



International Trademark Association

1133 Avenue of the Americas, New York, NY 10036-6710 USA

Telephone: 212-768-9887 Fax: 212-768-7796

What constitutes use of a registered trademark in the European Union (including New Member States)

**Report prepared by
the 2003 Europe Legislation Analysis Subcommittee**

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INTRODUCTION

The purpose of this report is to provide a summary of what constitutes use of a registered trademark in the European Union and the new Member States of the EU. It is clear that the approach taken in all countries is similar, but some differences are apparent, such as whether advertising alone can constitute use. Countries also have differing approaches as to what constitutes genuine use and the consequences of interrupted use of a trademark.

Members of the 2003 Europe Legislation Analysis Subcommittee:

Sally Field, Chairperson, United Kingdom
Fabio Angelini, Italy
Rosalia Ballester, Spain
Jeremy Dickerson, United Kingdom
Ida Dinessen, Denmark
Kerstin Gruendig-Schnelle, Germany
Scott Haight, United States
Koen Limperg, The Netherlands
Yuriko Prod'hom, Switzerland
Slobodan Petosevic, Belgium and Yugoslavia
Anna de Sampaio, Portugal
Catriona Smith, United Kingdom
Oliver Spuhler, Germany

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Finland - Tuukka Airaksinen, Benjon Oy, Helsinki
France - Emilie Collomp, D&P firm Ginestie
Hungary - Mr. Mihaly Lantos, Danubia
Ireland - Aine Matthews, LK Shields
Poland - Mrs. Iwona Sierzputowska, Sulima, Grabowska and Sierzputowska
Slovak Republic - Dr. Vladimir Rott, Rott, Ruzicka & Guttman
Slovenia - Mr. Gregor Macek, ITEM d.o.o.
Sweden - Omar Baki, Dr. Ludvig Branns Patentbyrå AB
United Kingdom - Paul Telford, Allen & Overy

For any questions contact the INTA Staff liaison Chehrazade Chemcham at cchemcham@inta.org

AUSTRIA

1. Legislative Provisions

Art. 33(a) of the Austrian Trademark Act deals with the cancellation of a trademark due to non-use. Anyone may file a request for cancellation against an Austrian trademark registration or a registration enjoying protection in Austria, which is registered for more than five years, provided that the mark has not been used for the goods and services during the last five years before the request was filed. Use of the mark with the trademark owner's consent is deemed to constitute use by the trademark owner. The provision requires serious use. An exception is made if the trademark owner can justify non-use.

Under Art. 33(a) para. 3, use activities will not be taken into account if they only took place after the trademark owner or its licensee has asserted claims for trademark infringement vis-à-vis the applicant, or after the applicant has made reference to the non-use vis-à-vis the trademark owner or its licensee, provided that the request for cancellation has been filed within three months after the above mentioned steps were taken.

Under Art. 33(a) para. 4, use of the mark in a form differing in elements from the mark as it is registered is regarded as use of the mark, provided that there is no alteration of the distinctive character of the mark.

The trademark owner must provide proof of use, Art. 33(a) para. 5.

These provisions entered into effect as of July 23, 1999. Prior to that date it was enough to prove use of a sign similar to the registered mark for goods similar to the registered ones to meet the use requirement. Under the new Trademark Act this is no longer sufficient. Now only alterations of the form of the mark in elements which do not alter the distinctive character of the registered form of the mark can be relied upon to support use.

Austrian trademark law does not provide for an opposition proceeding. In the course of a cancellation proceeding proof of use can be furnished by the following documents: invoices, delivery notes, purchase orders, advertising material, turnover data, and the like. The documents must show that the mark has been used for the labelling of goods and services in the course of trade with reference to a specific time.

2. Case law and rulings

Serious use requires a direct relationship between the trademark and an existing product. Either a product bearing the mark must have been put on the market or such marketing must be imminent.

In 1994 an Austrian wholesaler for clothing filed a request for cancellation against the trademark "H&M" of H&M A.B. Sweden, which was registered, among other goods, for clothing in class 25. It was beyond dispute that clothing bearing the mark "H&M" was not available for customers in Austria during the relevant five-year term. However, the trademark owner was able to show that regular and extensive advertisements had been placed in German magazines, which were also distributed in Austria. During the relevant term about

800,000 copies of such magazines had been sold in Austria. The Austrian Patent Office took the view that these advertising campaigns were evidence of trademark owner's intention to inform Austrian customers that "H&M"-products would be available in Austria in the near future, and rejected the cancellation request (Decision of the cancellation division dated March 3, 1998 –H&M, PBl. 1999, p. 83).

In 1991 a request for cancellation was filed against the Austrian trademark "ATOMIC MONOCOQUE," registered for sporting articles, particularly ski and ski sticks. The trademark owner had used the mark "Atomic". He could prove that the term "Monocoque" had a descriptive meaning in English and French. It described a certain production method for ski and ski sticks, known in Austria not only to technicians but also to consumers interested in such articles. The court therefore took the view, that use of the mark "Atomic" constituted use of the mark in the registered form "ATOMIC MONOCOQUE" and rejected the cancellation request. The new Art. 33(a) of the Austrian Trademark Act had not yet entered into force when the decision was rendered, but the former provision was interpreted by the court taking into consideration Art. 10 para. 2 of the European Trademark Directive which has now been transposed into national law by Art. 33(a) para. 4.

BENELUX (BELGIUM, NETHERLANDS, LUXEMBOURG)

1. Legislative provisions

Benelux Trademark Act

The Benelux Trademark Act (*Eenvormige Beneluxwet op de merken*, hereinafter: "BTA") provides a uniform system of trademark law for Belgium, The Netherlands and Luxembourg, the so-called Benelux countries.

No use required for registration of trademark

The right to a trademark is obtained on the basis of "first-to-file", whether or not any use has been made of the trademark.

Use under the BTA

Under the BTA, two different kinds of use may be distinguished. First, there is a requirement as to use, as discussed below in more detail. This kind of use must be "normal" and is a prerequisite to effectively maintain rights in the registered mark (article 5 paragraph 3 BTA). Secondly, there is use by which the right to a trademark is violated ("infringing use") and against which a trademark holder can act, on the basis of his exclusive trademark rights (article 13A BTA).

First kind of use: Use for purposes of maintaining the trademark

In order to effectively maintain the trademark rights, a trademark holder will have to (eventually) use the trademark. If the trademark holder does not use the trademark for a consecutive period of five years or more, the trademark is subject to possible attack by any interested party and may be declared lapsed by the courts.

Pursuant to article 5 paragraph 2 under a BTA, a trademark right can be declared lapsed, if:

- (i) no normal use has been made of the trademark;

- (ii) without a legitimate reason;
- (iii) for a consecutive period of five years;
- (iv) within the Benelux territory;
- (v) for the goods/services for which the trademark is registered.

A judge may decide that the burden of proof of the use of the trademark (partly or fully) rests with the trademark holder.

Article 5 paragraph 3 BTA provides the following *examples* of what may constitute use. These examples originate from article 10 paragraphs 2 and 3 of the Harmonisation Directive¹.

- (a) Use of the trademark in a variant deviating from the trademark as registered, but without changing the distinguishing feature;
- (b) placing the trademark on goods or the packaging thereof, exclusively for export purposes; and
- (c) use of the trademark by a third party with the consent of the trademark holder.

Ad a) This form of use raises the interesting question whether a right to a logo, which was registered without a colour claim (only in black and white), and which is only used in a specific colour combination, is maintained. The question was answered in the affirmative by the District Court in The Hague². The Dutch Supreme Court submitted questions regarding this issue to the Benelux Court of Justice³. However, the case was settled before the Benelux court pronounced judgement.

Ad b) This form of use intends to secure that use for export purposes is regarded as normal use. The affixing of a trademark on goods or its packaging within the Benelux territory, even if the marked goods will not even be made public within the Benelux, does amount to use⁴.

Ad c) The explanation to article 5 paragraph 3 BTA (old) referred only to use by the trademark holder or his registered licensee. In practice, the meaning of this article was interpreted in a broader sense, to the effect that any use that took place on behalf of the trademark holder, is ascribed to the trademark holder.

The most common use of a trademark is certainly the use of the mark on the goods sold under the trademark, and the subsequent sales of such branded goods. However, the use of the trademark in advertising and in preparation of the introduction of the branded good, may also be considered to amount to normal use, just like the storage of such marked goods, display at exhibitions or showrooms, or providing samples. Even *preparations* for proper use may be sufficient.

¹ EC Directive concerning the harmonisation of the trademark laws of the member states, Pb. EC 1989, L 40/1.

² District Court The Hague, June 26, 1991, BIE 194, 26 (Dunhill/Gallaher)

³ Benelux Court of Justice, November 20, 1992, NJ 1994, 338 (Dunhill/Gallaher)

⁴ Benelux Court of Justice, June 13, 1994, NJ 1994, 666 (Wolf/Century Oils)

Second kind of use: Infringing use

Article 13A subsection 1 BTA provides for the following catalogue of infringing use, in economic intercourse, of a trademark or similar sign:

- a) use of the same brand for identical goods/services;
- b) use of the same or a similar sign for the same or similar goods/services, in case this may confuse the public (direct and indirect confusion);
- c) use of the same or a similar sign for dissimilar goods/services, if this amounts to an abuse of goodwill or causes damage to the reputation of the brand or its distinctiveness;
- d) use of the same or a similar sign not taking place to distinguish goods or services, but with effects as sub c)

Article 13A subsection 2 gives examples of infringing use, to be read in conjunction with subsection 1:

- a) the affixing of the brand on the goods or their packaging;
- b) the offering, introduction on the market, or storage for that purpose of goods under the sign;
- a) the import and export of goods under the sign;
- b) the use of the sign in documents for business purposes and in advertisements.

2. Case law or rulings

In the Winston v. Whiston case⁵ the Benelux Court of Justice (hereinafter: the "Court"), the highest authority for the interpretation of, *inter alia*, the BTA, decided on the correct interpretation of "(normal) use" in the sense of article 5 paragraph 3 BTA (old) (which now is article 5 paragraph 2 under a BTA), in a case where the trademark holder allegedly only used the trademark for so-called "token sales."

The Court decided that use must take place:

- (i) with commercial intent;
- (ii) outside the company of the user (merely internal use would therefore not be sufficient; this is no longer an accurate criterion; see above);
- (iii) clearly related to the products sold or offered by the user, which products are distinguished from the products of others through such use; and
- (iv) normal.

Whether use can be considered "normal" depends on the facts and circumstances of the case, such as:

- (i) the nature of the use;
- (ii) the scope of the use;
- (iii) the frequency of the use;
- (iv) the regularity and duration of the use;
- (v) the nature of the goods; and
- (vi) the nature and size of the company.

⁵ BenCJ January 27, 1981, NJ 1981, 333, BIE 1981, p. 151 (Whiston)

According to the Court, the ratio behind the requirement of normal use is, that the absolute legal protection as attributed to trademarks is only justified if proper commercial use does take place. The trademark holder must show – and prove – serious efforts to create business turnover by making use of the brand.

The question is whether the circumstances of the case, together with what is held to be customary and commercially justifiable in the relevant sector of commerce, sufficiently indicate that use of the brand is made with the intention to find and maintain a market for the products sold under the relevant trademark, and not merely to maintain trademark rights.

This interpretation of "normal use" leaves a considerable degree of assessment to the courts, exercised on a case-by-case basis.

The Court further defined “commercial use” in the Tanderil case⁶ (although this was "use" in the meaning of article 13A paragraph 1 BTA).

Use can be considered commercial if:

- (i) a trademark or sign is used other than for merely scientific purposes, as part of a company's or a professional's activities, or any other activity not conducted in the private sphere; and if
- (ii) economic profit is intended with such use.

CYPRUS

1. Chapter 268 sections 2 and 29 of the Trade Marks Law set forth the basic rules for “use” of a trademark:
 - i. To register a mark, the mark must be in use or intended to be used. Chapter 268 s. 2(1).
 - ii. Bona fide use or intended use must be by the proprietor or by a registered user. Use by a registered user is deemed to be use by the proprietor. Chapter 268, s.s. 29(2) and 30(1)(b). Licensees who are not wholly owned must have the license recorded. Chapter 268, s. 29.
 - iii. “References to this law to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark, and references therein to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to goods.” Chapter 268 s. 2(2).
 - iv. When a mark is registered in a foreign language, use of a mark in the local language will satisfy the use requirements. Chapter 268, s. 2(2).
 - v. Registration of the mark may be cancelled where there is no bona fide use or bona fide intent to use for five (5) years Chapter 268, s. 2(1).

Chapter 268 sections 11-13 deal with opposition of the registration of a trademark:

⁶ BenCJ July 9, 1984, NJ 1985, 101 (Tanderil)

An opponent may oppose the registration of a mark contending that the use of the mark would be confusing or deceptive or that the mark lacks distinctiveness. Chapter 268 s. 11-13. Applicant must state his grounds on which he relies in support of his application and admit to any facts he agrees with in the opposition, otherwise, his application will be deemed abandoned.

CZECH REPUBLIC

1. Legislative Provisions

Art. 25 para. 1b of the Czech Trademark Act provides for the cancellation of a registered trademark if it has not been used during the past five years before the cancellation proceedings were initiated. The request can be filed by any third party or proceedings can be initiated ex officio. An exception is made if the trademark owner can justify non-use. Use by a third party based on a contractual agreement with the trademark owner is regarded as proper use. Use activities which took place within three months before the cancellation proceeding was instituted will not be taken into consideration.

Use of the mark in a form differing in elements which do not alter the distinctive character of the mark is regarded as use of the registered mark. Also affixing of the mark to goods or their packaging, which are exclusively produced for export, is regarded as use of the mark in the Czech Republic.

In principle the mark must be used on goods or their packaging. Use in advertising material can be sufficient, provided that the goods have already been put on the market or that their distribution is imminent and the advertising is related to such future sales.

Use must be serious; token use is not sufficient. The Czech Patent Office has accepted a market research to investigate the customer's interest in a specific product as proof of a serious intention to use the mark.

As a general rule, the mark must be used for the goods and services for which it is registered. However, if the mark has been used for goods that have a close similarity to the registered ones, this is also regarded as use for the registered goods.

Art. 18 Czech Trademark Act requires that a trademark license is registered with the Czech Patent Office. Otherwise use of the licensee will not be taken into account in a cancellation proceeding for non-use. However, the Patent Office made an exception to that rule only recently (see below).

To prove use, the trademark owner may submit any kind of documents showing the actual use of the mark, for example invoices, delivery notes, customs declarations, labels, packaging, and the like. It is also possible to submit business correspondence, advertising material and information as to turnover and advertising expenses.

The use situation of a trademark cannot be challenged in the course of an opposition proceeding or of a cancellation proceeding based on prior rights. Instead, a separate

proceeding for cancellation due to non-use must be initiated. In the meantime, the first proceeding can be suspended.

2. Case law or Rulings

A request for cancellation was filed against the mark “BOSS Hugo Boss” registered for tobacco products. The trademark owner could only show use of the marks “BOSS Sum” and “BOSS Sumatra”, which had been used for cigars. The Czech Patent Office took the view that use of the terms “BOSS Sum” and “BOSS Sumatra” did not constitute use of the mark in the registered form “BOSS Hugo Boss” and cancelled the registration.

A recent cancellation proceeding concerned use of the mark “PANTHER” by a licensee who was not registered with the Czech Patent Office. Contrary to its prior practice, the Czech Patent Office took the licensee’s use into account, demanding only that there was clear evidence of the license agreement.

To prove use, a trademark owner had shown that its Czech subsidiary had registered a company name consisting of the trademark (“ZLUTÉ STRÁNKY”) and a term indicating the legal form of association. In addition, the trademark had been used on the Internet. The Czech Patent Office took the view that this evidence was not sufficient to maintain the trademark registration.

DENMARK

1. Legislative provisions

Pursuant to the Danish Trade Marks Act sect. 3.1. a trademark right may be established “*by commencement of use of a trademark in this country for the goods and services for which the trademarks has commenced to be used and for which it is continuously used*”.

Starting to use the mark endows it with legal protection. The intensity or duration of such use need only be modest. External preparations e.g. the launching to distributors of new products should be considered as establishing a trademark right.

2. Case law or ruling

Below are summaries of two decisions on the extent of use, one decided by the Supreme Court, the other decided by the Maritime and Commercial Court in Copenhagen.

In 2002 the Maritime and Commercial Court decided the following: The English company, Carmen Ltd. was the proprietor of “CARMEN” for various types of small electric apparatus. The mark had been used in Denmark in connection with sales of a minor quantity of electric apparatus to a Faroe Islands retail shop in 1996 (and 1997). The Faroe Islands are part of Denmark situated in the North Atlantic.

Invoices dated July 23, 1996:

6 whirlbaths
6 infrared massage apparatus
at a price at GBP 147.60,

dated September 24, 1997:
48 toning massage apparatus – body images,
12 hair dryers,
12 whirl baths,
12 profile hot tongs
at a price of GBP 632.40.

dated November 14, 1997:
24 toning massage apparatus
at a price at GBP 160.80

dated November 28, 1997:
12 hair dryers
at a price at GBP 102

This was considered to be genuine use of the trademark regarding meeting the user requirement pursuant to the Trade Marks Act sect. 25.

In 2000, the Danish Supreme Court decided the following case. An association F incorporated in December 1995 a funeral club and on February 3, 1996 F's council was informed how work with the club progressed and that an advertising agency had suggested a name for the club namely "ELYSIUM" Funeral Savings. On March 12, 1996 F wrote to the members informing of the establishment and name of the club and on March 18, 1996 a press release hereof was issued. The press release was published in newspapers on the following day. On March 24, 1996 and in April and May 1996 advertising in nationwide newspapers followed the press release. On March 20, 1996 a funeral parlour, B, filed an application for "ELYSIUM." The application was registered on April 26, 1996. As F at least on March 19, 1996 had commenced use of the trademark "ELYSIUM" in a way that proved the trademark right's existence, scope and time for its establishment and as F's rights was commenced before B's registration, B was ordered to cease using ELYSIUM as a name.

Art. 25 of the Danish Trade Marks Act states as follows:

(1) If, within a period of five years following the date of the completion of the registration procedure, the proprietor of a registered trade mark has not put the trade mark to genuine use in this country 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 registration may be revoked, cf. section 28, unless there are proper reasons for non-use.

(2) The following shall also constitute use within the meaning of subsection (1);

(i) use of the trade mark in a form which does not significantly differ from the form in which it was registered;

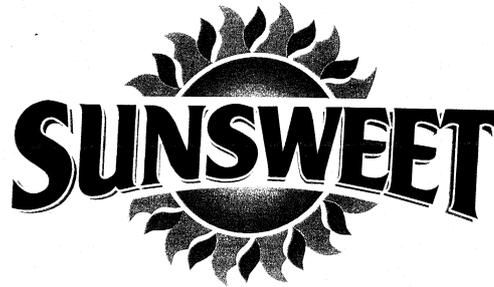
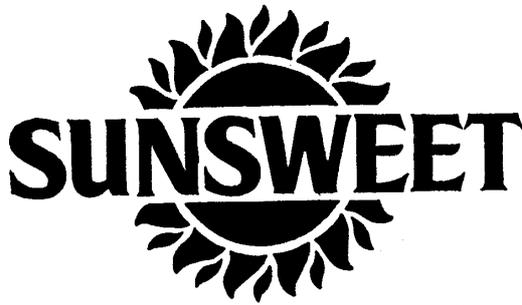
(ii) *affixing the trade mark to goods or to the packaging thereof in this country solely for export purposes.*

(3) *Use of the trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.*

The rules for use of a mark that deviates from its registered form but constitutes proper use are parallel to the rules of having a registered mark accepted by the Trade Mark Office in a new version. Some samples below display the accepted changes:

Before

After



LAVAS OG TAFTON BAGERI

LAWASH OG TAFTON BAGERI

HERKULES

HERCULES

ALFA-LAVAL

ALFA LAVAL

Use of a registered mark with another distinctive element may constitute proper use of the registered mark if the added element is not very dominant. The overall view must be maintained.

In a cancellation action (administrative) it is the proprietor of the attacked mark that must prove genuine use of his mark.

No evidence of use of the mark is necessary when filing for renewal with the Danish Patent Office.

ESTONIA

1. Legislative provisions

1. Section 5 of the Estonia Trademark Act, subsection 3 defines “use of a trademark” as:
 - i. affixing the trademark to goods or to the packaging thereof;
 - ii. offering for sale, putting on the market or storage for the purpose of sale of goods designated by the trademark;
 - iii. offering or rendering services under the trademark;
 - iv. importing or exporting goods designated by the trademark;
 - v. using the trademark on economic and business documents, advertising materials or user instructions of goods.

2. Section 18 of the Act sets forth general rules regarding “use.”
 - i. The owner of a trademark shall be obligated to use the trademark;
 - ii. Use of the trademark shall be deemed to be complied with if the owner of a trademark grants a trademark license to an interested person;
 - iii. The trademark shall be deemed to have been used if the owner uses a trademark differing from a registered trademark in minor elements which do not alter the distinctive character of the registered trademark.

3. Section 19 of the Act deals with the cancellation of a trademark for non-use.
 - i. Every interested person has the right to contest the validity of the registration of a trademark if the owner of the trademark has failed, without justified reasons, to [use the trademark for] a continuous five year period from the date of enter the trademark in the register or later.
 - ii. When a person contests the use of the trademark by filing a revocation application, the owner of the trademark shall be notified by the Board of Appeal and shall be invited to present documentary proof of the use of the trademark. The Board of Appeal shall examine the revocation application and make a decision to reject the revocation application or to revoke the registration in full or in part.

Section 5 of the Act does not give very much room for different interpretations since any single above-mentioned activity carried out and/or accessible in Estonia is sufficient. Probably because of the clearness of the law there have not been any significant cases in Estonia regarding what constitutes use of a trademark.

2. Case law or rulings

In those few case that have arisen in Estonia disputes have mainly focused on section 18 subsection 2 of the Trademark Act which stipulates that the requirement of use of a trademark shall be deemed fulfilled if the proprietor of the trademark grants to any interested party a license to the trademark. For example, in one case the issue under consideration was whether giving a license for all goods is a sufficient use when the licensee has not actually used the trademark for all goods. The contested trademark was registered for pharmaceutical and veterinary preparations and the license was given for all these goods. In fact, the licensee

used the trademark for pharmaceutical preparations only. The Board of Appeal (pre-trial institution in Estonia in industrial property matters) did not grant the cancellation action since the license was given for all goods and it was not excluded that the drug in question could be used for treating animals.

According to the new Trademark Act (which will enter into force on January 1, 2004), the trademark has to be put in genuine use and the list of activities what constitutes use of a trademark is inexhaustive. As the definition of “genuine use” has not been given, this will probably give rise to future disputes.

FINLAND

1. Legislative provisions

If a mark is not used for five consecutive years, and there are no acceptable reasons for non-use, any interested party can have the registration cancelled in whole or in part. A cancellation action is always a court action.

As a rule, a mark has to be used in the form it is registered. There are no provisions that would stipulate whether use of a mark in an altered form would qualify as proper use of the mark.

However, according to Article 23 of Trademark Act, registered marks can be modified during their registration period if their overall impression remains unchanged. This provision relates only to modifications of registrations.

Furthermore, according to Article 5(C)(2) of the Paris Convention, use of a trademark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered shall not entail invalidation of the registration. Therefore, it can be said that if a mark’s overall impression and distinctive elements are not changed, the use of an altered mark will be deemed as proper use of the registered trademark.

If an interested party files a cancellation action against a registration over five years old, it is the registrant’s onus to show use of the mark or that there are acceptable reasons from non-use. Good evidence of use is published advertisements, orders, brochures, packagings, market research materials, sales figures, statements from the relevant public and any material that show the duration and extent of use of the mark.

There is no guidance in legislation as to the acceptable reasons for non-use. Article 19 of the TRIPS agreement stipulates that the circumstances arising independently of the will of the owner shall be recognized as valid reasons for non-use. Also, acceptable reason would perhaps also be court proceedings and opposition proceedings that prevent the owner from using the mark.

2. Case law or rulings

The Helsinki Court of Appeals held in 1984 that the fact that the use of a mark for alcoholic beverages was prevented due to Finnish customs, tax and alcoholic policy was not an acceptable reason for non-use (HHO 28.12.1984/878 Budvar).

FRANCE

1. Legislative provisions

Use is not a prerequisite for acquiring trademark rights. Under French law, use does not afford protection even for well-known trademarks which have not been formally registered, although a well-known trademark owner can claim protection under the Paris convention (article 6). However, use is required after registration.

Once registered, if there is no valid reason why the trademark has not been used on a serious and regular basis within an uninterrupted 5-year-period, it can be challenged for cancellation.

What does serious and regular use mean?

Article L.714–5 of the Intellectual Property Code provides the following examples of serious and regular use:

- (a) use occurred with the trademark owner's consent or, in case of collective trademarks, in accordance with applicable statutes.
- (b) use of the mark in a modified form which does not alter its distinctive character.
- (c) affixing the mark on products or their packaging solely for export.

2. Case law or rulings - use required to maintain a trademark

Case law specifies other requirements governing uses deemed to be serious and regular:

- (a) such use must relate to products and services covered by registration.
- (b) it must consist of a public use, i.e., the mark must not have been restricted to a strictly private use (Paris, 25 May 1989).
- (c) it cannot consist of a single use, but can take the form of a single advertisement (Versailles, 27 May 1987).
- (d) It cannot be a sporadic or accidental use (TGI Paris, 28 Nov. 1990, Ritz PIBD 1991 III 207).
- (e) it cannot consist of preparatory or purely experimental use. For example, small-scale product trials conducted in hospitals, where such products are not made available to patients as a whole. (Regional Court of Paris, 16 December 1986, RDPI n°10 p 131). To the contrary, engaging in the manufacture or production of the product for the purpose of offering it for sale constitutes a serious and regular use.
- (f) use is determined according to quality and not quantity (Paris, 18 February 1980). Use need not be wide-ranging or well known, but it must be real (the owner can

provide proof of use by producing invoices showing shipments or deliveries involving the trademark).

- (g) use must be unambiguous, that is, trademark has to be used as a trademark and not as a trade name or business name.
- (h) trademark can be used by a licensee, or by anyone authorised by the legal trademark owner (Paris, 24 March 1988).
- (i) However, the existence of a licence agreement in itself does not constitute evidence of serious and regular use of the trademark (CA Paris, 14 January 1998, Gaz.Pal.1998, 2, som.544).
- (j) Aside from the above-mentioned example regarding affixing the trademark on products or packaging, as determined by Article L 714-5, case law has further specified that the manufacture of trademarked labels in France to be affixed on items intended for export does not constitute a serious and regular use if the labels were not actually affixed on the products in France. (L'Oréal v. Loreen Paris, CA Paris 4^{ème} B, 20 September 2002).

The consequence of non-use or the failure to apply a serious and regular use for a five-year-period is that any interested party can bring an action against the trademark owner seeking to cancel trademark rights for non-use (Article L.714-5, IPC). The action is brought before the competent court of first instance (Tribunal de Grande Instance).

The burden of proof of use rests with the trademark holder, who may adduce such proof by any means. An infringing party frequently raises non-use in its defence.

It should be borne in mind that the cancellation of trademark rights can be “partial” if non-use only relates to a part of the goods and services covered by registration.

However, there are certain instances when good cause can be shown for non-use, as when a *de facto* or *de jure* impediment beyond the trademark holder's control makes it impossible to use the trademark. Case law provides various examples of such instances: when the trademark owner does not hold sole responsibility for deciding on the exploitation of the mark, a court decision preventing use of the trademark, etc. It should be noted that financial hardship is not admitted as a sufficient cause for failure to use a trademark.

3. National Law - infringing use

Infringing use is defined pursuant to Articles L.713-2 and L.713-3 of the IPC.

- (a) Art L.713-2:
 - *“the reproduction, or use of the trademark, even when adding words such as “formula”, “style”, “system”, “imitation”, “type”, “method”, as well as the use of a reproduced trade mark, for goods and services that are identical to those designated in the trade mark registration”*
- (b) L.713-3:
 - *“the reproduction, the use or affixing of a trade mark, as well as the use of a reproduced trade mark for goods and services that are similar to those*

designated in the trade mark registration if there is a risk of confusion in the public's mind"

- *"the imitation of a trade mark or the use of an imitation of the trade mark for products or services identical or similar to those covered in the trade mark registration if there is a risk of confusion in the public's mind"*

In sum, the law prohibits identical reproductions or imitation when there is a likelihood of confusion.

4. Case Law - infringing use

Case law also specifies instances constituting infringing use.

In general, the courts have found unlawful the use of reproduced trademark for economic or commercial purposes. This idea has been upheld by the European Directive of 21 December 1988. Consequently, a Paris court found that the mere fact of reproducing a trademark in a work of art is not objectionable in and of itself (Paris, 26 October 1994, PIBD, n°579, III-8). Similarly, use for information purposes cannot be deemed to constitute an infringement (Paris, 22 February 1995, PIBD n°587, III-256).

In this regard, the courts had previously considered parodies as infringement, but now recognize them as lawful when there is no risk of confusing parody with reality.

Notably, a Paris court held that "imitations are not commercial in nature but are protected as a form of freedom of expression and the right to criticise and satire" (TGI Paris, 2 August 2002, Greenpeace v. Areva). The decisions handed down by the Paris Court of Appeal in the cases of Esso v. Greenpeace (26 February 2003) and Danone v. Olivier M. (30 April 2003) are along these same lines.

Infringing uses may take various forms:

- (a) they must be public and/or commercial (but the mere fact that a writer cites a trademark does constitute a violation of the owner's trademark rights, Paris, 20 December 1978, Ann.1980, tome 1, p.116)
- (b) they may be written or oral,
- (c) they may exist on any medium, such as advertisements, commercial documents, etc. (CA Paris, 18 June 1992 RP v. MI in Dalloz 1994 som.56)
- (c) not merely that of a trademark but of a trademark used illicitly as a trade name, business name or advertising slogan, etc.

GERMANY

1. Introduction

As in the other Member States of the European Union, German trademark law has been harmonized to a large extent by the EC trademark directive of December 1988 and by the EC trademark regulation of December 1993, the latter of which created the unitary Community

Trademark. The German Trademark Act (Markengesetz / MarkenG) of January 1995 incorporates both the trademark directive as well as the provisions necessary to implement the Community Trademark.

As in the other harmonized European Trademark jurisdictions, a basic distinction has to be drawn between the use of a trademark by the trademark owner necessary to uphold and to enforce his right (cf. below II. 1.), and the use of a sign identical or confusingly similar to a trademark by a third party constituting infringement of said trademark (cf. below II.2.).

2. Legislative provisions

German trademark law does not require any use of a sign as a prerequisite for the registration (Sec. 4 No. 1 MarkenG) of a trademark. Trademark protection can also be acquired through the use of a sign in the course of trade if the sign has acquired a secondary meaning as a trademark within the respective trade circles according to Sec. 4 No. 2 MarkenG.

a) Use to maintain a trademark

A trademark not being used in the market by the owner over a significant period of time is considered an obstacle to trade, and can thus be subject to claims for cancellation. Secs. 49 (1) and 25 (1) MarkenG give the trademark owner a 5-year grace period during which he can maintain and enforce his registered right regardless of whether or not he is making any use of the sign. Beyond that 5-year period the trademark is subject to claims for cancellation by third parties and to an estoppel to enforce the right if no use, in the sense of Sec. 26 (1) MarkenG, has been made of the trademark during the last 5 years.

Only “*serious use*” constitutes use in the sense of Sec. 26 (1) MarkenG. German courts have developed a 3-element test, according to which the duration, the extent and the kind of use are taken into account as objective criteria to establish use within the meaning of Sec. 26 MarkenG (cf. BGH GRUR 1980, 52 – Contiflex and BGH GRUR 1980, 289 – Trend). All 3 elements interact, so a short-term use can be counterbalanced by a large penetration of the market, for example. Such use is to be considered serious and thus sufficient to maintain the trademark which appears to be objectively worthy of protection in the light of the aforementioned criteria. A market test limited to only 120 participants has been considered not to constitute serious use (cf. BGH GRUR 1982, 417 – Ranger). Likewise, the delivery of cosmetics articles in the value of 2.800 DM to a wholesaler has been considered not to be a serious use (cf. OLG Stuttgart RIW 2001, 141 – Umsatz mit Markenkosmetik). In a recent decision, the Federal Supreme Court held that because the owner of the trademark KELLY’S is a well-known company in Austria, the delivery of potato chips (and the like) to only one German customer, the Olympic Stadion Munich, does not constitute serious use, even if a weekly turnover of about EUR 1.100, - has been achieved (cf. BGH WRP 2003,1439-KELLOG’S/KELLY’S).

As to deviations from the registered/established sign, which still constitute serious use in the sense of Sec. 26 (1) MarkenG, German courts have laid down the rule that only such use of a trademark justifies a continued protection which is not considered to be a relevant deviation from the originally registered/established sign (cf. BGH GRUR 2001, 54 – SUBWAY/Subwear). The distinctive character of the sign must not be altered if the owner

wants to claim continued protection for the original sign. Different fonts used for the reproduction of a word sign have been considered to be irrelevant (cf. BGH GRUR 1997, 744 – ECCO I and BGH GRUR 1989, 510 – Teekanne II). Adding new elements to the originally registered/established sign is considered to be admissible, as long as its general distinctiveness is not affected; as a general rule the Federal Patent Court, which acts as an appellate body for the decisions of the German Patent and Trademark Office, considers elements added to the original sign to be of less concern than alterations of the original sign itself. In its above-mentioned decision KELLOG'S/KELLY'S, the Federal Supreme Court ruled that use of the designation "KELLY" does not constitute use of the trademark KELLY'S since the alteration changes the distinctive character of the trademark as it was registered (cf. BGH WRP 2003,1439-KELLOG'S/KELLY'S). As to the multiple branding of goods, the German courts have considered the use of the registered sign "CONTURA" alongside the primary trademark "CONSTRUCTA" for household utilities to be serious use within the meaning of Sec. 26 (1) MarkenG (cf. BGH GRUR 2000, 510 – Contura).

A claim for cancellation of a trademark because of non-use will be rejected according to Sec. 49 (1) if the required use has been taken up (again) by the trademark owner before cancellation proceedings are initiated; such use will be disregarded nevertheless, though, if it has been taken up within the 3 months preceding the claim for cancellation if the trademark owner was aware that such proceedings could be initiated against his right.

b) Use as to infringement

The scope of protection of a trademark and thus infringing use is defined in Secs. 14 (2), (3) and (4), which basically prohibits the use of identical or confusingly similar signs in the course of trade, and which reads as follows:

“Sec. 14 Exclusive Right of the Proprietor of a Trade Mark; Injunctive Relief; Damages

.....

(2) *Third parties shall be prohibited from using in the course of trade, without the consent of the proprietor of the trade mark,*

1. *any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is protected;*
2. *any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trade mark; or,*
3. *any sign which is identical with or similar to the trade mark in relation to goods or services which are not similar to those for which the trade mark is protected; where the trade mark has a reputation in the Federal Republic of Germany and where the use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of such trade mark.*

(3) *If the prerequisites specified in subsection (2) are met, the following, in particular, shall be prohibited:*

1. *affixing the sign to goods or to their packaging or wrapping;*
2. *offering the goods, putting them on the market or stocking them for these purposes under that sign;*
3. *offering or supplying under that sign;*
4. *importing or exporting the goods under that sign;*
5. *using the sign on business papers or in advertising.*

(4) *Without having the consent of the proprietor of the trade mark, third parties shall be prohibited in the course of trade from:*

1. *affixing a sign which is identical with or similar to the trade mark to packaging or wrappings or to means of marking such as labels, tags, sewn-on labels or the like;*
2. *offering packaging, wrappings or the means of marking under a sign which is identical with or similar to the trade mark, putting them on the market or stocking them for these purposes under that sign; or,*
3. *importing or exporting packaging, wrappings or means of marking under a sign which is identical with or similar to the trade mark,*

if there is a risk that the packaging or wrappings are being used for the packaging or the wrapping of goods or services, or the means of marking for marking goods or services, in respect of which, pursuant to subsections (2) and (3), third parties would be prohibited from using that sign.”

GREECE

In Greece, it is necessary to make use of the registered trademark in order to maintain trademark rights.

The basic rules in order for "use" to be established under the Greek Law on Trademark Protection are as follows:

- i) Use of the trademark by its rightful owner only is taken into account.
- ii) "Use" is considered the use of the trademark as filed and accepted.
- iii) The trademark must be used within the Greek territory.

The following are also considered "use":

- a) Use of the trademark in a form differing in elements, which do not alter the distinctive character of the mark in the form in which it has been registered.
- b) Affixing the trademark to goods intended exclusively for export purposes or to their packaging in Greece.
- c) Use of the trademark with the proprietor's consent as well as use of a collective trademark by persons who are entitled to use it. "

(Article 18 paragraph 2 of Law No. 2239/1994)

Article 17 paragraphs 1(a) and (b) of Law No. 2239/1994 on Trademark Protection deals with the cancellation of a trademark for non-use.

Subsection (a) deals with the case where a registrant has not used his trademark at all. If within a period of 5 years following the date of completion of the registration procedure, the proprietor has not put the trademark to genuine use in connection with the goods or services with respect to which it has been registered or if such use has been suspended for an uninterrupted period of 5 years, then the mark is vulnerable to cancellation.

Use is not required at the time of filing or at the time of registration. Intention to use is also not a prerequisite at the time of filing. As a consequence, holding companies can lawfully apply for a trademark in Greece. However, in order for the holding company to maintain its trademark rights, it will have to grant a license to manufacturing companies, which will eventually use the trademarks in Greece.

In opposition proceedings the opponent does not need to establish use of his prior trademark registration, on which the opposition is based. In such proceedings non-use is not considered when, in defense against the opposition, the applicant raises the argument that the opposing

trademark has not been used. The applicant can only seek cancellation of the trademark in a separate proceeding.

Use is not a prerequisite for renewal of Greek trademarks. Indeed, there are many trademarks in the Greek Trademark Register, which have been renewed various times (renewal is due every 10 years) without having ever been used.

If the trademark is used in different form from the registered, such use does not inure to the benefit of the trademark owner and the registered trademark is open to cancellation for lack of proper use.

However, it is important to stress that if a trademark is used in a form differing in features but not altering the distinctive character of the trademark as filed, such use is considered proper and not subject to cancellation. A trademark may be used in special lettering, which is different from the registered form unless the special lettering used gives the trademark the appearance of a device. The addition of a new word, which is generic or lacks distinctive character (plus, super, mega), to the trademark as filed, is not normally considered as a modified form of the trademark. The question of what differences would be considered as altering the identity of a trademark as registered, is a matter to be interpreted by Court on a case-by-case basis.

If the trademark is used for only some specific goods in one class the remaining goods in that class are not subject to cancellation if said remaining goods are similar to those for which the trademark is used.

Use of the trademark by the licensee inures to the benefit of the owner, on the condition that the license agreement has been recorded with the Greek Trademark Office. However, the mere granting of the license is not deemed use of the trademark.

The trademark must be in proper use, in order for the rights to be maintained. Use as a distinguishing feature of the business or as a trade name does not constitute proper use. The intensity of use required depends on the nature of the goods, which bear the trademark. However, in case of pharmaceutical and veterinary products, the mere granting of the free sale license by the Health Authorities is not equivalent to use.

It is not required that the use be effected throughout the country. Intensive use in one locality may be considered sufficient to maintain the validity of the trademark registration.

It must be stressed that use outside the Greek territory would not suffice. However, such use is taken into consideration by the Courts in cases where a party bases his/her legitimate interest on a famous trademark, without registration in Greece. In such cases, supporting material such as invoices, advertising material, registration certificates in various countries etc., may be considered as establishing use and eventually "notoriety" of the trademark. The material produced by the opposing party to prove the notoriety of his/her trademark is a matter to be evaluated by the court. We wish to stress that the Greek courts are reluctant in accepting that a trademark is a famous one, unless the notoriety thereof is very well established.

Use of a trademark on samples during the course of negotiations for marketing the goods is not sufficient use. Mere intention to use a trademark or token use thereof does not establish use. Neither is advertisement or exhibition in trade fairs sufficient use to prevent cancellation. The use must be "real" and "public." Use effectuated internationally within a business also appears to be insufficient. Use of the mark on one product or group of products is accepted as sufficient to maintain the right for goods falling into the same group.

The trademark must be affixed on the products or the packaging. However, it is not required that the packaging bearing the trademark be physically attached to the product in such a way that no use of the product is possible without removal of the trademark.

HUNGARY

Art. 18(1) of the Trademark Act of 1997, which entered into force on 1 July 1997, requires a "genuine use" for maintaining the trademark protection. The term "genuine" is not defined in the Act.

In the case law, "genuine" use means "real" use. A token use for the sole purpose of maintaining the trademark right conferred by the registration cannot be regarded as real. Unfortunately, there are still very few decisions where the use requirement was assessed according to the Trademark Act of 1997.

In the previous Trademark Act of 1969 Act only a simple "use" was required and it was expressly stated that the application of the trademark on goods and wrappings, as well as, in advertisements and business correspondence counts as valid use.

It is questionable whether pure advertising or use in business correspondence without any circulation of some goods would qualify as genuine use according to the present Trademark Act of 1997.

With respect to the scale of real use that is required to be deemed genuine, the case law teaches that this issue shall be decided by taking into account all circumstances. In some cases even a single act of use may be sufficient.

Concerning the scope of valid use, the Patent Office and the Court consider a use of a specific sort of goods as valid use also for similar goods, however, not necessarily for all other goods belonging in the same class.

IRELAND

1. Legislative provisions

The Trade Marks Act, 1996 (“TMA ‘96”) sets out the provisions in relation to trademarks in Ireland. The TMA ’96 implemented, inter alia, Council Directive No. 89/104/EEC of 21st December, 1988 (“Harmonisation Directive”), Council Regulation (EC) No. 40/94 of 20th December, 1993 on the Community Trade Mark and the Madrid Protocol. It should be noted that any reference to the State only applies to the 26 counties of Ireland and does not include Northern Ireland.

2. Registration of a Trademark – “In -Use” or “Intent-to-Use”

The TMA ’96 provides that an application for registration shall state that the trademark is being used, by or with the consent of the applicant, in relation to the goods or services specified in the application, or that the applicant has a bona fide intention that it should be so used. Therefore, there is no requirement as to use in order to obtain the registration of a trademark. However, if the mark is not in use, the applicant must have a bona fide intention that the trademark will be used in relation to the goods or services specified in the application. The right to a registered trademark is obtained on the basis of “first-to-file” (subject to the rights in certain circumstances for the owner of an unregistered trademark who is protected by the law of passing off to object), whether or not any use has been made of the trademark.

3. Use under the TMA ‘96

Under the TMA ’96, there exist two different kinds of use. First, there is effectively the requirement to use the trademark as non-use may lead to revocation where an action is taken by a third party. A third party must take the revocation action, otherwise the mark may potentially remain on the Register forever. Section 51(1) of the TMA ’96 provides that in order to prevent a trademark being revoked for non-use, it must be shown that the mark was put to “genuine use” in the State.

Secondly, there is use by which the rights in a trademark are violated, i.e., infringing use against which a trademark proprietor can act on the basis of Section 13(1) of the TMA ’96 which provides that the proprietor of a registered trademark shall have exclusive rights in the trademark and such rights shall be infringed by the use of that trademark in the State without the proprietor’s consent.

a) Use for the purpose of maintaining a trademark registration

Unlike some countries, there is no requirement under Irish law for a proprietor to show evidence of use at any stage of a trademark registration. However, under Irish law a third party may take an action for revocation of the trademark, against the proprietor, if the trademark is not being used.

Section 51(1) of the TMA '96 identifies two instances where registration can be revoked on the grounds of non-use, which are as follows:

- a. if the mark has not been put to genuine use in the State in relation to the goods/services covered by the registration within five years from when the trademark was actually registered; and
- (ii) where, after actual registration, genuine use in relation to the goods/services is suspended for an uninterrupted period of five years.

In both instances, there is an exception where there are proper reasons for non-use.

Section 99 of the TMA '96 places the onus of proving use on to the trademark proprietor. The five-year non-use period runs from completion of the registration procedure, which Section 51(1) describes as the date of publication of the registration.

Section 51(3) provides that a trademark shall not be revoked if such use is commenced or resumed after the expiry of the five year period and before the application for revocation is made but it further states that any such commencement or resumption of use occurring after the expiry of the five year period and within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made. Section 51(2), in implementing Article 10, Section 2 of the Harmonization Directive, allows the following to constitute use:

- (a) use of the trademark in a form differing in elements from the registration but which does not alter the distinctive character of the mark in the form in which it was registered; and
- (b) affixing of the trademark to goods or to the packaging thereof in the State solely for export purposes.

As stated above, a revocation action can be defeated where it can be shown that there were proper reasons for non-use. The TMA '96 does not provide a definition of “proper reasons” but, the Controller of Patents, Trade Marks and Designs and the Irish courts would take guidance from UK decisions in this aspect. One of the prime examples for “proper reasons” would be the need to secure regulatory approval before the launch of a pharmaceutical product.

It is important to note that Section 51(3) specifically provides that “preparations for the commencement or resumption” constitutes use and consequently it is arguable that preparations of advertising would at least be sufficient to fulfil the requirement that preparations for the commencement or resumption of the trademark had begun.

b) Infringing use

Section 13 of the TMA '96 provides that a proprietor of an Irish trademark registration can only sue on proof of infringement within Ireland. However, Section 14(4)(c) contains a prohibition against infringing use by way of export under the offending trademark.

Section 14 of the TMA '96 sets out the provisions as to what constitutes infringement. Section 14(1) provides that a person shall infringe a registered trademark if that person uses in the course of trade a sign which is identical with the trademark in relation to goods or services which are identical with those for which it is registered.

Section 14(2) further provides that a person shall infringe a registered trademark if that person uses in the course of trade a sign where:

- (a) the sign is identical with the trademark and is used in relation to goods or services similar to those for which the trademark is registered; or
- (b) because the sign is similar to the trademark and is used in relation to goods or services identical with or similar to those for which the trademark is registered, there exists a likelihood of confusion on the part of the public which includes the likelihood of association of the sign with the trade mark.

Section 14(3) goes onto state that a person shall infringe a registered trademark if that person uses in the course of trade a sign which is identical with or similar to the trademark and is used in relation to goods or services which are not similar to those for which the trademark is registered, where the trademark has a reputation in the State and the use of the sign, being without undue cause, takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trademark.

Section 14(4) sets out examples of what would constitute infringing use which shall include:

- (a) affixing it to goods or the packaging thereof;
- (b) offering or exposing goods for sale, putting them on the market or stocking them for those purposes under the sign or offering or supplying services under the sign;
- (c) importing or exporting goods under the sign; or
- (d) using the sign on business papers or in advertising.

It should be noted that Section 14(6) provides that Section 14 shall not be construed as preventing the use of a registered trademark by any person for the purposes of identifying goods or services as those of the proprietor or licensee of the registered trademark but any such use, other than in accordance with honest practices in industrial or commercial matters, shall be treated as infringing the registered trademark if the use without due cause takes unfair advantage of, or is detrimental to, the distinctive character and reputation of the trademark.

4) Case law or rulings

While UK decisions are not binding upon Irish courts or the Controller of Patents, Trade Marks and Designs, they are nevertheless of persuasive value. Of the Irish decisions in existence, many references are made to UK decisions.

As already stated, the onus is on the trademark proprietor to show genuine use. Under the Trade Marks Act, 1963, which was the previous legislation that governed trademarks in Ireland, the use had to be bona fide. Whether there is any difference between the words “genuine” and “bona fide” is a moot point, however, it is certainly arguable that the words would be interpreted in the same manner.

In Beecham Group Limited v Goodalls of Ireland Limited in 1977 (unreported), the plaintiff owned the trademark “TANGO” and sued the defendant for use of “TANG” in relation to a non-alcoholic beverage. The defendant counterclaimed for revocation and alleged that there had been non-use for a number of years and that the mark had only been put to use for the express purpose of enabling the plaintiff to save the registration and sue for infringement. McWilliam, J. held that use effected for that purpose was nevertheless bona fide and stated:

The question of bona fide refers only to the use being genuinely for the purpose of marketing the owner's goods and has no reference to any opportune commencement of the use to the disadvantage of anybody else.

The provision in Section 51(3) which allows the proprietor to rely upon preparations to commence or resume use was a factor considered by the Controller of Patents, Trade Marks and Designs in *Re Frisk*. In that case, the only use of the trademark had been in relation to a consignment of imported goods which had not cleared customs. It was held that the use was bona fide and the Controller refused to expunge the trademark from the Register.

Of course, the decisions emanating from various bodies in Europe as to what constitutes “genuine use” will certainly be a determining factor in any decision made by the Irish courts or the Controller of Patents, Trade Marks and Designs.

The interpretation of “genuine use” consequently leaves a considerable degree of assessment to the courts, exercised on a case by case basis.

Finally, as stated above, Section 37(2) of the TMA '96 provides that an applicant must state that the trademark is being used or that the applicant has a bona fide intention that it should be used. Therefore, in the event that an application is made on “an intent-to-use” basis, and the applicant does not have a bona fide intention to use the mark, it is possible that it may be considered to be an application made in bad faith under Section 8(4)(b) of the TMA '96.

ITALY

There are a number of provisions that deal with use of a trademark. However, please note that in Italy there is no opposition (as yet) and no requirement to show use to the Trademark Office. Similarly, invalidity of a registered trademark for non-use can only be declared by a

Court of Law, following a regular, ordinary lawsuit. It is not, in other words, an administrative procedure held or administered by the Trademark Office. Thus, most of these issues are dealt with reference to judiciary case law.

1) Use of which trademark?

According to art. 5 (2) Italian Trademark Law (ITL), in the renewal process, “*modifications of non distinctive elements which do not substantially alter the identity of the mark originally registered are permitted.*”

Although this provision does not directly refers to use, it is apparent that since modifications of non distinctive elements are permitted in the renewal of a trademark, this implies that use of a trademark which differs (although solely in the non-distinctive elements which do not alter the identity) from the trademark as originally registered constitutes a valid use of such a trademark (cf. also art. Art. 28: “*If a renewal is applied for a mark consisting of an alteration of the distinctive elements of the prior mark, the Italian Patent and Trade Mark Office shall request, assigning a term, the party concerned to amend the application for renewal to an application for first registration having effect from the date of the application for renewal.*”)

The following art. 42(2) is also relevant to answer the question. According to art. 42(2), “*... use of the mark in a modified form not altering its distinctive character constitutes use of the mark within the meaning of the present article*”. The language is different from the language use in art. 5(2) since the latter requires a substantial identity with the trademark as originally registered, while the former speaks more generally of “alteration of the distinctive character”. Possibly a slip in the legislator’s drafting, but nonetheless relevant in light of its possible effects on CTM oppositions.

2) What constitutes use?

According to art. 1(2), since the owner of a trademark can “*prohibit third parties from affixing the sign to the goods or their packaging; from offering the goods, from putting them on the market or from stocking them for said purposes, or from offering or supplying services under the sign; from importing or exporting goods under the sign, from using the sign in business correspondence and in advertising,*” it follows that all these activities do constitute use of a trademark and are reserved to the owner him/herself.

Furthermore, since according to art. 22 (1), “*a trade mark registration may be obtained by anyone who is using, or intends to use the mark in connection with the manufacture or trade of goods or the rendering of services in his undertaking or subsidiary undertakings or undertakings using it with his authorization,*” it should be noted that use of a trademark should take place in commerce, and it has been said that mere internal uses as those taking place within one’s undertaking or within a number of companies all part of the same group, should not count as use. Last, use is valid even if it is not necessarily the result of the owner’s own activity (as in case of use by licensees).

Finally, according to art. 42(2) “*...affixing in the Country the mark to goods or their packaging for export purposes constitute use of the mark within the meaning of the present article.*” In practice, prevalent case law says that almost any form of use, as long as capable to produce an economic effect, should be held valid, even use outside the country, as long as

it is possible to prove that a “resonance” effect takes place among national consumers.

3) When is use genuine?

According to art. 42 (1) *“a mark ... lapses if it has not been put to genuine use by the proprietor or with his authorization, for the goods or services for which it has been registered, within five years from registration or if such use has been suspended for a continuous period of five years, unless the non-use is justified by a legitimate cause”*.

There are various theories which define “genuine use”. All authors – and all case law- say that genuine use cannot be token, symbolic use (which borders on fictitious, therefore unlawful, intent). However, the general agreement stops here, since how to determine when, in practice, genuine use has taken place, is the result of various theories.

Limiting this analysis to the conclusions where some appreciable consensus exists, in terms of time, genuine use does not necessarily mean an uninterrupted use and use can be discontinued even for significant periods.

In terms of extent of use, although there is no need to use the trademark all over the territory, the majority of case law insists that actual use must be coherent with the trademark function in relation with the activity of the trademark owner. Therefore use will be genuine when, seen in combination with the dimension of the undertaking, and taking into account external factors such as the kind of product and service designated, level of competition, market of reference, and sometimes even the general, overall economical conditions, the “quantity” of use seems reasonable and appropriate (see: Supreme Court, n. 4434/77, Court of Appeals of Rome, September 27, 1993)

The above-mentioned approach indicates also that legitimate reasons for non-use, do not include any one that rests on mere economic difficulties (thus bankruptcy proceedings ought not held to be a sufficient reason, but actual case law seem instead to find them acceptable see Court of Appeals of Naples, July 31, 1980).

4) Comments

- Italian trademark law has a twist which sets it apart from all other jurisdictions insofar as use is concerned: according to art. 58 (1), the burden of proof, in regard to trademark invalidity for non–use of a registered mark, lies on the plaintiff party contesting it.
- It is true that according to art. 58(2), proof of non-use may be provided by any means, including presumptions of facts, which means that if the plaintiff is capable of making a prima facie case then the burden shifts to the defendant (i.e., the trademark owner).
- However, in terms of evidence production, the threshold to make a prima facie case can be difficult to reach since it is somewhat problematic to proffer negative evidence. The best way to do so is by means of consumer surveys (or surveys among the specialized circles, such as, resellers or distributors) which may indicate a wide spread ignorance of genuine use all over the country.

- Finally, please note that according to art. 32ter(3) in regard to the soon to be implemented opposition procedures, the proprietor will have to show use of his/her trademark if more than five years have passed from registration.

LATVIA

1. Chapter V, Article 23 of the Law on Trademarks provide the basic rules and definitions for “use of a trademark”:

- i. *“Use of a trademark” is generally defined “as the use of a trademark on goods and their packaging, or on any documentation accompanying the goods, or in the advertising of the goods and services, or in relation to other business activities in connection with the relevant goods or services.”*
- ii. *“Use of a trademark” is also defined as “the use of a trademark in a form differing in individual non-essential elements, if the changes to the form of the sign do not alter the distinguishing features and distinctive character of the trademark as registered.”*
- iii. *“Actual use” is defined “as the use of a trademark in the course of trade, with the purpose of gaining or maintaining a certain market position for the respective goods or services.”*
- iv. *“Use of a trademark” is also defined “as the use of a trademark on goods or their packaging in Latvia solely for export purposes.”*
- v. *“Use of a trademark” with the consent of the owner constitutes use by the owner.*

2. Article 23 paragraph 3 deals with the cancellation of a trademark for non-use:

“If, within five years from the date of registration, the owner has not commenced the actual use of the trademark in Latvia in connection with the goods or services with respect to which it has been registered, or if such use has been suspended during the period of validity of the trademark for at least five successive years, and there are not sufficient reasons for non-use, the provisions of Article 19, Paragraph 6 (oppositions), Article 28, Paragraph 3 (non-use as defense for unlawful use), Article 31, Paragraph 2 (counterclaim of non-use) and Article 32 (revocation of registration) may be applied with respect to this trademark.”

- i. *“Where the opposition is . . . based on an earlier trademark . . . that has been registered no less than five years previously, the owner of the opposed mark is entitled to request that the opponent provide obvious and sufficient (prima facie) evidence that this earlier trademark has been actually used within the meaning of Article 23 of this Law. The Board of Appeal shall disregard such grounds for opposition if the applicable evidence is not provided as requested,*

or if there is no such evidence pertaining to the last five years prior to the examination of the opposition. If the opposing earlier trademark has been used only with respect to part of the list of goods and/or services for which it has been registered, the Board of Appeal shall consider the previously mentioned grounds for opposition only with respect to the goods and/or services for which use has been substantiated by obvious and sufficient (prima facie) evidence.” (Article 19, paragraph 6)

- ii. *“A person against whom an action is brought for unlawful use of a trademark may not oppose the action solely on the basis of the fact that the trademark is not being used or that its validity should be terminated for other reasons, however, they, pursuant to the provisions of Article 31 or 32, may bring a counterclaim for invalidation or revocation of the trademark registration. In these cases the trademark infringement may be determined only insofar as the trademark registration is not invalidated or revoked.” (Article 28, Paragraph 3)*
- iii. *“If the claim is based on an earlier trademark (within the meaning of Article 7, Paragraph 2) and the defendant has brought a counterclaim for the revocation of the earlier trademark on the basis of its non-use (within the meaning of Article 23), the trademark registration may be invalidated only insofar as the counterclaim is not satisfiable.” (Article 31, Paragraph 2)*
- iv. *“A trademark registration may be revoked by a judgment of the court if the trademark has not been actually used (within the meaning of Article 23 of this Law) for a period of five successive years in connection with the goods and services with respect to which it is registered, and if there are no proper reasons for non-use. . . .[except] if during the interval between expiry of the said five-year period of non-use and the bringing of the action for revocation, actual use of the trademark has been commenced or resumed. If the trademark has been used for no longer than three months before the action is brought, and if the preparation for the commencement or resumption of use occurred only after the expiry of the period of actual non-use of the trademark referred to in Article 23 of this Law, such use shall not be construed as commencement or resumption of the use of the trademark.” (Article 32)*

License Agreements must be written with quality control provisions and must be recorded in the Latvia Industrial Property Office. Article 26.

LITHUANIA

- 1. Paragraphs 2-7 of Article 47 deal with the revocation of a mark for non-use:
 - i. The registration of a mark may be revoked if, within a period of five years after the issue of the registration certificate, a genuine use of the mark has not been started by the owner of the mark in the Republic of Lithuania or the owner has not expressed serious intention to use the mark in respect of the goods and/or services for which it is registered, or if the mark has not been put

to genuine use for a period of five continuous years, except in cases where the use of the mark was prevented by serious reasons, such as, e.g., restrictions on imports or other circumstances beyond the proprietor's control. (Article 47, paragraph 2)

- ii. A mark is in "use" within the meaning of foregoing paragraph if:
 1. a mark is used in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in the Register of Trade Marks of the Republic of Lithuania;
 2. a mark is affixed to goods or to the packaging thereof in the Republic of Lithuania solely for export purposes. (Article 47, paragraph 3)
 - iii. A mark is "used" by its owner if it is used by another person with the owner's consent. (Article 47, paragraph 4)
 - iv. The registration of a mark cannot be revoked on the grounds of non-use if during the interval between expiry of the five-year period and the filing of the application with court for revocation, genuine use of the mark is started or resumed, except in the case provided for in paragraph 6 of this Article. (Article 47, paragraph 5)
 - v. When adopting a decision on the revocation of the registration, the following circumstances shall be disregarded: (1) the commencement or resumption of use within a period of three month preceding the filing of the application for revocation with court; (2) the commencement of the use of the mark on the expiry of the continuous period of five years of non-use; (3) preparations for the commencement or resumption made after the proprietor becomes aware that the application for revocation has been filed with court. (Article 47, paragraph 6)
 - vi. Upon revocation of the mark on the grounds referred to in this Article, revocation of registration shall become effective from the date of coming into effect of the court decision. (Article 47, paragraph 7).
2. Additionally, according to Article 38 paragraph 1 of the Law of Trade Marks, the owner of a registered mark has an exclusive right to prevent all third party persons not having his consent from using in the ordinary course of trade any sign which is identical to, which is likely to cause confusion with, or which takes unfair advantage of or is detrimental to, the distinctive character or the repute of the mark.

Under Article 38, paragraph 2, the owner of the mark may prohibit the following pursuant to paragraph 1 above:

- i. Affixing the sign to goods or to the packaging thereof;

- ii. Offering the goods or putting them on the market or stocking, renting, lending or in any other form disposing of them for these purposes under that sign, or offering or supplying services thereunder;
- iii. Importing or exporting goods under that sign;
- iv. Using the sign on business papers and in advertising;
- v. Manufacturing the sign or keeping specimens thereof with the intention of performing any of the actions specified in subparagraphs 1-4.

Although Article 38, paragraph 2 is an indication of what a trademark owner may prohibit, it may perhaps also, by negative inference, indicate what use would be sufficient to support use.

MALTA

1. Legislative provisions

Article 42 of the Trademarks Act 2000 provides that:

- (1) *The registration of a trademark may be revoked on any of the following grounds:*
 - (a) *that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in Malta, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for such non-use;*
 - (b) *that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for such non-use;*
 - (c) *that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;*
 - (d) *that in consequence of the use made of it by the proprietor or with his consent, it is liable to mislead the public in relation to the goods or services for which it is registered, particularly as to the nature, quality or geographical origin of those goods or services.*
- (2) *For the purposes of subarticle (1) use of a trademark includes the use in a form differing in such elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in Malta includes affixing the trademark to goods or to the packaging of goods in Malta solely for export purposes.*

- (3) *The registration of a trademark shall not be revoked on the ground mentioned in paragraphs (a) or (b) of subarticle (1) if such use as is referred to in those paragraphs is commenced or resumed after the expiry of the five-year period and before the application for revocation is made:*

Provided that, any such commencement or resumption of use after the expiry of the five-year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application is likely to be made.

- (4) *An application for revocation may be made by writ of summons before the First Hall, Civil Court by any person.*
- (5) *Where grounds for revocation exist in respect of only some of the goods or services for which the trademark is registered, revocation shall be limited to those goods or services.*
- (6) *Where the registration of a trademark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from:*
- (a) *the date of the application for revocation, or*
 - (b) *if grounds for revocation existed at an earlier date, such earlier date.*

2. What Constitutes Non-Use?

In the application for the registration a trademark, the application has to indicate that the trademark is being used by the applicant or with his consent, in relation to those goods or services, or that he has a bona fide intention that it should be used.

Section 42 (1) (a-c) gives us a delineation of what Maltese law means by use or non-use of a trademark in Malta.

Besides the straightforward common use of a trademark in normal commercial practices, the law also provides that such use of a trademark also includes the use in a form differing in such elements, which do not alter the distinctive character of the mark in the form in which it was registered. Such use also includes affixing the trademark to goods or to the packaging of goods in Malta solely for export purposes.

3. Mode of Revocation of a Trademark

Revocation of a trademark shall be through an application for revocation by means of a writ of summons before the First Hall, Civil Court, by any person and where the grounds for revocation exist only in respect of some of the goods or services for which the trademark is registered, revocation shall be limited to those goods or services.

If such use is commenced or resumed after the expiry of the five-year period and before the application for revocation is made, then the registration of a trademark shall not be revoked provided that, any such commencement or resumption of use after the expiry of the five-year

period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application is likely to be made.

4. Case Law

Since the Trademarks Act has only come into force in January 2001, the five years of non-use have as yet not elapsed and there is no local case law on which we could base ourselves.

However, it should be noted that the Maltese Trademarks Act 2000 is basically a mirror of the UK Trademarks Act 1994. Therefore it is quite probable that our Courts will follow the approach followed by the UK Courts. Since both the Maltese Trademarks Act 2000 and the UK Trademarks Act 1994 are very similar to the 1988 EU Directive to Approximate the Laws of the Member States Relating to Trademarks, it is also probable that EU Case-law will be used by Maltese Courts in their evaluation of non-use cases.

POLAND

In the Polish *Industrial Property Law* there are two articles pertaining to the mode of use of a trademark.

Article 154 of *Industrial Property Law* defines the use as in particular:

- b. affixing the trademark to the goods covered by the registration or to the packaging thereof and putting the goods on the market,
- c. using the trademark on business documents handled in putting the goods on the market or in rendering services,
- d. using the trademark in advertising.

Articles 169.4 and 169.5 of the *Industrial Property Law*, which refers to the reasons for requesting the expiration (lapse) of a trademark registration, stipulate also that:

4. *Use of a trademark..... shall also mean the use of a mark:*
 - (i) *in a form varying in elements which do not alter the distinctive character of the mark in the form for which the right of protection has been granted,*
 - (ii) *by affixing the mark to goods or the packaging thereof solely for export purposes,*
 - (iii) *by a third party with the right holder's consent,*
 - (iv) *by a party authorized to use the collective trademark or the collective guarantee trademark.*
5. Use of a trademark in advertising of the product, which is neither available on the market nor is manufactured in the country for export purposes shall not be deemed to constitute genuine use.

PORTUGAL

The new Industrial Property Code that entered into force on July 1, 2003 has maintained the same principles as the previous law.

The relevant articles of the new law are:

6. Article 261 (Inalterability of a trademark)

1. *The trademark shall remain unaltered and any change in its elements is subject to a new registration.*
2. *This excludes the simple modifications that do not prejudice the identity of the trademark and only affect its proportions, the material on which it is stamped, engraved or reproduced or the ink or colour, if the colour is not expressly claimed as one of the characteristics of the trademark.*
3. *The inclusion or elimination of the express indication of the product or service for which the trademark is intended, or any modification concerning the residence or place where the proprietor is established, shall not prejudice the identity of the trademark.*
4. *Word marks shall only be subject to the rules of inalterability as regards their component expressions and may be used with any device provided that it does not infringe third party rights.*

7. Article 268 (Use of the mark)

1. *It is considered serious use of the mark:*
 - a) *The use of the mark as it is registered or use of the mark that differs from the form in which it was registered only in respect of elements which do not modify the distinctive character of the mark, in accordance with article 261, effected by the owner, its licensee, with a duly recorded licence;*
 - b) *The use of the mark, as defined in a) above, for goods and services to be exported;*
 - c) *The use of the mark by a third party, under the control of the owner and for the purpose of maintaining the registration;*
2. *Use with the consent of the owner shall be considered as use of a collective mark.*
3. *Use made by a qualified person shall be considered as use of certification or a guarantee mark.*
4. *The commencement or resumption of the use during the three months period immediately preceding the filing of the cancellation action, counted from the end of the five consecutive year period of non use, shall not be taken into consideration if the*

preparations for this commencement or resumption of the use only occur after the owner becomes aware that the cancellation action may be filed.

8. Article 269 (Cancellation)

No. 1: (...) the cancellation of the registration must be declared if the mark has not been in serious use, for five consecutive years, except for a justified reason, and without prejudice to the provisions of article 268, n° 4. (...)

No. 5: The deadline mentioned in No. 1 above starts with the registration date of the mark, that for International Registrations is the date of filing at the International Bureau.

The cancellation actions based on the lack of use are administrative actions to be filed and decided at the Portuguese Industrial Property Office (INPI). Consequently, the indications of what constitutes use have been more often analyzed and decided at the administrative level, rather than at the Court level, where the jurisprudence is not so frequent.

As the new Industrial Property Code has just entered into force on July 1, 2003, there are still no decisions based on this law. Nevertheless, the same basic principles of use requirements were maintained and there were no significant changes with the new law.

The law states that the mark should be used as it was registered, with the exceptions permitted (Article 261, Nos. 1, 2 and 3 above). This use may be effected by the owner or recorded licensee (Article 268). The mark must be used for the goods or services for which it is registered.

Article 268, No. 1 (a) above states very clearly that the use by the licensee is only valid if the license is duly recorded at the Portuguese INPI. However, under the old law, the Portuguese INPI has sometimes accepted as valid use (in a cancellation procedure), use effected by the licensee whose license was not duly recorded. We should wait to see if under the new law, this would also be acceptable.

The law also states that the use should be a serious use. This means that token or insignificant use is irrelevant. Serious use consists of actual sales or commercial transactions effected within the territory of Portugal. These commercial transactions must be continuous and available to the public.

Therefore, it is only possible to prove serious use (for instance, proof of use in the procedure of a cancellation action based on non use) by producing documents such as invoices, receipts or similar commercial documents, but also, catalogues, written statements, packages, photographs, and advertisements.

SLOVAK REPUBLIC

Valid use of a trademark, according to the present Trademark Law of 1997 as amended by Act No. 577/2001, is (Section 28 of the Act):

1. the direct use of a trade mark in connection with the goods or services in relation to the territory of the Slovak Republic

and/or
2. the use of a trade mark in connection with the advertising or publicity in relation to the territory of the Slovak Republic.

This is what the law provides for and what the practice shows. More precisely, the Section 28 quotes the following modes of use:

- use on goods
- use on the packaging
- use on commercial documents
- use in promotional, advertising and publicity material,

It remains to note that the trademark must be used:

- in an identical form as registered, or
- in a similar form, that does not change its distinctive capacity.

A trademark use by a third party, upon owner's consent is considered as valid use.

SLOVENIA

According to the Industrial Property Act (Art.120) the use should be effective (factual) and serious. This criterion is relatively imprecise – it is to be “redefined” every time before the court.

Any use of a trademark by a third party authorized by the trademark holder will be deemed as a valid use by the trademark holder.

The following also constitutes valid use:

- use of a trademark on goods solely for export purposes;
- use of a similar mark, provided it does not differ from the registered trademark in elements that would alter the distinctive character of the trademark.

Please note that the latter rule (use of a similar trademark) was adopted only with the current IP Act which entered into force on December 7, 2001. According to the old IP Act, the trademark should have been used in identical form only. However, the Appellate Court has ruled recently that this rule should apply even if the examined period of five years had expired before December 7, 2001, if the case had not been decided by this date. This decision has not been confirmed or reversed by the Supreme Court yet, so for the moment it is to be assumed that the new IP Act can be applied retroactively.

SPAIN

1. Legislative provisions

Article 39 of the Trade Mark Act 17/2001 of 7 December 2001 reads as follows:

- 1- *Where no effective and real use of a trademark has been made in Spain on the goods or services for which the mark was registered within a period of five years from the date of publication of the notice of registration, or where such use has been suspended for an uninterrupted period of five years, the trademark shall be subject to the sanctions provided for in this Act, unless there are proper reasons for non-use.*
- 2- *“The following shall also constitute use within the meaning of paragraph 1:*
 - a) *Use of a trademark in a manner differing in elements which do not significantly alter the distinctive character of the mark in the form in which it was registered.*
 - b) *Affixing of a trademark in Spain on goods or services, or on the packaging thereof, solely for export purposes”.*
- 3- *Use of a trademark by a third party with the consent of the owner shall be deemed to constitute use by the owner.*
- 4- *Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to use of the trademark, such as import restrictions or other official requirements in respect of goods or services protected by the trademark, shall be recognized as valid reasons for non-use.*

2. Case law or rulings

It should be noted that there are no decisions issued by the High Courts or the Provincial Courts interpreting the new Trademark Act since this came into force July 31, 2002. However, both Acts establish the same concepts and requirements for the use of a Trademark.

The Trade Mark Act 17/2001 requires that the use should be effective and real. This legal concept has been interpreted by the case law as follows:

The Provincial Court of Barcelona interprets real use as a reliable, unequivocal and not disguised use (Decision of the Provincial Court of Barcelona of 24 March 1998). Furthermore, in another decision the same Court held that it has to be an existing and true use, contrary to a merely formal use whose sole purpose is to avoid revocation (Decision of the Provincial Court of Barcelona of 7 March 1995).

The effective use consists in the continuous and relevant introduction into the market of the goods or services bearing the mark, or the advertisement as a serious step in the production or selling process of the product. Merely internal use, insignificant economical use and occasional use are excluded (Decision of the Provincial Court of Barcelona of 7 March 1995)

In view of the above, an example of real and effective use would be the use of a mark through invoices related to the selling of goods or rendering of services.

On the other hand, Article 39 of the Trade Mark Act establishes expressly as real and effective use of a mark, the use of a trademark in a manner differing in elements, which do not significantly alter the distinctive character of the mark in the form in which it was registered. Furthermore, the use of the trademark on packaging only for export purposes is also considered by the law as an effective use of the mark.

In contrast, the following acts are examples, which do not constitute “use” according to the case law:

- the use in advertisement not followed by the effective launch of the product into the market (Ex. Test sales, Decision of the Provincial Court of Barcelona of 7 March 1995).
- the internal use in a company.
- the use as an establishment sign.
- recognition of the mark by the consumers.
- the mere ownership of a domain name.
- the advertisement through a web site but not followed by a real offer of the goods or services in the marketplace.

In other cases, the Supreme Court of Spain interpreted that neither fair exhibitions nor transactions made by third parties in auctions constitute qualified use when, for example, a car has not been produced for decades (“HISPANO-SUIZA” case, dated 1 March 1999). Moreover, there are several decisions, which reject the mere production of labels as evidence of using the mark, as in the “CUMAREY” (Decision of the Provincial Court of Barcelona of 24 March 1998) and “GAUDI” (Decision of the Provincial Court of Barcelona of 18 July 1999) cases.

Finally, the use of the trademark made by a third party does not require the express consent of the trademark owner as the earlier Trade Mark Act demanded. Now, the consent could be tacit following the Directive 89/104/EEC. Therefore, the tacit consent or the consent resulting from a non-formalized agreement would satisfy the requirement of use.

3. Comments

In view of all the above, it is clear that the Spanish Trade Mark Act requires a qualified use in order to justify the trademark protection. Therefore, Spanish case law has developed the definition of effective and real use.

SWEDEN

1. Legislative provisions

Pursuant to the Swedish Trademark Act a trademark right is established either through registration (“first-to-file principal”) or through use.

However, to consider a mark as an established trademark right requires pursuant to the Swedish Trademark Act article 2 sections (1-3) not only that it is used but also that it is recognized in the country (Sweden) by a substantial part of the relevant group of consumers or end-users to be a sign for a good or service. The legal requirements to establish a trademark right through use are not defined in detail in statute law but in the preparatory works of the law. The relevant group of consumers or end-users can be anyone dealing with the good or service in any link of a distribution chain to the general public or even competitors. Defining the relevant group will, therefore, be an issue for the judicial authorities to decide upon from case to case. Normally the definition will very much depend on the nature of the good. The definition of substantial part is not indicated in statute law. The preparatory works of the law states that the definition will depend on the circumstances in each case. In case law, knowledge of 30 % of the relevant group has been set as a standard to prove establishment. Referendums normally serve as direct evidence of knowledge at the patent office and at the judicial courts. Figures showing market shares are also accepted as evidence indicating the level of knowledge. Further and final requirement is that the mark has to be inherently distinctive or that it has acquired distinctiveness for the good at issue.

A registered trademark can be subject to cancellation due to non-use. Use requirements follow the Swedish Trademark Act article 25 (a) pursuant to which a trademark may be eligible for cancellation if it has not been in genuine use within five years from the end of the registration procedure or within five years from the submission of the cancellation action at a district court. In Sweden, there is no administrative cancellation procedure.

2. Case law or rulings

The appellate court of Svea for instance, found in an infringement case (case T 1792/96 “EL MOLINO”) that a market share as low as a couple of percent could very well indicate that a substantial part of the relevant group of consumers recognised “EL MOLINO” as a mark for red wine. In this particular case the court considered the special circumstances under which alcoholic beverage is sold in Sweden and concluded that the relevant group was the general public, that the market for red wine included several hundreds of brands and that the average Swedish wine consumer had a very high level of brand awareness when it comes to alcoholic beverages. The court, therefore, found that a market share of a couple of percent was enough a percentage to evidence knowledge of the brand and subsequently that the trademark rights were established through use.

The term genuine use is highlighted in the recent Supreme Court case “SPOTLIGHTSERIEN” (case T 1573-99). The trademark at issue was composed of the words “SPOT”, “LIGHT” and “SERIEN” presented in a stylized manner. The holder of the trademark had used the word “SPOTLIGHT” in capital block letters. The court found that the use of “SPOTLIGHT” in capital block letters diverged too much from the registered form of the mark and subsequently cancelled the trademark due to non-use.

Recently, the Supreme Court in the “CHECK POINT” case (Swedish Supreme Court case T 2228-00) confirmed rulings from the ECJ (see. case C-39/97 Canon Kabushiki Kaisha ./ Metro-Goldwin-Mayer Inc.) that the notions of distinctiveness and of confusingly similar depends very much on the use of the registered mark and thereby reversing its previous findings in the “SILVA” case (NJA 1990 s. 469). In the “CHECK POINT” case the court found that there was not any risk of confusion between “CHECK•POINT” for real time transmission of financial information and “CHECK POINT” registered in class 35 for all goods in the class heading. Despite the fact that the marks were considered identical and the type of services similar the Supreme Court did not interpret the real time transmission services as similar to any of the services under the class heading. The Supreme Court thereby narrowed the scope of protection of the registered mark mainly due to the fact that it was not in use.

3. Comments

In Sweden, use of a mark can have effect on title and scope of protection of a mark.

UNITED KINGDOM

1. Legislative provisions

a) Use Infringing a Registered Trade Mark

Under Section 10 of the Trade Marks Act 1994 (the Act) a person infringes a registered trademark if he uses it in the course of trade and in any of the following circumstances.

- i) The sign used is identical to the trademark in relation to goods or services, which are identical to those for which it is registered.
- ii) The sign is identical to the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered; or the sign is similar to the trade mark and is used in relation to goods or services identical or similar to those for which the trade mark is registered; and there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.
- iii) The sign is identical or similar to the trade mark and is used in relation to goods or services which are not similar to those for which the trade mark is

registered and the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

Use is not defined exhaustively, but a person is said to use a sign if, in particular, he:

- (i) affixes it to goods or the packaging thereof;
- (ii) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
- (iii) imports or exports goods under the sign; or
- (iv) uses the sign on business papers or in advertising.

b) Failure to Use leading to Revocation of Registration – (Section 46)

The registration of a trademark may be revoked on a number of grounds, including;

- i) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use; and
- ii) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use.

Use of a trademark is not defined specifically in Section 46, but is said to include use in a form differing in elements as long as the differing elements do not alter the distinctive character of the mark in the form in which it was registered. Use of a trademark is also said in Section 46 to include affixing the trademark to goods or to the packaging of goods in the United Kingdom solely for export purposes. Thus, the tests for use under Section 10 (infringement) and Section 46 (validity/revocation) look very similar, and we would expect them to be the same. Where grounds for revocation exist in respect of only some of the goods or services for which the trademark is registered, revocation shall relate to those goods or services only.

A registration shall not be revoked for non-use if use is commenced or resumed after the expiry of the five-year period and before the application for revocation is made. However, any such commencement or resumption within the period of three months before the making of the application shall be disregarded unless preparations for commencement or resumption began before the proprietor became aware that the application might be made.

2. Case law or rulings

a) Use Infringing a Registered Trade Mark

Recently, the definition of use has received considerable judicial attention. The following cases are of particular interest.

- Arsenal Football Club plc v Reed - Infringement due to the possibility of confusion as to origin, despite perception as a badge of support or loyalty or affiliation to the trademark proprietor.

This case concerned the alleged infringement of the registered trademarks of Arsenal Football Club by the defendant, Mr. Reed, who sold souvenirs and memorabilia including articles bearing such trademarks. Such alleged infringement required the interpretation of Section 10(1) of the Act where a third party uses, in the course of trade, a sign which is identical to a validly registered trademark on goods which are identical to those for which it is registered.

At first instance, Mr. Justice Laddie found for the defendants holding that the words or designs were not used as a trademark, but as a badge of support, loyalty or affiliation.⁷ The case was referred to the Court of Justice of European Communities (the ECJ), where they concentrated on the need to protect the essential function of a trade mark, namely the guarantee of the identity of the origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin. Therefore, the ECJ found in favour of the Claimant.⁸

In his second judgment, Mr. Justice Laddie concluded that the ECJ had exceeded its jurisdiction because the ECJ had disagreed with findings of fact made by him in his first judgment. Therefore, Mr. Justice Laddie concluded that he was not bound to follow the ECJ's final decision, only being bound to apply the ECJ's guidance on the law. He interpreted this to be that no infringement can occur unless the defendant's use of a mark was intended by him, or understood by the public to be a designation of origin, and that on the facts the marks were only used as a badge of support or loyalty or affiliation and therefore no infringement occurred.⁹

In comparison, on appeal the decision of the ECJ was followed. The Court of Appeal agreed that the ECJ was not entitled to make findings of fact inconsistent with the High Court Judgment. However here, the ECJ had not done so. It had not been concerned with whether the use constituted trademark use but with whether the defendant's use would affect the function of the trademark as a guarantee of origin. The ECJ had found, as was inevitable, that it would affect the function, and thus infringed the registered mark. It was immaterial that, in the context of that use, the sign was perceived as a badge of support for or loyalty or affiliation to the trademark proprietor.¹⁰

⁷ Arsenal Football Club plc v Reed [2001] ALL ER (D) 67

⁸ Arsenal Football Club plc v Reed (Case C-206/01)

⁹ Arsenal Football Club plc v Reed [2002] EWHC 2695

¹⁰ Arsenal Football Club plc v Reed [2003]EWCA Civ 696

- R v Johnstone¹¹ - Description rather than use.

This case involved the making and copying of bootleg recordings of performances by well-known performers onto compact discs. It was confirmed that no breach of Section 10 occurred because the use was descriptive only. The House of Lords found that the name of the artist was affixed to the compact disc and displayed on the packaging exclusively as an indication of the name of the performer whose performance was recorded on the disc, and was not likely to be understood as indicating any other connection between the performer and the compact disc.

Further, this case also clarified the application of the criminal offence under Section 92. It was confirmed that Section 92(5) provides a defense in two circumstances:

- i) where the reason why a defendant believed his use of the sign did not infringe a registered trademark was that he believed no relevant trademark was registered; or
- ii) where the defendant believed on reasonable grounds that his use of the sign did not infringe a registered trademark of whose existence he was aware.

On this interpretation a criminal offence cannot arise under Section 92 of the Act without a civil offence first being proved under Section 10 of the Act.

- Reed Executive plc and another v Reed Business¹² - Use in a source code.

This case related to a number of matters, most interestingly, whether the use of a trademark as a metatag (a part of the source code of a website, by which a search engine, such as "YAHOO" or "ALTA VISTA", would list the website) would constitute use. In this case it was alleged that the word "REED" was listed as a Metatag to the defendant's website to try to increase the number of times it would be listed in search results as well as to ensure it was listed higher up on any such list. Mr Justice Pumfrey held that the purpose of such use was to suggest a connection that does not exist. Therefore, such intended false connection would fulfil the requirements for use set out explicitly in Section 10(2) and implicitly in Section 10(1) of the Act.

b) Failure to Use leading to Revocation of Registration

There has been a substantial amount of judicial interest in the definition of "genuine use." The following recent cases are especially significant.

- Gerber Products Co v Gerber Foods International Ltd¹³ - Genuine use- a factual test of intent to be satisfied through examination of the facts and not requiring commercial success.

¹¹ R v Johnstone [2003] UKHL 28

¹² Reed Executive plc and another v Reed Business [2002] All ER (D) 300

¹³ Gerber Products Co v Gerber Foods International Ltd [2002] RPC 637

This case concerned an application by GERBER FOODS INTERNATIONAL ("GFI"), a UK food manufacturer, for revocation for non-use of two trademarks registered in the name of GERBER PRODUCTS CO ("GPC"), a US baby food manufacturer that claimed to sell its products in both the US and the UK.

The Court of Appeal considered the application of the test of "bona fide use," the old test under the Trade Mark Act 1938 and the test of "genuine use" under the Act. It found that the US baby food manufacturer, GPC, had made genuine use of the trademark through a short and limited test marketing exercise even though it was not followed up by a development of the market. This decision was due to the interpretation of the test of genuine use as a test of pretended use. The Court held that whether something is a pretence depended on an examination of intention or motive. Therefore, the test must be fulfilled by looking at the facts of each case, not fixed commercial standards.

- Laboratories Goemar SA v La Mer Technology Inc¹⁴ - Genuine use - to include a *de minimis* provision?

This involved an application to revoke three trademarks of a French Company selling seaweed products through a Scottish Agent into the UK. The number of sales was very limited, amounting to £7,400 altogether and so the question arose as to whether the test of "genuine use" included a *de minimis* provision. Mr Justice Jacob submitted this question to the ECJ but suggested that the test was actually whether the use was artificial. Although he proposed that the smaller the amount of use, the more carefully "genuine use" must be proved, he submitted that "genuine use" is possible, even if the amount of use is negligible.

Guidance from the ECJ is still awaited as although the ECJ proposed to rely on the doctrine of "*acte claire*" subsequent to the case of Ansul BV v Ajax Brandbeveiliging BV¹⁵ Mr. Justice Jacob has withdrawn only one question which arose from Laboratories Goemar SA v La Mer Technology Inc. Ansul BV v Ajax Brandbeveiliging BV did clarify the fact that use must not be merely token use, serving solely to preserve the rights conferred by the mark and that the Court should make such a decision based on the facts and circumstances of each case, but it did not address the question of whether a *de minimis* rule exists.

COMMUNITY TRADEMARK (CTM)

CTM laws recognize that use of a CTM must be genuine: the reason for this is "*that it is only the position on the market actually held by the trademark proprietor that should be protected, and not a mere register right that is not supported by any actual or potential goodwill. Furthermore, requiring use of a mark as a condition for enforcing rights will reduce the number of conflicts between marks and eventually also reduce the number of marks maintained on the register without actually having been used*" (see. OHIM Opposition Guidelines, part VI, Guidelines on Proof of Use).

¹⁴ Laboratories Goemar SA v La Mer Technology Inc [2002] FSR 790

¹⁵ Ansul BV v Ajax Brandbeveiliging BV [2003] All ER 133

However there are a number of issues, which need to be addressed. In the following part, when necessary, references will be made in regard to Opposition Guidelines (OG) and in particular those on Proof of Use, (OG, part 6, hereinafter OGPU) and to the ECJ case law.

1. Use of which mark?

In the CTM system, the issue arises since according to art. 15(2), “*use of the Community trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered*” is considered as valid use.

However, according to §§1 and 2 of art. 58, “*a CTM shall not be altered in the register during the period of registration or on renewal thereof. Nevertheless, where the Community trade mark includes the name and address of the proprietor, any alteration thereof not substantially affecting the identity of the trade mark as originally registered may be registered at the request of the proprietor.*”

Apparently, even in the CTM system there exists a lack of coordination between these two aspects and this may cause some practical problems. Undoubtedly, the most relevant is the impact on the Opposition Division’s (OD) practice according to which: “*when assessing the similarity of signs, the signs have to be compared in the form they enjoy protection. That means that earlier registered marks and contested CTM applications only have to be assessed in their registered/applied for form. The actual or possible use of the registered marks in another form is irrelevant for the comparison of signs*”. (See OG, part. 2C, pag. 2.)

The OD seems aware of the difficulty that this line of approach entails:

“an absolute obligation of use of the mark in the form in which it was registered would ignore the reality of the market, in particular the constant evolution in the marketing of products and the needs of trade mark owners to adapt the use of their mark in the new contexts. On the other hand, the modifications in the use must not alter the distinctive character of the mark.”

“There are two questions to be answered. Firstly, it must be clarified what is to be regarded as the distinctive character of the mark as registered. Secondly, it must be evaluated whether the mark as used alters this distinctive character. These questions have to be answered on a case-by-case basis” (see. OGPU at 22)

Hereby follow a series of cases from which the OD has developed some rough rules of thumb and Article 15(2)(a) CTMR applies:

a) Variations of letters and words

In general, a difference in letters or even words constitutes an alteration of the distinctive character of the mark. The following changes have been considered as altering the distinctive character of a mark:

REGISTERED FORM	CURRENT USE	Decision No
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THE WARRIORS	WARRIORBELL	165/1999 (EN)
CHIO	Cihochics/Cihorella	271/1999 (EN)
BONOLI	BONOLIVA	2996/2000 (FR)

The Board of Appeal considered that the use of the words “CAPTAIN BIRDS EYE” did not constitute use of the earlier mark “CAPTAIN” (R 89/2000-1 EL CAPITAN PESCANOVA / CAPTAIN (EN)).

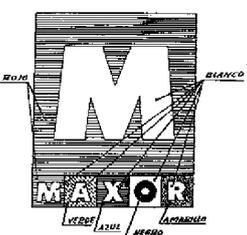
The addition or omission of insignificant prepositions does not alter the distinctive character either:

REGISTERED FORM	CURRENT USE	Decision No
CASTILLO DE PERELADA	CASTILLO PERELADA (omission of “DE”)	1714/2001 (EN)

b) Variations of figurative marks and elements

When the overall appearance of a figurative mark is changed, this will generally result in a finding that the distinctive character has been affected.

Examples: (Source: *OHIM Opposition Guidelines*, Part 6 on Proof of Use, p. 409)

Registration	Use	Case
		237/1999 (EN) (omission of the word MAXOR)

As regards additions, omissions or changes of figurative elements, there is a tendency to consider that such alterations *do not* affect the distinctive character of marks *that also contain word elements*.

REGISTERED FORM	CURRENT USE	Decision No
COMPUTERVISION		609/1999 (EN)

This is particularly unproblematic in cases where the device element is *mainly descriptive* of the relevant goods and services.

<i>REGISTERED FORM</i>	<i>CURRENT USE</i>	<i>Decision No</i>
		<i>for horse race journals</i> 1308/2000 (EN)

However, the change in a figurative element *alters* the distinctive character of a mark if this figurative element is *dominant in the overall impression of the mark*. As regards marks with both word and figurative elements, an obvious difference in a dominant figurative element leads to an alteration of its distinctive character, even if the word element remains unchanged.

<i>REGISTERED FORM</i>	<i>CURRENT USE</i>	<i>Decision No</i>
		982/1999 (EN)

The use of a merely figurative mark *in an inverse sense* does not alter its distinctive character.

<i>REGISTERED FORM</i>	<i>CURRENT USE</i>	<i>Decision No</i>
		1835/2000 (EN)

c) Variations of colours (see OPGU, pages 23-28).

For colour marks to be considered as used they must be used with the colours as registered. Insignificant variations in the colour shade and strength will not alter the distinctive character. When colour marks are used only in black and white, this will not constitute use of the mark.

Where a colour combination is registered, use in varying proportions does not affect the distinctive character. This will be different when particular proportions were claimed and these are substantially altered in the variant as used.

As regards figurative marks with colour elements the use of (different) colours is not to be regarded as an alteration of the distinctive character of the mark, unless the presentation of the colour is a dominant element in the overall impression of the mark.

242/2000 SILVER / SILVER COLA (EN), 1044/2000 CAFES EL CRIOLLO / Criollo Rico (EN)

2) What constitutes use?

Art. 9(2) of the Community Trademark reputation (CTMR) mentions the following uses among those which may be prohibited by the owner of a CTM:

(a) affixing the sign to the goods or to the packaging thereof; (b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder; (c) importing or exporting the goods under that sign; (d) using the sign on business papers and in advertising.

Intuitively, these activities do constitute use. In addition, art. 15(2b) and (3) provide that

affixing of the Community trade mark to goods or to the packaging thereof in the Community solely for export purposes” and use “of the Community trade mark with the consent of the proprietor” constitute use by the proprietor.

There is a clear indication that the CTM system definitively associates use with commercial use: cf. Rule 22(3) of the CTM Implementing Regulation (CTMIR) according to which evidence of earlier use shall, in principle, be confined to the submission of supporting documents and items such as packages, labels, price lists, catalogues, invoices, photographs, newspaper advertisements.

A side issue, not entirely explored yet, but whose importance will certainly increase as the CTM system expands (also vis-à-vis- enlargement), relates to the geographical scope of such use. The Council and the Commission considered that use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community. In view of the unitary character of the CTM, such a position may be held theoretically correct since it gives legal certainty and thus stable and predictable interpretations. However, market considerations often trump legal certainty, and also in view of certain recent ECJ case law (see below, the “ANSUL” case), the absolute validity of the one-country-fits-all approach may be questioned earlier than expected.

3) When is use genuine?

According to art. 15 CTMR,

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.

In no place, either in the CTMR nor the CTMIR, is there a definition of “genuine” use.

The ECJ examined the issue of genuine use in its decision “ANSUL” – or “MINIMAX” - (case C-40/01 of 11 March 2003 in Ansul BV vs. Ajax Brandbeveiliging BV).

According to the ECJ, “*genuine use must be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. It follows that 'genuine use' of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned.... Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or ... by a third party with authority to use the mark*” (at. §36-37).

In light of these principles, the ECJ held that “*...when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark. ... consideration (should be given) inter alia , to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark*” (at §39-40).

What is significant, however, in the ECJ’s finding is that “*use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market*” (at §41) while fictitious acts of use for the sole purpose of safeguarding the monopoly granted by the registration are insufficient.

Immediately after the “ANSUL” case, also the Court of First Instance (CFI) issued its first decision on use in direct regard to the CTM system: the “COCOON” case, case T-174/01, CFI, Jean M. Goulbourn v. OHIM of March 12, 2003. This decision is relevant insofar as it confirms that the quantitative analysis by itself is by no means determinant in the finding of genuine use.

According to the applicant/appellant, the Board of Appeal was wrong to equate “genuine use” with “real use.” “Genuine use” must be contrasted with “artificial use,” the boundary between these two opposing notions being defined by the extent of use, i.e., in order to assess in a particular case whether a mark has been put to genuine use, account must be taken of the type of goods or services in question. Thus, before use of a mark can be regarded as genuine, it is necessary to show a high-volume of consumer goods’ sales over a year in the country in which the mark is protected. The Board of Appeal would have thus erred in having failed to specify, in respect of the goods at issue in this case, namely clothing, what must be the extent of use of a mark for use to be regarded as genuine.

The CFI did not agree. The *ratio legis* of the requirement of genuine use, is to restrict the number of conflicts between two marks. In that regard, the only function of “genuine use” is to enable a contrast to be drawn with purely artificial uses, that is forms of using a mark which are designed solely to evade the sanctions for its non-use.

Therefore, the CFI found that the condition of genuine use of the mark requires that the mark is used publicly and outwardly for the purpose of ensuring an outlet for the goods or services which it represents. Thus the Board of Appeal's decision was right, since it had correctly interpreted "genuine use" by defining it as "*real use of the earlier mark on the marketplace, so as to draw the attention of potential consumers to the goods or services effectively offered under the mark.*"

Additionally, it must be noted that the Boards of Appeal have stated that genuine use must be contrasted with token use. Genuine use implies real use for the purpose of trading in the goods or services in question so as to generate goodwill as opposed to artificial use designed solely to maintain the trade mark on the register (see. R362/1999-1 R380/1999-2 HERVALIA/HERBAPURA, LINDEBOOM/LINDENER, R 474/1999-1 CARRERAS/CARRERA Y CARRERA, R733/1999-1 AFFINAGE/AFFINITE, R821/1999-3 RENOLIN / RENTOLIN).

The OGPU acknowledges the finding in "ANSUL" and most noticeably the statement according to which: "*use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market*".

According to OGPU "*genuine use means use in trade. In general, this implies actual sales and there must have been some sales of the goods or providing of the services during the relevant period of time. Furthermore, use in advertising may amount to genuine use depending on the specific circumstances. However, mere preparatory steps are not to be regarded as genuine use of a mark.*" (we note, however, that this last sentence represents a significant departure from the ECJ principles. The ECJ in "ANSUL" had held that "*use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way,*" which seems to indicate that preparatory steps, "*particularly (but not exclusively) in the form of advertising campaigns*" may constitute use).

OGPU's opinion on the threshold, quantitatively speaking, to be reached in order to establish a sufficiently extent to use which translates into "genuine use," is the following:

As regards the necessary volume of sales and services for passing the threshold of genuine use, it is impossible to establish general figures, which classify "use" as "genuine." Each case has to be seen in the light of its own merits. The answer to this question varies depending on other criteria, such as the specific business area and the goods and services involved. The necessary volume of sales and services is in general set at a higher level for mass products than for special products that meet a rather small demand (see. the opposition decisions 326/1999 Carrera y Carrera/CARRERAS and 1480/1999 DESATURA/ RENATURA).

There are also other considerations, worth attention : volume of sales and services and the period of time of use of the mark in the market are in general particularly important in the context of establishing genuine use. It should be noted that these two factors are interdependent: both a short-term use of a high volume and a continuous use of a quite modest volume may suffice to fulfill the requirement of "genuine" use.

In addition, use does not have to be continuous during the five years. It is sufficient if the use started at the very end of the period, provided that this use was genuine (see. R 362/1999-1 HERVALIA/HERBAPURA, R 733/1999-1 AFFINAGE/AFFINITÉ, R 821/1999-3 RENOLIN/RENTOLIN, R 786/2000-1 PARABOOT/PARAWET).

In “ANSUL,” the ECJ made it clear that “...when assessing whether there has been genuine use of the trade mark, regard must be had ... in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark. ... and consideration (should be given) *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned. ...”