

GENERAL COURT OF THE EUROPEAN UNION
Seventh Chamber

STATEMENT IN INTERVENTION

in case T-142/15

filed in the name of the *intervener*

INTERNATIONAL TRADEMARK ASSOCIATION (hereinafter "INTA")

655 Third Avenue, 10th Floor, New York, NY 10017-5646, United States of America

represented by Mr Tanguy de Haan, *avocat*, NautaDutilh
Chaussée de La Hulpe 120, B – 1000 Brussels, Belgium;
Ms Fleur Folmer, *advocaat*, NautaDutilh
Strawinskylaan 1999, NL – 1077 XV Amsterdam, the Netherlands; and
M^c Sven Klos, *advocaat*, Klos cs advocaten
Danzingerkade 65b, NL – 1013 AP Amsterdam, the Netherlands

the main parties being

DHL EXPRESS (France) SAS, *claimant*, hereinafter "DHL Express"

55 Avenue Jean Maurès, Building A Le Mermoz, F – 93350 Le Bourget, France

represented by Mr Arnaud Casalonga, Ms Floriane Codevelle and Ms Cristina Bercial Arias,
avocats

and

the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM),
hereinafter "the Office", *defendant*

4 Avenida de Europa, E – 03008 Alicante, Spain

represented by Ms Sophie Pétrequin and Mr Arnaud Folliard-Monguiral, agents

the other party before the Office's Fourth Board of Appeal being

CHRONOPOST SAS, hereinafter "Chronopost"

3 Avenue Galliéni, F – 94250 Gentilly, France

represented by Mr Alain Cléry, *avocat*

This statement is made pursuant to Articles 145 and 191 of the Rules of Procedure and in execution of the Court's order of 23 November 2015 (EU:T:2015:908).

We hereby consent to the service of process by the Court's registry by means of e-Curia.

1. RELIEF SOUGHT

1. In support of DHL Express' first point of claim, INTA argues that the Court should set aside the decision rendered by the Office's Fourth Board of Appeal on 28 January 2015 in case R 2425/2013-4 (hereinafter the "contested decision").
2. INTA agrees to bear its own expenses.

2. SUMMARY OF THE DISPUTE

3. For the sake of concision, INTA refers to the detailed description of the facts contained in the petition filed by DHL Express. INTA however wishes to recall the following points.
 - The contested Community trade mark is the word mark WEBSHIPPING, filed on 18 October 2000 and registered on 7 May 2003 for various services in classes 35, 38, 39 and 42 under No 1909183.
 - On 6 July 2012, DHL Express lodged with the Office proceedings to revoke this Community trade mark, for lack of genuine use during a continuous period of five years, pursuant to Article 51(1)(a) of Regulation (EC) No 207/2009 on the Community trade mark (codified version), hereinafter the "CTMR".
 - The relevant five-year period ran from 6 July 2007 until 5 July 2012.
 - It is accepted and not disputed that Chronopost made no use of the WEBSHIPPING Community trade mark during the relevant period.
 - Chronopost claims, however, to have proper reasons to oppose the request for revocation. DHL Express contests the existence of such reasons.

3. INADMISSIBILITY OF CHRONOPOST'S EXHIBIT 13

4. The parties may not modify before the Court the object of the dispute submitted to the board of appeal (Art. 188 of the Rules of Procedure, former Art. 135(4); CJEU, 7 February 2013, C-266/12P, EU:C:2013:73, *Majtczak v Feng Shen and OHMI*, para. 45). Consequently, exhibits produced for the first time before this Court are inadmissible, without the Court having to examine their probative value (CJEU, Grand Chamber, 13 March 2007, C-29/05P, EU:C:2007:162, *OHIM v Kaul and Bayer*, para. 54; GC, 2 July 2015, T-657/13, EU:T:2015:449, *BH Stores v OHIM – Alex Toys (ALEX)*, para. 25; GC, 22 January 2015, T-193/12, EU:T:2015:44, *MIP Metro Group v OHIM – Holstein-Brauerei (H)*, para. 16).

5. Exhibit 13 submitted by Chronopost to this Court, namely a bailiff's report dated 3 April 2008, is thus inadmissible. Chronopost's list of exhibits for the proceedings before the Board of Appeal demonstrates that this exhibit was not submitted in the proceedings before the Office.

4. INTERPRETATION AND APPLICATION OF ARTICLE 51(1)(A) CTMR

4.1 CONCEPT OF "PROPER REASONS"

6. The registration of a Community trade mark confers exclusive rights. However, if a third party believes that a Community trade mark has not been genuinely used in the course of trade to distinguish the goods and services for which it is registered, it can request revocation of the trade mark, provided the lack of use occurred after registration of the mark and lasted for a continuous period of five years.
7. The sanction of revocation was introduced by the European legislature in order to "*reduce* the total number of trade marks registered" (*Armin Häupl*, C-246/05, EU:C:2007:340, para. 51; 9th recital of the preamble to Directive 2008/95). Third parties must be able to consider the trade mark registers as a reflection of the economic reality of the market and rely on them. The registers "must faithfully reflect the reality of indications used by undertakings in the market to distinguish their goods and services." (opinion of Advocate General D. Ruiz-Jarabo Colomer, C-246/05, EU:C:2006:680, para. 50).
8. The sanction of revocation can be ordered for a lack of genuine use for a continuous period of five years, "unless the proprietor can demonstrate proper reasons" (*Armin Häupl*, para. 46). Since "the objective of proper reasons is to make it possible to justify situations in which there is no genuine use of the mark in order to avoid revocation of the mark" (*Armin Häupl*, para. 44), it is necessary that these proper reasons exist and be verifiable during the relevant five-year period. Proper reasons which arise only before and/or after the relevant period cannot be recognised, only those which arise during this period.
9. Having regard to these requirements, it is not appropriate to confer a too broad scope on the concept of proper reasons for lack of genuine use (*Armin Häupl*, para. 51). It is accepted that proper reasons must be "independent of the will of the owner of the trade mark" (*Armin Häupl*, paras. 51, 54 and 55). Moreover, they must "have a sufficiently direct relation with a trade mark making its use impossible or unreasonable" (*Armin Häupl*, paras. 54 and 55; GC, 18 March 2015, T-250/13, EU:T:2015:160, *Naazneen Investments v OHMI – Energy Brands (SMART WATER)*, para. 63).

10. "According to the case-law, 'proper reasons' [for lack of use] refers to circumstances unconnected with the trade mark proprietor rather than to circumstances associated with his commercial difficulty" (GC, 18 March 2015, T-250/13, EU:T:2015:160, *Naazneen Investments v OHIM – Energy Brands (SMART WATER)*, para. 66; GC, 9 July 2003, T-156/01, EU:T:2003:198, *Laboratorios RTB v OHIM – Giorgio Beverly Hills (GIORGIO AIRE)*, para. 41).

4.2 INTA'S POSITION

11. The acceptance of a proper reason for not making genuine use of a registered Community trade mark is a sufficient defence to revocation proceedings and should thus remain the exception to the rule. Like any other exception, it should be interpreted narrowly.
12. In general, the use by third parties of signs which allegedly infringe a Community trade mark cannot constitute a proper reason for non-use of the latter. Indeed, if it were possible to maintain exclusive rights to a registered but unused Community trade mark as soon as its holder claims that a third party is using on the market signs identical or similar to the trade mark, this would effectively bar almost every action for revocation of unused marks. An allegation of infringement is moreover subjective and usually contested.
13. INTA does not agree with the statement, which moreover is not supported by Chronopost or the Office, according to which the presence on the market of alleged infringements prevents the proprietor of the Community trade mark from making use of its mark or "hinders use of the [early] mark" (para. 34 of the contested decision). INTA believes, on the contrary, that such a situation is neither necessary nor automatic. Use of a Community trade mark is not rendered impossible or unreasonable simply due to the existence of allegedly identical or similar signs on the market. The trade mark proprietor remains free to use or not to use its mark, but runs the risk of revocation if it fails to use the mark for a period of five years following registration, just as it remains free to oppose or not incidents of use which could infringe its exclusive rights.
14. Finding, as the Office did at para. 35 of the contested decision and para. 37 of its observations in reply, that the marketing of goods or services under the earlier registered Community trade mark creates a "risk of confusion" with a sign already present on the market and that this constitutes a proper reason for potentially indefinitely not making genuine use of the Community trade mark amounts to granting legal protection (without registration!) to the mere user of a later sign.

15. It should always be possible to sanction a risk of confusion, when it causes detriment to the holder of an earlier registered mark.
16. If, as the Board of Appeal incorrectly found, the proprietor can rely on the alleged presence of infringing acts on the market as a "proper reason" not to make use of its mark, it could preserve its exclusive right perpetually, which constitutes a disproportionate risk to third parties, despite the fact that the proprietor is not using its mark. Such a scenario is unacceptable as it is contrary to all of the legislature's objectives.
17. INTA also does not support the statement, found in particular in paragraphs 34 and 38 of the contested decision, that use of the second sign constitutes an "appropriation" of the Community trade mark by a third party or a "*de facto* expropriation" of the trade mark proprietor's rights. Such a statement is excessive and erroneous: in law, only a final declaration of invalidity or revocation rendered by a court or the Office can deprive a trade mark proprietor of its exclusive rights deriving from registration. The use of a sign by a third party does not "expropriate" a trade mark proprietor of its exclusive subjective rights. While the proprietor must indeed "show himself to be sufficiently vigilant by opposing the use of signs by other operators likely to infringe his mark" (CJEU, 27 April 2006, C-145/05, EU:C:2013:253, *Levi Strauss*, para. 30), this is in order to avoid diminishment of the distinctiveness of the trade mark and has nothing to do with "expropriation" of the mark.

4.3 ADDITIONAL CRITICISM OF THE CONTESTED DECISION

18. Firstly, at paragraphs 17 and 18 of the contested decision, the relevant period was not correctly defined. The Board of Appeal failed to indicate that this period ran from 6 July 2007 until 5 July 2012 and incorrectly referred to an undefined period, "since 2004" and "until today". This is a mistake of law. If a proper reason constitutes a defence to revocation proceedings for lack of genuine use during a given period, it is necessary that this proper reason relate to the period in question and be precisely verifiable in time (see para. 8 above).
19. Secondly, at paragraph 32 of the contested decision, the Board of Appeal states that there is a "general obligation to respect prior rights (see Article 9 CTMR)". INTA does not support this statement. Article 9 CTMR does not impose any *obligation* on third parties. This article merely confers, on the contrary, an exclusive right on the proprietor, which the latter is free to exercise or not.

20. Thirdly and most importantly, the Board of Appeal exceeded its authority by rendering judgments as if it were a court and had jurisdiction to verify compliance with the decisions of national courts: "[DHL Express] committed the acts in question over a decade. At no stage in the proceedings before the French courts did it agree to cease the disputed acts of use. Even today, it still fails to comply with the prohibitions on use issued by the French courts, regardless of whether these have become final" (para. 34 of the contested decision; see also para. 19 of the contested decision where the Office describes the alleged but unverified "persistence" and "intensity" of the infringing acts, and para. 38, where the Office refers to "systematic" infringement). And yet it is not the role of the Office to take decisions on compliance or noncompliance with the decisions of national courts, *a fortiori* if these decisions are not yet final and *a fortiori* if a party denies having violated them. The Office cannot substitute its judgment for that of the national courts or take a position on compliance, or lack thereof, with judicial decisions.
21. Fourthly, it should be noted that the case file submitted to the Board of Appeal does not contain proof of use of the WEBSHIPPING mark by DHL Express *during the relevant period* from 6 July 2007 until 5 July 2012:
- the exhibits predating this period are in this regard irrelevant: the exhibits relied on by the Paris District Court in March 2006 and the Paris Court of Appeal in its decision of 9 November 2007 all predate 6 July 2007;
 - Chronopost's Exhibit 13 dates from 2008, but was not submitted to the Board of Appeal and is thus inadmissible before this Court (*see* para. 3 above) ;
 - the statement at paragraph 23 of the contested decision that the existence of a sign that infringes the WEBSHIPPING word mark "was established *in all of the judgments cited*" is clearly erroneous, since neither the French Supreme Court nor the Court of Justice of the European Union ruled on the merits;
 - the exhibits postdating the relevant period (thus including the website printout dating from October 2012, cited at paragraph 71 of Chronopost's observations in reply) are irrelevant.

Consequently, the Board of Appeal could not validly have found that allegedly proper reasons existed during the course of the legally relevant period. None of the facts described at paragraphs 24 and 26 of the contested decision arose during the relevant period. This finding alone is sufficient to justify overturning the contested decision.

22. Fifthly, the Board of Appeal's assessment is erroneous on the merits. Given that the WEBSHIPPING mark is used solely for services, which are primarily rendered online (as indicated by the prefix WEB, which is universally understood throughout the EU), it was neither impossible nor unreasonable for its proprietor to make use of it. On the contrary, it suffices to use the mark on a website, which is within the realm of possibility for any undertaking in today's day and age. Chronopost does not explain why it was allegedly impossible for it to use its mark through a website. The contested decision does not correctly assess "if a change in the undertaking's corporate strategy to get around the obstacle would render use of the mark unreasonable" (*Armin Häupl*, para. 54).
23. Moreover, the alleged presence on the market of the sign used by DHL Express – assuming it could validly be established, which is not the case – was a commercial difficulty which Chronopost could easily have gotten around. Dealing with potential infringements of one's exclusive rights is a normal risk run by any business.
24. In any case, the presence of allegedly infringing goods appears, in the case at hand, to have been limited to France. Chronopost does not claim the contrary and has not produced a shred of evidence relating to any other country. Chronopost does not even show that the alleged proper reason applies to the entire territory of the European Union. However, regarding the sole territory at issue (France), Chronopost possessed at least from 9 November 2007 (the date of the Paris Court of Appeal's decision) an enforceable judgment, which moreover provided for the imposition of civil fines, to take action against the alleged infringements in France. Thus, the alleged existence of infringing acts in France during the relevant five-year period was not independent of the will of Chronopost: it possessed all coercive means to object but did not wish – for its own reasons of expediency – to enforce the judgment in France. As this reason is clearly not independent of its will, but instead a deliberate choice of Chronopost, it cannot constitute a proper reason for non-use of the trade mark.
25. Finally, the Board of Appeal found at paragraph 41 of the contested decision that "it conforms insofar as possible to the law [of the European Union], *rules of natural justice*, and the objectives of the CTMR to grant uniform and effective protection to trade marks" in order to prevent revocation of an unused Community trade mark. However, it is not the Office's role to take an administrative decision based on alleged and unverifiable principles of "natural justice". By basing its decision on anything other than the actual rules of law in effect, the Office committed an error of law, as it deprived the Court of the full exercise of its right of judicial review.

5. COSTS

26. INTA does not request that a party be ordered to pay costs. INTA agrees to bear its own legal expenses.

With all rights reserved and without prejudice,

FOR THESE REASONS,

MAY IT PLEASE THE GENERAL COURT OF THE EUROPEAN UNION TO:

- 1. Overturn the decision of the Office's Fourth Board of Appeal of 28 January 2015 in case R 2425/2013-4 ; and**
- 2. Declare that INTA shall bear its own costs.**

Brussels, 6 January 2016

Mr Tanguy de Haan

Ms Fleur Folmer

Mr Sven Klos