



European Communities Trade Mark Association

Round Table in The Hague, The Netherlands

"The Community Trade Mark and the National Trade Marks - Are they in Harmony? The Benelux point of view.

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The Community Trade Mark and the National Trade Marks are they in Harmony? The Benelux Point of View

Introduction by Mireia Curell

Ladies and gentlemen, dear friends,

I am very pleased to be here today and to represent ECTA in this round table.

As you may be aware, two years ago, under the Presidency of Max Oker-Blom, ECTA prepared and distributed a *Position Paper on the Future Development of IPR in Europe, mainly focused on Trade Marks and Designs*.

We considered that this Position Paper was a first general outline of what ECTA's role in the development of IPR in Europe should be, and that we should continue to work in depth in the different aspects that were analyzed there.

The communication from the European Commission to the European Parliament and the Council on the *Financial perspectives of the OHIM* of December 2006 opened a Pandora's box of apparent existing tensions between the different trade mark systems that coexist in Europe: national trade marks and Community trade marks. Discussions also started on the improvement of the so-called Madrid System.

ECTA had timely provided comments and the corresponding positions when required. However, we consider that a "wait and see" attitude at the present stage of development of the trade mark protection systems in the European Union is not convenient, and that it is time to be proactive.

As you are aware, the European Council in May 2007 adopted a number of conclusions on the subject of the financial perspectives of the OHIM. We know that following such paper, the Commission is conducting an impact assessment that will be finalized soon –if it has not been yet completed-, and will also determine the amount of the -now long awaited- "OHIM fees reduction". The Commission also announced that a comprehensive study on the overall functioning of the CTM system would be conducted.

Bearing this in mind, ECTA would like to take the lead in providing an expert view, which cannot be restricted to the OHIM fees but must be extended to the functioning of the trade mark systems in the European Union.

In this context, we can raise the following questions

- 1) Are or should the CTM and the national systems be complementary or autonomous / independent systems? There are many complementary issues in the systems: conversion and seniority, for instance; also, national and international marks may constitute relative grounds for refusal of CTMs and vice-versa. There is a link between the CTM and the Madrid System, which may in turn revert to the national systems, and so on.



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- 2) If we believe they should be complementary, taking into consideration that -as the European Court of Justice has stated- based upon current legislation the two systems are fully independent, how can we reconcile the different interests and the different *rationale* underlying these systems?
- 3) The CTM system and national systems run parallel but their rules are still different and the differences are even wider at national level. This affects trade mark owners and professional representatives who are forced to waste increasingly large resources for the impossibility to replicate procedures and the need to continuously adapt and modify to the still existing differences among trade mark systems. Should we promote the Commission to undertake the revision of the Harmonization Directive and to update it in order to make it as much as possible similar to the CTM Regulation? Is then time for a "Second Harmonization Directive"?
- 4) Can we harmonize the different rules on use of trade marks, for instance regarding proof of use in opposition or cancellation proceedings?
- 5) Should we adopt a system that eliminates the designation by class headings in favour to specific lists of goods or services?

These are some of the questions, but of course not all.

The speed of globalization is increasing. At the same time the EU has grown in size increasing the number of members from 15 to 27. Since a CTM now provides protection in such a vast territory the question arises whether the use of this regime is appropriate in all circumstances. This puts national trade mark systems, including the Madrid System, into play.

Trade mark registrations confer on their owners exclusive rights to a sign. The owner is entitled to prevent all third parties from using and registering identical or confusingly similar signs for identical or similar goods/services. The scope and coverage of the protection granted is therefore an important issue.

Searching and screening costs prior to filing are very expensive. Likewise, the protection of earlier rights through watching, opposition and cancellation proceedings is becoming more expensive and complicated each time.

Are the holders of earlier rights, be they national or more extensive rights, treated according to the same conditions as applicants? Has the burden on the owner of earlier rights to exercise the right to exclude conflicting marks become too excessive?

ECTA wishes to monitor a debate on these issues and to propose further changes with a view to

1. providing a balance of rights between applicants and holders of earlier rights, taking also into account the interests of traders and consumers generally;
2. ensuring a trade mark protection framework that provides effective and enforceable rights;
3. *ensuring that the various trade mark systems work efficiently and cover the different users' needs and demands.*



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ECTA has built a strong relationship with OHIM and has requested the European Commission, in particular DG MARKT, to take the Association's contributions into account in their comprehensive study on the overall functioning of the CTM system, which we believe should focus on the various trade mark systems in the European Union.

At this point, ECTA also wishes to build close relationships with the national offices to help in the present debate for the sake of the improvement of trade mark protection and also for the sake of transparency.

This leads us to an ECTA brand new project, which historically starts today, the organization of round tables in which both OHIM and a national office are invited to discuss how the systems work and interact; in which aspects they are alike and in which aspects they are different; to see whether a harmonization between them would be necessary or whether the existing differences still make sense.

We are extremely glad to start this project with the Benelux point of view, because to some extent the CTM System was inspired in the Benelux trade mark system and also because we are in the heart of Europe. A good starting point.

I wish to thank most warmly the Benelux Office for Intellectual Property for having accepted to be the first in this project (which today is rather an experiment) and to offer their premises to hold the round table. Besides, all the arrangements have been completed smoothly and with great efficiency. Thank you so much.

Thank you also to the OHIM for having been so kind to accept this invitation that we trust will not be the only one, since ECTA would like to repeat this experience with other national offices. We are really grateful for OHIM's willingness to contribute to this debate at EU level.

And thank you to all the speakers and friends of ECTA that participate here today. We really wish this project to continue and trust that it will help to conciliate different sensibilities and to progress towards the improvement of trade mark protection meeting users' needs and demands. *Good luck!*

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Welcome address by Wubbo De Boer

Let me conclude this opening session by saying that we are happy to co-operate with you on this project, Mireia, ECTA, and we thank the Benelux Office for its hospitality and willingness to participate.

I have listened with a great deal of interest to the exposé of the motives that you gave for having this meeting and I would share practically all of that. There is one overriding thing, that we should see more and more in this world and that is that we, as Trade Mark Offices in the world, will have to ensure more than we do until now, that we present users of the various systems with more harmonized and more compatible answers on a daily level. There is a limit to harmonization at a legal level; there must be harmonization at a level of offices. I think that an exchange of views, like we will have here, could be very helpful. I am pleased to note that you Mireia just mentioned that this City, the Hague, is the centre of Europe. Equally I am very surprised in my own country finding myself speaking English to an audience here. It feels entirely normal and I can only complement the Benelux Office on its modern approach to all of this.

I hope that the speakers will be able to enlighten us on the various subjects and I hope there will be sufficient response from the audience to make this a success.

As you said Mireia, if this works, one might consider doing it elsewhere but let's wait and see.

Thank you very much.

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The impact of the EC Trade Mark on the work of the Benelux Office for Intellectual Property

by Edmond Simon

Many thanks for the introduction to the subject.

I should like, Ladies and Gentlemen, to structure my talk as two parts:

In the first part, I shall discuss the impact on the day-to-day activities of the Office;

In the second part, I shall cover the impact on the Office as such, adding a few personal thoughts of my own.

As regard our Office's **day-to-day work**, our colleagues have to take account of the EC trade mark in the following activities:

- 1) Examination on absolute grounds, and the related OHIM decisions
- 2) Examination on relative grounds and related OHIM decisions
- 3) The decisions of the Court of First Instance and the Court of Justice of the European Communities in Luxembourg
- 4) Information (written and oral, for visitors and searches) on the EC trade mark in contacts with the outside world
- 5) The IT architecture.

As you are aware, OHIM decisions on refusals on absolute or relative grounds are not binding on national Offices but, out of a concern for harmonisation, it is more than desirable that OHIM and the national Offices harmonise their practices. This presupposes, however, that our colleagues get familiar with OHIM practice and Board of Appeal decisions. In addition, in appeals before national courts against our own decisions we have to take account of the very many precedents in Luxembourg case law. On the subject of the opposition procedure (and I shall return to this later), note that close to 40% of opposition proceedings against Benelux trade marks are based on one (or more) EC trade mark(s)! This represents an enormous volume of work, especially for a small Office like ours with only 6 lawyers in the Trade Mark Department!

The same applies to the thousands of items of information we give out every year: most of the time the information seekers are 'would-be applicants' who do not call upon the services of professional trade mark agents. And there are many who come to us because they are geographically close and because we speak their language. It takes a good deal of time to provide this information: on the one hand, the subject has become very complex (we have to explain the differences between filing for National, International and Community Trade Marks), and on the other we have to explain the consequences to non-experts! Believe me, it is not easy, and we have had to set up an internal department staffed by highly qualified Examiners who take turns to inform the people seeking full particulars before choosing the route to registration (Benelux, International or EC) best suited to them.

The introduction of the EC trade mark has also had enormous repercussions on our IT architecture, which has had to be adapted as a result. I mention this only briefly, as it is obvious even to those who are not IT experts, like most of us here in the room, that IT costs are high and becoming higher. But, on the other hand, this has enabled us to reduce costs on the administrative level.

In a system such as ours, in which the Office is supposed to be self-supporting financially, and in which – unlike other national Offices – it is not in charge of patents, ultimately it is the Benelux applicants who have to finance the work we do **for** the benefit of the EC trade mark or the work arising



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from the EC trade mark. In other words, it is the small and medium-sized companies interested in a Benelux Trade mark because of their Benelux market that have to pay for commercial and business enterprises on a European scale!

Admittedly we receive a token amount for this work: all the 27 EU countries (in other words, 25 national offices covering a territory of over 42 000 000 square kilometres) have to share a budget of 2 500 000 euros allocated according to the criterion of the costs they incur for the **promotion** of the EC trade mark (not for the work due to the EC trade mark), for which the procedure could hardly be more bureaucratic. I would not want to bore you with my personal thoughts on 'Brussels bureaucratism' versus 'simplified administration', and I should also like to reassure you that I do not want to blame OHIM for this rather surrealist procedure, which it seems reflect the rules of the European Court of Auditors.

Before arriving at the second part of my talk, may I in conclusion say that the Benelux Office carries out a substantial volume of work due to the EC trade mark, for which Benelux trade mark applicants alone have to pay without any contribution from his Member States or from OHIM !

As regards **the impact on the Office as such**, I am happy to say that we have been able to steer a steady course without being too much affected. The total number of Benelux trade mark applications has remained more or less the same, although we have lost a large part of the applications from outside Benelux. In itself, this is not too surprising, for the Madrid Protocol has resulted in considerable expansion with, for example, the accession of the United States and Japan, and with the Community itself being able to join. This has not been the case, however, in the field of designs: in common with many other national Offices, our activities have declined by almost two thirds. Designs have, however, never been a great success in Benelux, one factor being the overall convergence with copyright. Fortunately, we are offsetting the decline in the income from designs by our very recently introduced service, the electronic '**i-DEPOT**' system, which proves to be a very great success.

Nothing would be more simplistic, however, than to conclude now that the coming into force of the EC trade mark has not affected the number of national applications! While we have been able to maintain more or less the same number of Benelux filings, as I suppose the other national Offices have too, this factor could also be explained by other reasons, such as our specific fast, efficient and easy registration procedure (Pieter will talk about it later on). And I should also mention, above all, the growing awareness among our enterprises that intellectual property rights provide an instrument of economic growth, an awareness in which we are investing a good deal. We even have a department with a staff of five, devoted entirely to this task of promotion, which moreover is one of the four main tasks that the legislator has assigned to us.

By way of a **conclusion**, I should like to reassure both my OHIM colleagues and every one of you here in this room that the EC trade mark meets a very genuine need, and that this must be taken into account in the international community of intellectual property. It is a fact and it has to be accepted, just as it has to be accepted that the EC trade mark applicant should not have to pay more than is necessary, exactly as has been our practice for almost 40 years in Benelux!

This does however not prevent us from embarking on a review of the system that has been in force for a good ten years now and, where appropriate, making some amendments , just as the international treaties on trade marks and designs have been regularly reviewed – in common, moreover, with our own Benelux system. We are already working on a forthcoming modification (the second) to our very recent Benelux Convention on intellectual property!



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With this in mind, Madam President, Ladies and Gentlemen, I would like to share with you a few personal thoughts that could be taken up again in our discussions here today and hopefully in the possible review of the system.

First of all, by analogy with the international systems for the registration of trade marks, designs and patents, the national Offices could be properly, rather than symbolically for the **promotion** of the EC Trade mark remunerated for the additional work generated by the EC trade mark. No national Office could make such major promotional efforts in the field of patents without part of the repayments from the European Patent Office, and no national Office could accomplish its work on international trade marks and designs without part of the repayments from WIPO! Even though the very principle of the EC trade mark, in other words a single trade mark for the whole Community, means that it cannot be compared to the European patent or the international trade mark, there remains the fact that each national Office does a substantial volume of work for the EC trade mark. And, in the same way as I can accept, as I have just said, that an EC trade mark applicant should not pay more than is necessary, it is not right and not justified that national applicants have to pay – and, believe me, pay quite a considerable amount – for the benefit of Community applicants!

And there is one more point that is particularly close to my heart, and that is the use of the EC trade mark. As you all know, under the 1995 joint declaration of the Commission and the Council of Ministers, it is sufficient to use the EC trade mark in **one single Member State**. As I already said in my New Year message some years ago, as I often repeat and as I shall explain again in greater detail in Riga on Wednesday, according to this declaration the use of an EC trade mark in 0.005% (Luxembourg) or even 0.0007% (Malta) of the territory of the Community (currently an area of over 42 million square kilometres) confers an exclusive right against 99.92% of the total population of the European Union (with its present population of 500 million). This is disproportionate and absurd, and it will be even more so in the years to come, given the prospect of forthcoming enlargements.

Even though this 1995 declaration has no legal value, it is a major asset in promoting the EC trade mark. I have very strong doubts as to the merits of the declaration, as it is based on political considerations and ultimately means that the EC trade mark could serve as an instrument for the partitioning of the single market rather than as an instrument allowing the free movement of goods and services. This is all the more true, when one realises that in opposition proceedings (I repeat, in 40% of cases), a proprietor of an EC trade mark can oppose his exclusive right to a Benelux applicant, even if he never intends to use his trade mark in **Benelux**, just as he can prevent a Benelux enterprise from applying for its trade mark in a country of its choice even if he never intends to use it **there**!

It is both aberrant and the opposite of the European legislators' intention, resulting in a differentiation between the EC trade mark and the national trade mark, quite apart from the fact that it is anachronistic in a single market to confine usage to within the limits of the territory of one Member State!

But I see that time is pressing, and I shall end here, knowing that I have not covered the whole picture, as I have not spoken of the cooperation agreements and the liaison meetings with OHIM; those two aspects, however, are less closely related to the subject we are discussing here today.

Thank you very much for your attention.

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Impact of the Community Trade Mark on the National Trade Mark Office activities and the daily work of the trade mark profession

by João Miranda de Sousa

I did not prepare a speech or PowerPoint presentation because I was told that my contribution should be to provide a more or less intuitive reaction to the interventions that have been just made before me.

I will try not to add confusion to the debate because I think the basic ideas are very clear, at least to me, and I want to share them with all of you in a very simple manner.

The first idea that I want to comment on deals with the philosophy and the purpose behind the creation of the CTM system.

First of all, please remember that the creation of this system was a very complicated process that took more than 40 years. I still have difficulty understanding why it took so long to reach the result and why it appeared to be so very complex to those involved. The notion behind the CTM system is the notion of a single market, which is the very essence of the European Union. Hence, a single trade mark protection system was created in much the same way as the single currency was created. The need for such tools was more or less obvious to those behind the effort, the energy, the will and the commitment that led to the creation of the European Union. So, the idea of a single market is something that we should never forget when we think about what the CTM is and what its purpose is - because, after all, this is a tool.

A single market means something that has no internal boundaries and this leads me to one of the ideas that have been put on the table today – the idea that boundaries should play a role when it comes to the need for “use” or “genuine use”, in order to keep a CTM alive.

As a Lawyer, and also as a person who knows the basic principles of the internal market, I see a very simple explanation for the notion of “use”. A Community trade mark is a unitary right, which has nothing to do with the boundaries, whether geographic or political, that exist in Europe: these boundaries may be important for other purposes – for example, issues that have not been harmonized - but certainly have no place in the debate on Community trade marks.

It follows from this that the geographical boundaries of member states should not play a role in assessing what “genuine use” is. Actually there is no rule, no provision in the CTM regulation that says that the use of a trade mark in one member state is enough. What is said in the regulation, and interpreted by the common declaration, is that the fact that use of a Community trade mark is restricted to the territory of one member state is not, in itself, enough to exclude the existence of a genuine use, which is a very different thing. So “genuine use” needs to be assessed using the whole single market as a reference, as happens in the United States when one needs to assess the notion of genuine use of a trade mark that is granted by the US PTO.

One may discuss what “genuine use” means but the geographical argument based on political boundaries between member states is of no relevance to this debate. I think I need to say this loud and clear, because this is what the regulation actually says and this is how the judges are interpreting it.

Bringing geographical barriers into the notion of “genuine use” to keep a Community trade mark would destroy the basic link that exists between the CTM and the single market, and lead to extremely complicated political and economic discussions. We would have to start comparing the populations



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and GDPs of different member states. We would need to start putting figures to “genuine use” – five member states is enough, three is enough, or a region in Germany is more than Cyprus etc. etc. This kind of calculation would lead – let’s say the politicians in Brussels – to endless discussion.

So this is my first comment and this addresses the question of “genuine use” in relation to Community Trade Marks.

The second idea goes to the *raison d’être* of this conference.

We are here because of the success of the Community trade mark. I am not sure that we would have assembled here to sit together and discuss the future of the European system if the CTM had not been a success. If, for example, we had to go every year to Brussels to ask for subsidies to keep the system alive, we would not be having this debate. Some might also find it surprising that we are discussing, in this way, a system that has proven to be successful in terms of the volume of applications, and in response to users’ needs.

Reflecting on this brings me to another point. At this table we have the fee collectors, but we don’t have the fee payers. Those for whom the system was conceived and for whose benefit it is operated would, I suppose, also have a clear opinion regarding the logic and the foundations of the so-called “co-existence” between the Community system and the national systems. The mere fact that they are using both clearly demonstrates that what we have before us is in demand and needs to be preserved. The European voters and trade mark users who form a part of this electorate (and could possibly have a say in changing the system) are by their acts, and by the way they operate, basically confirming the validity of this co-existence.

A third idea, that I would like to comment on, is the notion that CTM applicants benefit from the services rendered by national offices to the extent that their CTMs must be considered in opposition procedures against new national trade mark applications. As far as I understand, in those countries in which an opposition procedure is established, there is a separate opposition fee that is collected in order to pay specifically for those services. Just in the same way, owners of national trade marks wishing to defend their national rights against CTMs need to pay a specific fee to OHIM. There may be discrepancies that could possibly be analysed in a further discussion regarding the way these fees are calculated and established in the various offices. My main point is, however, that there are separate fees, and these fees are collected precisely to finance the services that are provided by national offices to CTM applicants. I do not see any validity in the argument that the fees paid to national offices for registering/examining national trade marks are used, even in part, to pay for services rendered for the exclusive benefit of a CTM applicant.

Another idea in this very same context relates to the interpretation of the facts that some colleagues are trying to promote, whereby national trade mark offices are transformed from stake-holders of the CTM system into shareholders of OHIM. By this they mean shareholders of a common joint organisation, with a right to share in the benefits generated.

My personal opinion again, and I think this is clear to many people in Brussels also, is that the system was not conceived in the way it was by chance. At the time that OHIM was created, the EPO model could perfectly well have been transposed to the Community context. This was not done because those involved in the IP business know very well what it means in terms of efficiency and good management to have an organisation jointly run by different shareholders, which works with a financial link between the shareholders and those who manage it.

I think that there is merit to keeping OHIM as an organisation that is based on the services it renders to users. I think that there is merit to keeping the OHIM as an organisation that is self funded; and I



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think there is merit to keeping OHIM as an organisation that does not exist to collect and channel any funds from the users to any other organisations. And by “any other organisations”, I mean not only national offices but also the central budget of the European Union.

Doing that would lead the OHIM to the situation that exists in many other trade mark offices around the world – one, what’s more that is heavily criticised by those who manage those offices. What we hear frequently is that being used as money collectors for the national budgets leads to inefficiencies, leads to lack of flexibility when managing the resources and leads to the loss of something that is very important when we manage an organisation - that is, the motivation to improve.

If the improvements that you try to put in place in your organisation cannot be translated into benefits for the users, who pay for your services, what is the sense of striving for efficiency and productivity gains? All of us, as clients of public service, know exactly what this type of situation means in terms of the quality and efficiency of services.

Two other ideas – and this time regarding the impact the creation of the CTM system has had in the world of the trade mark attorney. What we have heard today confirms our own reading that the CTM system has been highly beneficial for those of you who dedicate your professional time to the IP business. In this sense I will give you some data to illustrate this point more clearly. Ninety per cent of the CTM filings come through trade mark attorneys or professionals, which means that the CTM – and we are talking about huge volumes – is a product that, in a way, works through the intermediation of this group of professionals. Another interesting figure tells us that 80 trade mark attorneys - I am talking about organisations here - manage something very close to 50% (48/47%) of the total volume of trade mark applications filed in Alicante. This leads us to the conclusion that we are talking about a market that is very concentrated and a market, by the way, in which Benelux professionals are well represented. Just to give you an indication, out of the top 10 trade mark attorneys, three are Benelux professionals. This may possibly illustrate just how positive the role and impact of the CTM system has been on the profession of which everyone present is a member.

My final message is very basic and it is the following. From OHIM's perspective, the system that was put in place 15 years ago, after 40 years of negotiation, is in general terms valid. It has proven to be efficient, and it has proven to respond to the needs of users. Currently, 64% of the users of the CTM system are companies from the European Union, and 200,000 small and medium-sized companies from the European Union have already used the system. This means that the system is not for big multi-nationals or big conglomerates.

This has been my contribution to the debate. Of course there are many things to be said regarding these questions, but the main message is that we exist to serve the users or those that pay the fees. I think that we are fulfilling this task and feel that the system as it was conceived, maybe with some modifications with regards to the governance rules, should be kept. Why should anyone want to change one of the most successful IP protection systems in the world?

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Impact of the CTM on the daily work of the Trade Mark Profession

**by Dominique Kaesmacher
and Patricia Van Overbeke**

I. INTRODUCTION

1. The entry into force in 1996 of the new system of Community trade mark (CTM) registrations was certainly a major step in the building of the internal market of the European Union. The CTM system, administered by the Office for harmonization in the Internal Market (OHIM), is a big success. It is presently valid in all 27 Member States. Further, OHIM has registered some 450 000 trade marks to date on behalf of hundreds of thousands of companies from all over the world, and this total is increasing rapidly every year.

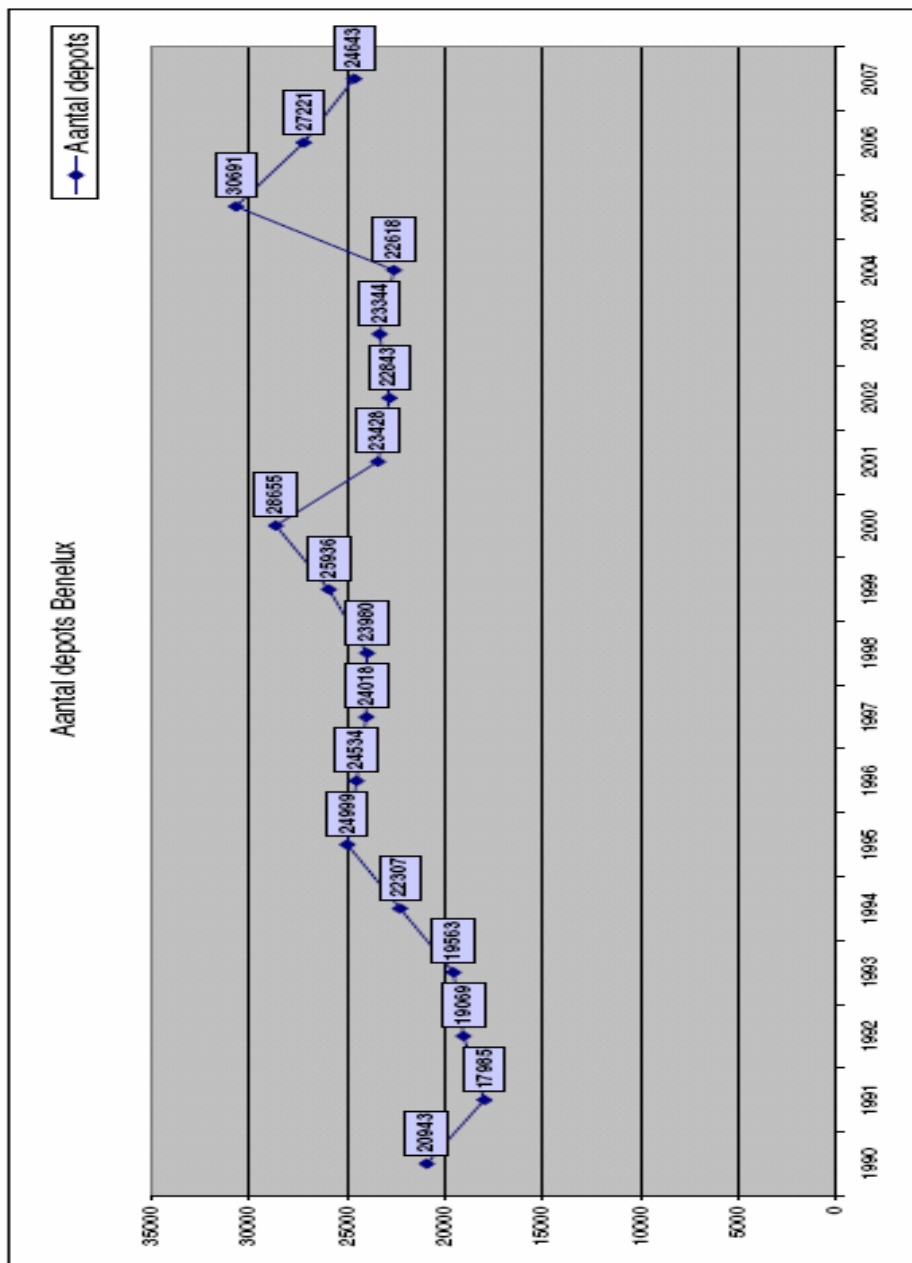
The CTM system coexists with the national and regional systems of trade mark protection, among other the Benelux trade mark system. The Benelux trade mark (BTM) system, in force since 1962, and administrated by the Benelux Office for Intellectual Property (BOIP), is valid in Belgium, The Netherlands, and Luxemburg.

2. The object of the present contribution is to analyze the impact on the daily work of the trade mark profession of the Benelux of the entry into force and the functioning of the CTM.

II. THE AMOUNT OF TRADE MARK APPLICATIONS

3. The four following tables show the evolution of the amount of BTM applications and CTM applications in the period 1996-2006, with a distinction pursuant to the nationality of the applicants.

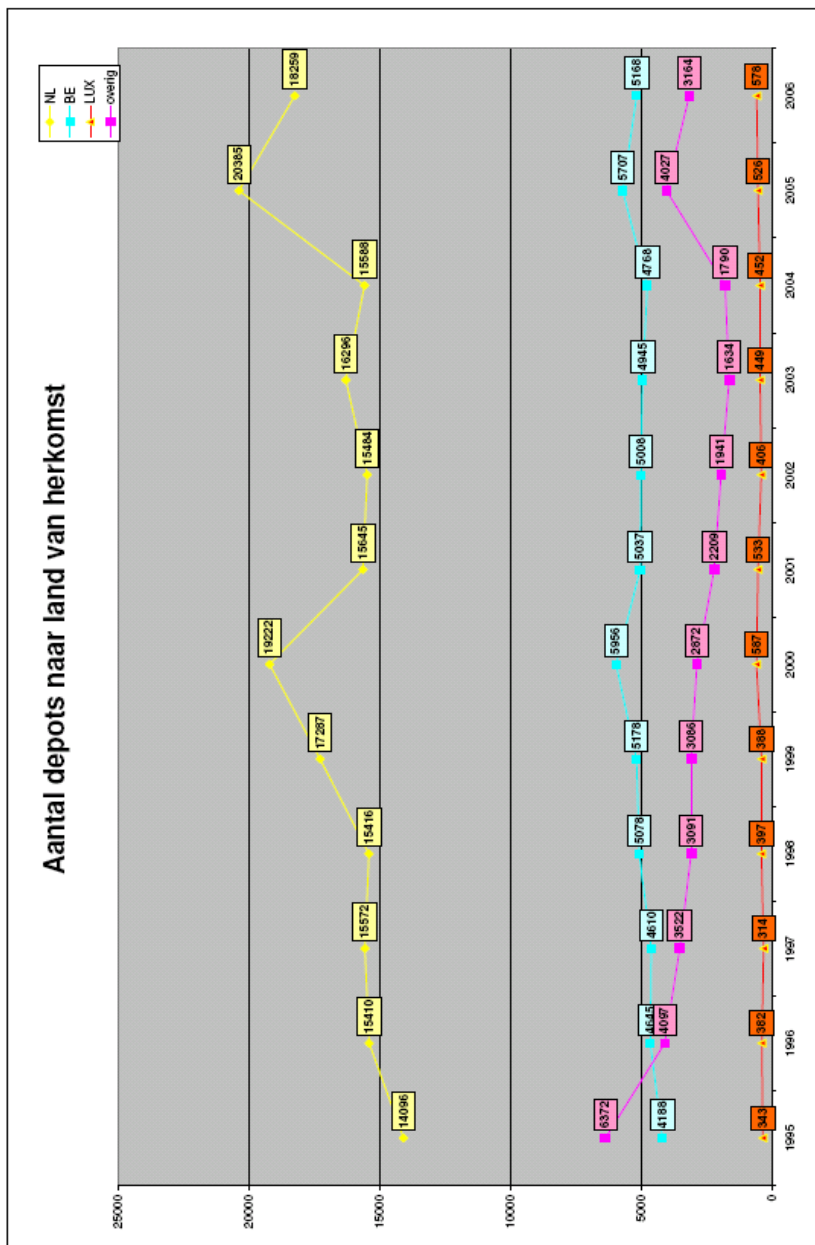
Table 1: amount of Benelux trade mark applications





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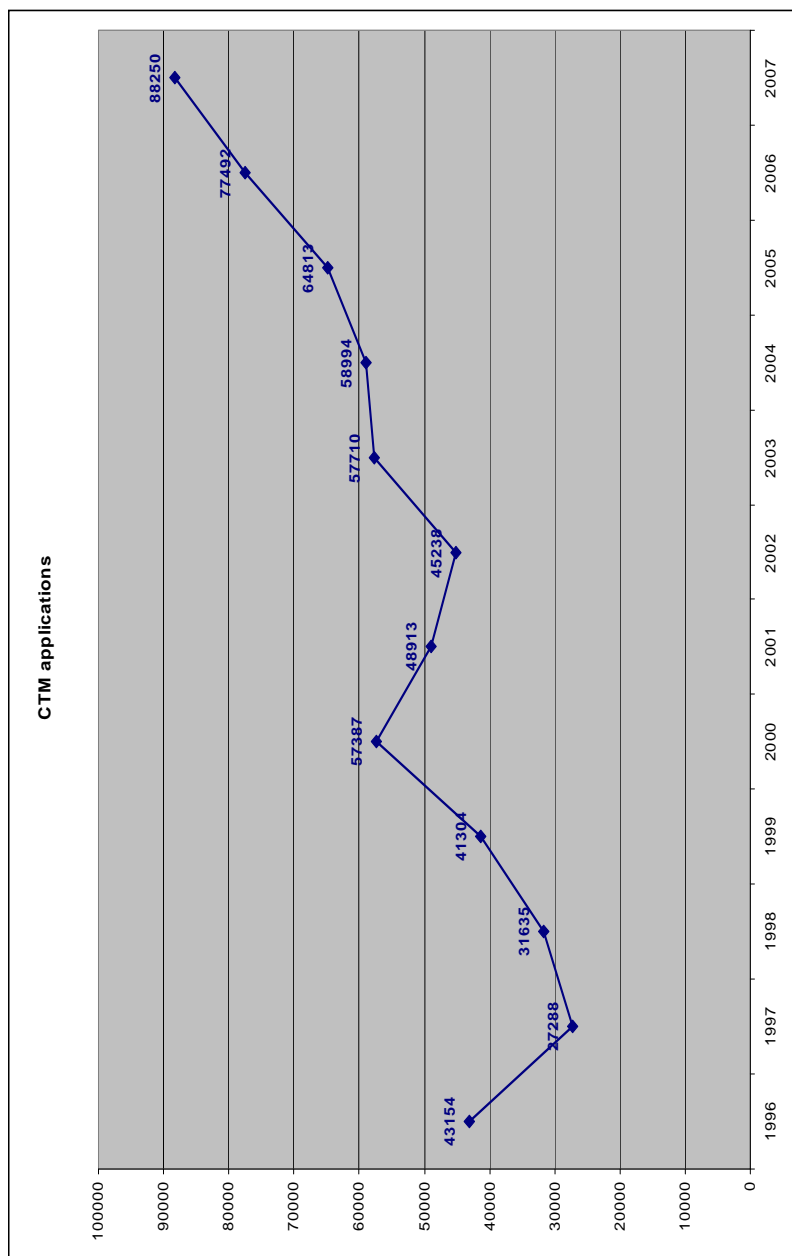
Table 2 : amount of Benelux trade mark applications with a distinction pursuant to the origin of the applicant





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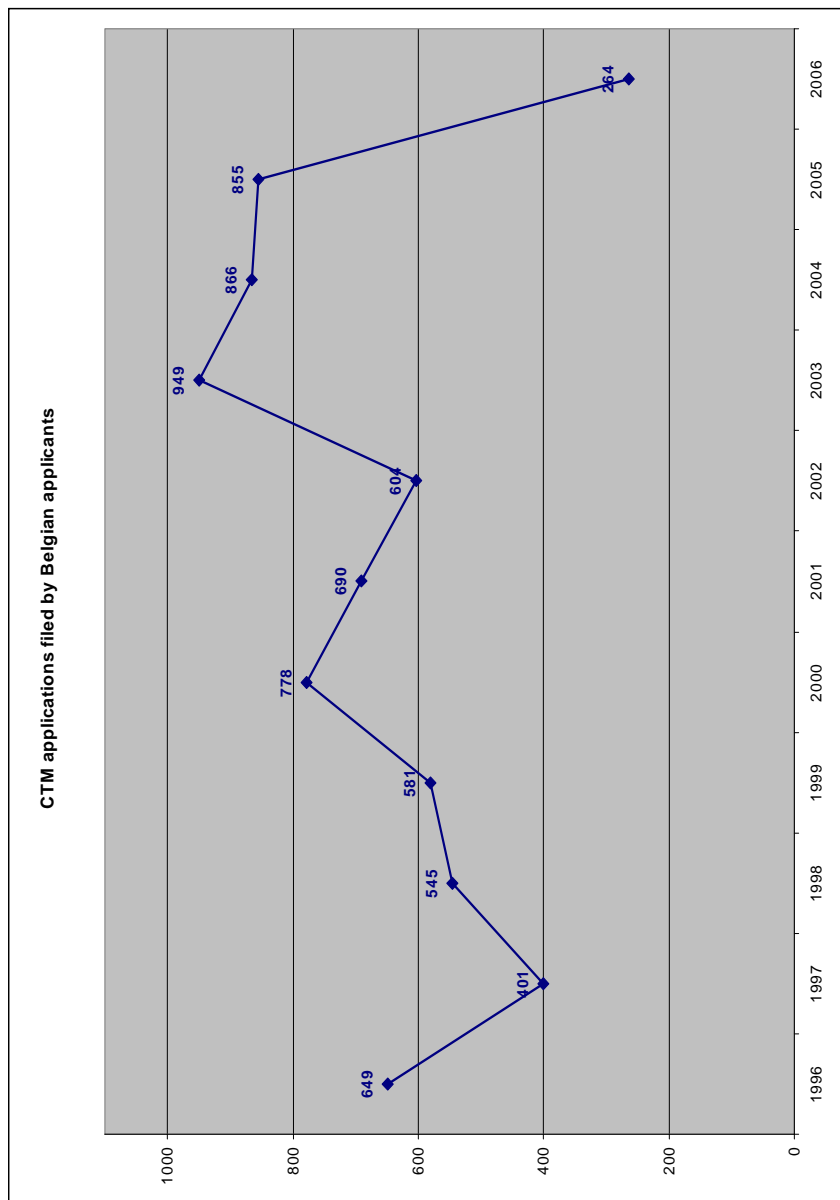
Table 3: amount of CTM applications





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Table 4 : amount of CTM applications filed by Belgian applicants





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4. We observe that the amount of CTM applications is increasing, including the amount of CTM applications filed by Belgian applicants. Despite this success of the CTM, we observe also a *global continuing increase* of the amount of *Benelux trade mark applications* in the period 1996-2006.

This continued increase of the amount of BTM applications is highly remarkable for several reasons. Firstly, one has to remember that at the same time (1996) the Benelux Office got the power to refuse the registration of trade marks on the base of absolute grounds (absence of distinctive character, for instance) which made it more difficult to obtain a BTM registration. Up until that change was made, a trade mark application generally resulted in the applicant obtaining a BTM registration. We also had to face an economic recession in Belgium (2001-2003). In addition, the opposition procedure was introduced in the Benelux system in 2004-2006 which also increased the difficulty in obtaining a BTM. Finally, the CTM became part of the Madrid System in 2004 which further reduced the advantage of the BTM in comparison with the CTM.

5. Several reasons may explain such positive trends in the Benelux. Firstly, the Benelux follows the global trends: the amount of trade mark applications increased worldwide as a result of an increased interest in trade mark protection and more generally of a greater awareness in IP protection being a key element to success in business. Secondly, there have been many uncertainties in the beginning with respect to the efficiency of the CTM (both registration and enforcement) so that applicants very often decided to keep filing national applications as well as the CTMs'. Further, the Benelux trade mark remains an excellent basis of international registrations for two reasons: first, the Benelux countries are part of both Madrid Protocol (2001) and Madrid Agreement (1892 1893 1924) which gives access to a larger number of countries and second, the accelerated registration procedure allows an applicant to get a registration within two working days which enables it to benefit from the priority right very easily. Finally, in 2005, many companies wishing to register a "eu.domain.name" decided to quickly file a Benelux trade mark application using the accelerated procedure since they were consequently admitted to participate in the said "Sunrise period" (reserved to owners of prior rights such as trade mark rights).

However, it is observed that the amount of BTM applications filed by or in the name of foreign applicants decreased.

6. Anyway, as a first conclusion, we observe that the entry into force of the CTM resulted in an huge increase of the workload of trade mark attorneys in the Benelux: increase in both the amount of BTM and the new CTM applications.

III. THE TYPE OF WORK

7. Until 1996, the date at which the Benelux Trade mark Office was granted with the power to refuse on absolute grounds, a BTM application – which was in addition the only possible protection in the Benelux territory- generally resulted in a BTM registration. Consequently, the work to be performed by the trade mark attorney was rather simple.

For the sake of clarity, we will divide the trade mark attorney's work in two major parts: (a) advice (and representation) with respect to trade mark applications and (b) advice (and representation) with respect to trade mark management. Concerning the former, trade mark attorneys offered to perform availability searches and advices on distinctiveness. Further, the route of protection was either BTM alone (if the market concerned was only Belgium) or BTM plus International registration with extensions and/or national registrations (if the market concerned was also outside Belgium). With



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respect to the management, trade mark attorneys offered to perform renewals (and advise on the opportunity thereof) and to notify and register licences, transfers, etc.

8. Since 1996, we observe a *substantial change in the content of the work* of trade mark attorneys, resulting both from the entry into force of the CTM system in 1996 combined with the renewed national (regional) trade mark law mainly aiming at implementing the EU directive of harmonization of trade marks (as already mentioned, since 1996 the power to refuse on absolute grounds, and since 2004-2006, opposition procedure).

Since 1996, trade mark attorneys are in charge of developing arguments in order to reverse a (provisional) refusal for absolute grounds by the OHIM or the BOIP. In addition, since 1996 (2004 for BTM), they may be in charge of developing arguments to answer oppositions introduced by third parties invoking prior rights and/or negotiating a coexistence agreement during the cooling off period. In addition, with respect to the protection route, the situation became more complex since a choice has to be made when the market concerned is also outside Belgium: BTM application followed by an International trade mark (and national applications or extensions) or CTM application possibly followed by an international trade mark (and national registrations/extensions) or parallel national applications?

Further, to be able to provide advice and develop their arguments –which are already totally new forms of intellectual work- trade mark attorneys have been obliged to build and maintain a *deeper and up-to-date knowledge of trade mark laws, case law and practices* in force not only in the Benelux (as this was the case before) but also at the level of the European Community.

Now the *legal frame of reference* is very broad:

- for the availability searches:
the Benelux, the CTM, the International and the national Registries;
- for advice on distinctiveness and argumentation in case of refusal or opposition :
 - o the Practices of BOIP and OHIM,
 - o the Benelux Convention on IP,
 - o the CTM Regulation,
 - o the EU Directive,
 - o the case law of Belgian, Netherlands and Luxemburg Courts,
 - o the decisions of the Benelux Court of Justice,
 - o the decisions of the Court of first instance and the decisions of the European Court of justice !

Finally, to be able to understand all these key references, Benelux trade mark attorneys had to improve their knowledge of foreign languages (mainly English).

9. In conclusion, the introduction of the CTM has had an important impact on the daily work of the trade mark profession in the Benelux: almost all phases of the trade mark prosecution work were affected, from the conducting of availability searches through to the filing process, to the initiating of opposition or cancellation proceedings. The work diversified and became more complex.

IV. CTM REGIME VERSUS BTM REGIME

10. Here follows an examination in more detail of the impact on each phase in a trade mark's life with a comparison between CTM and BTM regimes.



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A. Availability searches

11. It is quite difficult, if not impossible to conduct reliable searches to see if a CTM is available for use and/or registration in the European Community. The difficulty is primarily due to (1) the high number of hits which can result from the search for identical or similar trade marks in 27 trade mark registers¹, (2) the fact that some of the selected trade marks are in languages Benelux trade mark professionals do not always understand (as a result of which signs cannot be compared from a phonetic or conceptual perspective) and (3) other distinctive signs than trade marks, such as trade names, which are not necessarily registered, can be obstacles under the national laws of some of the member states to the use and/or registration of younger CTMs.

Moreover, considering the high number of trade mark registers involved, the conducting of a CTM availability search is not only difficult but also quite expensive for it involves the intervention of examiners in different territories and time to analyse the respective search results.

12. Considering the difficulties and costs related to the conducting of a CTM availability search, it may be recommended to first perform a Benelux availability search. The results of the Benelux search may serve as a first indicator to see if the proposed trade mark is available for use and/or registration in the European Community. If the Benelux results prove positive, the search can be completed with an identical trade mark search in the trade mark registers of the other member states.

B. Absolute grounds for refusal

13. Although the Directive has harmonised *de iure* the absolute grounds for refusal of national trade marks within the European Community, there is no real harmonisation *de facto* between the trade mark refusal decisions of the national trade mark authorities. Indeed, trade mark professionals in Benelux may experience that the BOIP generally is more severe in the acceptance of trade marks than the OHIM is.

The trade marks "STEELGUARD" (class 02) and "GLOBAL FINANCIAL INTELLIGENCE" (classes 16, 35, 36, 38 and 42) for example were (initially) totally refused by the BOIP for reasons of descriptiveness and/or lack of distinctive character, whilst the OHIM has not issued a notice of total refusal.

The BOIP generally justifies the discrepancy with the OHIM's point of view by arguing that each trade mark must be examined on its "own merits". There is not much one can bring against this type of argument, safe to lodge an appeal before the courts. Therefore, in order to avoid the refusal of a (weak) trade mark and a possible appeal to the court, it may, on some occasions, be recommended to apply for a CTM rather than for a Benelux trade mark, the chances of registration for at least some of the relevant goods and services being higher. With the introduction of the CTM, the role of the trade mark professional has thus become more important in terms of advice and strategy.

C. Oppositions

14. The introduction of the CTM has had an impact on the way trade mark professionals deal with opposition proceedings in Benelux, in particular as to (1) the *forum* for opposition proceedings, (2) the obligation of use and (3) the apportionment of costs.

¹ Currently, there are 27 European member states but also 27 trade mark registers if we take into consideration the CTM register, the international trade mark register and the fact that the Benelux register is the one and only trade mark register for Belgium, Luxembourg and the Netherlands.



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(i) Forum

15. Although the Directive has harmonised the relative grounds for refusal of national trade marks within the European Community, the *forum* where to invoke them varies from member state to member state. There is thus no harmonisation as to the *forum* for opposition proceedings.

Under Benelux trade mark law, there are only two opposition grounds available before the BOIP, namely (1) identity between the trade marks and (2) risk of confusion between identical or similar trade marks. Unlike before the OHIM, the other available opposition grounds are not available before the BOIP but must be invoked before the courts.

The difference of *forum* has a considerable impact on the trade mark profession, at least in Belgium where only barristers can represent clients in court. Trade mark attorneys who are not barristers, i.e. not registered at the bar cannot represent their clients in court. The introduction of the CTM has thus an impact on the trade mark professional's capacity to act in certain but not in other trade mark opposition proceedings.

(ii) Obligation of use

16. In cases of oppositions against a Benelux trade mark on the basis of a CTM that is subject to compulsory use, there is the question as to the territorial scope of use that is necessary to meet the use requirement. Must the CTM be used in the Benelux territory to constitute a valid obstacle to the registration of the opposed Benelux trade mark or does use in other member states (within the European Community but outside of the Benelux territory) suffice to consider the CTM as a valid obstacle to registration?

The Benelux Treaty on Intellectual Property requires that the CTM which is at the basis of the opposition is normally used within the Benelux territory². This provision however is contrary to the CTM system where use in a part -not necessarily Benelux part- of the Community can be sufficient to consider the CTM as genuinely used³.

In principle, the use requirement under the Benelux Treaty on Intellectual Property will have to be modified in order for it to be in line with the CTM system. In the meantime, the Benelux trade mark professional must advise on and deal with the issue.

(iii) Costs

17. The BOIP charges a basic opposition tax of 1.000€, whilst the OHIM only charges an opposition tax of 350€. On top of that, the BOIP charges a tax of 100€ for each additional (Sorry I do not follow this bit – if there are only two grounds of opposition anyway – identity and likelihood of confusion, how can the Office charge for more than three? above the third, whilst the OHIM does not charge any such additional taxes. The lodging of an opposition before the BOIP is thus considerably more expensive than the lodging of an opposition before the OHIM.

On the other hand, the costs to be paid to the applicant by the opponent who loses the opposition in its entirety amount to 1.000€ before the BOIP and generally only to 300€ before the OHIM. As a result, combining the payment of taxes and apportionment of costs, it is much more expensive for the opponent to lose a Benelux opposition than a CTM opposition.

² Article 2.16, par. 3 (a) in conjunction with article 2.26, par. 2 (a) of the Benelux Treaty on Intellectual Property.

³ Joint Statements by the Council and the Commission of 20 October 1995, No. B. 10, OJ OHIM, 1996, 615.

Compared to CTM opposition proceedings, in Benelux opposition proceedings there is thus an increased interest in and role for the trade mark professional in limiting the scope of the opposition to issues which one is certain to win, e.g. by limiting the number and description of goods or services against which the opposition is directed.

D. Cancellations

18. Although the absolute and relative grounds for cancellation are the same at Benelux and Community trade mark level, there is a difference in *forum* where to invoke them. Whilst CTM registrations can be cancelled before the OHIM, Benelux trade mark registrations cannot be cancelled before the BOIP. There is thus no harmonisation as to the *forum* for cancellation proceedings.

Like opposition proceedings, the difference of *forum* has a considerable impact on the trade mark profession, at least in Belgium where only barristers can represent clients in court. Trade mark attorneys who are not barristers, i.e. not registered at the bar cannot represent their clients in Benelux trade mark cancellation proceedings, whilst they can in CTM cancellation proceedings. The introduction of the CTM has thus had an impact on some of the trade mark attorneys' capacity to act in trade mark proceedings with which they were not yet familiar

E. Professional representation

19. As already indicated above, the difference of *forum* in trade mark opposition and cancellation proceedings has an impact on the trade mark professional, in particular and on his capacity to act or not in certain opposition or cancellation proceedings.

Another difference lies in the fact that the OHIM keeps a register of trade mark representatives, whilst the BOIP does not. Recently however the Benelux association for trade mark and design law (BMM)⁴ has opened a register for "recognised" trade mark and design representatives. The terms and conditions for registration in the BMM register however differ from those of the OHIM register in such a manner that, for some trade mark attorneys, in particular those that are not barristers, it is easier to become a registered OHIM representative than a registered Benelux trade mark representative. As a result, a recognised European trade mark attorney is not necessarily a "recognised" (BMM) Benelux trade mark attorney.

The discrepancy between the terms and conditions for registration in the register of trade mark representatives at Benelux and Community level may lead to uncertainty and confusion on the statute of trade mark professionals in Benelux.

V. CONCLUSION

The entry into force of the CTM has had so far a positive impact on the daily work of trade mark attorneys in the Benelux: substantial increase in the amount of work, substantial increase in the intellectual interest of the work combined with a greater complexity.

The discrepancies between the CTM and the BTM regimes are certainly a cause of complexity which could be reduced in the interest of all the parties concerned: the applicants, the trade mark attorneys and the future of the BTM.

⁴ Beneluxvereniging voor merken- en modellenrecht / Association Benelux pour le droit des marques et modèles. This is a professional association for legal specialists in trade mark and/or design law.



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The future of the BTM becomes however uncertain because of the next modification of the Madrid System (the safeguard clause) which will probably reduce the interest to apply for a Benelux trade mark. Lets' wait and see!

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Trade mark strategies – Advantages and Disadvantages of using the National, Community or International Route.

by Jozef Vandekerckhove

Introduction

This presentation is made with the input of the other member's of the workgroup trade marks of the VNO-NCW – The Dutch Industry Association.

As a preliminary remark and as a follow up to the presentation of Franc Enghardt's, it seems to me that the Benelux trade mark Office has a role to play in the seniority question and I would not mind if they were paid in order to keep record of the seniority that was claimed in a CTM. This would enable trade mark owners to safely withdraw the national registration of which seniority has been claimed.

The presentation will focus on the cost issue.

I. Four routes will be considered, namely those that industry considers as the most appropriate and the most applicable.

Route 1

The Benelux (BX) is the basis. An international registration (IR) is filed for all the available countries including an EM designation (so not designating the EU countries separately).

The costs are:

- BX	240Euros
- IR designations	6,605 Euros
- BX handling fees	80 Euros
TOTAL	6,925 Euros

It is also possible to apply for an expedited Benelux registration which entails an additional 193 Euros.

Route 2

The Benelux (BX) is the basis. An international registration (IR) is filed for all the available countries including all the EU countries individually (so no EM designation).

The costs are:

- BX	240 Euros
- IR designations	7,260 Euros
- BX handling fees	80 Euros
TOTAL	580 Euros

It is also possible to apply for an expedited Benelux registration which entails an additional 193 Euros.



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Route 3

The Community Trade Mark (CTM) is the basis. An international registration (IR) is filed for all the countries excluding the countries falling under the CTM.

The costs are:

- CTM	1,600 Euro
- IR designations	6.645 Euro
- OHIM handling fee	300 Euro
TOTAL	8.545 Euros

Route 4

The Benelux (BX) is the basis. An international registration (IR) is filed for all the available countries including an EM designation (so not designating the EU countries separately). The EM designation fails (as it was refused or opposed) and further IR designations are made for all EU countries minus one.

The costs are as follows:

- BX	240 Euros
- IR designations	6.605 Euros
- BX handling fee	80 Euros
- refund from OHIM if you opt-back (reg. fee)	- 850 Euros
- opting back costs	200 Euros
- All EU, minus one, countries as subsequent designation of the failed EM.	2.138 Euros
TOTAL	8.413 Euros

It is also possible to apply for an expedited Benelux registration which entails an additional 193 Euros.

II. Industry's view on the four routes.

Route 1

The Industry preferred route is clearly route 1.

Reasons:

- It is fast, especially if you go for the expedited Benelux registration, as in four months one can proceed to the International Registration.
- It provides for certainty. It is indeed considered that the Benelux Examination is a good indicator because of its policy with respect to absolute grounds for refusal.
- It is cost effective, as it is the cheapest route.



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Route 2

Advantages:

- The costs.
- More countries are available for designations in the IR since the Benelux is a Member of the Madrid Agreement, so that the Madrid Agreement is the basis.

Disadvantages:

- Through-put-times can be very long as one has to face all the national administrations.
- Request the management/administration of a full range of separate rights.

Route 3

Advantages:

- It is fast if you have a strong trade mark and that you do not encounter problems. This will even be more through if OHIM continues to speed up the registration process of CTMs.
- The risk to be faced with a refusal is less than with the Benelux.

Disadvantages:

- The risk of not getting a registration is higher than for a Benelux registration.
My experience showed that:
 - o Only one trade mark was both refused by the Benelux and the OHIM.
 - o Three registrations were refused by the OHIM and were not refused by the Benelux.
 - o Nine registrations were refused by the Benelux and subsequently passed the OHIM test without problems.
 I personally feel very strongly about this because this is putting industry at a disadvantage. If you compare with the United States where you can get everything – we are in a disadvantage and that is costing industry money.
- In case of a refusal or an opposition there is a longer through-put-time.
- The costs, which include a 300 OHIM handling fee vs an 80 BX handling fee.

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Advantages and Disadvantages of using the National, Community or International Route

by Franc Enhardt

Before taking you through the (dis)advantages of using the various routes to registration, it is good to look back at the history of the various systems. This history is of course well known to us as practitioners but the result of all these developments may be quite puzzling to (first time) applicants. In order to be able to have an eye and an ear for those who are not initiated in our field of expertise it may be a good exercise to lean back and absorb this information as if it was totally new to you and then to see if it makes any sense at all!

History

Originally, the protection of trade marks was organized at the *national* level, which meant that one had to file an application for registration in each country, follow the procedures in each separate country and maintain his registrations per country.

At an early stage there was the realization that savings could be made by cooperating in the field of the registration of trade marks. A treaty (the Madrid Agreement) was established as early as 1891, calling into life the system of *International registration*. This system consists of a central application and administration system and a substantive test by each designated member state. The Protocol, with a relaxation of the entry requirements, was added in 1989.

The system of International registration consists of a central application and administration system and a substantive test by each designated country.

The characteristics and advantages of an international registration are:

- A basic registration or application in the country of origin is a condition
- One central application at the International Bureau WIPO
- Free choice between one or more affiliated countries
- Acceptance procedures for each country following national routes
- The protection obtained by an International registration is similar to that of a national registration
- Extension of an existing International registration to new countries is possible

The result is a bundle of national rights under the one International registration number.

The International registration system is relatively low in cost and easy. It does have a disadvantage though: during the first five years the International registration is dependent on the validity of the basic registration. If during this period the basic registration lapses, the International registration also lapses. For some countries it is then possible to convert the International registration into a national application while retaining the date of the International registrations. However, (higher) national application costs must be paid.

The *Community Trademark* (CTM) was introduced in 1996:

The benefit of a CTM is that one uniform registration will cover all member states of the European Union outright.

Characteristics and advantages of the CTM:



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- One application at the European Trademarks Office (OHIM).
- No choice of countries, but coverage of the entire European Union at all times.
- Existing (inter)national registrations of the same trademark in the name of the same owner and for the same goods and/or services can be integrated into the EU application by claiming seniority of these registrations.
- Use in one or a few member states alone may be sufficient to maintain the right to the trademark in the entire union.

A clear disadvantage of the CTM is that objections in just a part of the European Union will lead to a rejection of the entire application. However, conversion into national applications is possible while retaining the original filing date. National application fees must then be paid as well

As a result of the European Union's entry into the Madrid Protocol (1 October 2004), it is possible to designate the entire European Union as one area to be protected instead of designating each EU country separately.

The advantages of this new link are:

- It is less expensive to designate the EU as one area than to designate each EU state separately.
- A EU designation is easier to maintain than separate national designations, because use in one or only a few countries is sufficient.
- When designating the EU in an International registration you again have the possibility of incorporating the earlier rights of your existing national or International registrations in the EU member states, so that these existing registrations may subsequently lapse.
- Should the application for the EU be rejected, it is possible to convert the application into designated countries within the International registration. (Fees must be paid.)

It is possible for EU nationals to use a CTM as the basis for an International registration.

SETTING OUT THE COURSE

The coexistence of different systems does not make it easy for the trade mark owner to set out on the right course to begin with. Furthermore, the link between the Community Trade mark and the International registration system has complicated matters even further because of the many options now available.

There are now four different routes to choose from when looking for trade mark protection in the EU member states:

- National registrations;
- The International registration designating separate member states;
- The EU trade mark registration; or
- An International registration with designation of the EU.

In the following each route will be analyzed and the (dis)advantages of each route will be listed.

• **When to opt for national registrations?**

The most complicated route is undeniably that of separate national applications in each member state. When choosing this route one should be aware that the national procedure must be completed in each



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member state separately, generating extensive costs and administration. The national route is an option when trade mark protection is required in only one or two EU member states.

- **When to opt for an International registration designating separate countries?**

An International registration designating separate countries is the best option when:

- protection is required in only a small number of EU countries.
- there is a chance of your trademark being rejected on the ground of an earlier right in a member state of the EU, leaving little chance for a direct CTM application.

The advantage of this option is that an objection in one country does not affect the registration procedure in other countries.

- **When to opt for a Community trademark?**

A Community Trademark is the best option when protection in a large number of EU member states is required.

The advantage to this route is that the trademark needs to be used in only one or a few EU member states in order to maintain the right to the trademark.

The disadvantage to this route is that when objections arise, this route can turn out to be more expensive. If there is an earlier trade mark in one EU country for instance, the CTM application can be rejected by OHIM following successful opposition from the owner of the earlier trade mark. (Conversion is possible, but expensive since national application costs must be paid.)

- **When to opt for an International registration designating the EU?**

Apart from the possibility of a separate CTM application, there is also the possibility to designate the entire EU in an International application.

The advantage of this route is that if the application for the EU is rejected or otherwise fails, it is possible, whilst retaining the original date, to convert the application into designated member states within the International registration instead of converting to separate national applications. The member states for which you request conversion then fall under the scope of the International registration

INTERNATIONAL REGISTRATION BASED ON A COMMUNITY TRADEMARK

A CTM can be used as the basis of an International application governed by the Madrid Protocol. It is advisable to base an International application on a CTM instead of a Benelux registration when:

- Use is not likely to commence in the Benelux for instance if the mark is intended for the German speaking market and you want to base on the application an International application designating Switzerland.
- A refusal on absolute grounds is to be expected from BOIP but less likely from OHIM.
- Filing a shape mark with different views because the representation as filed may contain up to six representations of the shape.



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INTERNATIONAL REGISTRATION BASED ON A BENELUX REGISTRATION.

Since an International registration can be based on either a Benelux registration or a CTM, the question arises if and when a Benelux registration should be used as a basis for filing an International registration. For most Benelux based applicants the preferred basis of an International application is a Benelux registration.

Why choose a Benelux registration over a CTM application as a basis for filing an International application?

- The number of relative and absolute grounds for refusal is obviously larger when filing a CTM.
- The basis of filing an opposition against a CTM is broader. For instance a Dutch company name can be the basis of an opposition against a CTM but not against a Benelux application.

NATIONAL REGISTRATIONS

The question is if there is any room left for national registrations. Despite the convenience of an International registration and/or a CTM, a national registration has certain advantages that a CTM does not:

- Geographical coverage: for instance a Danish registration covers Greenland, a CTM does not.
- A UK registration is required as a basis for obtaining protection in some Commonwealth countries.
- Benelux and Germany have a procedure for expedited registration; the CTM does not which is a disadvantage in infringement proceedings.
- Benelux implemented Article 5 (5) of the Directive (provisions relating to the protection against the use of a sign *other than for the purposes of distinguishing goods or services*, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark), CTMR did not.

On the other hand a CTM (vis à vis national registrations):

- Extends to Gibraltar, a UK registration does not.
- Is recognized and protected under national law in the Channel island Jersey (but not in the Channel island Guernsey) without re-registration being a requirement, a UK registration is not.

And:

- An EU owner of a CTM registration can bring proceedings in the CTM court in his own country (with international jurisdiction) against a non-EU defendant, irrespective where in the EU the infringement takes place.
- The owner of a CTM registration can file with national customs a Community Application for action which has the same legal status throughout the other Member States (a national application for action is of course in principle national in character), which makes fighting counterfeits originating from outside the EU much easier.



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CONCLUSION

Depending on your specific situation and need, the best route (in general) would be to:

- File an expedited Benelux registration.
- Use this as a basis for an International application.
- Designate the EU in this application.
- Keep your Benelux registration alive (next to the EU designation in the IR) to benefit from the implementation of article 5(5) of the Directive.

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Are the CTM and the Benelux systems Harmonized?

From a Procedural point of view

by Maron Galama

Introduction

The subject we, Pieter Veeze, Wouter Verburg and I, are going to speak about today is on the question whether the CTM and Benelux systems are harmonized or not from the procedural point of view.

We at this end of the table would like to try to make a more or less interactive contribution to today's meeting. This means that we are not going to speak for 20 minutes one after an other.

What we will do is:

- We will start with an Introduction on the examination and opposition proceedings before Benelux Office (BOIP) and OHIM. Pieter will start the game and Wouter will follow as the second player. After that I will give some comments by pointing out the main differences and possible consequences the differences might have for the practitioner.
- After that we continue with four specific topics, one of us will deal with it first. After that the other speakers will give their view on the topic from their background.

The topics are:

- The use of a class heading in an application or registration. I will start with the introduction giving Pieter and Wouter the possibility to react after that.
- The Arcol/Capol decision of the Grand Chamber of the Court of Justice of 13th of March 2007. How this decision is applied in practice by OHIM and Benelux Office (BOIP).
- The OPTIMA decision. How do the OHIM and BOIP act after the decision of the Grand Board of Appeal of the 27 September 2006.
- Distinctiveness acquired through use. What proof of use to submit geographically and are there legitimate reasons for not being able to proof acquired distinctiveness through use geographically speaking?



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Main differences between BOIP and OHIM procedures: Conclusion

We have just learned from Pieter and Wouter about the different procedures handled by their respective Offices. First I wish to stress that the procedures do not need to be harmonized. Only harmonization of the substantive law is necessary. There are several differences in the procedures before the Benelux Office and OHIM.

I have made a schedule from which I hope it is quite clear where the differences arise. I will only mention the most notable ones.

	BOIP	OHIM
Publication of Application	After receipt application and formalities O.K., <u>almost immediately</u>	After receipt application, formalities O.K. and check on absolute grounds O.K.
Search report	Only on request	<u>Search on CTM's</u> <u>National search reports</u> no longer integral part of application procedure, as from 10 March 2008; optional, <u>only on request</u>
Refusal on absolute grounds	<ul style="list-style-type: none"> 6 months to file arguments <u>not possible to exchange arguments with Examiner exceeding 6 months</u> <u>Opposition and Refusal procedure can run at the same time</u> 	<ul style="list-style-type: none"> 2 months to file arguments possible to exchange arguments with Examiner exceeding the 2 months term
Opposition terms and grounds	<ul style="list-style-type: none"> 2 months counted from the 1st of the month following publication On relative grounds: trade marks only, but not a service mark from before 1st January 1987 which has not been consolidated 	<ul style="list-style-type: none"> 3 months as from publication On relative grounds: Trade mark or earlier right (inter parte proceeding) Observations by third parties on absolute grounds (no party to the proceeding before the Office)
Cooling-off Extension	<ul style="list-style-type: none"> Extensions only possible for 2 months (after 12 months costs involved) 	<ul style="list-style-type: none"> Extensions possible with 2 months or more (upon request) or maximum 24 months



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Exchange of arguments	<ul style="list-style-type: none"> 1 x; there will only be a second round if this is justified according to the Office 	<ul style="list-style-type: none"> 2 x
Change of classification during opposition procedure	<ul style="list-style-type: none"> Opponent is not given a (new) term to reply, nor to inform to sustain or withdraw its opposition 	<ul style="list-style-type: none"> Opponent is given a term to reply and to inform to sustain or withdraw its opposition
Opposition costs	<ul style="list-style-type: none"> Payment can be split into two (€ 400 and € 600) Withdrawal opposition by opponent before start opposition proceedings, no refund 	<ul style="list-style-type: none"> Payment at once Withdrawal opposition by opponent before start opposition proceedings, refund payment of the official fee for filing the opposition
Decision on the costs	Maximum € 1.000,-	<ul style="list-style-type: none"> In most cases € 300,-
Appeal	No appeal within the Office Court of The Hague, Brussels or Luxembourg, depending on the domicile of the applicant or his representative. Possible to request the opinion of ECJ	First appeal: Board of Appeal Second appeal: Court of First instance. Not possible to request the opinion of ECJ
Reversal of judgment	The High Courts of the Benelux: Hoge Raad (NL) or Cour de Cassation (BE) or Cour de Cassation (LU) Possible to request the opinion of ECJ or Benelux Court of Justice (depending on the issue: harmonization of EU-law or explanation on Benelux law) Direct the case to ECJ after decision of the High Court in rare cases (e.g. harmonization law not implemented)	European Court of Justice (ECJ)
Cancellation procedure	None. Only via a Court action	Shall be started before the OHIM or on the basis of a counterclaim in infringement proceedings



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The use of a class heading in a Benelux or CTM application or registration: is it 'head or tail'?

In practice when using a class heading there seem to arise difficulties, maybe even inconsistencies. Is it just like tossing a coin, never knowing beforehand whether it will be head or tail or are we dealing with material which is difficult to understand?

I will try to give a clear sight, as far as possible. After this I have some questions to Pieter and Wouter representing the respective Offices here today.

Before I start, I first want to make a remark. When speaking about this topic I will not keep on mentioning "goods and services". In my speech I will suffice it to mention "goods", obviously "services" are meant too.

In general the following is said:

	BOIP	OHIM
In general	Class heading covers what is mentioned in the class heading (Communication of the Benelux Office of 1 September 2002)	Use of Class heading constitutes a claim to all goods or services falling within the relevant class (Communication No. 4/03 of the President of the Office of 16 June 2003) Example: "Data processing equipment and computers" as a general indication covers also "computer software"
Examination	<ul style="list-style-type: none"> Use of the terms of the Nice Classification are preferred for practical reasons: ease of classification and consistency (= practice) Class heading covers what is mentioned in the class heading, nothing more nor less 	<ul style="list-style-type: none"> "Use of the terms of the Nice Classification should be encouraged, for practical reasons (ease of classification, consistency, legal certainty)" The class heading covers entire Alphabetical List of that class. (Guidelines Concerning Proceedings before OHIM Part B, Examination, Draft, DIPP, December, 2007)



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	BOIP	OHIM
O P P O S I T I O N	<ul style="list-style-type: none"> If the class heading covers the contested goods/services, the goods/services are <i>identical</i>. Example: "Apparatus for recording, transmission or reproduction of sound or images" does cover "computer screens or displays" ⇒ identical yes. In all other cases the goods are <i>similar</i> provided that there is an overlap in the nature, purpose and method of use, complementarity, competitiveness etc. of the goods in question (ALCOM vs ALCOM, BOIP 7 March 2008, par. 27)) 	<ul style="list-style-type: none"> <i>Identity</i> of goods/services: Only where the common heading is sufficiently narrow this <i>may weigh in favor</i> of an identical or similar nature. (Opposition Guidelines Part 2, Chapter 2, B. Similarity of goods and services. Final version November 2007; see under 2.2, page 15) <i>Similarity</i> of goods/services is extensively explained; in short in all cases the goods are not identical they may be similar depending on the relevant factors (Opposition Guidelines Part 2, Chapter 2, B. Similarity of goods and services. Final version November 2007) President's Communication No. 4/03 revoked?

The Benelux Office adherents the opinion that in case a class heading is claimed in an application or registration the class heading covers what is mentioned in the class heading.

Through OHIM's Presidential Communication No. 4/03 of 16th June 2003 it is stated that: Use of a Class heading constitutes a claim to all goods or services falling within the relevant class. As example is given: "Data processing equipment and computers" as a general indication in class 9 is considered to embrace also "computer software". Further in the communication it is said that "computer software" is *identical* to "data processing equipment and computers".

I now will go more into detail of the respective procedures in which the classification is of relevance. Due to the limited time I will however not speak about the classification issues in Use Requirement cases. Possibly that the second panel will deal with this.

During the **Examination** the wording of the Nice Classification is *preferred* by the Benelux Office for practical reasons: ease of classification and consistency within the Office.

OHIM says that the terms of the Nice Classification should be *encouraged* for the same practical reasons, but also because of legal certainty. This legal certainty is not clear to me in this context.

I do understand the remark about *legal certainty* when it would revert to the fact that at the examination stage the Office should have the same policy. An examiner is free to accept the explanation of an unclear wording for example in class 15 "Musical instruments and cases". What kind of cases are meant? "suitcases for artists" in class 18 maybe? After consultation of the applicant it turns out the cases meant are "cases for violins". This will be accepted by OHIM, since this is not an extension of the goods, but an explanation on the goods mentioned. Adding class 18 for "suitcases for artists" would therefore also be acceptable.



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But what if the applicant did start off with just “Musical instruments” without the addition of “cases”? According to the Guidelines Concerning Proceedings before OHIM, Part B, Examination, a Draft, of December 2007, the same would apply. A restriction to “cases for violins” is acceptable, since it is listed in the Alphabetical List of Class 15 and even though one will, ordinary speaking, not play music on a case.

In case of a restriction of an application, for example in a pending opposition proceeding, would the same approach be applied as in the examination stage?

I return to my example. What if the applicant did start off with just “musical instruments” and runs into trouble with an older trade mark and now wishes to limit its application to just “cases for violins”. Would this be acceptable? According to the Presidential Communication of OHIM it would, since the use of the class heading constitutes a claim to all the goods or services falling within the relevant class. In other words it falls under the Alphabetical List of class 15. Let’s say this approach is justified, because the trade mark did not yet mature into a registration and therefore no rights could be invoked on the basis thereof.

But would it be different then in case of a trade mark *registration*, for example in a case of a partial surrender or revocation or an opposition? The trade mark has only been put to genuine use for “cases for violins” but not for “musical instruments”, by lack of interest of the applicant or he did just not use the mark for “musical instruments” for a consecutive period of five years only for “cases for violins”.

In such a case what approach would apply, the restriction is requested after registration. According to the Presidential Communication of OHIM still the same approach should be followed.

In **Opposition** proceedings, the Benelux Office is of the opinion that if the class heading covers the contested goods or services, the opposition should be granted.

For example “apparatus for recording, transmission or reproduction of sound or images” does cover “computer screens” or “computer displays”. So these goods would be *identical*. However in all other cases the goods would be considered to be *similar*.

OHIM gives an extensive explanation on the “similarity of goods and services” in her final version of her Opposition Guidelines of November 2007. We now can read:

The Nice classification serves purely administrative purposes”, but “to some extent the classification follows the same principles as the analysis of similarity of goods and services. In these cases, goods or services in the same class may indeed be *similar*.”

It is not said, not any longer, that these goods are identical. And it is stressed that the goods *may be* similar. This depends on the commercial perspective, and all relevant factors relating to the goods should be taken into account according to the Canon case of the ECJ.

Does this mean that the Presidential Communication of 16th of June 2003 is, I would say finally, overruled at least where the opposition is concerned?

On the other hand it is remarkable that now no examples can be found on when goods/services are considered to be *identical*. Is the situation now turned around? Is there no longer identity of goods, not even in the case the class heading does indeed cover the specific goods claimed by applicant’s trade mark application?

It might be clear that this is of importance in opposition proceedings. I bring to your mind the Canon-case where it is said that “a global assessment of the likelihood of confusion implies some interdependence between the trade marks and the goods or services in order to be able to conclude on a likelihood of confusion. And, as you will know, a lesser degree of similarity between the goods or



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services may be offset by a greater degree of similarity between the marks, and vice versa" (Canon ECJ 29-09-1998; Case C-251/95, paragraph 17).

So in a case it is wrongly considered there is identity of the goods, or in another case it is wrongly considered there is no identity of goods, this will have an impact on the outcome of the case! Especially when the trade marks have a lesser degree of similarity.

I wish to end with a **practical solution** to these problems for practitioners, if you file a trade mark covering the class heading, do also mention in the classification what particular goods are of interest to applicant. It will save you legal uncertainty. Moreover where retail services are involved you will have to indicate the type of goods that are retailed (Praktiker ECJ C-418/02). But for all cases where this has not been done or not been done properly, I have some questions to Wouter and Pieter.

My questions to Wouter are:

Question (1): Is the Communication of the President of OHIM of 16th of June 2003 overruled by the Final version of the Opposition Guidelines of November 2007 where the opposition is concerned?

Question (2): And what about identity of goods and services in an opposition proceeding. According to OHIM do identical goods and services still exist also in opposition cases? Or only in cases it is litterly the same wordig or else the goods are considered *similar*?

My questions to Pieter are:

QUESTION (1): What approach is applied by the Benelux Office in the examination stage and for example in case of a partial surrender or revocation. Is this the same as OHIM's approach?

2. In several decisions of the Benelux Office in opposition proceeding it is considered that "since the signs are not similar, there is no need to assess the similarity of the goods and services" (TV Elf) or "for procedural technical reasons" (SUPERSNACK) a comparison between the goods and services is not made, because the trade marks are not similar. (BOIP Decisions in Opposition of 15 January 2008 (TV Elf) and 30 November 2007 (SUPERSNACK)). Whilst OHIM is of the opinion that the comparison of the goods have to be made, always, unless the trade marks are *clearly dissimilar* (OHIM opposition Guidelines on Identity and likelihood of confusion, part 2. Chapter 2, of March 2004 paragraph 2 p. 19). In my view the examples we have in the Benelux practice are not concluded on the **clearly dissimilarity** of the signs. It is just decided that *the signs are not similar*, to me *clearly dissimilar* is (much) stronger than just *signs which are not similar*.

QUESTION (2): So my question is, is the Benelux Office thinking of changing its approach to be in line with the Canon decision of the European Court of Justice? This would mean that in the wording in the decisions "for process technical reasons" are left out and a comparison of the goods and services will be made in future or decide that the signs are *clearly dissimilar*?



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ARCOL/CAPOL (Conclusion/comment by Maron)

The exchange of arguments in case of a refusal on absolute grounds with the BOIP

The differences are quite clear.

BOIP	OHIM
<ul style="list-style-type: none"> arguments, evidence received after deadline are not taken into account 	<ul style="list-style-type: none"> Late filed arguments are to be taken into account if likely to be relevant to the outcome of the opposition
	<ul style="list-style-type: none"> Discretion to disregard facts and evidence produced, incentive effect

It is recommended by the Benelux Office filing your arguments against the refusal on absolute grounds with the BOIP as soon as possible. This recommendation is shared by the practitioners. However in those cases where the arguments are filed on the last day the reason is often that there are difficulties in receiving the relevant information and documentation of applicant. Which does not mean that the evidence is not available, but more often it is not understood by the applicant what information is considered relevant and it often takes time to have all responsible people mobilized within the applicant's company to take action.

I do wish to underline the necessity to take all relevant factors into account before taking a decision in order *to avoid that a trade mark can later on successfully be challenged in an annulment or infringement procedure*. However I do believe we should not lose sight of the principles of law, especially, the principle of ruling on contradiction only. So for both different approaches of the Offices there are pros and contras.

Nevertheless I am of the opinion that we should take the best of both worlds. This is especially also of relevance in cases of refusal on absolute grounds in the Benelux. In case the submitted evidence give rise to changing the grounds of refusal (in stead of lack of distinctiveness due to descriptiveness it is now considered that the mark is misleading) and the 6 months term has already ended. Bad luck for the applicant, he will have to bring the decision to court. But according to the decision of the Benelux Court of Justice in LANGS VLAAMSE WEGEN (Court of Justice 15 December 2003) it is not allowed to submit new evidence or arguments in appeal. I am of the opinion that if at that stage the applicant would not have the possibility to file new arguments and evidence, *the principle of ruling on contradiction will* be violated.

The same applies to opposition proceedings surely in the Benelux where parties have only once the possibility to exchange arguments. So I believe that the Offices and Courts should be aware of the fact that "rulings should be made on contradiction". This does mean that they should cooperate as much as possible to have this rule applied correctly.

Conclusion

I would say that if the other party - also in inter parte proceedings - is given the possibility to file its arguments on late filed arguments or changed views on a refusal (including arguments filed in appeal), the principle of deciding on contradiction is guaranteed. To me it is unsatisfactory that in appeal the case is only reconsidered on an administrative level, not taking into account the risk that *in an annulment or infringement procedure the decision might successfully be challenged*. Since the



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principle of ruling on contradiction should be applied correctly, I am of the opinion that this Arcol/Capol decision should immediately be applied in the Benelux system.

OPTIMA OPTIMIZED? (Conclusion/comment)

OHIM now expressly gives the possibility to :

- Opt for an appeal,
- wait until the decision has become irrevocable or
- withdrawal of the action which was the reason for requesting a decision (withdrawal after decision within the appeal period.)

The last option is especially remarkable.

BOIP will “soon”, or maybe I should say “in future”, offer the same possibilities.

The question that arises here to me is: would this mean the end of irrevocable decisions and what is the status of these decisions which did not become irrevocable? I would say these decisions are of lesser importance, because it is not clear whether the outcome would have been upheld in an appeal. Nor is it clear that “this is it”, since the decision is not definitely finalized.

From a practitioners point of view I would urge that it is *at least* mentioned in the decision of the case itself as well, not only in the registration, whether the decision has become final by irrevocability or due to withdrawal within the appeal period. It might make a difference in its legal force.

Geographical extent of proof of use (Conclusion/comment)

Can there be proper reasons for use to a lesser extent geographically seen where the use requirements are involved?

The question is whether acquired distinctiveness through use should be considered geographically and/or linguistically.

In the cases of a single colour or shape the geographical approach applies. However in case of a word mark the linguistic approach is chosen. This seems fair enough.

However in the Benelux this may lead to some difficulties due to the existence of three official languages (Dutch, French and German). Therefore, it is possible to have a mark which is descriptive in the Dutch speaking part of the Benelux (part of Belgium and the Netherlands) but is not considered descriptive in the French or German speaking part (part of Belgium and Luxemburg).

The test is to establish whether a mark has acquired a distinctive character through use, whether a substantial part of the public is familiar with the trade mark.

In the Benelux we have approximately 27 million people. 16 million of them (= 60% of all inhabitants of the Benelux) are living in The Netherlands and speak Dutch. The Dutch people cover 73% of all Dutch speaking people in the Benelux.

In Belgium there live approx. 10 million people of which 6 million are Flemish. So, of all Dutch speaking people within the Benelux, 27% lives in Belgium. They represent 22% of all inhabitants of the Benelux.

One could on the basis of these figures argue that if *a substantial part of the Dutch speaking public living in the Netherlands* is familiar with the trademark at stake, this should be envisaged as being a



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substantial part of the public of that linguistic area. However the Benelux Office (BOIP) is of the opinion that one should at least be able to prove also (some) knowledge of the existence of this trade mark in Belgium.

The problem arises for a company who has only the Dutch market in The Netherlands as its (potential) commercial market, or a Flemish company which has only the Flemish speaking market in Belgium as its potential commercial market. In these cases the trade mark owner will not be able to acquire a trade mark registration for a descriptive word or word combination, regardless the familiarity with its trade mark amongst its public.

To Community trade marks the same applies. However in case of a Community trade mark the owner has a fall-back position. He can choose for a national trade mark. Unfortunately this is no option in the Benelux. The Benelux is one in all, or in these cases "all or nothing".

Then I get to the second question could there be legitimate reasons for non-use in the whole of the linguistic area?

I think the example given here above could be one.

Another one could be for example due to lack of authorisation of the relevant authorities. This was put forward in the Libertel and Postkantoor cases. The trade mark owner did not have permission, at that time, to offer telecommunication services (in the Libertel case) or postal services (in the Postkantoor case) in Belgium or Luxembourg.

Another example could be the trade mark for a medicine which is not allowed to be traded in The Netherlands, but is accepted in Belgium?

I would say that in such cases it should be possible to acquire a trade mark registration. The problem is that the Benelux, although being a small part of the EU, is dealing with actual three linguistic areas and there is no fall back position to a national trade mark registration.

Maybe in such cases a remark should be added to the trade mark registration either by the Office or by the applicant by restricting the scope of protection by mentioning the area of use for example in the classification.

Conclusion

Harmonization of the BOIP and OHIM procedures are necessary where the substantive law is or could be involved.

Harmonisation is, as far as we have been talking about today, in any case needed on:

- The Classification issue
- Acceptance of additional arguments and evidence in refusals and opposition cases as this may have a far reaching impact on the outcome of a case. And it is the outcome of a case that should be equal in the Benelux and OHIM procedure
- Acquired distinctiveness. Should we await an ECJ decision on this topic?

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Are the CTM and the Benelux systems Harmonized?

From a Procedural point of view

Introduction – Benelux registration system

by Pieter Veeze

Before we start our discussion and focus on some specific points, I think it is a good idea to give a short overview of the main general characteristics of our registration system. I have seen the list of participants, and I think there are some people here who might not be very familiar with the Benelux system. If we immediately go into the details, I am afraid that we will lose their attention. I will, however, keep the explanation as short as possible.

In the Benelux system, applications are immediately published. When we receive an application (80% e-filing), its admissibility and classification are checked, and it will automatically be published for opposition purposes. We do not have a monthly bulletin. All publications are made “in real time” on our online register. Usually, an application is published within two weeks upon its receipt. (Of course, this depends on the applicant’s behavior. If there is a deficiency and the applicant does not respond promptly to our invitation to remedy it, the process will be delayed).

With the publication, the opposition period starts. This is two months, to be counted from the first day of the month following publication. We have an opposition rate of approximately 6%, which is significantly lower than the CTM opposition rate (+/- 20%?). This can of course be explained by the fact that a Benelux trade mark covers a much smaller territory than a CTM, so the chance of conflicts is lower. Besides, the grounds for opposition are limited. But I think the details of that will be discussed later.

The absolute grounds check is, unlike the CTM system, not done before publication but during examination. This is of course one of the reasons why we can publish an application so quickly. Refusal and opposition proceedings can thus occur in parallel. If this is the case, the opposition is suspended during the refusal proceedings. When the refusal is withdrawn, the opposition will be further examined. When the refusal becomes final, the opposition will be closed and the fees paid will be partially refunded. Our provisional refusal rate is approximately 10%, which is, if I am properly informed, about the same as OHIM’s refusal rate.

If the application is refused on absolute grounds, and no opposition is filed, it is automatically registered and the registration date will appear in the online register.

Besides that, we have a so-called “accelerated registration” procedure. The applicant can, at the time of filing or at any time during examination, ask the BOIP to immediately register the application. In that case, a refusal or opposition can occur after registration, and can thus lead to a cancellation. (This must, however, not be confused with a proper cancellation procedure as it exists at OHIM. In Benelux, a cancellation action must be brought before court). An accelerated registration can be useful in case of a conflict or when the Benelux mark serves as the basis for an international application under the Madrid Agreement. The Benelux system thus combines the advantages of pre and post registration opposition systems.

So as you can see, our system is designed to be as quick and simple as possible. In a normal procedure, the average time between application and publication is around 2 weeks, and the mark is registered within three to four months. An accelerated registration can be obtained within 24 hours.



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The latter is probably the reason why the Benelux became so popular at the end of 2005, during the sunrise period for .eu domain names. We then literally received thousands of applications from companies from all over the world. Thanks to our simple procedure, advanced IT systems, and of course some hard work of our examiners, we were able to deal with them without any backlogs.

Overall, we are happy with the way our system is designed. And more important, I think the majority of our users are satisfied with our system.

Coming back to the title of our subject (“Are the CTM and the Benelux systems harmonized?”), I would like to avoid any possible misunderstanding and underline the following. My enthusiasm for the way the Benelux system is designed and functions in practice might give the impression that I am not a warm advocate of harmonization. That is absolutely not so. I think harmonization is the corner stone of the internal market. All substantive aspects of trade mark law have been harmonized by European directives. The definition of a trade mark (and of the grounds for not being able to get one) is the same in all European jurisdictions. The same counts for the definition of infringement, and the means of enforcing one’s rights. As far as the interpretation of these aspects is concerned, all European jurisdictions are bound by the explanation given by the European Court of Justice. The Benelux Office has always, both in absolute as in relative grounds matters, carefully studied the European approach, even so much that I think we realized sooner than some of our users that our old Benelux principles where in some aspects outdated by European developments. In the five cases we have had so far before the ECJ, our approach has been confirmed.

So far I am thus very much in favor of harmonization, which I believe is in the interest of all trade mark owners.

However, harmonization does not, and in my opinion should not, mean that everything must be the same. Procedural aspects are not covered by EU directives, and the fifth recital of the preamble of the harmonization Directive (89/104/EEC) explicitly leaves them to the authority of the Member States. I think it is a good thing that national procedures can, of course within the limits of international agreements such as the Trademark Law Treaty and the Singapore Treaty, be designed to fit best to the needs and wishes of their specific users.

So substantive issues must be harmonized, but procedural issues do not have to be harmonized.

Bearing that in mind, I would be happy to discuss the differences between the CTM and the Benelux system, and explain why I think that these are justified (or not).

Class headings

As a true lawyer, I like definitions. When preparing this subject, I had some doubts if this qualifies as a “procedural matter”, since it affects the scope of protection of a trade mark. However, as Maron explained, there is clearly a difference in OHIM’s opinion on this issue and that of the Benelux Office. I will try and explain our point of view.

In our opinion (see Communication dated 1 September 2002, available on www.boip.int), a trade mark is protected for the goods or services for which it has been registered. Class numbers are mentioned for administrative purposes only, namely to facilitate searches. This follows from long-standing Benelux case law, and is explicitly mentioned in art. 2.20 (4) of the BCIP:

“The classification adopted for the registration of trade marks in accordance with the Nice Agreement shall not constitute a criterion for evaluating the similarity of goods or services.”



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A similar disposition can be found in art. 9 of both the Trademark Law Treaty and the Singapore Treaty.

Besides, infringement is, both in our legislation and in the harmonization Directive and in the CTMR, linked to the goods or services for which a mark is registered.

We thus consider a trade mark only to be protected for the goods or services that are mentioned in the register.

We therefore do not agree with OHIM's opinion (as depicted in its President's Communication No 4/03) that a class heading automatically covers all thinkable goods or services within that class.

We also think that OHIM's approach can lead to legal uncertainty. A trade mark register should, in our view, make absolutely clear which mark is protected for which goods or services. Any party, whether he is a competitor, a judge, or otherwise involved in trade marks and their enforcement, must be able to understand precisely to what extent a trade mark is protected. In our view, this must be clear from the registration itself. The user should not need to consult (the more than 500 pages of) a classification book to find out which other goods or services are possibly covered. A task which is even more difficult when you realize that the Nice classification is reviewed regularly, so goods or services can in time move to a different class.

I know from a personal experience that this subject has been on the agenda of several so-called "Liaison Meetings" that OHIM kindly hosts regularly to enhance harmonization with national offices. The issue has often led to vivid discussions, and I do not have the impression that the different opinions on this matter will come together.

I therefore believe that if there ever will be harmonization on this matter, it will not come from discussions such as we have today or on other occasions. This impression is, by the way, if I am properly informed reinforced by a study on the issue by Marques. The opinions of the OHIM and several national offices are simply too different to resolve this by arguing. I think that the only way to resolve this issue is if the question would be raised in a case before the European Court of Justice (ECJ). As we know from the PRAKTIKER case (C-418/02, the case about retail services), the ECJ feels competent to deal with classification issues. I think this would be the only way to get certainty once and for all. It can perhaps even be brought up as a test case, as happened in the SHIELD MARK (C-283/01) and SIECKMANN (C-273/00) cases.

So far about the differences, which are, in my view, not justified. I will now say something about the practice that OHIM and BOIP have in common, and put the differences into a practical perspective.

Like OHIM, although we encourage applicants to specify the goods or services for which they actually use their mark, the BOIP does not object to the use of class headings for being too vague or otherwise. Class headings are carefully designed to have their broad wordings cover all thinkable goods or services within the class concerned. The practical consequences of our different opinions must thus, in my view, not be overestimated.

I am not a classification expert, but to my knowledge it is not easy to find an example of a product or service that cannot be considered to fall under any of the broad terms in any of the class headings. An example, which can be found in OHIM's examination guidelines and is already mentioned by Maron Galama, is "cases for violins". These are classified in class 15, of which the class heading is "musical instruments".



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So what would be the consequences?

- A registration for musical instruments can be limited to violin cases in OHIM's view, but it cannot in our view.
- Anyone who has a registration for musical instruments and has used his mark only for violin cases for longer than 5 years can risk having his registration cancelled in our view, and not in OHIM's view.
- In an opposition between a mark for musical instruments and a mark for violin cases, I presume that OHIM would consider the goods identical and we would consider them similar.

These matters are of course important for the violin cases industry, or to be more precise for all violin case manufacturers that only have registered their marks for musical instruments. But as I have said, this example is, to my knowledge, really an exception. Anyone who can think of more than 10 of these examples is hereby invited for a free drink after this Round Table. (And so is anyone else, by the way...)

To conclude:

- I can confirm that there is a difference on this subject.
- I do not think it is justified.
- In my view, this is a substantive issue rather than a procedural one, so harmonization is appropriate.
- I believe that harmonization is most likely to be given by the ECJ.
- On the other hand, I would not say that the practical consequences of the issue are so important that every trade mark practitioner in Europe should have sleepless nights about it.

Finally, coming back to Maron Galama's two questions. I think I have by now extensively answered the first question. As for the second question, whether our Office is thinking of changing its practice to be in line with the CANON judgment, my answer can be short. I strongly renounce any suggestion that our Office adopts a reasoning that is in breach of any ECJ ruling. As I said in my introduction, the interpretation of substantive issues by the ECJ is one of the corner stones of harmonization. As for the CANON case, if I am not mistaking it is cited in each and every opposition decision we have rendered so far. This case does not in my view imply that we must in each decision come to a comparison of both the signs and the goods or services. If there is no similarity between the signs, it is simply unnecessary to compare the goods or services (and of course vice versa). And as far as the wording is concerned, I think from the decisions mentioned by Maron it is quite clear that we considered the signs to be so dissimilar that, even if the goods or services were identical, there would not be likelihood of confusion. That reasoning is in my view totally in line with the CANON judgment and with OHIM's practice as well.

Arcol / Carpol (ECJ case C-29/05)

This is clearly a procedural issue, so harmonization is, as I explained in my introduction, in principle not legally required. The judgment by the ECJ is about the interpretation of certain specific articles of the CTMR, and thus not binding for national offices.

Nevertheless, I have studied the Arcol / Carpol judgment and some later cases from the CFI, listened carefully to Wouter Verburg's presentation, and tried to establish to which extent the conclusions that can be drawn from it also apply to the Benelux situation. This is not an easy question, partly because the appeal systems are so different, and partly because there are some things we just don't know yet.



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According to the ECJ, the BoA's enjoy a margin of appreciation whether or not they take facts or evidence into consideration that have not been (timely) introduced before the Office. Especially in an opposition procedure, which was the subject matter of the case, I do not think this is an easy job, because when the margin of appreciation weighs in favor of one party the other will most likely disagree and vice versa. So I would not be surprised if there will be more discussion and case law on this matter in the future.

As you can see, I have compared the appeal systems on a slide. The most significant difference is that OHIM has an internal appeal system. The Boards of Appeal (BoA) are, in spite of the independence enjoyed by them and their members, departments of OHIM. The reasoning of the ECJ is based on the idea that there is continuity in terms of their functions between the opposition division and the BoA's. The Benelux Office does not have an internal appeal department. Appeals against our decisions must be brought before the Courts of Appeal in Brussels, The Hague or Luxemburg. On first sight, these Courts can thus perhaps better be compared with the Court of First Instance (that does not accept new facts of evidence) rather than with the BoA's.

As for the question whether or not the Benelux Courts accept new facts or evidence in an appeal from an opposition procedure, I am afraid the answer is not known yet. As you probably all know, the opposition procedure was only introduced in 2004 and was opened for all classes in the beginning of 2006. So far, we have been informed on the fact that some of our decisions have been appealed, but as far as we know none of these cases has come to a judgment yet. In this respect, I must explain that the BOIP is, unlike OHIM, never a party in appeals against oppositions; this is considered a matter between parties.

So for opposition procedures, we simply do not know whether or not the Benelux Courts of Appeal accept new facts and evidence (or if they enjoy the same margin of appreciation as OHIM's BoA's do).

As far as appeals against a refusal on absolute grounds are concerned (where the BOIP is, unlike opposition appeals, obviously a party to the proceedings), the same question has in the past arisen. Since this is a procedural question, the competent Court to give guidance on this matter is the Benelux Court of Justice. The question remained unclear for a long time. In 2003, the LANGS VLAAMSE WEGEN case (A-2002/2 dd 15 December 2003) seemed to imply that it should be answered in the negative. However, in 2006, in the EUROPOLIS case (which will be further discussed later when we talk about acquired distinctiveness), the Benelux Court of Justice (in its first ruling, case A-2005/1 dd 29 June 2006) decided that, although the national Court's competence is limited to the question of the rightfulness of the Office's decision, new factual evidence supporting an argument that has been invoked before the Office can be considered.

So for refusals it seems clear: an applicant cannot invoke new grounds before the Court of Appeal, but he can introduce new factual evidence for an argument he already made before the Office.

It could be argued that it is logical that the same thing counts for appeals against opposition cases. On the other hand, since an ex partes procedure is certainly something else than an inter partes case, this is far from sure.

So to conclude:

- This is a procedural issue, so differences are allowed.
- It is not sure whether or not there is a difference on this subject, but undoubtedly, the future will learn...



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And if I may end with some advice:

- Why wait! To be on the safe side, I would advise anyone to submit all arguments, facts and evidence as early as possible in any procedure! And not only before the BOIP, but also before OHIM or any other office or court. If you wait, you might deprive yourself (or your client) of the possibility of further substantiating your claims. For that reason, we also advise our users not to wait until the very last day of a deadline. And besides, who likes deadlines? Life gets a lot less stressful if you do not have to worry about them...

Withdrawal after decision within appeal period

This is, again, clearly a procedural issue, so harmonization is not required.

Until recently, our practice was the same as I understand OHIM's practice was. We did not accept a withdrawal of an application when it was requested after expiry of the time limit to respond to a refusal or during the appeal period after a final decision refusing the application. And I think our reasoning was the same as well: the mark has been refused, so there is nothing left to be withdrawn. And the result is the same anyway: the mark will not be registered.

To be short, after reading OHIM's Grand Board of Appeals decision (case R 331/2006-G), we were convinced by its reasoning and decided to change our practice. We will, therefore, also allow a withdrawal of an application (or cancellation of an accelerated registration) filed within the appeal period. But we will only allow a total withdrawal. A limitation of the list of goods or services (so a partial withdrawal) is not accepted, since this would change the subject matter of a possible appeal, as follows from the Benelux Court of Justice's ruling in LANGS VLAAMSE WEGEN (case A-2002/2 dd 15 December 2003).

So the decision has been taken to change our practice. Unfortunately however, our legal progressiveness is hindered by a technical problem: our computer system has been designed to block after expiry of the maximum time limit to respond to a refusal. We have asked our IT department to remove this block, and as soon as this is done (I do not think this is on top of their priority list, and to be honest, I can understand that), we will publish an official Communication to announce and explain our change of practice.

So to conclude:

- This is a procedural issue, so harmonization is not required.
- At the moment, there is a difference in practice on this subject.
- Our Office has decided to change its practice.
- Once the technical block has been removed, this will be announced in an official Communication.

Acquired distinctiveness – geographical aspects

This is, again, a substantive issue, so harmonization is required. And as we all know, harmonization has been provided by the European Court of Justice (ECJ) in the EUROPOLIS case.



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For an office our size, I think the BOIP has had more than it's fair share of high profile European cases. Of the five cases we have had so far before the ECJ, LIBERTEL (C-104/01), BIOMILD (C-265/00), POSTKANTOOR (C-363/99), EUROPOLIS (C-108/05) and THE KITCHEN COMPANY (C-239/05), EUROPOLIS was definitely one of the most discussed.

To prepare our arguments before the ECJ, we really studied every piece of literature and case-law we could find. Especially from countries that, like the Benelux, have more than one language or have known other interesting developments such as the German reunion. And of course the OHIM and CFI cases on article 7(3) CTMR. I can thus talk for hours on this subject. But don't be afraid: I won't! And given the hour, I cant.

I will therefore just focus on the two specific questions that are on the agenda:

1. Must acquired distinctiveness be proven in each and every part of the territory where the mark is ab initio not distinctive?
2. Can there be a legitimate reason for not being able to prove acquired distinctiveness?

Since I understood that the CFI ruling in the Glaverbel glass pattern case (T-141/06) has been appealed, the first question, which can provide "fine tuning" of the EUROPOLIS case, will most likely be answered by the ECJ. So within a year or so we will all find out if the speculations I will now share with you have been correct or not.

To start with the conclusion, in my opinion the answer to the first question must be yes, and the answer to the second question must be no. I will explain to you why.

First, I think the answer to both questions can already be found in the EUROPOLIS case (par. 23):

"Consequently, the answer to the first two questions must be that Article 3(3) of the Directive must be interpreted as meaning that the registration of a trade mark can be allowed on the basis of that provision only if it is proven that that trade mark has acquired distinctive character through use throughout the territory of the Member State or, in the case of Benelux, throughout the part of the territory of Benelux in which there exists a ground for refusal." (emphasis added, Dutch version: "in het gehele grondgebied").

As you can see, I have underlined the word "throughout". I've looked up this word in the dictionary, and its definition is: "through the whole of", "in or to every part of" or "everywhere in". The Dutch definition of the word "gehele" is even clearer, namely: "waaraan niets of niemand ontbreekt".

The EUROPOLIS case therefore, in my opinion, does not leave room for any exception.

Further, I think it is important to bear in mind that use, no matter how intensive or widely spread it might be, does not in itself give a right to trade mark protection. The ECJ has formulated this as follows (EUROPOLIS, par. 21):

"Article 3(3) of the Directive does not provide an independent right to have a trade mark registered. It is an exception to the grounds for refusal listed in Article 3(1)(b) to (d) of the Directive. Its scope must therefore be interpreted in light of those grounds for refusal."

Monopolies are the exception, not the rule. A trade mark registration offers a monopoly throughout the territory that it covers. Protection can be obtained for all signs, provided that they do not fall under any of the grounds for exclusion that, all in their own way, are based on an underlying public interest. A



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trade mark that is originally descriptive or otherwise not distinctive can only be protected if, as a result of its use, it has actually acquired distinctiveness in the eyes of the relevant public.

Having said this, I will give you a simple example by which I will explain why I not only think that the answers I propose to both questions already follow from the EUROPOLIS case, but also why I think that these are the only answers that can be reconciled with the basic concepts of trade mark law and public interest.

Take POSTKANTOOR. This means “post office” in Dutch and is obviously descriptive for related goods and services in the Dutch language, which is spoken by people in the Netherlands (around 73%) and a large part of Belgium (around 27%). If we would assume that the word POSTKANTOOR has in the mind of the Dutch public become a distinctive mark of one specific company (which, by the way, I doubt very much, but let’s presume it has), what would be the consequences for question 1 and 2?

- If (question 1) acquired distinctiveness in the Netherlands would be considered enough and POSTKANTOOR would as a consequence be registered as a trade mark, this would give its owner an exclusive right in the whole Benelux territory (or in case of a CTM even worse: in the Community as a whole). Belgian postal services could in that case be prohibited to use a word which, in the mind of the Belgian public, is 100% descriptive! That would clearly be contrary to public interest and pleas, in my view, to the conclusion that acquired distinctiveness must be established throughout (or in each and every part of) the territory in which there exists a ground for refusal.
- The same argument applies for question 2. As a matter of fact, this question did also play a role in the POSTKANTOOR case. Postal services were, in most European countries, until a couple of years ago provided by (mostly state owned) monopolists. And if I am not mistaking the applicant actually pleaded that he had not been able to use his mark outside of the Netherlands, but this argument clearly did not convince the referring Court. It does not convince me either. I do not think that the concept of a legitimate reason, which is normally linked to non usus as a ground for revocation, can play a role in any other area of trademark law. No one would seriously argue that it is unfair that a trademark owner with a legitimate reason for not using his mark, must be able to invoke that it has become famous or well known. And as far as acquired distinctiveness is concerned, the public interest is in my view much more important than the private interest of a “poor” company that has, for whatever reason, not been able to use it’s “trade mark” in the whole territory where he seeks protection.

So to conclude:

- This is a substantive issue, so harmonization is required.
- Harmonization has already been given by the ECJ in the EUROPOLIS case, which will possibly be “fine tuned” by the GLAVERBEL glass pattern case.
- Acquired distinctiveness must, in my view, be proven in each and every part of the territory where the mark is ab initio not distinctive.
- There cannot, in my view, be a legitimate reason for not being able to prove acquired distinctiveness.

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Are the CTM and the Benelux systems Harmonized?

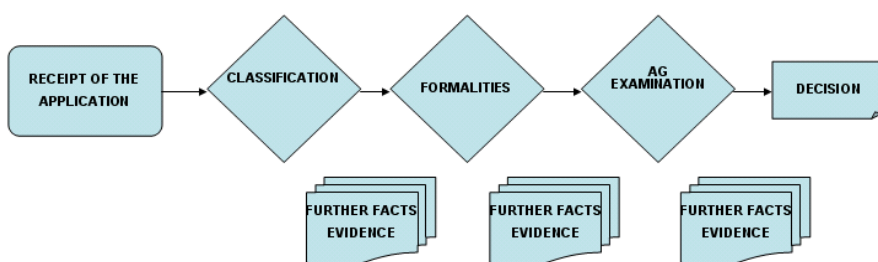
From a Procedural point of view

by Wouter Verburg

General overview of trade mark proceedings

Examination proceedings

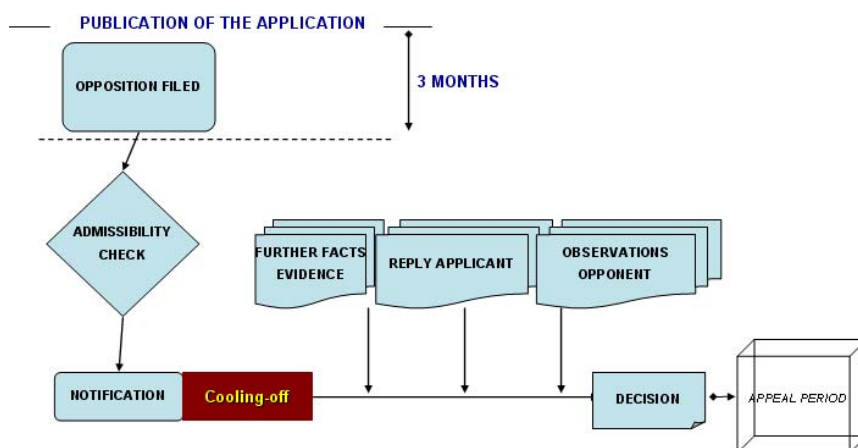
The examination proceedings at the OHIM have the following general sequence:



Since March 10th this year, the national search has become optional.

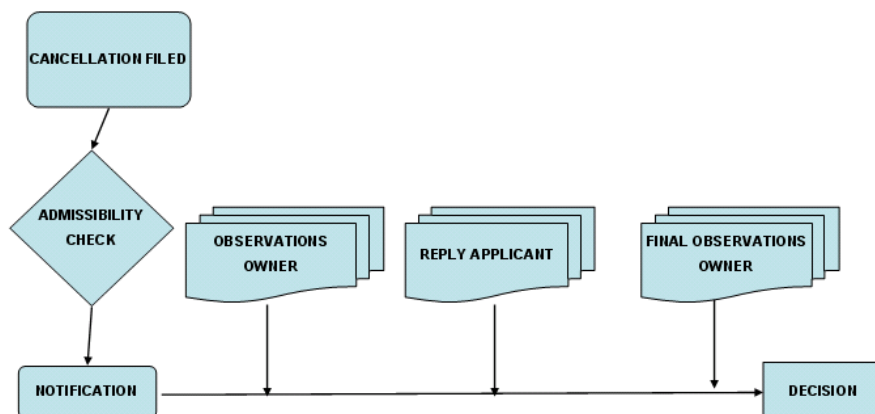
Opposition proceedings

The opposition proceedings, simplified have the following structure:



When a request for proof of use is introduced, an extra round of observations may be necessary. In principle, the opponent has the last word. Perhaps the Office should review its opposition proceedings and cancel the possibility for reply by the opponent?

Cancellation proceedings



In cancellation proceedings there are two rounds: both the applicant for invalidity and the CTM owner get the possibility to file observations twice.

Quality

Even though slightly outside scope, I would like to dedicate a few words to the processes that the OHIM put into place to monitor the quality of its work.

Since February 2007 the Office has checked the quality of the classification, examination on absolute grounds and of opposition decisions. This is the so-called *ex post* quality check after a decision has been taken and, if applicable, notified to the parties.

Since February 2008 a quality control *ex ante* has been introduced: all written decisions on absolute grounds and oppositions are quality- controlled before they are issued



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The following chart shows the results of the *ex post* quality check for the first three months of 2008.

<u>Quality</u>	<u>Obj. end 2008</u>	<u>Results Jan/March 2008</u>
<u>Classification</u>	At least 95%	95.42%
<u>AG</u>	At least 99%	98.75% correct 0.9% a format error 0.35% a content error 0.95% wrong outcome
<u>Opposition decisions</u>	At least 95%	86.11% correct 1.67% a format error 12.22% a content error 3.89% wrong outcome

Classification – class headings

The practice of the Office is explained in the examination guidelines and in Communication No 4/03 of the President of the Office of 16 June 2003. It can be summarized as follows.

Specifications that consist exclusively of “all goods in class X” will not be acceptable and will be converted into the respective class headings. The Office does not object to the use of any of the general indications and class headings as being too vague or indefinite.

The use of all the general indications listed in the class heading of a particular class constitutes a claim to all the goods or services falling within this particular class. The use of a particular general indication found in the class heading will embrace all of the individual goods or services falling under that general indication, a logical consequence of the preceding. The foregoing is the basis of the Office practice which results in an efficient system for dealing with lists of goods and services. Furthermore, it leads to correct results in all proceedings.

Consequently, under the practice of the Office a restriction is acceptable if a specification is limited by deleting a general indication and instead selecting one or more specific items falling under the general indication. ‘Clothing’ can be validly restricted to ‘ties’.

Where it may not be obvious under which of several general indications particular goods or services fall, there is nevertheless a classification-based reasoning for the proper classification. It is true that it takes some imagination to classify ‘condoms’ under the class headings of class 10, but use of the class headings of class 10 provides protection for these goods.

Restrictions



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A restriction of all the general indications listed in the class heading of class 10 to 'condoms' is thus fully acceptable. When the list of goods and services of a Community trade mark application or registration that originally contained the complete class heading of a particular class is composed of one or more specific goods or services properly classified in the same class and the class headings, the restriction is a proper restriction.

Absolute grounds examination

An example of how the Office practice sometimes has an effect on absolute grounds examination: Retail services are classified in class 35. The practice of the Office on class headings entails that an objection on absolute grounds will be raised in cases where the CTM application falls foul of Article 7 CTMR also if the goods or services for which the mark is applied for are not explicitly mentioned in the list of goods and services. 'SHOPPING' applied for *Advertising, business management; business administration; office functions* will be objected to for retail services.

Opposition and cancellation proceedings:

In the comparison of goods and services, use of the whole class heading of a particular class has the consequence that, when the later application or registration contains goods or services properly classified in that same class, the goods or services are identical with the goods or services in the earlier mark. Thus, by means of an example, if the earlier mark is registered for *pharmaceutical and veterinary preparations* in class 5, and the CTM(A) for *medicines for treating respiratory diseases* also in class 5, there is identity of goods.

When the specification does not include all of the general indications of a particular class heading, but only one or some of them, identity will be found only when the particular item falls under the general indication.

Withdrawals after OPTIMA

According to Article 44 CTMR, the applicant may at any time withdraw his Community trade mark application or restrict the list of goods and services contained therein.

According to Article 57(1) CTMR, an appeal shall lie from decisions of the examiners It shall have suspensive effect.

Under the former practice of the Office, withdrawals during the appeal period without appeal were not accepted. However, since the Grand Board of Appeal's decision in Case R331/2006, OPTIMA, withdrawals are accepted by the Office if made within the appeal period, also if no appeal has been filed.

According to the OPTIMA decision, the decision to reject must be considered to be a decision that should remain in the files. Even if this decision does not take effect, there is no reason to consider it void.



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The reasoning in the decision is based on Article 62(3) CTMR, 'the decisions of the Boards of Appeal shall take effect only as from the date of expiration of the period referred to in Article 63(5) CTMR...'

Although the OPTIMA ruling concerned an *ex parte* proceedings, the Office decided that also in *inter partes* proceedings withdrawals within the appeal period but without an appeal should be accepted.

The consequences of the withdrawal are limited to a change in the status of the application from 'refused' to 'withdrawn'. As mentioned, the withdrawal does not affect the decision, which means that there are no effects on conversion or on the decision on costs in *inter partes* proceedings. A withdrawal after rejection cannot allow for conversion in those territories where the Office deemed the mark not registrable.

By means of an example, where a CTMA was refused because it was deemed to be non distinctive in English and is consequently withdrawn during the appeal period without an appeal filed, its status will change to 'withdrawn' instead of 'refused' but upon a request for conversion the refusal is taken into account and conversion partly denied.

The consequence in opposition proceedings can be clarified with the following example: A CTMA which is rejected because of the existence of a likelihood of confusion will – where this CTMA is withdrawn during the appeal period even if no appeal has been filed – become 'withdrawn' rather than 'rejected' and its status is changed accordingly. The decision on costs, if validly taken, will not be altered.

Finally, this new practice also applies to the withdrawal of oppositions. In the former example, if it were the opposition that is withdrawn, the status will change to 'opposition withdrawn', the CTMA reinstated to continue to registration and the decision on costs remains valid.

C-29/05P, Arcol/Capol

Article 74(2) CTMR:

According to Article 74(2) CTMR the Office may disregard facts or evidence which are not submitted in due time by the parties concerned.

The former practice of the Office interpreted this Article in the sense that in *ex parte* proceedings there is continuity in terms of their functions between the examiner and the BoA. The Boards can accept additional or new evidence in the appeal proceedings. However in *inter partes* proceedings there is no continuity in terms of their functions between Opposition Division and the BoA. Indeed, in *inter partes* proceedings only (additional) evidence that could not have been submitted when the deadline expired could be taken into account.

On several occasions the Court of First Instance disagreed with this interpretation of Article 74(2) CTMR:

T-308/01, KLEENCARE: Submission of invoices.

T-164/02, ARCOL/CAPOL: Claim to highly distinctive character of earlier mark.

T-275/03, HI-FOCUS/FOCUS: Complete translation of the registration certificate.

T-323/04, LA BARONNIE/BARONIA: Additional evidence of use.

T-252/04, ASETRA/ASTARA: Translations provided before the Opposition Division.



In its judgment in T-164/02, ARCOL/CAPOL, the CFI held:

1. Functional continuity does not mean that parties who have not submitted facts/evidence within the time limits before the Opposition Division would not be entitled to rely on these facts/evidence before the BoA.
2. The BoA should not have refused to consider factual evidence that had been submitted in the four months for filing a statement of appeal.

The Office decided to appeal this decision to the ECJ, based on the following arguments:

1. The time limit to submit facts/evidence is imperative.
2. Article 74(2) CTMR is not only applicable to submissions after 4 months to file a statement before the BoA. It should also apply to evidence that could have, and ought to have, been filed before the Opposition Division.

In its judgment of 13/03/2007 (C-29/05P), the ECJ held the following:

1. As a general rule **and unless otherwise specified**, the submission of facts and evidence remains possible after expiry of the time limits ... OHIM is not prohibited from taking late evidence into account. (emphasis added)
2. There is no unconditional right to have evidence taken into consideration. Article 74(2) CTMR grants OHIM a wide discretion.

Making use of this discretion, several factors can be considered:

1. Is the late material likely to be relevant to the outcome of the opposition?
2. Does the stage of the proceedings at which the late submission is made and the circumstances surrounding it argue against taking it into account?

Thus, the taking into account of late evidence is not automatically precluded just because these facts/evidence were not submitted within the time limits before the Opposition Division. Nevertheless, this is only in cases where it is not specified otherwise. According to the Court Article 74(2) CTMR grants the BoA a large discretion.

So far, so good, but what does the sentence “unless otherwise specified” mean? The CFI explains in its judgment of 12/12/2007 in case *T-86/05, Corpo Livre*.

1. The possibility for parties to submit facts and evidence after expiry of the periods specified for that purpose is conditional upon there being no provision to the contrary. Only then OHIM has a discretion.
2. Article 43(2) and (3) CTMR, implemented by the amended Rule 22 IR are such provisions.

After this clarification the practice of the Office in Opposition proceedings has become the following:

1. Time limits to substantiate the opposition (Rule 19(1) IR) and to submit evidence of use (Article 43(2) and (3) CTMR, Rule 22) are excluded from the application of Article 74(2) CTMR.



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2. This would seem to be the case also for additional evidence, unless new factors emerge.

3. The Opposition Division accepts new evidence, i.e. evidence that could not be submitted within the time limits.

In opposition proceedings before the Boards of Appeal Rule 50(1)(a) of the amended Implementation Regulation must be taken into account:

Examination of the appeal is limited to facts and evidence presented within the time limits set before the Opposition Division, unless the Board considers that additional or supplementary facts and evidence should be taken into account pursuant to Article 74(2) of the Regulation.

There is no common practice of the Boards of Appeal yet.

In Cancellation proceedings the Cancellation Division tends to accept additional and new evidence, also late in the proceedings and the Boards of Appeal seem to do the same.

Acquired distinctiveness through use

Article 7(3) CTMR:

According to Article 7(3) CTMR, paragraph 1 (b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods and services for which registration is requested as a consequence of the use which has been made of it.

The guidelines on Examination mention on this point: If the objection extends to the whole Community, the evidence must relate to the Community as a whole. It is, however, possible to extrapolate evidence from one part of the Community to others.

In the Office the requirement that the evidence must relate to the Community as a whole is applied in a rather strict manner.

In view of the exhaustive way this item has been dealt with by my colleagues, I will limit myself to just mentioning two cases dealt with by the Cancellation Division.

The first concerns case 482C. CTM No 834 150 is registered for 'cereal preparations for food for human consumption, all in the form of biscuits'.



ECTA

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The Examination Division had accepted the mark because of acquired distinctiveness through use under Article 7(3) CTMR.

The Cancellation Division found the mark to be inherently distinctive. On the question of acquired distinctiveness in the entire Community it found that specific trends in individual commercial areas in the market cannot be ignored. In areas where there is no tradition of consumption of cereal preparations, no evidence of acquired distinctiveness would be needed. As there is no such tradition the mark is distinctive *per se* in these areas. In those cases the evidence does not have to comprise the Community as a whole but only those territories where the sign is devoid of distinctive character.

The second concerns case 765C. Here, CTM 818 864 is registered in relation to 'medicated confectionery', 'snackfoods' and 'non-medicated confectionery; pastries, cakes, biscuits; ices, ice cream, ice cream products, frozen confections; chilled desserts, mousses, sorbets; all included in Class 30'.



Whereas the Cancellation Division deemed the evidence of acquired distinctiveness sufficient even though in some countries there were mere sales, the Boards of Appeal found in case R 1325/2006-2 that these mere sales were not sufficient and invalidated the mark. The case is currently pending before the CFI.

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Are the CTM and the Benelux systems Harmonized?

From a legal point of view: absolute grounds of refusal in examination and cancellation proceedings - The differences

by Emmanuel Cornu and Donatienne Moreau

1. The texts of the Benelux Convention and the CTM Regulation

The absolute grounds for refusal of trade marks under Benelux law and under Community law are set out in Article 2.11 of the Benelux Convention on Intellectual Property (hereinafter referred to as "the Benelux Convention") and in Article 7 of Council Regulation EC No 40/94 of 20 December 1993 on the Community trade mark (hereinafter referred to as "CTM Regulation").

These absolute grounds are very similar under Benelux law and under Community Law. When one compares the drafting of Article 2.11 of the Benelux Convention and of Article 7 of the CTM Regulation, two additional absolute grounds for refusal in the CTM Regulation are not expressly referred to in the Benelux Convention:

- Article 7(1)(i) CTM Regulation : *"trade marks which include badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention and which are of particular public interest, unless the consent of the appropriate authorities to their registration has been given."*
- Article 7(1)(k) CTM Regulation : *"trade marks which contain or consist of a designation of origin or a geographical indication registered in accordance with Regulation (EEC) No 2081/92⁵ when they correspond to one of the situations covered by Article 13 of the said Regulation and regarding the same type of product, on condition that the application for registration of the trade mark has been submitted after the date of filing with the Commission of the application for registration of the designation of origin or geographical indication."*

Both these grounds for refusal, which are not expressly included in the Benelux Convention, will fall under the general exclusion of deceptive trade marks, referred to in Article 2.4(b) of the Benelux Convention.

2. The same principles of both systems may lead to different results in the actual assessment of the absolute grounds

The absolute grounds for refusal must be assessed taking into account the entire territory concerned, the public of that territory and the nature of the goods or services covered by the trade mark application. This is one of the principles laid down by the Court of Justice in the well known "*Postkantoor*" case⁶.

⁵ Repealed and replaced by Regulation (EC) No 510/2006 of 20 March 2006, on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, OJ L 93, 31 March 2006, p. 12–25

⁶ ECJ, 12 February 2004, C-363/99, "*Postkantoor*", [2004] ECR I-01619, paragraphs 33 and 34



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Under the CTM Regulation, the absolute grounds for refusal are to be assessed taking into account the public of the entire territory of the European Community and the many official languages spoken in the different Member States.

The existence of an absolute ground for refusal in part of the Community or even in one Member State of the Community will suffice to justify the refusal for registration of a Community trade mark application. As a consequence, in the event a sign is considered descriptive or devoid of any distinctive character in one of the official languages spoken in a Member State of the European Community, the Community trade mark will be refused pursuant to Article 7(1)(b) or (c) CTM Regulation⁷.

As regards the Benelux territory, the absolute grounds for refusal will be assessed taking into account the public of the Benelux territory and mainly the three official languages spoken in the Benelux: Dutch, French and German/Luxembourgish.

As to the English language, the jurisprudence in the Benelux has evolved with the time. Until recently, the Benelux courts – or at least the Belgian courts – tended to consider that the English language was not spoken nor understood by the general public of consumers⁸.

Today, the Benelux Office or the national Courts consider that the meaning of words in current English is understood by the general public of consumers⁹. However, this assessment by the Benelux Office or by the Courts of the understanding of the meaning of English words by the Benelux public may vary according to the nature of the goods or services described in the trade mark application and according to the public concerned by those goods or services.

The English meaning of signs in a specialised field (goods or services intended for professionals of a specific sector) will be more readily understood by the public concerned. In that specific case, the trade mark will be more easily refused as being descriptive character or being devoid of any distinctive character. The Court of Appeal of Brussels held that the sign "*Global Financial Intelligence*" was descriptive and was devoid of any distinctive character for goods and services related to trade, finance, real estate and insurance in classes 16, 35, 36, 38 and 42, thereby confirming the decision of the Benelux Office¹⁰. The Court held that this sign was made of three words from the current English language. According to the Court, although English is not an official language in the Benelux, the public concerned by the goods and services (companies seeking services in the trade, financial, real estate and insurance sectors) is well informed, specialised, observant and circumspect and therefore understands the meaning of those English words.

It is interesting to note that in relation to the Benelux trade mark application "*Digitag*", which was filed for electric devices for controlling access and for identification (in class 9), the Court of Appeal of Brussels took into consideration, as a criterion for the distinctive character of the sign, namely the fact that the applicant had been granted registration of the said mark for the same goods in the United Kingdom. The Court held that this fact confirmed that the word "tag" did not refer to a characteristic of the goods¹¹.

⁷ Please, note that the distinctive character acquired through the use of a trade mark must be demonstrated in a substantial part of the Community where it was devoid of any such character under Article 7(1)(b), (c) and (d) of the CTM Regulation (CFI, 3 December 2003, *Audi AG / OHMI*, T-16/02, [2003] ECR II-05167, paragraph 52; CFI, 30 March 2000, *Ford Motors / OHMI* (« *Options* »), T-91/99, [2000] ECR II-01925, par. 27.

⁸ Court of Appeal of Brussels, 1 June 2006, "*Steelguard*", *Ing.-Cons.*, 2006, p. 472

⁹ See Court of Appeal of Brussels, 13 September 2007, *Toomaxx Handels Gesellschaft MhH / BOIP*, "*Garden Trend*", to be published in *Ing.-Cons.*, 2008

¹⁰ Court of Appeal of Brussels, 1 June 2006, *Ing.-Cons.*, 2006, p. 480

¹¹ Court of Appeal of Brussels, 25 February 2005, "*Digitag*", *Ing.-Cons.*, 2005, p. 39



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3. Jurisprudence – different application of the same principles at Benelux level and Community level

a) *Distinctive character or descriptive character of signs in the Benelux and Community systems*

There is an interesting contradiction between the decision of the Benelux Office and the judgment of the Court of First Instance of the European Communities in relation to the trade mark "Easybank".

An Austrian bank had filed an application for registration of the word mark "Easybank" for services of insurance, financial and monetary affairs, banking services and real estate affairs in class 36 both at Community and Benelux levels.

At Community level, the OHIM rejected the application pursuant to Articles 38 and 7(1) (b) and (c) of the CTM Regulation. The appeal by the applicant was dismissed by the Board of Appeal of the OHIM even though the applicant had limited the description of the services to "on-line banking services, especially electronic banking services" in class 36.

The Court of First Instance annulled the decision of the Board of Appeal by judgment of 5 April 2001 and held that the link between the meaning of the term EASYBANK on the one hand and the services capable of being provided by an on-line bank on the other, appeared to be too vague and indeterminate to confer a descriptive character on that term in relation to those services. According to the Court, the term "Easybank" did not enable potential customers to identify immediately and precisely either the specific banking services or one or more of their characteristics. As to the absolute ground for refusal referred to at Article 7(1)(b) CTMR (distinctive character), the Court held that the OHIM had not carried out the examination of whether there appeared to be no possibility that the sign in question was capable of distinguishing, in the eyes of the public to which it was addressed, the products or services referred to, from those of a different origin¹².

The OHIM re-examined the issue of distinctive character and decided to register the trade mark for services of on-line banking.

At the same time, the BOIP was examining the absolute grounds for refusal in relation to the same trade mark filed for the same services (with their initial larger description) and refused registration of the trade mark "Easybank" for the services in class 36 on 7 June 2001. The BOIP considered that the sign "Easybank" was devoid of any distinctive character while a few weeks before, the Court of First Instance had held that this sign was not descriptive.

This decision of the BOIP, which was in total contradiction with the judgment of the Court of First Instance, was all the more surprising when one considers the public and the territory concerned by both trade mark applications. The Court of First Instance held that the sign "Easybank" was not descriptive for the European Community, which includes the Benelux as well as English speaking territories, while the BOIP considered that this sign was devoid of any distinctive character for the Benelux territory where English is not an official language.

It is to be noted that the decision of the BOIP was annulled by the Court of Appeal of Brussels by judgment of 9 September 2003¹³. The Court of Appeal of Brussels thus avoided a contradiction between the Benelux and Community jurisprudence in relation to an identical sign. The trade mark is

¹² Court of First Instance, 5 April 2001, T-87/00, *Bank für Arbeit und Wirtschaft AG / OHIM (Easybank)* [2001] ECR II-01259, paragraphs 31 and 40

¹³ Court of Appeal of Brussels, 9 September 2003, *Ing.-Cons.*, 2003, p. 199



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now registered both at Community level and international level with designation of the Benelux territory.

b) Slogans : different trends in the Benelux and Community jurisprudence

Although both Benelux and Community jurisprudence agree that it is not appropriate to apply to slogans criteria which are stricter than those applicable to other types of signs¹⁴, it appears that the application of this principle in practice does not lead to the same outcome in both systems.

The Court of First Instance of the European Communities and the OHIM tend to be more reluctant to accept the distinctive character of slogans, as opposed to the Benelux Courts and the BOIP.

As far as the Court of First Instance is concerned, the following slogans have been refused for absence of distinctive character or because of their descriptive character:

- "*Real People – Real Solutions*" for services of telemarketing (class 35) and computer hardware maintenance (class 37)¹⁵ ;
- "*Looks like grass ... Feels like grass ... Plays like grass*" for synthetic grass (class 27) and services of installation of synthetic surfacing for sports activities (class 37)¹⁶ ;
- "*Mehr für Ihr Geld*" ("More for your money") for laundry products, cosmetics, soaps, etc. (class 3), food (classes 29 and 30)¹⁷ ;
- "*Vom Ursprung her vollkommen*" ("Perfect from the origin") for non-alcoholic and alcoholic beverages in classes 32 and 33¹⁸ .

The Benelux jurisprudence tends to vary according to the type of slogan. In the case "*Les hommes savent pourquoi*", the Belgian Cour de cassation recalled that in the assessment of the distinctive character of a slogan, the point of view of the public concerned is fundamental¹⁹ .

As can be concluded from the study of the Benelux jurisprudence, the BOIP and the Courts tend to accept registration of slogans when they present an element of originality such as a contradiction, a play on words, a reference to a known expression which has been altered, etc.

The following slogans have been refused for absence of distinctive character or for descriptive character under Benelux law:

- "*The art of banking*" for bankcards and financial services in classes 9, 16, 36 and 42. The Court of Appeal of Brussels considered that this expression only indicated the expertise of a certain profession and was in itself ordinary, expressions referring to "the art of" being current in professional sectors.²⁰
- "*Langs Vlaamse Wegen*" for travelling brochures, transportation, travel services and cultural and sports activities in classes 16, 39 and 41.21
- "*Onbegrijpelijk lekker*" for food in classes 29 and 30²²;

¹⁴ CFI, 11 December 2001, case T-138/00, *Erpo Möbelwerk GmbH/ OHIM (Das Prinzip der Bequemlichkeit)* [2001] ECR II-03739, paragraph 44; Court of Appeal of Brussels, 21 June 2006, *Société Louis Delhaize Financière et de participation / BOIP ("L'achat qui rapporte")*, *Ing.-Cons.*, 2006, p. 452; Court of Appeal of Brussels, 23 March 2007, "On a jamais bu ça", *Ing.-Cons.*, 2007, p. 556.

¹⁵ CFI, 5 December 2002, T-130/01, *Sykes Enterprises / OHIM, Ing.-Cons.*, 2003, p. 329, obs. L. Van Bunnin

¹⁶ CFI, 31 March 2004, T-216/02, *Fieldturf, Inc. / OHIM*, [2004] ECR II-01023. Please, note that the CTM application was accepted for marketing services in class 35.

¹⁷ CFI, 30 June 2004, T-281/02, *Norma Lebensmittelfilialbetrieb GmbH & Co. KG / OHIM*, [2004] ECR II-01915,

¹⁸ CFI, 6 November 2007, T-28/06, *RheinfelsQuellen H. Hövelmann GmbH & Co. KG / OHIM*, not yet published.

¹⁹ Cass., 14 April 2000, *Ing.-Cons.*, 2002, p. 124

²⁰ Court of Appeal of Brussels, 22 December 1999, *Ing.-Cons.*, 2000, p. 49

²¹ Court of Appeal of Brussels, 16 May 2000, *Ing.-Cons.*, 2001, p. 95, cancelled by the Cour de cassation on procedural issues.



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- "300 miljoen euroconsumenten" for catalogues and printed material in class 16, advertisement and business management in class 35, services of telecommunications in class 38 and organisation of cultural, educational and leisure activities in class 4123;
- "*Happy vakanties*" en "*Grenzloos genieten*" for travel services en related services (classes 39, 41, 43)²⁴;
- "*Le vin en direct*" for wine, retail of wine and transport of wine (in classes 33, 35 and 39)²⁵.

The following slogans have been accepted by the Benelux Courts as being distinctive and not descriptive:

- "*L'achat qui rapporte*" for retail services, advertisement and business management in class 35 and financial services in class 36. The Court of Appeal of Brussels annulled the decision of refusal of the BOIP and held that this sign was distinctive since the expression contained a play on words with a clear contradiction ("buying" as opposed to "profit")²⁶;
- "*Wij gaan voor vers*" for goods in several classes (21 classes of goods), including food en beverages in classes 29, 30, 31, 32 and 33, and for services in class 35. The Court of Appeal of Brussels annulled the decision of refusal of the BOIP and held that although the word "vers" ("fresh") was the usual designation of a characteristic of most of the goods concerned, it nevertheless did not exclusively consist of signs or indications which may serve to designate a characteristic of the goods or services concerned. The expression "Wij gaan voor" ("We go for") is not descriptive for the goods or services referred to in the application²⁷.
- "*Move to cure*" for leisure and sports activities and services of medical nature in classes 41 and 42. The Court of Appeal of Brussels held that this expression was not used in the current Benelux languages in relation to the services concerned, that these words did not refer to the essential characteristics of these services and were not descriptive since there was not a necessary and undisputable destination link between "moving" and "health"²⁸. This judgment has however been annulled by the Belgian Supreme Court (Cour de cassation)²⁹.
- "*On a jamais bu ça*" for water and non-alcoholic beverages in class 32. The Court of Appeal of Brussels annulled the decision of refusal of the BOIP and held that the slogan contained a veiled reference to the current French expression "On n'a jamais vu ça" ("One has never seen that", the word "seen" being replaced by the word "drunk" in the trade mark applied for). The Court considered that although the sign was suggestive, it was not descriptive for the goods in class 32 since it remained arbitrary, indefinite and equivocal and did not constitute the necessary generic or usual designation of these goods³⁰.

In short, the Benelux Courts tend to be less reluctant than the Court of First Instance of the European Communities to accept registration of slogans. However, the BOIP seems to follow the strict tendency of the OHIM and of the Court of First Instance in relation to slogans and has therefore been sanctioned several times by the Court of Appeal of Brussels.

4. Acquisition of distinctive character through use

²² Gerechtshof 's-Gravenhage, 13 February 2003, case R98/606, published on the website of the BOIP.

²³ Court of Appeal of Brussels, 18 May 2006, *Ing.-Cons.*, 2006, p. 434

²⁴ Gerechtshof 's-Gravenhage, 9 February 2006, cases R05/954 and R05/537, published on the website of the BOIP.

²⁵ Gerechtshof 's-Gravenhage, 10 May 2007, *B.I.E.*, 2008, p. 70

²⁶ Court of Appeal of Brussels, 21 June 2006, *Ing.-Cons.*, 2006, p. 441

²⁷ Court of Appeal of Brussels, 21 June 2006, *Ing.-Cons.*, 2006, p. 455

²⁸ Court of Appeal of Brussels, 30 May 2005, published on the website of the BOIP.

²⁹ Cass., 17 April 2008, *Benelux-Merkenbureau / Maesschalk Lieven*, C.05.0491.N, unpublished.

³⁰ Court of Appeal of Brussels, 23 March 2007, *Ing.-Cons.*, 2007, p. 556



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There is no difference in the principles applied in the Benelux and in the Community systems in relation to the acquisition of distinctive character through use. We refer to the judgement of the Court of Justice in the case "*Europolis*"³¹. The BOIP was a party to that case and these principles are equally applied today in the Benelux and in the European Community.

As to the question whether use of the Community trade mark must be proved in each of the Member States of the European Union, the Court of First Instance answered affirmatively in the "*Glaverbel*" case³². The position of the Benelux Office is the same in relation to the Benelux trade mark.

Such a requirement seems in contradiction with the unitary character of the territory of the Community in the application of the CTMR: the CTM being a single title of protection that is independent of the national trade mark rights of the different Member States, the territory of the Community must be considered, in the application of the CTMR, a single territory and not an addition of the different territories of the Member States.

In the case "*Windsurfing Chiemsee*", the ECJ cited the geographical extend of use only as one of the many factors to be taken into consideration in the assessment of the distinctive character acquired through use³³.

As a consequence, having regard to the single territory of the European Community in the application of the CTMR and having regard to the jurisprudence of the ECJ, one should rather verify whether the trade mark has acquired distinctive character through use in a significant part of the Community as well as in relation to a significant portion of the public concerned in the Community³⁴. Part of the doctrine is of that opinion³⁵.

In the single territory of the Community, in our opinion, one should therefore take into account, in the assessment of the distinctive character acquired through use, the public of the Community as a whole, with abstraction of their localisation country by country.

5. Conclusion

Although the same rules and principles in relation to absolute grounds for refusal apply under Benelux law and Community law, the outcome of the assessment of the absolute grounds may vary in both systems.

The differences in assessment can usually be justified by the specificities of each system. The scope of the territories covered by the Community and Benelux trade marks is obviously different and, as a result, the public concerned by the trade marks as well as the languages of reference are also different.

³¹ ECJ, 7 September 2006, C-108/05, *Bovemij Verzekeringen / Benelux Merkenbureau* [2006] ECR I-07605

³² CFI, 12 September 2007, T-141/06, *Glaverbel SA / OHIM*, not yet published, paragraph 40

³³ ECJ, 4 May 1999, C-108/97 and C-109/97, "*Windsurfing Chiemsee*", [1999] ECR I-02779, paragraph 51; see also ECJ, 18 June 2002, *Philips / Remington*, C-299/99, [2002] ECR I-05475, par. 60-61; CFI, 5 March 2003, "*Alcon*", T-237/01, [2004] ECR II-00411, par. 50.

³⁴ CFI, 5 March 2003, "*Alcon*", op.cit., par. 50.

³⁵ A. Folliard-Monguiral, *Propriété industrielle*, 2004, No 9, p. 13; A. Folliard-Monguiral, "Florilège de jurisprudence 2004 en matière de droit communautaire des marques", *Propriété industrielle*, 2005, No 2, p. 23-24; A. von Mühlendahl, "Community Trade Mark Riddles : Territoriality and Unitary Character", *E.I.P.R.*, 2008, p. 66-67.



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Are the CTM and the Benelux systems Harmonized?

From a legal point of view: absolute grounds of refusal in examination and cancellation proceedings - The differences

by Sophie van Galen

Introduction

For this presentation and considering the limited time allotted (10 minutes) I shall remind you which are the relative grounds for refusal in opposition and cancellation proceedings in both the Benelux and Community trade mark systems, make a short comparison between both systems and propose some suggested harmonization. I also chose to deal with the specific currently controversial issue of use of a Community trade mark (hereafter "CTM") in Benelux opposition proceedings.

1. Relative grounds for refusal

1.1. Relative grounds for refusal – CTM

1.1.A. Relative grounds for refusal in CTM opposition proceedings.

Under the CTM system, six grounds for opposition may be identified, such as laid down in Article 8 of the Community Trade Mark Regulation (hereafter "CTMR"):

- Article 8 (1) a.: identical trade marks & identical goods/services;
- Article 8 (1) b.: likelihood of confusion : identical or similar trade mark & identical or similar goods/services;
- Article 8 (3) : trade mark filed by an unauthorized agent or representative of the proprietor of the trade mark;
- Article 8 (4) : trade mark conflicting with a non-registered trade mark or another sign used in the course of trade protected under national law;
- Article 8 (5) : identical or similar trade mark & non similar goods/services where the earlier trade mark has a reputation in the Community or in its Member State and use of the mark would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the mark;
- Articles 8 (1) a. and 8 (1) b. are also open to earlier well-known trade marks according to Article 6bis of the Paris Convention.

1.1.B. Relative grounds for invalidity in cancellation proceedings

Article 52 CTMR outlines grounds for invalidity based on an earlier trade mark (under the same conditions than those set out in Article 8) and based on another earlier right (such as a right to a name, copyright, etc).

1.2. Relative grounds for refusal - Benelux

1.2.A. Relative grounds for refusal in Benelux opposition proceedings

Under the Benelux system, three grounds for opposition may be identified, such as laid down in Article 2.14 of the Benelux Convention for Intellectual Property (hereafter "BCIP") :



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- Article 2.14, §1, a): combined with Article 2.3, a) : identical trade mark & identical goods/services;
- Article 2.14, §1, a): combined with Article 2.3, b): likelihood of confusion : identical or similar trade mark & identical or similar goods/services;
- Article 2.14, §1, b): confusion with earlier well-known trade mark according to Article 6bis of the Paris Convention.

1.2.B. Relative grounds for invalidity in cancellation proceedings

Article 2.28 BCIP outlines the following grounds for invalidity:

- Based on an earlier trade mark : same conditions than those set out in Article 2.14;
- Based on an earlier trade mark against a trade mark which has been filed in bad faith (Article 2.28, §3 b) combined with Article 2.4, f) : covers amongst others I do not know what this abbreviation means trade mark filed by an unauthorized agent or representative);
- Based on an earlier trade mark with reputation : identical or similar trade mark & non similar goods/services where the earlier trade mark has a reputation in the Benelux and use of the mark would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the mark (Article 2.28, §3 a) combined with Article 2.3, c));
- Based on a trade mark which has expired in a period of two years before the filing date of a new identical or similar trade mark for identical or similar goods/services (Article 2.28, §3 b) combined with Article 2.4, d)); also for a collective trade mark which has expired in a period of three years;

1.3. Comparison between the CTM and Benelux systems and suggested harmonization

1.3.A. Differences in earlier rights one can invoke in an opposition

There is no equivalent in the Benelux opposition proceedings of Articles 8 (3), 8(4) and 8(5) CTMR: it is not possible to file an opposition in Benelux

- on the basis of a mark with a reputation, against non-similar goods/services;
- on the basis of an earlier sign such as a trade name;
- against a trade mark filed by an unauthorized agent or representative.

1.3.B. Differences in earlier rights one can invoke in a cancellation action

-There is no equivalent in CTM cancellation proceedings of Article 2.4, d) BCIP: it is not possible to file a cancellation action at OHIM on the basis of a trade mark which has recently expired;

-There is no equivalent in Benelux cancellation proceedings of Article 8 (4) CTMR: it is not possible, under the Benelux Convention, to file a cancellation action in front of a Benelux Court based on an earlier sign such as a trade name (national laws of Belgium, Netherlands and Luxembourg shall apply for protection of trade names);

-There is no equivalent in Benelux cancellation proceedings of Article 52 (2) CTMR: it is not possible under the Benelux Convention, to file a cancellation action in front of a Benelux Court based on another earlier sign such as a copyright, a right to a name, etc (other national or international legal provisions are likely to apply)

1.3.C. Suggested harmonization between the CTM and the Benelux systems

Our main suggestion for a harmonization between the CTM and the Benelux systems, as far as relative grounds are concerned, calls for the possibility to file a Benelux opposition based on an earlier trade mark with reputation against non-similar goods/services.



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We believe that there is a real need and interest to add a new ground for opposition based on reputation.

The practical consequence of the current limited grounds for opposition is that nowadays, some opponents tend to base their opposition not only on likelihood of confusion but also on Article 2.14, §1.b, namely confusion with an earlier well-known trade mark according to Article 6bis of the Paris Convention. We do not believe that this ground is appropriate. Further it creates the need for the Benelux Office and for practitioners to analyze the well-known character of a mark, based on the applicable legal provisions (Article 6bis of the Paris Convention, Article 16 TRIPS) and on the limited sources available (WIPO joint recommendation, Benelux decision dated 6 December 2001 in opposition 200061 CAMPINA).

To deal with a new ground for opposition identical with Article 8 (5) CTMR, the Benelux Office and practitioners could rely on the Case Law of the European Court of Justice and gets some guidelines from the broad Case Law developed at OHIM.

Should the Benelux Office encounter some practical difficulties to deal with the issue of reputation, in particular should they wonder how to assess reputation of a CTM, may we kindly suggest to assess whether some cooperation could possibly take place between the CTM and the Benelux offices on those specific issues.

2. Use of a CTM in the Benelux- suggested harmonization of Article 2.26, §2 of the Benelux Convention to be in conformity with Article 15 CTMR

As all of you may know, Article 15 CTMR defines the trademark owner use obligation as follows: *"If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use."*

The legal provisions regulating the use obligation under the Benelux Convention are laid down in Article 2.26, §2, a) Benelux Convention, which states as follows: *"a trade mark shall be liable to revocation (declaration of extinction) if, after its registration date, within a continuous period of five years, it has not been put to genuine use in the Benelux territory in connection with the goods or services in respect of which it is registered, unless there are proper reason for non-use"*.

When looking at the provisions dealing with use obligation in the course of opposition proceedings, Article 2.16, §3, a) Benelux Convention merely states: *"the opposition proceedings are being closed when the opponent has not submitted any document evidencing genuine use of its trade mark according to Article 2.26, §2, a)*.

According to the currently applicable provisions of the Benelux Convention (Art.2.16 §3a and Art. 2.26, §2a), if construed *stricto sensu*, evidence of use should in principle show use of the mark in the Benelux territory, even if the earlier trade mark is a Community trade mark.

However, such strict interpretation would be contrary to the provisions of Article 15 of CTMR and has already been strongly contested by practitioners. To the best of our knowledge, the Benelux Office has not yet taken any official position in that respect but seems to be aware of the urgent need for amending the Benelux Convention.



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Should the Benelux Office encounter some difficulties to assess genuine use of a CTM, may we kindly suggest assessing whether some cooperation could possibly take place between the CTM and the Benelux offices on those specific issues.

Thank you for your attention.

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**Are the CTM and the Benelux systems Harmonized?
From a legal point of view: absolute grounds of refusal in examination and
cancellation proceedings - The differences**

by Pieter Veeze

Since the previous two speakers addressed some specific questions to our Office, I thought it would be good if I made a short response.

The first issue I would like to talk about is the last point that was discussed by Ms. Van Galen about the problem in Article 2.26 of our Benelux convention (BCIP), which refers to use of a trade mark in the Benelux. Of course, if the older mark is a CTM, this is not appropriate. We know that problem. The legislation committee of the Benelux, as we have already informed ECTA when they asked us the question, is preparing an amendment of the BCIP on (amongst other things) this point. So there is a proposal to change the disposition. We will probably just add the wording "or if the other mark is CTM to use in the sense of the Community Trade Mark regulation" or so. Fortunately, the issue did not yet occur in any of the opposition decisions we have rendered so far.

To give you some facts and figures about opposition, they are in the PowerPoint but I will just mention them. The number of oppositions filed in 2007 is 1343 and this has risen to 6% of the applications we have received. Based on our experience so far, most of the cases end in an amicable settlement. Our legal department has rendered about 50 decisions so far, which can all be found on our website.

The second question was that you wanted our Office to have more grounds for opposition. It is surprising to learn from a trade mark agent that she actually wants the Office to have more power – thank you for that... To be honest, I do not have a reaction about it. I can understand the problem. But I also know from a personal experience that we introduced opposition procedures only in 2004, and that it was a result in fact of big compromise between lots of parties involved, including the Trade Mark agents who were then not so pro office power. So, in fact we only have two grounds. We have identical or confusingly similar marks (art. 4(1)(a) and (b) of Directive 89/104) and we explicitly decided not to include marks with a reputation (art. 4(3) of the Directive) as a ground for opposition. We do have article 6bis of the Paris convention, but to be honest we were not so happy that we were obliged to have this ground for opposition. We had to, because it is in joint recommendations made by WIPO that if you have an opposition procedure you should include well-known marks. In my view, like other marks with a reputation, it would have been better to have these matters dealt with before the Courts than in a simple administrative procedure before the Office. Further, I do not think that, as a ground for opposition, well-known marks in the sense of the Paris Convention are a substitute for marks with a reputation in the sense of the Directive, since the purpose and legal background of both kinds of protection is totally different.

But again, the idea of introducing marks with a reputation as a ground for opposition is interesting, and perhaps it will one day be discussed more in another surrounding.

There are two things I would like to say in reaction to Mr. Cornu's speech. The one is about acquired distinctiveness. During the previous panel discussion, I did say that the Benelux Trade mark is like the European Trade Mark – a unitary right. But I did not say that the use must be bound to national or geographical frontiers. I simply said that from the wording of the Europolis case, distinctiveness (acquired or not) must be proven "throughout", meaning "in each and every part of", the territory in which protection is sought. If, for example, a Trade Mark is ab initio not distinctive for the Dutch



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speaking public, acquired distinctiveness must be proven in each and every part of the Dutch speaking territory, which is of course The Netherlands and the Flemish speaking part of Belgium.

The second point I would like to respond to is whether or not our Office is stricter on absolute grounds than OHIM. As I already said during the previous panel discussion, I do not think that that is the case. And if I understood Mr. Cornu correctly, we agree on that.

The facts and figures on absolute grounds are also in the presentation, so you can all read them. There is one figure I would like to mention that will probably be a comfort for the people here present who are Trade Mark Agents or otherwise involved in advising their clients. As I said we have a provisional refusal rate of about 10%, which is the same as OHIM's. If you split that rate between people who file their own applications and people who have professionals help them, the refusal rate is 7% for people with professional help and about 15% for people who don't. So good advice really provides an added value...

Thank you

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Are the CTM and the Benelux systems Harmonized?

From a legal point of view

by Walter Peeters

I first would like to thank the organizing bodies for inviting me to make a contribution to this interesting debate which gives us a rare opportunity to assess how national harmonized trade mark law functions in practice.

As regards Ms Van Galen's overview of the grounds for opposition provided for in the Benelux law, I totally agree with the analysis made, including the pointing out of the differences with the grounds available under the Community Trade Mark Regulation. With respect to the question whether it would be appropriate to incorporate additional grounds for opposition in the Benelux law, I am somewhat hesitant to give an opinion on the matter because I do not think that we in Alicante are particularly qualified to appreciate what might be the practical interests of trade mark holders in the Benelux. Anyway, I would agree with Ms Van Galen's finding that the additional ground which is most likely to meet an actual need of trade mark owners would be the ground of opposition based on earlier marks enjoying a reputation. This is because experience under the Community trade mark system shows that the ground of reputation acquired by the earlier mark, as laid down in Article 8(5) CTMR, is invoked in a significant number of cases, and that the party in question often is able to prove such a reputation. It is of course true that the finding of reputation, as such, is not enough for the party to succeed, since the signs in dispute have still to be found similar and since a likely harm caused to the earlier mark must be established. But in a number of cases these further requirements are met as well and then the holder of a reputed mark can effectively defend the particular status achieved by the earlier right. It would seem that the possibility of bringing such a legal claim in Benelux opposition proceedings would be of a real interest to trade mark holders (thinking, in particular, of some holders of Benelux marks the reputation of which has already been recognized in proceedings before OHIM) and that, on the other hand, the examination of such claims should not put an excessive burden on the Benelux Office, taking into account that, in its recent case-law on the matter, the Court of First Instance has developed rather detailed application criteria.

As regards the two other opposition grounds available under the Community trade mark system but not covered by the Benelux law, I would tend to think that they might be of less interest.

With respect to the opposition ground provided for in Article 8(3) CTMR for the benefit of a trade mark owner acting against a trade mark agent, I have noticed that among the thousands of opposition cases decided up to now by the Boards of Appeal in Alicante, only eleven cases concern this particular ground of opposition. So the practical interest to adopt this ground in the Benelux seems to be rather scarce. In addition, these cases often involve complicated issues of evidence concerning the contents of contractual relations between the parties involved, so that the civil courts seem to be better equipped to deal with this type of litigation. With respect to the opposition being based on an earlier non-trade mark right, such as a trade or company name, it can be observed that, in the practice before OHIM, this particular ground is in most cases invoked as an additional ground, in support of the opposition based, in the first place, on the same sign registered as a trade mark. In my recollection, the Boards of Appeal have had no cases where the opposition was proven to be successful on the basis of a sole non-registered right invoked under the law of one of the Benelux countries. In general, in those cases where a non-trade mark right constitutes the only ground for opposition, the opponent can most of the time rely on well established national case-law in the matter, such as the common law of passing off. Since a similar relevant body of case-law has not been developed under the national



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law of the Benelux countries, it would seem to be preferable to leave this type of litigation to be dealt with by the competent national courts.

Finally, as regards the particular issue of the requirement of use of a Community trade mark in the Benelux territory, as currently provided for in the Benelux Convention, I am inclined to agree with the speaker Ms Smits that this requirement does not appear to be in line with Community law, which requires genuine use to be established in the territory of the Community. Since, according to Article 14(1) CTMR, 'the effects of Community trade marks shall be governed solely by the provisions of this Regulation', there seems to be little room for a specific Benelux use requirement. Besides, if I am allowed to make a further remark, I even wonder, upon reflection, whether the reference in Article 2.3, point c, of the Benelux Convention, to earlier marks enjoying reputation in the Benelux territory, in conjunction with Article 2.45, does not raise a similar problem of incongruity.

Turning now to the Benelux law and case-law concerning absolute grounds of refusal, I fully agree with the clear analysis on the subject presented by Mr. Cornu. I would simply add that the somewhat surprisingly narrow interpretation of the criterion of descriptiveness, as may have been inferred from the Court of First Instance's early 'Easybank' judgment, quoted by Mr. Cornu, must be reviewed in the light of later case-law in the matter, in particular the 'Postkantoor' and 'BIOMILD' judgments of the Court of Justice. Given the principles indicated by the Court in these latter judgments, one may even wonder whether the outcome in the 'Easybank' case would at the present time still have been the same. In any case, it would not appear to me that, at the time being, there is any significant difference in the application of the notion of descriptiveness between the case-law of OHIM and its Boards of Appeal, on the one hand, and the decisions made by the Benelux Office, on the other. That would therefore not mean, however, that in the case of the assessment of the descriptive nature of a particular sign the outcome would, and should, always be the same. In such assessment often several factors have to be taken into account and weighed against each other, looking thereby through the eyes of the relevant average consumer. It is therefore not surprising that in their assessment, two different examiners, even within the same Office, applying the same standards and guidelines, might come to a different decision. I think that the Boards of Appeal of OHIM rightly observed, in some of their early decisions, that in the assessment of absolute grounds of refusal often also a subjective factor intervenes. Although the Court of First Instance firmly rejects any reference to the assessment of trade marks implying a subjective element, and underlines that the appraisal is an exercise of circumscribed powers, that does not mean, in my view, that in a particular case only one outcome might be legally correct. As advocate general Sharpstone observed in her opinion of 13 March 2008 in the case 'Aire Limpio' on the issue of the assessment of likelihood of confusion, to make an assessment based on what is likely to be the overall impression of the relevant average consumer necessarily includes a subjective element, so that there always will be some scope for disagreement. Taken into account the necessary existence of this margin of factual divergence, it does not appear that, in general, Community and Benelux case-law on absolute grounds of refusal show notable differences of approach. At the most, as Mr. Cornu rightly pointed out, there seems to prevail a slightly different approach concerning the assessment of the distinctive character of slogans. In that respect, the Court of First Instance appears to be more reluctant to accept promotional slogans than the Benelux courts, which are open to allow for registration slogans which are not descriptive nor constitute a generic or usual designation of the goods or services in question. On this matter, my personal view, which is certainly not shared by all of my colleagues in the Boards of Appeal, is that in their case-law the Community Court in Luxembourg and OHIM tend to systematically deny any distinctive character of promotional slogans, to the point of suggesting, despite the affirmation that for the category of so-called slogans no other or more strict requirements prevail than for other word marks, slogans must notably depart from the standard in order to be accepted for registration. In that particular respect, it seems to me that the approach of the Benelux courts is more in line with a general and uniform application of the notion of distinctiveness of word marks, irrespective of the question whether the sign is to be considered a slogan. But I agree that this is a particular, and,



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moreover, controversial issue, which hardly affects the finding that, in general, Community and Benelux case-law on the application of absolute grounds of refusal show a high level of convergence.

I thank you for your attention.

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Debate Session

Wouter Verburg made an interesting remark about the opposition proceedings having two rounds and personally I find that a very good thing but perhaps there are people here who think that it is not a good thing and that we should change that system.

I think we should change the Benelux system.

I will try to go back a little bit to a lecturer who is no longer present here and to weigh in on a thorny problem that is the use of the registered community trade mark. One of the lecturers underlined the fact that let's say the holder of the Community Trade Mark somewhere in a remote village in Cyprus let's say, being granted the protection all over the EU territory, actually uses and I mean by uses, genuinely uses his trade mark only in a remote village in Cyprus, actually blocking all subsequent CTM applications. Is there a possibility to set out – to define some criteria, by criteria meaning specifically geographical territory to avoid such unpleasant situations.

Vincent O'Reilly:

Since he has left I suppose it falls to me to try to answer. Firstly, you set up a proposition that maybe isn't real. You assume that use in a remote Cypriot village or let me say in a remote Irish village, just to bring it home to me, would constitute genuine use under any circumstances. I think that is a big leap to make. It is a big leap, and I think of it in the Irish context with which I am or used to be familiar I think it would be difficult to imagine, again you have to look at the circumstances, what is the nature of the market and here I am not talking about the legal internal market. I am talking about the nature of the market for the goods or services concerned. I think it is unlikely that use in a remote Irish village, the home of my mother Wolfhill in the middle of Ireland. It is about as remote as you can get in Ireland. I doubt that use in practically anything in Wolfhill would constitute genuine use in the context of the Irish market for any product or service. Your question starts from an assumption that probably doesn't hold water and this is one of the difficulties with addressing the genuine use. It is always Cyprus or Malta nowadays – it used to be Finland, but if you look at the case law – if you look at what the Court says in general - I am talking about the Court of Justice – they are very reluctant to say things like there is a threshold in quantitative terms – they don't say that. If you look at what they've said in relation to lets say acquired distinctiveness – they say no, there isn't a threshold beyond which acquired distinctiveness is proven or not so even the Courts would be reluctant to say well it has to be x size and I would go back to what João said in relation to if you get away from the notion that genuine use in one member state can constitute genuine use in the community. Imagine you abandon that philosophy – what do you replace it with? Because that is the issue if you get into the political row - If you abandon reliance on the statement in the minutes, what do you replace it with? Is it some sort of double qualified majority in the European Community – GDP plus population or plus number of member states depending on their size? First the premise of your question is wrong because you make an assumption that may not hold but it is always useful when debating the issue to think "what would you substitute for the rule that where you proved genuine use in a member state that can constitute use in the community?"

I find this concept of genuine use quite interesting because there is perhaps a drift over into something that is actually genuine but should there still be a cut-off point that it is genuine but is below the deminimus level. If I can make the horrendous suggestion that your mother's village may have a pub. In the service mark field, whether it is pubs or restaurants or hairdressers or whatever else it is, there is an awful lot of very genuine use that happens to be on a very small local basis and having lived in London for an awful number of years and having had a number of restaurant clients, you get people coming in there and starting up restaurants



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in London. Within the central part of London nobody starts a restaurant without pretensions at some stage to have a national chain but not that many of them do. It is a bit of a thought that if you have a restaurant in South Kensington or Mayfair, everybody knows that so that is genuine use but it might in fact have fewer customers than the pub in your mother's village. Haven't we got to separate out the issue there between something, particularly with service marks – is actually enough to be genuine use but then if you accept that in the case of very small service mark companies, you are almost forcing yourself into a quantitative factor which you were saying there that the Courts are very reluctant to do.

To answer this question I would give a suggestion from Vincent O'Reilly to look at the economic value of the use – European-wide, community-wide, because that is probably the only way to tackle this problem.

I started with the discussion of the genuine use of the Community trade mark and I feel that Mr. O'Reilly feels a little bit uncomfortable and I understand it perfectly because I do not have a ready-made solution to this difficult question.

I was rather surprised when I went back to my office and I had a print-out of 10 reasons to use the CTM trade mark from the website of OAMI and recommendation number 6 – why to use the CTM trade mark – the answer was because it is sufficient to use it in one single member state. I went back to the joint declaration and I couldn't quite understand the reaction of Mr. Miranda De Souza this afternoon because I read back the joint declaration and I remember that January news, in one single member state constitutes genuine use in the community and I talked also to Walter from the Board and he looked at the book of WIPO and there was a footnote that for English text wouldn't be right but I looked also to the French text on the computer and the French text is exactly the same as the English text. So it is not in my view that it is difficult to find an answer to this problem but it would not be allowed to put the question and to reflect all about it.

Thank you

I think that this might be an issue that until we get a definite answer from the ECJ, giving us a bit more in the way of guidance that really we could all have our own views but we are not probably going to get an answer that is going to take us forward today.

You may well be right, but to the extent that cases that have been referred to the ECJ on the issue "not on" – not on use in a single member state. By the way, it is interesting, or at least I find it interesting, that in fact the statement in the Council minutes doesn't say member state at all, it says Country. And for those of the United Kingdom this has quite a significant difference. I was reminded of what because I heard a Welsh accent. This made me think of that. Where you have references to the Court of Justice you don't always get a clear answer because the decision on the facts is left to the Member State and what has been done for instance in the UK might have surprised people that a very small consignment of goods to one outlet was considered to be genuine use. This was in the UK context. I think if there is a case to go to the ECJ it will be one of our cases that go up through the Boards, the CFI and so on. But Walter, maybe you have some cases in the pipeline?

Well – two things, yes, there is one case in the pipeline – a cancellation or a revocation case rather where we found use in Italy sufficient to maintain the CTM on the register at least partially, even though the main point for the appeal was a different one because they wanted it struck off the register for more services. They will probably also raise this as an argument so we may get something there. My second comment would be – it is true that the ECJ hasn't said anything on this? Isn't the fact that they have not clearly said that this would not be sufficient, a reason to say that it may very well be that the Country or the Geographical boundaries are not of importance at all but whether we should look at



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the genuine use and the type of trade. Personally also because the unitary character is the cornerstone of our system, I am quite convinced that the ECJ, maybe deliberately, has not mentioned it to avoid political problems, but really looks at genuine use rather than anything else.

A question to Wouter Verburg: What criteria in the case you referred to where you found that use was sufficient?

Genuine use in Italy or genuine use?

You consider that use I presume to constitute use of Article 15 of the Regulation so this was genuine use never mind the fact that this was only in Italy

Yes

We left Lidy-Anne with a very interesting question that nobody actually answered. You were talking about the two stages of opposition – one observation that I make as far as the difficulty in dealing with OHIM oppositions incoming is that is it not uncommon for people to just use the form and put the very bare regulatory grounds that they intend to rely on and then of course eventually the only way that you can get that fleshed out is by dumping the cooling-off period and personally I think that that is an inhibition towards settlement and I would much rather see an obligation for a decently figured and not necessarily, obviously it wouldn't be, evidentially supported but a bit more of a statement in the notice of opposition particularly on ones based on use saying we have used it in this, that and the other on this, that and the other, rather than just a bare allegation. A lot of the time you find yourself trying to negotiate with people for settlement but you can't actually work out how serious the case against you is. So, I wouldn't be against there being fewer steps – I would just like more of it loaded up-front.

On this point I would like to express my agreement. I think it is, especially with 14,000 opposition cases per year, it is redundant to have what I call two admissibility tests once when the opposition has failed – a light one and then after the cooling off the substantiation of the earlier rights. If it were up to me we would bring it back to one stage for filing the evidence.

These changes are made by the legislative process.

Pieter Veeze:

The opposition was in Saskia's presentation so you didn't hear that but just to comment to what Walter said, we have an opposition like at OHIM is you file the opposition it goes by means of a form. After the admissibility check, the cooling off period starts immediately and after the cooling off both parties get the opportunity to file their arguments. As a matter of fact we have where you could say one and a half rounds of arguments. If I understood Walter correctly so does OHIM because if I understood what you explained correctly it is the opponents that have the last words in some cases and that we don't have. It is always the defendant who has the last word and normally we consider that one month is enough to present arguments. We have the opportunity to have both parties' comments again but it will always be the defendant who has the last word and in practise we do not use that opportunity very much.

Can I suggest a way out? This is purely Vincent O'Reilly – this not the office.

Why don't we take paragraph 4 of Article 8 out of it?

You can't oppose a CTM on the basis of something like passing off rights in the UK. You could cancel a mark on the same basis – evidentiary procedure cancellation is a little bit different. You don't have a cooling off because you don't have these deadlines. What do people think of that? Take it out of Article 8 and put it into the invalidity action. Who would be in favour?



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I will say it was just my thinking.

OHIM always listens to the Users – this is clear.

A practical question, again to Wouter Verburg.

The quality system you are putting in place is very important and very useful. Could you tell us something about the criteria that you use when you are checking on the quota of decisions?

They are available on our website. They can be accessed through that way. Basically, based on experience, you look at where things go wrong or where examiners should pay attention or which arguments should not be used in several cases so then you try to get to an objective establishment of criteria. There must be abstracts of course because you cannot write it to the exact situation or the simple cases but they concern the entire part of the opposition proceedings and the entire part of the absolute grounds examination.

I have one question for the Benelux office.

Should the Office examine on absolute grounds – English terms – that is to say if we do it at the OHIM we may also make mistakes but if we check with a native English speaker – sometimes the term is clear and then you say with reference to this public they may know it, they understand English but there are others where it is just the nuance which for non-native speakers is very difficult to establish.

Any Office must get into the mind of the relevant public and the relevant public in the Benelux has quite some knowledge of the English language. Yes, the office must examine also trade marks in the English language and if there are descriptive or otherwise not distinctive in the minds of the public, it must be refused. As a matter of fact it can even go a bit further for example “Baby Dry”. According to the European Court of Justice there is something extra in that mark. Something extra might be understood by some native English speaking people but I as a Dutch speaking person I cannot understand that something extra. Baby Dry would probably in the minds of the Dutch speaking persons/public be less distinctive than in the minds of the English speaking public.

- I just want to add that is subjective because the trade mark Baby Centre for services for children was refused by the Benelux Office and now accepted by the Court of Appeal of Luxembourg this year.

- And the trade mark Geboortewinkel, which means native store – was just the opposite. The Court in the Hague found it absolutely descriptive for the same goods or services was actually a shop where they sell goods for little children.

A further question to your question about the quality standards. I saw on your sheet that for refusal on absolute grounds you have a quality standard of 0.34% mistakes on the substance so less than 1%. I think that this is difficult to measure being such a small percentage and the percentage of decisions that are reversed by your Boards of Appeal or Courts of First Instance is significantly higher. How can you explain that difference?

What we do on a weekly basis is that we look at 102 CTM applications that have either been refused or been accepted on absolute grounds. Why 102? For a statistical reason basically. We take the total amount of applications that we get and we see that if you look at this regularly, on a weekly basis then we get a result that is representative for the entire amount of applications per year. Of course we check against our own criteria and we check where our practice is to be found in our guidelines so we check mainly if our guidelines are correctly applied. On absolute grounds we do get to this figure. On opposition as you have seen we are not there yet by far. Of course our ideal would be no mistakes at all but for the moment we work slowly to improving to get as close to the ideal situation as we can. The fact that the Boards overturn our decisions sometimes – my impression especially on absolute



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grounds is that they normally confirm our decisions. It may even be – and it is a very personal idea that I have – is that our Boards are rather more strict than we are at First Instance. So, it is therefore quite logical that they confirm trade marks that have been refused by an examiner. I think that on absolute grounds even in Luxembourg we do pretty well.

Can I just add one thing to make things clear. What we check are all our sample of all our decisions. Of course the bulk of our decisions on absolute grounds are acceptances, where we say yes, so you cannot therefore look at a different factor which is the ones we refuse which go to the Boards of Appeal. With the Boards very successful in more than 80% of the cases and the Boards are successful and the Office as a whole is successful in 85/95% of the cases before the CFI and if you add the acceptances which in our office are 10's of thousands a year, that explains the 1% figure.

If we speak about quality of decisions, I have a question to the Benelux Office as well.

In several decisions of the Benelux Office in opposition proceedings it is said that since the signs are not similar there is no need to assess the similarity of the goods and services – we had it in the TV Elf case – or even worse it is said that for geotechnical reasons a comparison between the goods and services is not made. We had it for example in Super Snack but if you like I can mention many more. At OHIM it is said that they always take a look at the comparison of the goods and services unless the trade marks are clearly dissimilar and this is also what you can find in the guidelines. In my view the examples we have here in the Benelux, well at least it is not said that the trade marks are clearly dissimilar of the signs so in such cases there should have been a comparison between the goods and services because according to the Canon case there could have been another outcome of the case. I do wonder if the office is thinking of changing, at least the wording, in the decisions, that we will no longer find anything like for procedural technical reasons etc. because I think that is something that we should not do.

- The question is if the Benelux Office considers changing its practice to be in-line with the Canon judgement.

I strongly renounce any suggestion that our office adopts a reason in breach of any European Court of Justice ruling. As I said in my introduction, the protection of substantive issues by the European Courts is one of the cornerstones of harmonisation. As for the Canon case, if I am not mistaken, it is cited in each and every opposition decision we have rendered so far. This case does not in my view imply that we must in each decision come to a comparison of both the signs and the goods or services. If there is no similarity between the signs it is simply unnecessary to compare the goods or services and of course vice versa. As far as the wording is concerned, from the decision mentioned, we considered the signs to be so dissimilar that even if the goods or services were identical there would not be likelihood of confusion. That reasoning is in my view, totally in line with the Canon judgment and with the OHIM practice as well. We will perhaps look at the wording but it is quite clear.

- That's what OHIM does too.

OHIM uses wording like clearly dissimilar or something and I think our wording is well – they are so dissimilar that even if the goods or services would be the same.

Sometimes we can see from the visual point of view there is a limited similarity and then on the phonetic the trade marks are different but then after that we see that there is no similarity between the signs we won't analyse the goods and services.

I think you prefer to the Big Snack / Super Snack case.

I don't remember but I have read it.



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There is something more to that case because the two marks were Big Snack and Super Snack for snack products. Of course the word Snack is the same – but it is absolutely 100% descriptive.

- OHIM has the same practice as the Benelux Office, maybe indeed the wording is more strict. If we would have Super Snack and Big Snack we would say it sounds similar but no likelihood of confusion but we would not say that the signs are dissimilar.

- In the UK we had tried this approach where the only similarity in the marks were wholly descriptive by making the assessment of the mark and then concluding that they weren't similar and not going on to compare the goods and services but our appeal tribunal actually criticized us on 3 successive cases because of Canon – you know it is all a matter of degree – and so now we always as a matter of course have to go through the painstaking review of the goods and services and then conclude that overall even if the goods were identical the marks were dissimilar.

A question for Wouter. You say that for instance that Class 5 goods are identical – you mentioned that example but in some case law you go further, you look to therapeutic categories and then you say that this is for a cough and that is for your heart and then you take it a step further. First you say it is identical goods and the goods description and then you look at the actual goods and say it is in a different category so now there is no likelihood of confusion anymore so how do you take that?

We should not confuse the notion of similarity when we have a class heading and a specific pharmaceutical preparation or when the earlier right is used or registered and used for a specific pharmaceutical preparation whereas the CTM application is also applied for different specific pharmaceutical preparations. So if we have pharmaceutical preparations for heart diseases against pharmaceutical preparations for a cough then the question of the class heading is not relevant because we have two specific goods and then we make a normal comparison of the goods as the Court tells us to do as in the Canon case. They are probably similar but our basic position is that pharmaceutical goods or preparations are similar only in very exceptional cases it could be that we come to a different conclusion.

But not identical?

If we have two specific pharmaceutical preparations they are not identical – no.

In most cases one is a specific product and the other claims all goods and services in Class 5.

Then we go back to the principle of the class heading – then they are identical because the preparation of the contested CTM falls within this broad category of pharmaceutical preparations. So then we have identity.

I have a last question for the audience – it is not addressed to the Benelux Office or to the CTM officers. It is just I would like to make a vote reverting back to my presentation and who between the Trade Mark agents, the people from Industry or other professionals are of the opinion that we should add a new ground for opposition at the Benelux identical with Article 8.5. I would like to have your votes. Who is in favour?

There is a majority