

## BOIP takes a stand on what constitutes genuine use of a CTM

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In *Leno Merken BV v Hagelkruis Beheer BV* (Opposition 2004448, January 15 2010), the [Benelux Office for Intellectual Property](#) (BOIP) has ruled that use of a Community trademark (CTM) in one member state is not sufficient to constitute genuine use of the mark in the European Union. According to the BOIP, such limited use does not justify large-scale and exclusive rights such as those conferred by a CTM.

On July 27 2009 Hagelkruis Beheer BV applied for the registration of the word mark OMEL in Benelux for, among other things, advertising and business management services. Leno Merken BV, the owner of the CTM ONEL for identical services, opposed Hagelkruis's application. Leno claimed that it had been active as a trademark agent in the Netherlands for over 40 years. Its services were directed mainly at small and medium-sized businesses in the Netherlands.

Hagelkruis admitted being aware of Leno's activities in the Netherlands, but asked for evidence of its activities in other countries. Leno responded that it did not need to prove that it was active in other countries, because use in one member state constitutes genuine use in the European Union under Article 15 of the [Community Trademark Regulation](#) (40/94), now the [Community Trademark Regulation](#) (207/2009). Leno based this argument on the Joint Statements of the Council and the European Commission with regard to the regulation. Hagelkruis disagreed with Leno's interpretation and asked that the BOIP reject Leno's opposition.

The BOIP first stated that interpretations such as the Joint Statements are not legally binding. It referred to the decision of the European Court of Justice (ECJ) in *Praktiker Bau- und Heimwerkermärkte* (Case C-418/02) (for further details please see "[Retail trade services can be protected by trademarks, ECJ rules](#)"). The BOIP also stated that aligning national use with Community use would conflict with the regulation - especially with Article 112, which provides for the conversion of CTMs into national marks. The BOIP explicitly stated that it would lead to undesirable and unjust results if one decided to put the territory of the European Union on the same level as that of a member state. The BOIP pointed out that a trademark confers a monopoly on its owner - if that monopoly reaches beyond the territory in which the mark is used, this would create an obstruction to the free movement of goods and services.

The BOIP concluded that the principle that genuine use in one country meets the requirement for genuine use in the European Union could not persist. Leno's opposition was thus rejected.

At first glance, the BOIP's ruling seems to be at odds with the ECJ's decision in *PAGO* (for further details please see "[Austria is a substantial part of the European Union, says ECJ](#)"). However, the underlying circumstances of this case were different. Most importantly, in *PAGO* the issue was whether reputation in one member state was sufficient to give protection against use of a trademark which would take unfair advantage of, or be detrimental to, the distinctive character of a CTM. Moreover, in *PAGO* the ECJ did not state as a general rule that use in one member state will always constitute genuine use in the European Union. It is true that the threshold does not seem to be very high, as a relatively small country such as Austria was regarded as constituting a substantial part of the European Union. However, if the trademark at

issue had not been a mark with a reputation, the ECJ might have ruled differently as to what may constitute a substantial part of the European Union. Even after *PAGO*, it is not inconceivable that use of a mark in only one member state could be considered as insufficient.

OHIM issued a statement on the BOIP's ruling on January 27 2010:

*"OHIM – applying the principle of the unitary character of the CTM – continues to consider that boundaries of member states should not play a part in assessing 'genuine use' within the EU single market, as recently outlined in its contribution to the European Commission study on the overall functioning of the trademark system in Europe."*

OHIM and the BOIP are thus at a stand-off, and it is likely that more will be heard on the subject.

The BOIP's decision is likely to have a significant impact on enterprises with local activities that own a registered CTM. CTM owners will need to assess the use of their mark carefully before deciding to oppose an application.

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