

WEEKLY NEWS - FEBRUARY 01, 2010 Controversy grows over Benelux decision on trade mark use

01 Feb 2010

An opposition decision by the Benelux Office for Intellectual Property (BOIP) is reverberating around Europe, after it called into question one of the principles of European trade mark law

In the decision, dated January 15, the Office said the conventional view that genuine use of a Community trade mark (CTM) in just one EU member state by definition results in genuine use in the Community "cannot be maintained".

If widely followed, the decision could make the CTM a significantly less valuable right than it is at the moment.

In the case, a firm called Leno Merken filed an opposition based on the trade mark ONEL, but admitted that the mark had only been used in the Netherlands even though it was registered as a CTM. The Office **ruled**: "Use in only the Netherlands can, given these facts, not be classified as normal use of the invoked right."

Therefore, said the Office, the opposition failed and the Benelux trade mark application for OMEL, filed by Hagelkruis Beheer, should be accepted.

The decision has reignited debate about what constitutes the relevant market for assessing whether a CTM has genuinely been used during a five-year period.

After the decision was published, OHIM released a statement saying that the decision "contradicts the Joint Statement of the Commission and the Council, which establishes that use of a Community trade mark within the meaning of Article 15 of the CTM Regulation in one EU Member State is sufficient to constitute genuine use in the EU".

OHIM added that, pending any appeal in the case, it "continues to consider that boundaries of Member States should not play a part in assessing 'genuine use' within the EU Single Market".

In a statement on January 28 MARQUES, which represents brand owners in Europe, said it disagreed with the BOIP interpretation: "MARQUES considers that the ruling is contrary to the concept of one single unitary trademark right conferred under the CTM system and seriously jeopardizes this concept."

The statement, signed by MARQUES Chairman Guido Baumgartner and the Association's representative at OHIM Tove Graulund, added that the ruling was not supported by the CTM Regulation or the case law of the European Court of Justice.

MARQUES referred to the ECJ's decision last year in Pago, which said that the territorial requirement regarding reputation was satisfied by one member state (Austria). The decision showed that "the territory of a single Member State may be considered to constitute a substantial part of the territory of the Community," it said.

It added: "MARQUES strongly believes in the principle of the unitary character of the CTM and will continue to support this concept."

However, Charles Gielen of Nauta Dutilh in Amsterdam told *Managing IP* the ONEL case would almost certainly be appealed to the Court of Appeal in The Hague, which would probably refer a question to the ECJ.

He added that he believed the ECJ could endorse the BOIP decision: "A selling point of the CTM has always been that use in one member state is sufficient. But that is based on a statement in the minutes of a Council meeting, which is not binding."

Instead, he said that, as the EU now consists of 27 member states, the ECJ might decide that use in one member state alone is not sufficient to sustain a CTM against charges of non-use.

"In the *Pago* case, the ECJ did not say in principle that reputation in one member state is always sufficient, but only in the circumstances of that case," Gielen explained.

The European Commission last year asked the Max Planck Institute to carry out a study into the CTM system. It may recommend clarification of the law on what constitutes genuine use of a mark. But, said Gielen, any changes made to the Regulation would not be retroactive and an ECJ ruling would therefore be welcome: "The ECJ will have to interpret the law as it stands at the moment."