

**Mark Schweizer said...**

I believe genuine use in one Member State must be sufficient to achieve the stated goal of the Community trade mark regulation. As Ben Moneapillay points out, Council Regulation 40/ 94 seeks to create "legal conditions [...] which enable undertakings to adapt their activities to the scale of the Community whether in manufacturing and distributing goods or in providing services". Suppose use of a CTM in one Member State was insufficient to avoid cancellation for non-use. The trade mark proprietor whose CTM was cancelled might then face conflicting older trade marks when exporting its goods or services to another Member State. This kind of barrier to trade within the EU is exactly what the Community trade mark regulation seeks to prevent. If you own a CTM (pre-dating confusingly similar national marks, of course), and you use that mark in at least one Member State, then you cannot be enjoined, based on national trade mark law, to offer your products in any Member State. That's the point. Allow movement of goods.

Article 108(2) prohibits conversion of a CTM cancelled for non-use into a national mark "unless in the Member State for which conversion is requested the Community trade mark has been put to use which would be considered to be genuine use *under the laws of that Member State*".

I read this to allow conversion when the use of a CTM (in any Member State) was insufficient under the Community trade mark regulation but was sufficient under the national laws of the concerned Member State; i.e. the requirements for use in that Member State are less demanding than the ones for a CTM. In this case, conversion should be allowed because a national mark in that Member State would have been used sufficiently, and the owner of the CTM should not be in a worse position than the owner of a national mark in said Member State. Art. 108(2), in my reading, does not require proof of genuine use according to European standards in the concerned Member State.

Tuesday, January 26, 2010 8:21:00 AM

**Anonymous said...**

This analysis is to be found in Annand & Normand, Blackstone's Guide to the Community Trade Mark at pp. 124-125 and 139, published as long ago as 1998.

Tuesday, January 26, 2010 8:22:00 AM

**Kate Széll said...**

I agree with Ben and have, for many years, not allowed anyone advising clients under my supervision to tell them that use in one country is sufficient to maintain a CTM. After all, what is the authority for that? - The minutes which also gave us the "authority" that likelihood of association was to be interpreted as per Benelux law. That was held to be wrong, and the minutes not binding, some years ago.

The CTM system's major flaw is the extreme breadth of protection given to proprietors who should - in my humble opinion - not be allowed such breadth. This arises from the protection given through 27 countries, when the proprietor has an interest only in a miniscule number of those countries, and also from the ridiculous breadth of specification that is allowed - or, rather, as a result of the fee system, encouraged - for CTMs. Try dealing with an opposition when you know that the opponent has absolutely no interest in the country or countries where your client wants protection or advising on a trade mark search and you'll quickly see the problem. It may only be a small starting point but I give a big "hurrah" to this decision!

Tuesday, January 26, 2010 9:33:00 AM

**Peter Smith said...**

I do not think that Articles relating to conversion can be used to draw the conclusions that Ben proposes. If you consider a trade mark that has been used in just part of a member state (e.g. Cornwall), that might constitute genuine use of a national (U.K.) trade mark but not genuine use of a Community trade mark. Article 108(2)(a) appears to be intended to address such a situation.

Tuesday, January 26, 2010 9:34:00 AM

**Christopher Morcom QC said...**

I have written in some detail on this, including the Article 108 argument - it is in one of the later chapters of *Modern Law of Trade Marks* ('MLT', 27.52 et seq). For the moment I would just make one brief observation.

An earlier draft of the proposed Community Trade Mark Regulation put the user requirement as "use in a substantial part of the Common Market". At the time I protested to Bryan Harris, the official at the Commission dealing with the matter, that this would discriminate unfairly against small businesses. I have a copy of my letter, which is mentioned in a footnote in the relevant section of MLT (27.54, fn 3). In that letter I cited the unitary character of the proposed CTM, and suggested that the requirement should be 'genuine use' in the Common Market. So, while I am not wedded to the 'joint statements', I believe that they are indeed correct on this issue and reflect the intention behind the introduction of the 'genuine use' requirement. *Pago* deals with a separate and different provision, which requires a 'reputation in the Community'. I believe that the decision of the Dutch Court is incorrect, and that the ECJ - consistently with its earlier decision in cases such as *Ansul* and *La Mer* - should disagree with it and continue to focus on the requirement of 'genuineness' of the use, rather than the quantitative aspects.

Tuesday, January 26, 2010 11:10:00 AM

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### **stephen said...**

Just a thought, but would the presence of the trademark on a website, available/viewable anywhere in the European Union, not constitute offering trademarked goods for sale across the whole of the EU?

Tuesday, January 26, 2010 11:47:00 AM

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### **Jen said...**

and would it not depend on the goods/ services in question- surely the threshold for "genuine use" is lower for airplanes than, for instance, chewing gum- 50 packs of chewing gum sold in the Netherlands in the past 5 years may not count as genuine use, but one would hope that certainly 50 jets would...

Tuesday, January 26, 2010 1:35:00 PM

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### **Anonymous said...**

In response to Stephen's comments I believe it depends on the facts (as usual!)

Consider a website in Spanish for example (so target audience=Spain) that may also state that they only deliver goods to Spain. I would have thought that either of these could lead to the conclusion that the trade mark would not be genuinely used outside of Spain.

Tuesday, January 26, 2010 1:49:00 PM

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### **The TradeMarkovs' said...**

If there is an issue it's rather legislative and not interpretative.

How could a ruling be spot on when it returns to a solution repealed from the draft proposal for the Regulation? Doesn't the adoption history clearly reveal that the law-makers didn't arrive to any consent even closer to the elucidation offered by the BOIP recently? Didn't they rebuff it definitely?

Who's partial to what or are all provisions in Regulation 207/2009 consistent are not questions of legal method. These might be underpinning for prospective legislative improvement.

I venture to reiterate the exact value of instruments as Joint Statements as far as the principle of the interpretive context is concerned (e.g. Art. 31 and Art. 32 of the Vienna Convention on the Law of Treaties and I do not believe that we could render regulations out of context and out of reading rules).

Tuesday, January 26, 2010 1:56:00 PM

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### **Richard Gallafent said...**

With great respect to the detailed analysis undertaken by Ben, I fear he has lost sight of the landscape among the forest of relevant and associated provisions. I believe the provisions are plain and simple, and that we stray from the proposition that location in an area A which is wholly encompassed by an area B is location in area B at our peril

proposition, that location in an area A which is wholly encompassed by an area B is location in area B, at our penit. Venn diagrams and symbolic logic may have relevance here.

The best contribution I have seen recently on this subject is to be found in the OHIM contribution to the current Max Planck Institute study, see section IV at page 13 and 14. The link is

[http://oami.europa.eu/ows/rw/resource/documents/OHIM/OHIMPublications/ohim\\_contribution.pdf](http://oami.europa.eu/ows/rw/resource/documents/OHIM/OHIMPublications/ohim_contribution.pdf)

I very much hope the Court of Justice will take a robust view, and a clear one!

Tuesday, January 26, 2010 4:11:00 PM

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### **Camilo Sessano Goenaga said...**

In my opinion, there are several criteria that must be taken into account in determining the sufficiency of use of a CTM within a single Member State, and are as follows:

- first of all, and as the community judge has held: the territorial scope of the use is only one of several factors to be taken into account in the determination of whether it is genuine or not (see, to that effect, judgment of the Court of Justice of 11 May 2006 in Case C-416/ 04 P The Sunrider Corporation v OHIM ('Vitafruit') [2006] ECR I-4237, at paragraph 76, and judgment of the General Court of 10 September 2008 in Case T-325/ 06 Boston Scientific Ltd v OHIM ('Capiro') [2008] ECR publication pending, at paragraph 46; see also to that effect and by analogy, order of the Court of Justice of 27 January 2004 in Case C-259/ 02 La Mer Technology, Inc. v Laboratoires Goemar SA ('Laboratoire de la mer') [2004] ECR I-1159, at paragraph 24).
- Second: it is not possible to determine a priori, and in the abstract, what quantitative (and territorial?) threshold should be chosen in order to determine whether use is genuine or not. A 'de minimis' rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see to that effect, order of the Court of Justice of 27 January 2004 in Case C-259/ 02 La Mer Technology, Inc. v Laboratoires Goemar SA ('Laboratoire de la mer') [2004] ECR I-1159, at paragraph 25; and judgment of the Court of Justice of 11 May 2006 in Case C-416/ 04 P The Sunrider Corporation v OHIM ('Vitafruit') [2006] ECR I-4237, at paragraph 72).
- Third, as the community judge has established: use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive, even if that use is not quantitatively (territorially?) significant. Even (territorially?) minimal use can therefore be sufficient to qualify as genuine (see to that effect, order of the Court of Justice of 27 January 2004 in Case C-259/ 02 La Mer Technology, Inc. v Laboratoires Goemar SA ('Laboratoire de la mer') [2004] ECR I-1159, at paragraph 21; judgment of the Court of Justice of 11 March 2003 in Case C-40/ 01 Ansul BV v Ajax Brandbeveiliging BV ('Minimax') [2003] ECR I-2439, at paragraph 39; and judgment of the Court of Justice of 11 May 2006 in Case C-416/ 04 P The Sunrider Corporation v OHIM ('Vitafruit') [2006] ECR I-4237, at paragraph 72 in fine).
- Fourth: as provided in Article 15(1)(b) of CTMR (207/ 2009), The following shall also constitute use within the meaning of the first subparagraph: [...] (b) affixing of the Community trade mark to goods or to the packaging thereof in the Community solely for export purposes. In that sense, and as the community judge has held, use of the mark by a single client which imports the products for which the mark is registered can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor of the mark (see to that effect, order of the Court of Justice of 27 January 2004 in Case C-259/ 02 La Mer Technology, Inc. v Laboratoires Goemar SA ('Laboratoire de la mer') [2004] ECR I-1159, at paragraphs 24 and 27 in fine).

In the light of all the above considerations, it should be noted that in many cases the use of a CTM in one single Member State could be considered as "sufficient" or "genuine".

Dr. Camilo Sessano Goenaga.

Wednesday, January 27, 2010 11:04:00 AM

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### **Filemot said...**

OHIM seem to have had the last **word**. Benleux is wrong today but we may be about to see a change in the CTMR to require interstate trade to maintain a CTM





### **Anonymous said...**

At last the “politically correct” opinion suffers a set back.

The following IPKat sentence written on January 22, 2010: “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.” shows that - as many other persons - the author apparently did not really study nor consider the problem in its entirety:

- as regards Geographically sufficient use for CTMs, one simply cannot apply the same criteria as for national or Benelux TMs for an obvious reason: on a national level, there is no “fall-back” option since there is no Scottish not Bavarian TM, meaning that -subject to the legal practice of each involved country- a genuine use in Scotland (or even a part thereof) might do to keep in force a UK TM or a genuine use in Luxemburg might do to keep in force a Benelux TM; on the other hand, on a EU level, the national (& WIPO) TMs constitute such a “fall-back” position and there is for example no reason to “pollute” 24 TM registers by using a CTM in 3 countries and pretending to maintain this super-powerful right “for ever” in the EU; whereas the preceding is plain common sense, many persons only reluctantly agree and certainly do not want to draw the necessary logical consequences;

- IPKat should try to seriously think about the meaning of “(genuine use) in the Community” (CTMR, Article 15.1);

- IPKat should try to seriously think about the meaning of § 37 of the HIWATT decision (CFI, December 12, 2002: HIWATT/ Kabushiki Kaisha Fernandes -T-39/ 01), a decision which, despite much wishful thinking from its opponents, was not at all “invalidated” by the more recent jurisprudence (which contains almost nothing on the geographical use of CTMs): “...genuine use means that the mark must be present in a substantial part of the territory where it is protected...”);

- IPKat should read (again) position papers on the risks incurred by too low (geographical) use requirements as regards CTMs, in particular the articles written by Luis-Alfonso Durán (2005), Jaroslaw Kulikowski (2005), Fabio Angelini (2005 & 2006) and the 50-60 p study I wrote with Dr Alliana Heymann in 2006-2007 further to a presentation I made during the 2006 ECTA Annual Conference.

But ever repeating or writing the same conformist “arguments” is of course easier... Still I will never understand how Anglo-Saxons who are familiarised (and fully agree) with the (very) demanding use requirements in Canada or in the USA can be so “tolerant” and “lax” vis-à-vis the lack of any serious use requirements for the CTMs, meaning that there is no efficient mean to eliminate the ever increasing amount of “deadwood” (= CTMs which are not or not widely enough used); these gentlemen should be aware that clogged TM registers are a serious problem when you want to create and protect new brands: this is a much more relevant business issue than - whether this is deliberate or not - just defending those who own existing rights and want to keep them forever; indeed a very static and conservative way of envisaging business life...

François GRIESMAR, IP Lawyer

Thursday, January 28, 2010 9:34:00 AM

### **The TradeMarkovs' said...**

May I hazard to add that the US TM system is entirely different one (first-to-use or rather mixed)? I filed for a couple of TM designating the USPTO and I faced the real establishing of rights primarily by intention & ‘occupatio’.

Yet I am deeming that we are discussing rather a legislative topic. So may I offer a TM utopia by changing our first-to-file system into a genuine declarative registration?