

Friday, 22 January 2010

When 'genuine' isn't 'genuine'

Fresh off the press from the IPKat's deeply-appreciated old friend Professor Charles Gielen (NautaDutilh) comes a newsflash concerning a ruling last Friday from the Benelux Office for Intellectual Property ("BOIP") that the use of a Community Trade Mark in EU Member State is insufficient to constitute genuine use of such a trade mark in the EU within the meaning of Article 15 of Community Trade Mark Regulation 40/94 (now Regulation 207/2009). Says Charles:

"This decision can cause problems for owners of CTMs that are used solely in one country of the Community. Such owners could be faced with the situation that after five years of use in one country, their CTM can be revoked because the BOIP perceives such use as not constituting genuine use. The judgment is particularly likely to have a huge impact for enterprises that are active locally and have registered a CTM which they use only in one country of the Community. It can be argued that the BOIP is implicitly also stating that a Benelux trade mark is not genuinely used if it is used in solely one Benelux country. Accordingly, such Benelux trade marks could also be in danger after five years because the BOIP could perceive the use of such trade marks in one country or province as non-use in the Benelux.

The facts

In July 2009 Hagelkruis Beheer B.V. applied to register the CTM OMEL at the Benelux Office for Intellectual Property ("BOIP") for goods and services in classes 35, 41 and 45. The application was published on 29 July 2009. Hagelkruis planned to use the trade mark OMEL in Norway and Sweden, and possibly in other Scandinavian countries too. The registration of the CTM was intended solely to serve as a basis for an international filing under the Madrid Protocol. Leno Merken B.V. was the proprietor of an earlier CTM, ONEL, applied for in March 2002 and registered in October 2003 for goods and services in classes 35, 41 and 42 **[Aha, says the IPKat -- ONEL is Leno in reverse!]**. Leno Merken had operated as a firm of trade mark attorneys firm for over 40 years in the Netherlands, offering its services under the trade mark ONEL; its services were directed particularly at Dutch medium-sized enterprises.

Onel trademarks®

Opposing the OMEL application, Leno Merken was asked to provide evidence of genuine use of its ONEL mark. While it was undisputed that Leno Merken had used its trade mark genuinely in the Netherlands, Hagelkruis argued that use of the trade mark in one country was insufficient to constitute genuine use within the meaning of Article 15 CTMR. Basing its opinion on the Joint Statements of the European Commission and the European Council in relation to the CTMR, Leno Merken also argued that the CTM system had always been promoted as a flexible system in terms of the extent of geographical use and that this was one of its strengths: by proving use of a CTM in one country, the owner obtains protection in a large territory and can retain this protection by meeting relatively low requirements.

Leno Merken asked the BOIP to rule that its ONEL trade mark had been genuinely used within the Community and to reject the application to register OMEL. Hagelkruis, in response, emphasised that the two trade marks would not be used in the same territories, adding that it totally disagreed with Leno Merken's arguments that use of a CTM in one country should suffice to preserve that trade mark. In its view, the CTMR requires use "within the Community" -- which is not the same as

use "in one member state".

Decision of the BOIP

The BOIP ruled that, based on ECJ case law, explanatory notes such as the Joint Statements are not legally binding (ECJ, *Antonissen*, C-292/89, 26 February 1991). Further, the findings in the Joint Statements were legally challengeable and were at odds with the second, third and sixth recitals to the CTMR.

The BOIP pointed out that it would lead to undesirable results if the territory of the Community was put on the same level as one member state. The EU had expanded to include 27 member states – a huge territory with a total population of over 500 million – and was expected to expand even further. The BOIP stated that, in view of this, use in only one country does not justify the broad protection provided by a CTM. To justify the exclusive right of a CTM, the mark must be genuinely used; but an exclusive right that reaches far beyond (or, in any event, beyond) the territory in which the trade mark is actually used would result in barriers to the free movement of goods and services within the internal market.

ECJ ruling awaited ...

Concluding that use of a trade mark in one country is insufficient for the requirement of genuine use within the meaning of Article 15 CTMR, the BOIP rejected the opposition and allowed OMEL to be entered in the trade marks register.

The European Court of Justice has not yet had an opportunity to rule on this issue, but we can expect a decision along similar lines as those discussed above. CTM owners will have to carefully check where their trade mark is being used before opposing later applications".

The IPKat begs to differ. He thinks this decision is wrong in principle and potentially damaging for businesses with trade marks. It would also be strange if the single territory of the Community adopted a different principle from that operating in member states, where the use of a trade mark in just one small corner of a very large jurisdiction is still regarded as genuine if it fulfils other criteria of use. The result may also be that a mark which has been used in the course of business in one member state only will fail to be regarded as genuinely used in revocation proceedings under Article 51 **[Aha, says Merpel -- '51' is '15' in reverse!]**.

Both Kats are sure that this will not be the last word on the subject, and that Professor Gielen will be sure to come to put them right!

Posted by Jeremy at [1/22/2010 02:24:00 PM](#)



Labels: [Genuine use of trade mark](#), [Netherlands](#)


4 comments:

PH said...

Maybe BOIP wasn't aware of the ECJs holding in *Ansul v Ajax* and *La Mer v Goemar*. The court held that use does not need to be quantitatively significant in order to establish "genuine use" and that sales to a single agent in a single member state may be just fine (*La Mer* paras. 20-22).

That said, I think "member state" is simply not the right measurement here. For example,

should use in Malta, Austria and Luxembourg be sufficient, but use in France alone not? Even though France has more inhabitants than those three countries together? In Ansul (para. 38) the ECJ gave a definition of genuine use which does not include the term "member state" but the famous "facts and circumstances" of the individual case. To me this seems like a more realistic approach.

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Anonymous said...

This case also seems inconsistent with the CHEVY case, where for "dissimilar goods/high reputation" protection:

"In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of **a part of one of the countries composing that territory.**"

Further, in PAGO v Tirolmilch (see IPKat note 6 Oct 2009), Austria was a substantial part of the Community for reputation purposes.

It appears logical that the same test should be used for the geographical extent of use to gain an enhanced reputation and the geographical extent of use to establish that the mark has been put into genuine use.


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Elvis said...

I think the above poster may have misread (or misquoted) La Mer. Just because one sale MAY constitute genuine use, doesn't mean it always will. It will depend on the market for the product, and whether the extent of sales is sufficient to create or maintain a market for the products.

This was underlined recently in the UK in a decision of Anna Carboni acting as the Appointed Person(SANT AMBROEUS).

There is an interesting discussion of course within this decision. If this had been a revocation action before OHIM the revocation probably would not have been ordered since OHIM grasps rigidly to the Joint Statement. Time for a reference?

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the TradeMarkovs' said...

'...explanatory notes such as the Joint Statements are not legally binding...'

Vienna Convention on the Law of Treaties:

INTERPRETATION OF TREATIES:
Article 31

General rule of interpretation

1. A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose.

2. The context for the purpose of the interpretation of a treaty shall comprise, in addition to the text, including its preamble and annexes:

(a) any agreement relating to the treaty which was made between all the parties in connection with the conclusion of the treaty;

(b) any instrument which was made by one or more parties in connection with the conclusion of the treaty and accepted by the other parties as an instrument related to the treaty.

3. There shall be taken into account, together with the context:

(a) any subsequent agreement between the parties regarding the interpretation of the treaty or the application of its provisions;

(b) any subsequent practice in the application of the treaty which establishes the agreement of the parties regarding its interpretation;

(c) any relevant rules of international law applicable in the relations between the parties.

4. A special meaning shall be given to a term if it is established that the parties so intended.

Article 32

Supplementary means of interpretation

Recourse may be had to supplementary means of interpretation, including the preparatory work of the treaty and the circumstances of its conclusion, in order to confirm the meaning resulting from the application of article 31, or to determine the meaning when the interpretation according to article 31:

(a) leaves the meaning ambiguous or obscure; or

(b) leads to a result which is manifestly absurd or unreasonable.

Of course Regulation 207/2009 isn't a treaty, but same interpretative principle is applicable. If something has been repealed from the draft proposal, it's impossible to render a text in the abandoned way.

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