specific period of time, unlike what you see in the right of ownership concerning the real estate or the movable property, which is characterized as not restricted to a specific time from the foregoing. Registration leads to the emergence of this right and its acquisition in the trademark based on which this trademark (Stakheyeva, 2018, 3-19). Therefore, in this study, the researcher sheds a light on two requirements as follows: firstly, the registration of the Property Right in the Trademark. Secondly the impact of registration on the Ownership of the Trademark in Jordanian law and International Agreements.

## **1. Registration and use of the right of ownership in the trademark**

The concept of intellectual property is not a new concept. It's believed that the spark of the intellectual property system was initiated in northern Italy during the Renaissance. In the year 1474 AD, a law was issued in Venice regulating the protection of inventions and stipulating the granting of an exclusive right to the inventor. The copyright system (Torremans, P., 2019) goes back to the invention of the typographical and discrete characters and the printing machine by Johannes Gutenberg in 1440 AD. At the end of the nineteenth century, several countries saw the need to establish laws regulating intellectual property. Internationally, two treaties have been signed that is the international basis of the intellectual property system: the Paris Convention for the Protection of Industrial Property 1883 and the Berne Convention of 1886 for the Protection of Literary and Artistic Works.

It allows the creator, the owner of the trademark, the patent, and the copyright to benefit from his work, labor and investment. That does not mean that he has monopolized thought over others, but rather the opposite, as these rights are contained in the legal articles of the Universal Declaration of Human Rights, which provides for the right to benefit from the protection of moral and material interests resulting from Attribution of the practical, literary or artistic production to its author (Sawyer, 2019).

### **1.1 Registration and use of the right of ownership in the trademark**

This means that the registration of the trademark does not lead to the emergence of the right to it, rather it is a determination of that right only, meaning that the registration of the trademark does not benefit the Owner of the trademark as much as it is a presumption of that ownership, which becomes with it that the owner of the

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previous use of the trademark can always invoke that previous use of the trademark. In the face of those who registered it, therefore, according to this theory, the right to a trademark is for the first to use it (Cwik, 2014, 681-695), not for the first to register it.” Accordingly, use is no longer a precondition for the registration of the trademark, as use has become a condition for the continued protection of the trademark after its registration, and there are marks that the owner does not intend to use it immediately after registration, rather he wants to retain the right to use it after a specific period, such as: the preventative trademark and the protective mark. This type of registration is known as the French system (Kur A., 2019). This system has several advantages, the most important of which is that it makes the owner (owner) of the trademark who is slack in registering his trademark assured of his right to ownership. The trademark owner who neglects its registration shall be safe from having his trademark usurped by others by registering it (Cross, 2008, 367).

### **1.2 Registration Establishing the Ownership Right in the Mark**

This means that the registration of the trademark is considered a generator of the right of ownership in it, as the mere registration of the trademark is a sufficient reason in itself to establish the right to its ownership. Regardless of any previous use of it, the priority of use after the registration has taken place is not taken into account. (Hoffrichter, 2022, 38).

The Trips Agreement expressly forbids member states to impose use as a condition prior to submitting an application for registration. Article (15/3) stipulates that member countries may make the contract of registration dependent on use, but the actual use of the trademark may not be considered a condition for applying. It is prohibited to refuse a registration application simply because the intended use did not occur before the expiry of a period of three years from the date of submitting the application (Shapira, 2015).

This type of registration is known as the German system. Its adoption eliminates the disadvantages of the registration determined for the ownership of the trademark, as it determines the legal status of the person who registered the trademark permanently. If he refrains from registering his trademark and someone else has previously registered it, then according to this system the person who previously registered the trademark becomes the real owner of it, and if someone else takes precedence in using that trademark, the ownership of the trademark according to this system shall be for the first in registration and not the first in use.

### **1.3 Deferred Registration of the Ownership Right in the Mark**

This means that the registration of the trademark is a prescriber of the right to that trademark in a beginner and then it becomes the originator of that right at its end, that is, the priority of the use of the trademark remains the basis for establishing the right to own that mark, while the registration of the trademark is just a determination of the right to it, and that is limited to a certain period. If that period elapses without objection or dispute in the registration, the latter becomes the originator of the right to the mark. Undoubtedly, the subsequent use of the registration is very important. That is because

its absence leads to the expunging of the trademark from the register after a specific period (Griffin, 1925).

This type of recording is known as the English system. This system is considered the common denominator between the French system and the German system in this regard. It is free from many disadvantages of these two systems, which made it more widespread than them (Gangjee, & Burrell, 2010, 282-295).

## **2. The Impact of Registration and use on Trademark Ownership in Jordanian law and International Agreements**

In view of the global opening and the logistical and technological development in the field of transport and freight of goods, and due to the development of marketing and communication tools, trade has become very cross-border. So, it was necessary to have international cooperation to protect that transcontinental trade and industry. Given the above, international organizations and bilateral agreements between countries in the field significantly preserve the rights of trademarks, to reduce counterfeiting of trademarks, which exposes the process of commercial exchanges to significant risk and is unfair to the rights of owners of commercial and industrial activity around the world.

The World Trade Organization (WTO) is considered one of the most important international organizations that unite most countries in the world in regulating the trade process in general and the trademark process in particular. It is the sponsor of the "Madrid System for the International Registration of Marks of 1996" which is the most important international system in the registration of trademarks around the world. The researcher in this study explains the impact of registration on the ownership of the trademark nationally and internationally as follows.

### **2.1. The effect of registration on the trademark ownership**

Article 29 of the Jordanian Trademarks Law No. (33) of 1952, provides that, The registration of a person as the proprietor of a trademark shall in all legal proceedings relating to the registration constitute evidence of the validity of the original registration of such trademark and all subsequent assignments and transfers of the trademark, also Article 26/1- b provides as follows. If a trademark is well-known and if it is not registered, then its owner may demand the competent court to prevent third parties from using it on identical or unidentical goods or services provided that such use indicates a connection between those goods or services and the well-known mark and provided that there is a likelihood of prejudice to the interests of the trademark owner because of such use. A likelihood of confusion shall be assumed if an identical well-known mark is used on identical goods:

It is clear from the text of the two aforementioned articles that Jordanian law has carried out the procedure for registering a trademark as nothing but a prelude to the legality of that procedure. That means that the effect of registration determines the right to the trademark only. That means that the registration of the trademark is nothing but a legal presumption on the ownership of the trademark for the one who made its registration. However, this presumption is not conclusive, that is, it may be proven otherwise.

Therefore, it can be said that the Jordanian legislator has made the basis of the right in the trademark to those who have previously used it, not to those who have previously registered it. (Nawafleh, 2010. 142).

The Court of Justice of the European Union (CJEU) decided that even if the trademark registration is in the name of a person who is considered a presumption of his ownership of the mark, unless this presumption may be demolished on counter-evidence, if the right of the person in whose name the trademark was registered is in conflict with the right of a previous user of this mark, the person who used it shall have priority over the person who is registered in his name and enjoys the right to request the registration numbering when there is a similarity between the two trademarks that would lead to deceiving the public. With reverse evidence, the former user of the trademark that has become distinctive for his goods has the right to name the trademark named after another person, and this is a recognition of the right of the former to use and use that mark, as he may invoke this against the one who registered his mark; registration does not preclude the claim of the former. In the use of that mark, he has the right to it and retrieves it in one of the ways established by law, and the burden of prior use falls on the plaintiff. The plaintiff has the right to prove this through all means of proof, because the fact of the earlier use is a material fact (Luginbuehl, 2019), (Kur, Dreier & Luginbuehl 2019)<sup>2</sup>

## 2.2. The effect of the use on the trademark ownership

The reason for acquiring the right to trademark ownership varies between different jurisdictions. In addition, the (TRIPS) did not impose a specific system for the acquisition of such a right, but rather equated the systems prevailing in national laws as some of these countries consider the trademark ownership system through the precedence of use, such as the United States, and other countries consider the trademark ownership system through the precedence of registration, such as Morocco. (Helbling. 1997, 413). There are some countries that adopt a mixed system of the two previous systems, which is the system of proving the ownership of trademarks through the precedence of use and the presumption of registration, such as the Jordanian law, as the Jordanian legislator has made the registration of the mark a determining effect; it considered the registration certificate to be nothing but preliminary evidence of the legality of the trademark, meaning that the registration of the mark and the certificate issued in this regard is a presumption of proving the ownership of the mark; it is a simple and inconclusive legal presumption that may be proven reversed by all methods of proof by the one who used it first. This means that the Jordanian legislator has made the ownership of the trademark arise with the priority of use, and the effect of registration has been limited to determining and disclosing this right. Use is the grounds for ownership and registration is a tool to prove the occurrence and date of use. This is

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<sup>2</sup> *Technology & IP Newsletter*, No. 1 2014. International trade mark are subject to "genuine use" requirements in the EU, <https://www.ashurst.com/en/news-and-insights/legal-updates/international-trade-mark-are-subject-to-genuine-use-requirements-in-the-eu/>. See also, *Interflora Inc., Interflora British Unit v Marks & Spencer plc, Flowers Direct Online Ltd.*, Case C-323/09. European Court Reports 2011 I-08625, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A62009CJ0323>.

what is learned from the extrapolation of Articles (29-32) of the Jordan Trademarks Law. (Al-Jabarin, 2010, 52). This is what the Jordanian Supreme Court of Justice ruled, as it ruled the following:

„The jurisprudence and the judiciary have settled that the registration of the trademark is a presumption of the ownership of the mark; even if it is a presumption of ownership of the mark, it is permissible to demolish this presumption with counter-evidence.” (Supreme Court of Justice, 306/1995).

It also ruled: „Even if the trademark registration is in the name of a person who is considered a presumption of ownership of the trademark, this presumption may be destroyed with reverse evidence so that if the right of the person in whose name the trademark was registered affects the right of a previous user of this impact, the person who used it shall have priority over the person in whose name the trademark was registered; and he has the right to request a presumption of registration (dismissal) when there is a similarity that would lead to deceiving the public”.(Supreme Court of Justice, 65/1972).

### **2.3. Actions Concerning Trademark Rights**

„There are no significant restrictions in the actions contained in the rights of the trademark, unlike in other elements of intellectual property. That’s attributed to the fact that the trademark is primarily intended for commercial purposes, and that it does not usually come from intellectual creativity, but rather is chosen from previous existent forms and appearances. It gives the product a distinctive feature from others”. (Ramello, 2006, 547 ; Frohlich 2017).

Article (15) of the Jordanian Trademarks Law stipulates the following: If the application submitted to register a trademark is accepted and has not been objected to and the period specified for the objection has passed, or if the application is objected to and a decision is issued to reject the objection, the registrar shall register that trademark after paying the estimated fee. That applies unless the application was accepted by mistake or the court indicated otherwise. The trademark shall be registered on the date of the application considering this date as the date of registration. Thus, the applicant becomes the owner of the trademark registered in his name from the date of submitting the application for registration. Article (20) of the Trademarks Law sets the registration period at ten years. At the end of this period, the trademark owner loses his acquired right in it unless he renews it, which entails continuing to protect the trademark and then the owner of the trademark provoked it and preserved his rights during this period by exploiting this trademark and disposing of it in accordance with the provisions of the law.

From the foregoing, there are two main actions for trademark rights: an act of transferring ownership, and an act of transferring the benefit (an act other than a transfer of ownership):

#### *1) The Actions of Transferring Ownership*

Since the trademark is linked by virtue of its function to the store or commercial store as a symbol of distinguishing its products and merchandise. The question that arises is

whether the trademark owner can dispose of it alone, independently of the store or commercial store, or that disposal of it must be linked to the store or commercial store as well.

The transfer of ownership must be contained on a registered trademark. However, if it is not registered, the general rules of disposal are the ones that govern it. (Al-Haija, 2021, 28).

Article (19/1) of the Trademarks Law stipulates the following: The ownership of the trademarks may be transferred, assigned, or mortgaged without transferring the ownership of the commercial store that uses the trademark to distinguish its goods, assigning it or mortgaging it, and trademarks may be seized independent of the commercial store.

Based on this text, the researcher believes that the Jordanian legislator has permitted the trademark owner to dispose of his trademark in a manner that transfers ownership through sale or assignment. In the case of a sale, the conditions of the sale contract must be met. Article (465) of the Civil Code defines sale as „ the ownership of money or a financial right in return for a consideration”. (Ebkar, 2001). The conditions for concluding a valid contract must also be met in civil law in terms of offer, acceptance, place, and reason, and by completing these conditions in the contract, the special conditions contained in the Jordanian Trademarks Law must be met in terms of the seller’s ownership of the trademark subject of the contract. The trademark must be registered and recorded. It is legal and valid, and it is not mortgaged or seized for any person or reason, or related to the right of others. In order for the sale of the trademark to have its effects, the sale event must be registered with the Trademarks Registrar and published in the Official Gazette. (Kolawole,2018, 316).

The ownership of the trademark may be transferred in a non-consensual manner as if the trademark was sold by the public auction after the seizure was made from a creditor to the owner. However, in the case of waiving the trademark by the sole will of the owner (Yelnik, 2010, 203-219; Calboli, 2002, 47). The provisions contained in the article No. (253) of the Jordanian Civil Code shall apply to it. If the assignment is made, the ownership will pass to the assignee, but it will not be considered as such for others unless this is confirmed in the register and published in the official newspaper prepared for that. The registration is the owner. The buyer is not entitled to file an anti-counterfeiting lawsuit against others before registering the trademark in his/her name. The trademark may be ceded by the public auction if it is seized for a debt or if the company that owns the trademark is liquidated according to the procedures followed in the auction sale, and the liquidator undertakes this by a court decision, and in all cases. The trademark assignment must be registered with the Trademarks Registrar, provided that the instructions issued by the Minister of Industry and Trade regarding the transfer of trademark ownership are followed.

#### *The Actions of Transferring Benefit.*

The owner of the trademark may not want to permanently relinquish his ownership of it. He may grant others the right to put the trademark on his products or services for commercial purposes or mortgage to obtain a loan in favor of the trademark owner from the mortgagor, such as: a bank. (Tavares, P. S., Ziemer, A. A. & Randazza, M. J. 2017).

### 2) *The license contract:*

Article (26/2) of the Jordanian Trademarks Law stipulates the following: (The trademark owner may license one or more persons, under a written contract authenticated with the Registrar, to use his trademark for all or some of his goods. The owner of this trademark enjoys the right to continue using it unless otherwise agreed. The term of the license to use the trademark exceeds the period prescribed for its protection according to its registration).<sup>3</sup>

From the extrapolation of the text of the competition article, the researcher finds that it obligated the writing of the license and its documentation in a written contract with the Trademarks Registrar, which has implications in terms of obligations on the licensor, others, and the licensee specifically.

It is worth noting that the licensing contract for the use of the trademark does not affect the ownership of the trademark. The trademark remains owned by its owner. The licensee enjoys the right to use it for a certain period in return for a specific fee, the matter that prompted a part of jurisprudence to rightly say that the license contract for the use of the trademark is nothing but a form of leasing, the place of which is the use of the trademark. (Zakharov, 2005, 787).

### 3) *The mortgage contract:*

The ownership of trademarks may be transferred, assigned or pledged without transferring the ownership of the commercial store that uses the trademark to distinguish its goods or assign it, or mortgage it. It is also permissible to seize trademarks independent of the commercial store, which he resorts to obtaining a loan in favor of the trademark owner, as we mentioned earlier. In order for the mortgage to produce its effects, conditions must be met: a) that the mortgagor is the owner of the trademark; b) the mortgagor has the right to dispose of it; c) that the trademark is legally registered; d) the mortgage sign has been placed on the trademark registration with the Trademarks Registrar under the provisions of the law; e) the foreclosure incident shall be published in the Official Gazette. (Hutt, 1940, 66-77).

Through completing these conditions, the mortgagee creditor can invoke this mortgage against others, and the mortgage reference remains in place until the mortgagee creditor fulfills his debt, and this mortgage grants him/her the right to demand his/her debt ahead of all other ordinary creditors or those who are next in rank.

## **Conclusion**

It is noted that the easiest way to prove rights in a mark is through trademark registration. One of the most important features of trademarks is that it is one of the

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<sup>3</sup>Article 10(2) of the Trademark Directive (EU) 2015/2436 delineating the rights conferred by a trademark, reads: „the owner of that registered trademark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services,” also Article 25/2 stipulates that „The owner of a trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licensing contract”.

important means in the success of the economic project, in particular in the field of competition at the international and local levels alike by use, so that the right is acquired through the actual use of it. Obtaining the right does not require a specific act, but rather requires the use of the mark, and despite the emergence of the right to the used trademark, it did not have protection like the registered trademark, meaning that the registered trademark enjoys more legal protection from the unregistered trademark because it enjoys penal protection, and this is a shortcoming in Jordanian legislation.

The phenomenon of trademark infringement remains widespread, and the reason for this may be due to the inconsistency of penalties and fines with the benefits and profits that the infringer may earn on the trademark. Therefore, the value of the prescribed fines should be increased, as well as the tightening of the penalties for physical coercion, especially the infringement of the intellectual property of goods bearing international trademarks has grave disadvantages, the most serious of which is endangering human life when using a commodity due to the chemical or electrical nature of services in this commodity that may harm the health and safety of its users, in addition to that it harms the product. That leads to the loss of importance and role. It will have an effect on the efficiency of the product.

According to the researcher, the existence of a sound intellectual property system would enhance the work environment in Jordan. It shall protect the health and safety of citizens and prevent the waste of public funds on counterfeit products of poor quality and perishable.

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