

**FICPI Forum**

*Lisbon, 2-5 November 2005*

## **Trade Mark Use**

**CTM onus of use, misuse, third party use  
and the acquiescence principle**

*by Fabrizio de Benedetti*

Società Italiana Brevetti, Rome, Italy  
e-mail: roma@sib.it - <http://www.sib.com>



# Use as justification for protection

Paris Convention: Article 5, C(1)

TRIPs: 15(3)

*... do not impose use but Member Countries  
may...*

# Use as justification for protection

Almost all countries have a use requirement.

**Under European system:**

Directive                      Recital 8

CTM Regulation              Recital 9

*The number of words and signs available as trademarks is not unlimited.*

# Use as justification for protection

*Practices in order to clean official registers  
include:*

- payment of maintenance fees*
- onus of use*

# Use as justification for protection

CTM + TMs in EU Member Countries (national + international)

*Lack of use for 5 years (after registration) entails:*

- *Possible revocation of the mark*
- *No legal relief against infringement*
- *No uphold in opposition proceedings*

# Genuine Use

*Interpretation needed from different perspectives:*

- ✱ HOW
- ✱ HOW MUCH
- ✱ HOW LONG
- ✱ WHERE

# Genuine Use

## HOW

*On registered goods or services, but...*

*... use... in connection with the goods or services in respect of which it (the mark) is registered...*

Directive Article 10(1)

CTMR Article 15(1)

*... essential function of the trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user...*

**(ECJ C-40/01 Ansul, par. 36)**

# Genuine Use

## HOW

***Use as company name, if visibly connected to the goods***

***Use on letterhead or catalogues, if visibly connected to the goods***





***Use on similar goods/services*** (under the conditions indicated by ECJ in Ansul)

***Use in oral form or relating to sound or olfactory marks could entail special problems as to the evidence***

***Use in an altered form*** [Directive Article 10(2a) - CTMR Article 15(2a)] Modernization of the letter style or graphic elements? It applies also to the 3-D marks?

<b>REGISTERED FORM</b>	<b>CURRENT USE (not accepted by OD)</b>	<b>Decision No.</b>
BONOLI	BONOLIVA	2996/2000 (FR)
CHIO	Cihochics/Cihorella	271/1999 (EN)
		206/2000 (EN)
SANSON		1976/2001 (EN)
VAQUER		932/2001 (EN)

*CFI considered that use of the mark GIORGI does not alter the distinctive character of the J. GIORGI registration.*

<i><b>REGISTERED FORM</b></i>	<i><b>CURRENT USE (accepted by OD)</b></i>	<i><b>Decision No</b></i>
COMPUTERVISION		609/1999 (EN)
BIODERMA		2451/2000 (EN)
		1944/2000 (EN)

# Genuine Use

## HOW

*On the market, but...*

*Use... must relate to goods or services already marketed or about to be marketed...*

**(ECJ C-40/01 Ansul, par. 37)**

**Preparations which are under way to secure customers should be considered use of the mark if the goods/services are about to be marketed.**

**(ECJ C-40/01 Ansul, par. 37)**

**Contrary: OHIM Opposition Guidelines**

# Genuine Use

## HOW

*In contrast, internal use is not genuine use*

*...genuine use of the mark entails use of the mark on the market... and not just internal use...*

**otherwise**

*...the mark loses its commercial raison d'être, which is to create or preserve an outlet for the goods or services...*

**(ECJ C-40/01 Ansul, par. 37)**

**The mark is to be used publicly and outwardly according to CFI which quotes ECJ in Ansul.**

**(CFI T-334/01 MFE Marienfelde of 8.7.2004)**

# Genuine Use

## HOW

***Token use is not genuine use***

***Use should not be merely token, serving solely to preserve the rights conferred by the mark***

**(ECJ C-40/01 Ansul, par. 36)**

# Genuine Use

## HOW

*In advertising, but...*

Advertising evidence is specifically considered under CTM Rule 22(3) but together with other types of evidence which are consistent with use on the market.

Advertising is also accepted by ECJ as a form of use *per se* if it is part of the preparations to market.

(ECJ C-40/01 Ansul, par. 37)

Advertising as preparation for the market could be appreciated taking into consideration the subsequent sale activity even if carried out after the relevant period.

(ECJ C-259/02 La Mer, par. 31)



# Genuine Use

## HOW

### *Use for corporate promotion*

It might not meet the requirement of creating or preserving an outlet for the goods or services if the goods bearing the mark are not for sale but only for promotion of other goods/services of real interest to the TM owner.

**On the same line: OHIM Opposition Guidelines**

# Genuine Use

## HOW MUCH



### *No rules*

It depends on facts and circumstances according to ECJ and inter alia:

- the nature of the goods or services,
- the characteristics of the market
- the frequency or regularity of the use of the mark
- whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market
- evidence which the proprietor is able to provide

ECJ C-40/01 Ansul, par. 43 – ECJ C-259/02 La Mer, par. 22

***Mission impossible?***

# Genuine Use

## HOW MUCH



### *At least some basic principles - 1*

- *Even minimal use can therefore be sufficient to qualify as genuine... if... for the purpose of preserving or creating market share for the goods or services protected by the mark*

ECJ C-259/02 La Mer, par. 21

ECJ C-40/01 Ansul, par. 39

# Genuine Use

## HOW MUCH

### *At least some basic principles - 2*

- *...use of the mark by a single client which imports the products for which the mark is registered can...demonstrate that such use is genuine, if...the import operation has a genuine commercial justification...*

ECJ C-259/02 La Mer (27.1.2004), par. 24

see also CFI T-203/02 Vitafruit (8.7.2004), par. 50

# Genuine Use

## HOW MUCH



***At least some basic principles - 3***

- *Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.*

ECJ C-40/01 Ansul, par. 40

# Genuine Use

## HOW MUCH



### *At least some basic principles - 4*

- *It is for the national Court to determine whether any circumstances subsequent to the filing of the application for revocation confirm the conclusion that the use of the mark was genuine during the relevant period or whether, conversely, they reflect an intention on the part of the proprietor to defeat that claim.*

ECJ C-259/02 La Mer, par. 32

# Genuine Use

## HOW MUCH



### *A subjective approach by ECJ?*

*Use is genuine if the sale (even minimal) is directed to create the market share for goods/services. Under this approach the purpose of the owner becomes decisive.*

**A MILESTONE FOR THE FUTURE?**

# Genuine Use

## HOW MUCH



**CFI Case T-334/01 MFE Marienfelde, 8.7.2004**

*It may be... justified... to market a product or a range of products (under the trademark)... even if their share in the annual turnover of the undertaking in question is minimal.*

# Genuine Use

## HOW MUCH



### UK Supreme Court of Judicature Court of Appeal Case No. A3/2005/2002, La Mer (29 July 2005)

*No quantitative or qualitative threshold had to be met. What mattered was the purpose of the registered proprietor in the sales of the goods bearing the mark to the UK importer.*

*... the object of Goëmar in relation to the use of the mark in the United Kingdom was in order to create an outlet.*

*...that guidance (of the Court of Justice) leads to the conclusion that any use of the trademark which is “consistent with (its) essential function” ... but not where that use is “token” or “internal”, will constitute genuine use within Article 10 (of the Directive).*

# Genuine Use

## HOW LONG

**Lack of use of the registered trade mark for a continuous period of 5 years is the only reference in the TM system.**

**No minimum length of time of use is prescribed.**

**ECJ:**

- makes reference to the “frequency of use”(Ansul, par. 39 – La Mer, par. 22)**
- maintains that circumstances subsequent to the period for which use has to be proved might be taken into account (La Mer, par. 31)**

# Genuine Use HOW LONG

## CFI:

- confirms that use made *for part of the relevant period* is sufficient
- does not exclude that use for a *relatively short period* of 4 ½ months might be sufficient (T-334/01 MFE Marienfelde of 8.7.2004)
- affirms that use for 11 ½ months is not *particularly short* (T-203/02 Vitafruit of 8.7.2004)

# Genuine Use

## WHERE

**EC Directive and CTM Regulation have no provisions apart from the obvious requirement that use must take place in the country, for national marks, or in the Community, for CTMs**

**Use includes, under those provisions, affixing the mark solely for export [Directive Article 10(2b) – CTMR Article 15 (2b)]**

# Genuine Use

## WHERE

**According to the joint statement of the Council and the Commission on the occasion of the CTM Regulation's approval ...*use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community* (from the minutes of the Council Meeting, 22.12.1994)**

**ECJ has, on other occasions, declared that said kind of statement does not bear legal weight.**

**In contrast, OHIM guidelines apply the joint statement accepting use “in a single Member State or part thereof”.**

# Genuine Use

## WHERE

### CTM geographical extent of use

Under CTMR Article 108(2a) a CTM revoked for non-use can be converted into a national TM application of a Member State if use made in that State *would be considered to be genuine use under the laws of that Member State.*

It implies: use made might be insufficient at Community level while sufficient at national level.

CFI in 2002 (T-39/01 KK Fernandes 12.12.2002) maintained that *genuine use means that the mark must present in a substantial part of the territory where it is protected...*

# Genuine Use

## WHERE

### CTM geographical extent of use

**Article 15 (2b) of CTMR considers use the mere affixing of a mark to goods/packaging for export purposes.**

**It implies: use throughout the Community should not be a requirement.**

**ECJ in Ansul and La Mer maintains that there is not an “a priori” quantitative minimum.**

**It implies: genuine use could be recognized to sales limited to a restricted territorial area of one Member Country.**

# Genuine Use

## WHERE

### Use on the Internet

#### Domain names recognized as distinctive signs

Use of domain name on the web identical to TM registration is use of that registration

- if the domain name conveys visibly a commercial offer of the goods or services, and
- if such offer is specifically directed to customers in the relevant territory (either EU or Member State)

# Proper reasons for non-use

**Non-use could be excused if there are proper reasons.**

**(Directive, Article 10 and CTMR, Article 15)**

**According to TRIPs, Article 19, proper reasons would include *circumstances arising independently of the will of the proprietor such as import restrictions or government requirements* (e.g. force majeure reasons, government marketing authorizations, legal monopoly or other prohibitions which may encompass those mentioned in Article 106 (2) CTMR).**

**What about objective commercial impediments?**

**Third party infringement could be an excused impediment?**

**[The special status of logos' "design registrations"]**

# Genuine Use

## Use by licensee

**Under the Directive [Article 10(3)] and CTMR [Article 15(3)] use with the consent of the proprietor is deemed use by the proprietor.**

**Both provide for TM licensing and no quality control requirement.**

**No requirement that the consent or license be in writing or include specific obligations.**

**According to CFI, if the owner of the mark submits evidence of use made by a third party, it is implied that *he consented to that use* (Case T-203/02, Vitafruit of 8.7.2004, par. 24). OHIM Guidelines indicate the same.**

# Acquiescence

**Acquiescence for 5 years in the use of a later CTM, entails the so-called incontestability of the mark**

- if the owner of the earlier right was aware of said use, and
- if the CTM was not applied for in bad faith

**(CTMR, Article 53, but see also Directive, Article 9)**

**What is meant by use of the later mark?**

**What is meant by “being aware of such use”? (see OHIM Cancellation Division decision of 27.07.2004 No. 485C 000415745/1, par. 15)**

**What is meant by “bad faith”?**

## Use as justification for revocation

**Misleading use, particularly as to the nature, quality or geographical origin of the goods/services, could entail revocation of the mark.**

**[CTMR Article 50 (1c) – Directive Article 12 (2b)]**

**Use should mislead the public.**

**Common interpretation is that it is not enough for the owner to modify the place of manufacture, quality, presentation, etc. of the goods or for this to be done because of the license or of an assignment.**

## Use as justification for revocation

In order to be misleading, the mark must be strongly associated with some quality element. This is likely to happen when the mark derives from a geographical name (e.g. PARMIGIANO) and the goods are of a completely different origin, or when the mark suggests the presence of a special and valuable component which is in fact absent, etc.

**No precedents (ECJ or CFI). One case before OHIM where application for revocation has been rejected (No. 556 C 000367250/01 of 23.12.2004).**

**THANK YOU!**