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Benelux IP Office ruling on genuine use of a CTM

MARQUES, the European organisation representing brand owners' interests worldwide, is an association created to promote the professional development and education of brand owners in the selection, management, protection and exploitation of their trademarks and other IP within the global economy.

MARQUES works actively to ensure that businesses are involved and duly represented in the debate surrounding developments of the systems they use to protect their trademarks. That is the reason why MARQUES wishes to make a statement in connection with the recent ruling by the Benelux Office for Intellectual Property (*the Leno Merken B.V. / Hagelkruis Beheer bv case*).

The referred Decision from the Opposition Division of the BOIP of 15 January 2010 states in summary that use of a CTM in one EU Member State is not sufficient to constitute genuine use within the meaning of the Trademark Directive and CTM Regulation.

MARQUES disagrees with the interpretation of the concept of genuine use contained in the ruling of the Benelux IP Office on the basis of the following considerations. MARQUES considers that the ruling is contrary to the concept of one single unitary trademark right conferred under the CTM system and seriously jeopardises this concept. The CTMR nor the case law of the ECJ gives any support to the ruling of the BOIP.

Genuine use in the EU has been interpreted as meaning that the mark is used in accordance with its functions, which are to guarantee the identity of the origin of the goods or services for which it is registered, to constitute a guarantee of the products/services in question, and those of communication, investment or advertising (Case C-487/07 *L'Oreal SA and Bellure NV*).

When assessing that, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real (Case C-40/01 *Ansul BV and Ajax Brandbeveiliging BV*).

Furthermore, it has also been stated that 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 significant (Case C-259 *La Mer Technology Inc. and Laboratories Goemar SA*). Indeed, the European Court of Justice ruled that even minimal use can be sufficient to qualify as genuine, on con-

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dition that it is deemed to be justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark. The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case by case assessment (Case T-191 *Anheuser Busch Inc and OHIM*).

By way of analogy, the Court of Justice was already asked to state whether “reputation in the Community” was satisfied in case where the CTM had a reputation in only one Member State (Case C-301/07 *Pago International GmbH and Tirolmilch registrierte Genossenschaft mbH*). The Court ruled that the condition should be considered to be fulfilled when the CTM had a reputation in a substantial part of the territory of the Community. At that case, the territorial requirement was considered satisfied with regard to a single Member State, namely Austria. As a conclusion, the territory of a single Member State may be considered to constitute a substantial part of the territory of the Community.

In the light of the foregoing, MARQUES is of the opinion that the BOIP Opposition Decision in question contradicts the uniform interpretation of the concept of genuine use in the EU. We are of the opinion that the question whether use is sufficient to constitute genuine use relies on all the circumstances relevant to establishing that the use is real. The implementation of such criteria shall not depend on the number of Member States affected by the use of the mark. The opposite interpretation would affect the main principles of the CTM system.

The CTM is one of three options for protection of trademarks in Europe, and the number of CTMs proves the business interest in the system. MARQUES strongly believes in the principle of the unitary character of the CTM and will continue to support this concept.

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