

Ruling in Benelux causes a stir for Community trade mark owners

The Benelux Office for Intellectual Property ("BOIP") has made a controversial decision refusing to allow an opposition by the owners of a Community trade mark ("CTM") against a Benelux trade mark application on the ground that, since the CTM had only been used in the Netherlands, this was not sufficient to constitute genuine use of the mark in the Community (Leno Brands B.V. v Hagelkruis Beheer bv, opposition 2004448).

The CTM at issue was the word mark ONEL, which was owned by Leno Merken BV ("Leno"). Leno opposed a Benelux trade mark application for OMEL made by Hagelkruis Beheer BV which covered similar goods and services to the CTM.

Hagelkruis agreed that both signs and the associated services were similar, and admitted that there would be confusion if the marks co-existed. However, it attacked the opposition by asking Leno to provide evidence of genuine use of the ONEL mark in the Community. Leno replied by offering proof of use of the ONEL CTM in the Netherlands for the past forty years (as trade mark attorneys), but Leno conceded that it had not used the CTM in any other EU member state.

Under the Community Trade Mark Regulations (207/2009), a mark is subject to revocation if it can be shown that the proprietor has not put the CTM "to genuine use in the Community in connection with the goods or services in respect of which it is registered" (emphasis added). Haglekruis argued that use of a CTM in the Netherlands did not constitute genuine use of the mark in the Community as required under the Regulations since the scope of the Dutch territory was not sufficient. Leno countered this attack by relying on a Joint Statement made by the Council and the European Commission while negotiating the terms of the predecessor to the current Regulations (which are in identical terms), which states that "The 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."

In refusing Leno's opposition, the BOIP held that proof of use in the Netherlands did not suffice for demonstrating use of the trade mark in the Community as required under the Community Trade Mark Regulations. The BOIP noted that Joint Statements are not legally binding and that the Court of Justice of the European Union had previously set aside such statements. In the BOIP's view, a trade mark right is a monopoly. In order to justify such a monopoly and to fulfil its essential function, the trade mark should be used. A monopoly that extends further than the territory within which the mark is used is a restriction of the free circulation of goods and services within the internal market.

This decision has been appealed to the Court of Appeal in The Hague, and a reference to the Court of Justice of the European Union is expected.

If the decision of the BOIP is followed, this would be a devastating blow to CTM owners who could lose their rights where there is use of their CTM in only one EU member state. It is to be hoped that the Court of Justice of the European Union clarifies the situation quickly.

Hastings Guise is a solicitor in the Trade Mark & Brand Protection Group at Field Fisher Waterhouse LLP