


CARLOS PARDO & ASOCIADOS
BREAKING NEWS:
THE COURT OF JUSTICE DOTS THE I'S AND CROSSES THE T'S!

11th COMMUNITY TRADE MARK SPECIAL MODULE
 Madrid, 14 February 2012
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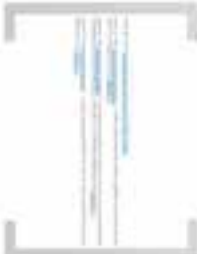





RJ Judgment 12/13-2012, Case C-146/11 (P) (2012)
Interim ruling - Community Trade Mark: Territorial scope of use of the Community Trademark in a single member state. Whether sufficient.







THE ANSWER IS THEREFORE









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**11th COMMUNITY TRADE MARK
SPECIAL MODULE**


Alicante, 15 February 2013

Helena Granado

This work contains the author's personal opinions. The author accepts no responsibility for any possible errors or omissions.

INTRODUCTION





ECJ Judgment 12/12/2012. Case C-149/11.ONEL/OMEL.

Preliminary Ruling. Community Trade Mark. Territorial scope of use. Use of the Community Trademark in a single member state. Whether sufficient.

BACKGROUND

- Hagelkruis filed an application at the Benelux Office for the mark OMEL
- Leno is the proprietor of the CTM ONEL.
- Leno filed an opposition against Hagelkruis's BX TM application OMEL
- The Benelux Office rejected the opposition on the ground that Leno had not shown that it had put its ONEL trade mark to genuine use
- Leno appealed the decision
- Leno has shown that it put the earlier TM ONEL to genuine use in the Netherlands but it has not produced proof that it has been used in the rest of the Community.

WHY REFER QUESTIONS TO THE COURT?

The referring court observes that it follows from the Court's case-law (Case C-40/01 Ansul, Case C-416/04 P Sunrider v OHIM [...], Case C-259/02 La Mer Technology) that;

- ☹️ 'genuine use' is a concept which has its own independent meaning in EU law;
- ☹️ the territorial extent of the use is just one of the factors to be taken into account in assessing whether or not an earlier trade mark has been put to 'genuine use'
- ☹️ use of the TM in a single Member State does not necessarily mean that 'genuine use' in the Community is out of the question.
- ☹️ The referring court is unsure, however, of the importance of Joint Statement No 10 regarding Art.15 Council Reg. No 40/94 on the CTM entered in the minutes of the meeting of the council of the EU at which Reg. No 40/94 was adopted according to which '[t]he Council and the Commission consider that use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community'.



QUESTIONS FOR PRELIMINARY RULING:

- 1** Is use of a CTM within the borders of a single Member State sufficient to constitute genuine use of that trade mark, given that, had it been a national trade mark, such use would have been regarded as genuine use in that Member State (see Joint Statement No 10 regarding Article 15 of Reg. No 40/94 and the Guidelines of the OHIM)?
- 2** If the answer to 1 is NO, can the use of a CTM in a single Member State as described above never be regarded as "genuine use" in the Community?
- 3** If the answer to 2 is YES, what requirements apply – in addition to the other factors – in respect of the territorial scope of the use of a CTM when assessing genuine use in the Community?
- 4** Alternatively, must Art. 15 of Reg. No 207/2009 (CTMR) be interpreted as meaning that the assessment of genuine use in the Community should be carried out wholly in the abstract, without reference to the borders of the territory of the individual Member States and that, for example, market share (product markets/geographic markets) should be taken as the point of reference ?

THE QUESTION

Must Article 15 CTMR be interpreted as meaning that genuine use of a CTM in a single Member State is sufficient to prove “genuine use in the Community” or must the territorial borders of the Member States be disregarded in the assessment of that requirement?

LEGAL CONTEXT:

Recitals in the CTMR:



- (2) ...to create a market of this kind and make it increasingly a single market ...
- (3) ...whereby undertakings can by mean of one procedural system obtain Community trade marks to which uniform protection is given ...The principle of the unitary character of the CTM should apply ...
- (4) ...trade marks should be created which are governed by a uniform Community law ...
- (6) The Community Law relating to trade marks does not replace the laws of the Member States ...

Article 1(2) CTMR : 'A Community trade mark shall have a UNITARY character...'

Article 15 CTMR 'Use of Community trademarks' : 'If within a period of five years following registration, the proprietor has not put the CTM to genuine use in the COMMUNITY ...'

Article 42 CTMR 'Examination of opposition': 'If the applicant so requests, the proprietor of an earlier CTM who has given notice of opposition shall furnish proof that duringthe earlier CTM has been put to genuine use in the COMMUNITY ...'

Article 51 CTMR 'Grounds for revocation' : 'if, within a continuous period of five years, the trade mark has not been put to genuine use in the COMMUNITY ...'

Article 112 CTMR:

(1) The applicant for or proprietor of a Community trade mark may request the conversion...

(2) Conversion shall not take place:

(a) where the rights of the proprietor of the CTM have been revoked on the grounds of non-use, unless in the Member State for which conversion is requested the CTM has been put to use which would be considered to be genuine use under the laws of that Member State;

ASSESSMENT OF THE CJ.

It's apparent from recital 3 in the preamble to CTMR that the objective of that regulation is the creation of a Community regime of trademarks to which uniform protection is given ...

The Court has already – in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* – interpreted the concept of 'genuine use' ...national TMs..., considering it to be an autonomous concept of European Law which must be given a uniform interpretation.

It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function. ... to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services, excluding token use.

When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly;



the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark,



the nature of those goods or services,



the characteristics of the market



the scale and frequency of use of the mark

The Court has also stated that the territorial scope of the use is only one of several factors ... is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors.

That interpretation may be applied by analogy to CTMs since the Directive and the CTMR pursue the same objective in requiring genuine use.

Advocate General: a CTM mark which is not used could obstruct competition by limiting the range of signs which can be registered as trade marks by others and by denying competitors the opportunity to use that trade mark or a similar one ...

It is ... necessary, in order to reply to the question raised, to ascertain what is encompassed by "genuine use in the Community" ... Art 15 CTMR.

- There is no reference in Article 15(1) to the territories of the Member States. Use of marks in third states cannot be taken into consideration.

...context of that provision ... legislation .. objective of the legislation;

- Objectives pursued by the CTMR: it is apparent that the Regulation seeks to remove the barrier of territoriality of the rights conferred on proprietors of trade marks by the laws of the Member States... The CTM enables its proprietor to distinguish his goods and services by identical means throughout the entire Community, regardless of frontiers.

- The EU legislature provided for the CTM to have a unitary character, enjoying uniform protection and having equal effect throughout the entire area of the Community.
- The purpose of the system of CTMs is thus to offer on the internal market conditions which are similar to those obtaining in a national market.
- A systematic examination of the CTMR reveals that reference is made in the wording of certain of its provisions to the territory of one or more Member States. However, such references are made in relation to national trade marks.



It follows that in the assessment of 'genuine use in the Community', the territorial borders of the Member States should be disregarded...



That interpretation is not undermined by either the Joint Statement, according to which 'use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community', or the Opposition Guidelines of OHIM. Why?

- It is case-law that, where a statement recorded in Council minutes is not referred to in the wording of a provision of secondary legislation, it cannot be used for the purpose of interpreting that provision....

Moreover, the Council and the Commission expressly acknowledged that limitation in the preamble to that Statement 'since [t]he following statements of the Council and the Commission are not part of the legal text, they are without prejudice to the interpretation of that text by the Court.'

- The OHIM Guidelines are not binding legal acts... [" While these statements have only an interpretative value and are not legally binding, they have been applied by the office"]



Nor can the Court accept the submission ... that the territorial scope of the use of a CTM cannot under any circumstances be limited to the territory of a single Member State. (based in that...) it is possible, where the rights of the proprietor have been revoked on grounds of non-use, to convert a CTM into a national trade mark application if, 'in the Member State for which conversion is requested, the CTM has been put to use which would be considered to be genuine use under the laws of that Member State. Why?

- it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a CTM has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the CTM on that territory might satisfy the conditions both for genuine use of a CTM and a national TM.



Some interested persons ... also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a CTM mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. [By analogy C-375/97 General Motors, C-301/07 PAGO]. That argument cannot be accepted. Why?

- General Motors, PAGO ...cases that concern extended protection on trademarks that have a reputation/are well known.

- whilst it is reasonable to expect that a CTM should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, (...) will depend on the characteristics of the product or service



it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. (...)



it is for the court to assess whether the mark is used in accordance with its essential function and for the purpose of creating or maintaining market share. That assessment must have regard to all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.

THE ANSWER IS THEREFORE



that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community'



A trade mark is put to 'genuine use' when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the court to assess whether the conditions are met (...), taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.



**Judgment of the GC 17/01/2013.
Case T-355/09. WALZER TRAUM.**

Absence of Genuine use.

The GC applied the ONEL case law;

l'appréciation du caractère sérieux de l'usage d'une marque ne saurait entraîner une différence de traitement entre PME et grands groupes, dans la mesure où une telle appréciation repose sur l'ensemble des faits et des circonstances propres à établir la réalité de l'exploitation commerciale de celle-ci, en particulier les usages considérés comme justifiés dans le secteur économique concerné pour maintenir ou créer des parts de marché au profit des produits ou des services protégés par la marque, la nature de ces produits ou de ces services, les caractéristiques du marché, l'étendue et la fréquence de l'usage de la marque (arrêt VITAFRUIT, précité, point 40).

Il s'ensuit qu'il ne peut être conclu à une différence de traitement dans l'appréciation de l'usage sérieux de la marque selon la taille de l'entreprise qui possède ladite marque, dans la mesure où l'usage sérieux est apprécié au regard des mêmes critères objectifs décrits au point précédent, quelle que soit la taille de l'entreprise.

THE COURT'S MESSAGE

- TO THE NATIONAL COURT
- TO THE COUNCIL AND THE COMMISSION
- TO THE OBSERVING MEMBER STATES
- TO THE OHIM
- TO US THE REPRESENTATIVES











QUESTIONS??

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THANK YOU!!