Unregistered Trademarks in EU Trademark Law
Verena von Bomhard and Artur Geier

Nicht Eingetragene Marken Als Relative Eintragungshindernisse
Verena von Bomhard and Artur Geier

Strategies to Avoid Risks Related to Trademark Squatting in China
Michele Ferrante

The New Trademark Opposition System in Mexico
John M. Murphy

Corrective Advertising in Lanham Act Damages: The Use and Misuse of Past Advertising Expenditures
D. Scott Bosworth, Russell W. Mangum, and Eric C. Matolo

Jonathan E. Moskin

Commentary: Monetary Recovery for “Infringement” of EU Trademarks In Statu Nascendi
Martin Viefhues

Book Review: Trade Mark Law in Europe. Alexander von Mühlendahl, Dimitris Botis, Spyros Maniatis, and Imogen Wiseman
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UNREGISTERED TRADEMARKS IN EU TRADEMARK LAW*

By Verena von Bomhard** and Artur Geier***

CONTENTS

I. Introduction ........................................................................ 679
II. Well-Known Trademarks—Article 6bis Paris Convention ......................................................... 680
   A. Notoriety as a Trademark ........................................... 681
   B. The Necessary Geographical Reach for Protection as a Well-Known Mark ................................................ 681
   C. Required Degree of Recognition .................................. 682
   D. WIPO Guidelines ......................................................... 683
   E. Examples from EUIPO Case Law .................................. 685
III. Unregistered Trademarks—Article 8(4) EUTMR .............. 686
    A. Protection of Unregistered Trademarks under the Laws of the Member States .......................................... 687
       1. No Recognition of Unregistered Trademarks ...... 688
       2. Protection Based on Qualified Use or Recognition ........................................................................ 688
       3. Protection Based on Mere Use .................................. 690
       4. Is Protection of Mere Use as a Trademark in Line with the Directive? ........................................ 691
       5. Acquisition of the Unregistered Trademark—Onus of Proof ......................................................... 692

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B. Use in the Course of Trade ......................................................... 694
C. More Than Mere Local Significance ........................................... 696
D. Right to Prohibit the Use of the Later Mark ............................ 697

IV. Differentiation Between Unregistered Trademarks Protected Under Article 6bis Paris Convention and (Other) National Provisions ........................................... 698

V. Unregistered Trademarks Should Become Recognized Under EU Law—Maybe in Another Twenty-Five Years ........................................................................................................ 699
I. INTRODUCTION

The European Union (“EU”) trademark system is register-based. An EU trademark (“EUTM”) comes into existence solely through registration with the European Intellectual Property Office (“EUIPO”) or an international registration with the World Intellectual Property Organization (“WIPO”) and designation of the EU. The requirement of registration is expressly laid down in Article 6 of the EU Trademark Regulation (“EUTMR”). There are, therefore, no unregistered EUTMs, not even if the mark is well-known in the EU within the meaning of Article 6 bis of the Paris Convention.

Unregistered trademarks do exist in the EU, however, where the national laws of the Member States so provide. That said, in this respect, national trademark laws in the EU have not been harmonized.

As such, the law relating to unregistered trademarks is vastly different from one Member State to another. Some Member States do not recognize unregistered marks at all (beyond Article 6 bis Paris Convention); others require varying degrees of market recognition or goodwill to protect trademarks based on use, while Denmark alone within the EU provides protection based on simple use.

While there are no unregistered EUTMs, unregistered rights in the Member States certainly have an impact on EUTMs. These rights can be held against the registration or validity of an EUTM.
just like a prior national registered mark. That is true both for well-known marks under Article 6bis Paris Convention and unregistered trademarks protected under the national laws of the Member States. With twenty-six national trademark law systems in the EU, these grounds for refusal or invalidity deserve a closer look. This is the focus of the present article.

We first discuss well-known trademarks within the meaning of Article 6bis Paris Convention and the requirements for obtaining and enforcing such rights vis-à-vis later EUTMs. This is followed by a discussion of unregistered trademark rights, their protection against later EUTMs under Article 8(4) EUTMR, the differences in approach among the different Member States, and the interplay of EU law and national law in this context. It ends with a call also for harmonization of unregistered trademarks in the EU to put an end to the often-surprising complexity of this essential part of EU trademark law.

II. WELL-KNOWN TRADEMARKS—ARTICLE 6BIS PARIS CONVENTION

All EU Member States are contracting states of the Paris Convention. Article 6bis, which protects well-known trademarks independently of registration, is reflected in all national laws throughout the EU as well as in the EUTMR.

A well-known trademark is a ground for opposition against an EUTM application according to Article 8(2)(g) EUTMR. In practice, this ground for opposition has played a minor role, as most well-known trademarks are registered, and registered marks accord the same protection as well-known marks, which, in addition, are much harder to prove. In fact, registered marks that have a reputation also enjoy protection against dilution and misappropriation by later EUTMs under Article 8(5) EUTMR. Well-known marks, in turn, are only protected against likelihood of confusion.

The protection of the mark as well-known may, however, come to the rescue of so-called vintage marks, namely trademarks that are no longer used but are still well-known. In that case, the registration of the mark is vulnerable to cancellation due to non-use, and the only way to prevail in an opposition against a later EUTM application is to invoke the protection of an unregistered right, e.g., under Article 6bis.10

9. There are 28 Member States. The three Benelux countries have a common trademark law and system.

10. When a trademark is well known, its current use in the territory of protection should not be required, see below, Part IV. Regarding the protection of vintage marks under German national law, see Ingerl/Rohnke, MarkenG, 3d ed. 2010, § 4 para. 26. The General Court had to deal with a vintage mark in the Simca case, which it resolved on the basis of bad faith, see judgment of 8 May 2014, T-327/12—SIMCA.
With all this in mind, the conditions for Article 8(2)(g) EUTMR to apply will be discussed briefly. There are three requirements\(^{11}\): (i) The earlier mark must have reached the necessary threshold of notoriety; (ii) such notoriety must have existed at the filing or priority date of the opposed EUTM application; and (iii) there must either be double identity (identical signs and identical goods or services) or a likelihood of confusion. This last requirement is the same as for an opposition based on an earlier registered mark. The priority requirement may give rise to evidentiary problems, but it is otherwise clear. Therefore, only the threshold of notoriety deserves a closer look.

**A. Notoriety as a Trademark**

A sign—that is, anything perceptible with the human senses that is capable of distinguishing goods and services—can only enjoy protection under Article 6bis Paris Convention if it is well-known as an indicator of commercial origin—that is, in its function as a trademark.\(^{12}\) It is not sufficient if the sign is merely known as such, for example, as a film title,\(^ {13}\) the designation of a special distribution method,\(^ {14}\) or as a comic figure.\(^ {15}\)

**B. The Necessary Geographical Reach for Protection as a Well-Known Mark**

The Court of Justice of the European Union (CJEU) dealt with the geographical aspect of the recognition of well-known trademarks in its 2007 judgment *Fincas Tarragona*.\(^ {16}\) The CJEU held that the trademark had to be well-known in the territory of the Member State or in a substantial part thereof. Where the recognition of the sign was confined to a city and its surrounding area, which, together, did not constitute a substantial part of the Member State, however, the Court held this not to be enough to warrant protection as a well-known mark.

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11. EUIPO, decision of 12 November 2014, B 1898751—YELLOW LABEL.
12. General Court, judgment of 30 June 2009, T-435/05, para. 31—DR. NO; see also Kochendörfer, in: BeckOK UMV, 2d ed. 24.03.2016, Article 8 para. 251.
13. General Court, id., para. 25; see also judgment of 3 March 2016, T-778/14, paras. 58 et seq.—COYOTE UGLY.
14. Federal Court of Justice (Bundesgerichtshof/BGH), judgment of 10 April 2003, I ZR 276/00, GRUR 2003, 973, 974—TUPPERWARE PARTY.
15. Opinion of General Advocate Trstenjak, 29 November 2007, C-16/06 P, para. 67—OBELIX. The CJEU did not comment on this question of substantive law, as it refused the appeal on this point based on procedural arguments, see judgment of 18 December 2008, C-16/06 P, paras. 107 et seq.—OBELIX.
In so doing, the Court applied the same geographical criterion as in its 1999 Chevy judgment, which addressed the issue of the reputation of a national trademark,17 and in the Pago18 case in 2001, which applied the “substantial part” language to the reputation of EUTMs. In all these decisions, the Court emphasized that a reputation (or recognition) throughout the relevant territory was not required.

Whether this really means that the same geographical requirements apply both for trademarks with a reputation and for well-known marks is, however, not entirely clear. The case before the Tarragona Court involved a mark used in the Spanish city of Tarragona. The population of the city and province of Tarragona has about the same proportional size when compared with that of the country of Spain, as the population of Austria when compared with the EU.19 Nevertheless, while the Court seemed to consider recognition among the population in Tarragona and its surroundings as insufficient for the mark to be well-known,20 in Pago, the Court stated that the reputation in a single Member State could be sufficient—where the mark had been shown to have a reputation solely in Austria.21 As such, the question remains what constitutes a “substantial part” of a Member State. It is not unreasonable to argue that the requirements may be higher for proving “notoriety“ under Article 6bis Paris Convention than for proving “reputation” within the meaning of Article 8(5) EUTMR.

C. Required Degree of Recognition

Still, the main issue when considering whether a mark enjoys protection under Article 6bis Paris Convention is less the geographical scope of its recognition than the required degree thereof. There is no consensus in this respect, and the CJEU has yet to address the issue. German courts, for example, have traditionally applied rather strict criteria, whereby the mark must be generally known, which translates to at least 50% of the relevant public being familiar with the mark. This will usually be established with the help of representative market surveys.22

17. CJEU, judgment of 14 September 1999, C-375-97, para. 28—CHEVY. Again, “national” in this context is meant to include Benelux marks.
18. CJEU, judgment of 6 October 2009, C-301/07, para. 27—PAGO.
19. Roughly 1:53 as opposed to 1:59, based on 2015 data available on the Internet. Province of Tarragona: 880,000; Spain: 46.5 million; Austria: 8.6 million; EU: 508 million.
20. CJEU, judgment of 22 November 2007, C-328/06, para. 20—FINCAS TARRAGONA.
21. CJEU, judgment of 6 October 2009, C-301/07, para. 29—PAGO.
The German practice of requiring specified percentages to establish the threshold for recognition does assist in providing legal certainty, but it is regularly criticized by the CJEU.\textsuperscript{23} Indeed, the General Court has expressly rejected percentages as the proper means to determine the necessary degree of recognition.\textsuperscript{24} What matters is whether the mark is known to a significant part of the public that has an interest in the products or services covered by the mark. This is to be determined taking into account all the relevant facts of the case and, in particular, market share, volume, geographical extent and duration of use, and the promotion of the mark. Referring to Pago, the General Court expressly applies the same criteria as applied to reputation in determining whether a mark is well-known.\textsuperscript{25}

**D. WIPO Guidelines**

Further guidance for the interpretation of Article 6bis Paris Convention can be derived from the WIPO Guidelines, laid down in the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.\textsuperscript{26} These guidelines refer to all relevant circumstances, including the “degree of knowledge or recognition of the mark in the relevant sector of the public” (Article 2 para. 1(b) no. 1). In addition to the criteria mentioned by the General Court and the CJEU in the aforementioned judgments, the WIPO Guidelines also refer to the duration and geographical area of any registrations of the mark, the record of successful enforcement, the extent to which the mark was recognized as well-known by competent authorities, and the value associated with the mark (Article 2 para. 1(b) nos. 2–6).

However, whether the WIPO Guidelines are binding remains the subject of discussion, since they are merely “recommendations.”\textsuperscript{27} In the Boomerang judgment from 2008, the

\begin{footnotes}
23. CJEU, judgment of 04.05.1999, C-108/97 and C-109/97, para. 52—WINDSURFING CHIEMSEE, whereby acquired distinctiveness cannot be based merely on abstract numbers such as percentages; see also CJEU, judgment of 18 June 2002, C-299/99, para. 62—PHILIPS; CJEU, judgment of 19 June 2014, C-217/13 and C-218/13, para. 44—OBERBANK.

24. General Court, judgment of 1 February 2012, T-291/09 para. 69—POLLO TROPICAL CHICKEN ON THE GRILL.

25. Id.; see also General Court, judgment of 2 February 2016, T-169/13 para. 59—MOTO B.


\end{footnotes}
General Court seemed to consider that the provisions of the WIPO Guidelines need to be taken into account, and it has confirmed this position in two more recent judgments.  

That they are indeed binding can also be argued based on national laws implementing the Paris Convention and, in particular, the Stockholm Conference. The interpretation of the Paris Convention by the General Assembly is authoritative under the Stockholm version. Moreover, the references to the Paris Convention in the EUTMR must be seen as dynamic—that is, making reference to the applicable version of the Paris Convention at any given time. An authoritative interpretation of the provisions of the Paris Convention should therefore be binding on the national and EU authorities and courts that are called upon to apply them.

The discussion is not merely theoretical but could have practical effects in defining the relevant circles for which the mark must be well-known. In addition to consumers, Article 2(2) lit. a of the WIPO Guidelines refers to persons involved in the distribution of the products at issue, as well as to professional circles. More importantly, Article 2(2) lit. b states: “Where a mark is determined to be well known in at least one relevant sector of the public in a Member State, the mark shall be considered by the Member State to be a well-known mark.” To date, the practice of the EUIPO does not comply with this provision, in that it generally requires a recognition among a substantial part of the entire relevant public, which means, in the case of consumer products, the average consumer. A recognition among a substantial part of the professional public, or those involved in the trade of the products, does not suffice to meet the threshold.

All in all, one can conclude that, under EU trademark law, a mark must be known to a significant part of the public in a substantial part of the territory in question in order to be recognized as a well-known mark. In practical terms, proving this is much like proving that a registered mark enjoys a reputation. While there

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28. General Court, judgment of 17 June 2008, T-420/03, para. 79—BOOMERANG; see also EUIPO, decision of 15 April 2014, 8221 C—PREDATOR; regarding the situation in Switzerland, see Federal Court Switzerland, judgment of 20 January 2004, BGE, 130 III 267, 275—TRIPP TRAPP.

29. General Court, judgment of 2 February 2016, T-169/13, para. 59—MOTO B; General Court, judgment of 3 March 2016, T-778/14, para. 56—COYOTE UGLY. In POLLO TROPICAL CHICKEN ON THE GRILL (T-291/09), the General Court referred to the criteria without, however, mentioning the WIPO Guidelines.

30. See further H. P. Kunz-Hallstein, GRUR Int. 2015, 7, 10 et seq.

31. That the requirements for well-known marks are equivalent to those for marks with a reputation was also expressed in Max-Planck-Institute, Study on the Overall Functioning of the European Trade Mark System, 2011, Part III para. 2.132. Also, the criteria applied by the CJEU are largely the same, see CJEU, 22.11.2007, C-328/06—FINCAS TARRAGONA. The CJEU, however, only deals with the geographical extension of the recognition, not the
are no fixed percentages for determining whether the recognition of the mark reaches the threshold, convincing surveys will certainly help, and in the absence of much case law relating to well-known marks, the WIPO Guidelines, as well as the large body of case law on marks with a reputation, can be relied upon for guidance.

E. Examples from EUIPO Case Law

The following three cases, in each of which the EUIPO agreed that the mark was well-known, further illustrate the requirements for such proof.

The first case involved the shoe brand KICKERS. The manufacturer provided a number of articles from magazines as well as Internet pages and evidence of promotional activities to show the reputation of the mark KICKERS in Italy as of the relevant point in time (April 5, 2011). The marketing evidence consisted of invoices and copies of advertisements. A study conducted in 1996 had shown that only 3.4% of the relevant population immediately recognized the trademark. The Opposition Division of the EUIPO considered these results insufficient to prove notoriety. However, when considering the evidence as a whole, notoriety in April 2011 was shown, in spite of the low figures obtained in 1996.32

In the second case, the Cancellation Division, in a decision of April 2014, recognized that the mark PREDATOR was well-known in the United Kingdom for luxury boats and yachts. No empirical evidence was submitted. However, the trademark owner proved widespread recognition of the brand within the yachting community, including by showing that the yachts had been featured in two James Bond movies. Given the luxury character of the goods at issue, the relevant market was deemed not to be the general public but merely a narrow and specific subset thereof.33

In the third case, in a decision of the Opposition Division of November 2014, YELLOW LABEL was recognized to be a well-known trademark in the United Kingdom for champagne, based on affidavits and corroborating evidence such as invoices, advertisement samples, and documents downloaded from the Internet.34 Use of the yellow label for the Veuve Clicquot champagne was claimed to go back to 1873. Although the term YELLOW LABEL had been mostly used by third parties to refer to the Veuve Clicquot champagne, the trademark owner was also able to show necessary degree of recognition within the relevant territory. On this point, see EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 5.

32. EUIPO, decision of 4 March 2013, B 1980435—KICKERS.

33. EUIPO, decision of 15 April 2014, 8221 C—PREDATOR, p. 5, 6.

34. EUIPO, decision of 12 November 2014, B 1898751—YELLOW LABEL; the BoA confirmed the decision, without, however, commenting on the well-known character of the mark, see EUIPO (BoA), decision of 28 January 2016, R 3270/2014-1—YELLOW LABEL.
use of its own. All in all, the evidence was considered sufficient to show the existence of a well-known mark YELLOW LABEL for champagne.

III. UNREGISTERED TRADEMARKS—ARTICLE 8(4) EUTMR

According to Article 8(4) EUTMR, national unregistered trademark rights and other protected signs used in the course of trade can be relied upon to oppose or invalidate the registration of an EUTM. Although the EU legislature had decided not to harmonize national laws with respect to unregistered rights, it was still necessary to include a provision dealing with the relationship between such national rights and EUTMs. According to Article 8(4) EUTMR, the relationship between unregistered national rights and EUTMs is not hierarchical but purely based on priority. What matters is the time at which the sign acquired legal protection.

Article 8(4) EUTMR sets out four conditions for an opposition or invalidity action based upon an unregistered mark to be successful. The earlier sign must have been used in the course of trade, be of more than mere local significance, have acquired legal protection in a Member State, and allow its proprietor to prohibit the use of the later trademark. While the first two conditions must be interpreted based on EU law alone, without recourse to national laws, the latter two conditions are governed solely by national law. As such, the provision is a “hybrid” between national and EU law.

The third criterion, namely whether the sign has acquired legal protection in a Member State, tends to be the core of the matter and the focus of the opponent’s pleadings. It can be said to contain two parts, one abstract and the other concrete. Whether the law of the Member State in question provides for the alleged right and under which criteria the right arises are abstract questions in the sense that they need to be answered independently of the specific right invoked. The concrete question is whether the criteria are met in

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35. See also recital 5 of Directive 2008/95, whereby the Directive should not deprive the Member States of the right to continue to protect trademarks acquired through use but should take them into account only with regard to the relationship between them and trademarks acquired by registration.

36. Eisenführ/Sander, in: Eisenführ/Schennen (eds.), GMV, 4th ed. 2014, Article 8 para. 19. Going forward, we will only speak of oppositions; however, all remarks apply also to invalidity actions against registered EUTMs.

37. The four requirements must be present at the filing or priority date of the contested EUTM. This results from the priority principle, see also Heitmann, in: BeckOK MarkenR, 6th ed. 01.05.2016, Article 8 EUTMR para. 76.

38. General Court, judgment of 24 March 2009, T-318/06 to T-321/06, paras. 33 et seq.—GENERAL OPTICA.

the case at hand. Both parts require appropriate attention in the pleadings.

There are numerous types of rights that can be invoked under Article 8(4) EUTMR. These are, first and foremost, unregistered national trademark rights as referred to in recital 5 of the Directive. Other “signs used in the course of trade” include trade names, company names, titles of works and domain names. In the past, geographical indications could also constitute a “sign,” but they have now been moved to Article 8(4a) EUTMR. Article 8(4) EUTMR does not enumerate the types of earlier rights, referring only to “signs used in trade.” That said, it does not include other industrial property rights such as copyright, design, or name rights.

Most of the case law of the EUIPO and the EU courts in Luxembourg relating to rights invoked under Article 8(4) EUTMR concerns unregistered trademarks. We will now turn to a consideration of these decisions, starting with the central question of how such rights come into existence and how to substantiate their existence in proceedings before the EUIPO. We will then discuss the EU law requirements of “use in the course of trade” and “more than mere local significance,” and after that move on to the national law with respect to the opponent’s right to prohibit the later mark.

This order is different from that followed in decisions given by the EUIPO, which generally starts with an analysis of “use in the course of trade.” However, it seems more useful to first consider whether the alleged right exists at all under national law and whether the specific sign complies with the national requirements before addressing whether use of the sign was sufficient as a ground for opposition under Article 8(4) EUTMR.

A. Protection of Unregistered Trademarks under the Laws of the Member States

The first question is whether the national law being relied upon even recognizes the alleged right, and, if so, under what conditions. As mentioned in the introduction above, the laws of the Member States differ widely on this point. Some Member States do not recognize unregistered trademarks at all (beyond Article 6bis Paris Convention); others have varying thresholds of recognition or

40. See the comprehensive overview regarding national distinctive signs within the meaning of Article 8(4) EUTMR in EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, pages 40 et seq.
41. EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, page 6.
42. General Court, judgment of 30 June 2009, T-435/05, para. 41—Dr. No; see also General Court, judgment of 22 June 2010, T-255/08, para. 65—JOSE PADILLA.
43. EUIPO, decision of 7 September 2010, B 1530875—LIPSY.
44. Such rights can, however, be invoked in invalidity proceedings against registered EUTMs, under Article 53(2) EUTMR.
reputation, and in one country, namely Denmark, trademark rights arise from mere use.

1. No Recognition of Unregistered Trademarks

The national laws of some Member States, namely the Benelux countries, Croatia, Estonia, France, Hungary, Lithuania, Poland, Romania, Slovenia, and Spain, only protect unregistered trademarks under the conditions of Article 6bis Paris Convention.45 This means that oppositions based on earlier signs used in these countries will fail if based on unregistered trademark rights; conversely, they will succeed, if at all, based on trade names or company names. The threshold for proving recognition in such situations is usually high. For example, in Spain and France, a trade name must be known throughout the territory of the State to be given legal protection.46 As a result, companies in these countries have traditionally been quite active in registering their distinctive signs as trademarks to obtain protection and legal certainty.

2. Protection Based on Qualified Use or Recognition

In all other Member States of the EU, there is one form or another for protection of unregistered trademarks, including on the basis of passing off. The conditions for this protection, however, differ from one national law to the other. The law of passing off applies in the United Kingdom, Ireland, and Cyprus. While passing off is more like a tort than an industrial property-type right,47 passing off provides protection for all unregistered distinctive signs, in particular product and company signs. It is therefore appropriate to include passing off among the laws protecting unregistered trademarks. In practice, passing off plays an important role in the context of Article 8(4) EUTMR.48

45. EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, page 7. Here also, Cyprus is mentioned, although Cyprus has a law of passing-off and therefore belongs to the second group of Member States. Also, with respect to Hungary, the information gives rise to questions, such as: under what conditions are exclusive rights based on unfair competition laws?

46. See, e.g., EUIPO Board of Appeal, decision of 8 March 2017, R0581/2016-5, Cellap et al. v. Cellapy, relating to French law (not final at the time this contribution was finalized).

47. EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, page 69.

To prevail based on a claim of passing off, the opponent has to prove goodwill, misrepresentation, and damage.\textsuperscript{49} Misrepresentation and damage concern the scope of protection of the earlier right, while goodwill is what determines the coming into existence of the earlier right. Proving goodwill is often equated with proving reputation. This is correct to the extent that reputation will normally comprise goodwill, as long as it has been obtained through use in the country in question.\textsuperscript{50} While in principle there is no quantitative threshold for goodwill, contrary to reputation, the evidentiary requirements applied by the EUIPO and General Court are similar to those for reputation.\textsuperscript{51}

Most national laws of the Member States require some sort of recognition of the sign by the relevant public for the sign to qualify as an unregistered trademark. The quantitative requirements under German law are at the upper end of the spectrum. By way of guidance, proof of recognition by 30\% to 50\% (or more) of the relevant public, depending on the inherent distinctiveness of the sign, will be required for a sign to be protected as an unregistered trademark. German doctrine emphasizes the interdependence between distinctiveness and unregistered trademark protection\textsuperscript{52} to the extent that this protection relies on acquired distinctiveness in the minds of the relevant consumers—that is, a showing of secondary meaning.

The EUIPO sets a high standard for proving recognition. It generally accords low or no evidentiary value to affidavits and other evidence generated by the trademark owner itself. Market surveys are the best means for proving recognition. This position shows a certain influence over time of the practice of the German Patent and Trademark Office (“German PTO”) and courts on that of the EUIPO with respect to the evidentiary value of market surveys, although the EUIPO, contrary to the German PTO, does not get involved nor provide guidance regarding the wording of the survey questions. That said, where the requirements of the German PTO would be met for proving recognition, this will also be the case for the EUIPO.\textsuperscript{53}

\textsuperscript{49} CJEU, \textit{id. (GOLDEN ELEPHANT)}, para. 12; EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, page 71.

\textsuperscript{50} Supreme Court of the United Kingdom, judgment of 13 May 2015, [2015] UKSC 31, paras. 47 et seq.—Starbucks (HK) v. British Sky. The difference between goodwill and reputation was at the heart of this case. Mere reputation was held not sufficient to amount to goodwill. To have significant goodwill, a claimant must show business in the form of customers in the United Kingdom.

\textsuperscript{51} General Court, judgment of 18 November 2015, T-508/13, paras. 56 et seq.—HALAL MALAYSIA.

\textsuperscript{52} On the recognition requirement under German law (Verkehrsgeltung), see Ingerl/Rohnke, MarkenG, 3d ed. 2010, § 4 para. 11.

\textsuperscript{53} EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 5, Chapter 3.1.4, and especially with respect to market survey 3.1.4.4, pages 34 et seq.
In Malta, the threshold for obtaining trademark protection through use is at the lower end of the spectrum when comparing the laws of the Member States. Article 11 para. 3 lit b Maltese Trademark Act requires “continuous” use of the unregistered trademark. It does not provide further qualifications for this use nor require any specific recognition of the mark. Therefore, Malta is sometimes mentioned as a country with a use-, not a register-based, system. The EUIPO does not appear to have dealt with any Maltese unregistered trademarks to this date, nor have the authors been able to find any further guidance as to the proper interpretation of “continuous” use under Maltese law.

3. Protection Based on Mere Use

Denmark is the only EU Member State that provides for trademark protection based on mere use in commerce, without any qualifying criteria. Article 3 para. 1 Danish Trademarks Act grants trademark protection through registration (lit. i) or the “commencement of use” of the sign in Denmark (lit. ii). To date, this feature of Danish law has not received much attention in the legal literature.

The requirements set by the Danish Supreme Court (Højesteret) for trademark protection based on use are low. This can be illustrated by the following example: In February 1996, an association of undertakers decided to offer a new service under the name ELYSIUM. On March 12, 1996, the association sent a letter to its members informing them about this decision, and on March 18, 1996, it issued a press release referring to the new service, which was printed in several newspapers. Only two days after the press release, another undertaker applied for registration of ELYSIUM as a trademark. The Højesteret decided that the sign had already obtained trademark protection on March 18, 1996, the date of the press release, on the basis of which the trademark application was refused. As a consequence, winning an opposition before the EUIPO based on a Danish unregistered trademark is relatively easy. The opponent must merely comply with its low onus of proof with respect to the applicable legal provisions in Denmark by showing some use in Denmark before the filing date of the opposed EUTM.


55. The authors are grateful to Lasse Arffmann Sondergaard Christensen and Louise Thorning Ahle of Copenhagen for their input regarding Danish law.


57. See, e.g., EUIPO (BoA), decision of 19 December 2013, R 1294/2011-1, para. 56—CULTURE; EUIPO, decision of 18 December 2009, B 1051822—TDK; EUIPO, decision of 20 April 2011, B 1561706—AYMARA; EUIPO, decision of 8 June 2012, 4708 C—LOGICA. Regarding a case where the opposition was rejected when the opponent failed to substantiate
The qualitative difference between this provision under Danish law and the situation in Germany, which requires recognition by a significant part of the relevant public (see above at III.A.2), is immediately apparent.

4. Is Protection of Mere Use as a Trademark in Line with the Directive?

The question arises whether protection of mere use as a trademark is in line with the Directive. While the Directive allows for the protection of use-based trademarks but does not set any requirements for such protection, it nevertheless does provide a certain framework that is based on the first-to-file principle. EU trademark law does not even recognize a right to continue the use of a sign that clashes with a registered trademark, even if such use had commenced long before the application or priority date for this trademark.

This is different, for example, from Swiss trademark law, as per Article 14(1) Swiss Trademark Act, where the right to continued use is a feature of trademark law. Under EU trademark law, the only defenses in a situation where the used sign is registered by someone else and that registration is then held against the prior user are either bad faith or that the use of the sign had given rise to trademark rights pre-dating the registered trademark.

The CJEU as well has at least implicitly refused to recognize a right to continue the (prior) use of a sign. In Lindt & Sprüngli, it clarified that a trademark owner, who applied for the trademark knowing that a third party was already using the sign, did not necessarily act in bad faith. Had it taken the opposite position, this would have effectively made the EU trademark system a use-based system.

With that in mind, one might wonder whether it is compatible with the EU register-based trademark system to grant exclusive rights based on mere use, without any quantitative or qualitative threshold. After all, these rights not only ensure that the owner has a right to continue its own use in the light of a third party’s later registration of the same mark, but even entitle it to block or invalidate the later trademark registration. From a practical perspective, moreover, the absence of any qualitative requirements gives rise to concerns over the searchability of such rights.

All this said, as long as the question of compatibility of the Danish law with the EU trademark system is not discussed more widely, and Danish law remains unchanged, opponents before the EUIPO, or parties who are faced with the problem of the absence of...
a right to continue use that commenced in good faith before another party registered the trademark, should be aware of their options under this law.

5. Acquisition of the Unregistered Trademark—Onus of Proof

To rely on Article 8(4) EUTMR, the opponent must prove that he or she had acquired exclusive rights based on use prior to the application or priority date of the opposed mark. To this end, he or she must first prove both the acquisition and continued existence of the earlier right.59 It is for the opponent to substantiate and prove that he or she is entitled to claim the exclusive rights conferred to him or her by the national unregistered trademark.

In this context, the opponent not only must prove that the conditions under the national law have been met in the specific circumstances, but, as a first step, must prove what these conditions are. This means that the opponent must prove the content and meaning of the national law relied upon60 that establishes the existence of unregistered trademarks as well as the particular conditions under which they are acquired.61

The relevant provisions must be submitted in the original language of the relevant law as well as in the language of the proceedings. A translation alone cannot substitute for the original text,62 nor is it sufficient to refer to the Guidelines of the EUIPO, which provide a (non-exhaustive) list of the national rights that can give rise to grounds for opposition under Article 8(4) EUTMR.63 In addition to submitting the relevant provisions of the national law, usually the opponent must provide doctrine and case law that show how these provisions are interpreted in the relevant national legal practice. The substantiation of the legal requirements must be unassailable; this will often require input from a lawyer qualified in the country where the earlier unregistered trademark exists.64

Although the burden is on the opponent to prove the requirements under national law, the EUIPO itself also has a certain duty to assess the situation under national law, relying on

59. On onus of proof, see Heitmann, in: BeckOK MarkenR, 6th ed. 01.05.2016, Article 8 EUTMR para. 86.
60. CJEU, judgment of 5 July 2011, C-263/09 P, paras. 49 et seq.—ELIO FIORUCCI; General Court, judgment of 7 May 2013, T-579/10, para. 59—MACRO.
61. The national law is treated as a matter of fact, see EUIPO (BoA), decision of 08.05.2015, R 676/2014-2, para. 15—TORNADO.
63. EUIPO (BoA), decision of 22 January 2013, R 1182/2011-4, para. 50—CROWN Lounge.
64. Heitmann, in: BeckOK MarkenR, 6th ed. 01.05.2016, Article 8 of the EUTMR para. 86.
the means available to it. In the authors' opinion, assuming that the EUIPO must know and even investigate the situation under the national law puts an excessive burden not only on the EUIPO itself, but, more importantly, on the other party to the proceedings. If an opponent can discharge its burden of proof by simply alleging unregistered rights in all Member States, and if it were assumed that the EUIPO has to "know the law," the applicant would effectively have to consult with 28 legal experts from all the various countries to assess whether, and under which conditions, unregistered rights such as the one alleged by the opponent come into existence. The cost of this would be prohibitive. This makes it clear that, also from a practical perspective, the main initial burden must lie with the opponent.

As noted above, the opponent must also prove that the legal conditions under the relevant national law have been met. It is therefore not sufficient to show what can be protected under national law, but in addition that the alleged specific right exists in the case at issue. In this context, national decisions that have become final and that confirm the existence of the alleged right are binding upon the EUIPO. Where there are no such decisions in the national jurisdiction, the EUIPO must reach its own conclusions. Where the earlier right is still under consideration before the national courts, the EUIPO should suspend the opposition proceedings. In the opinion of the authors, the EUIPO should even consider rejecting the opposition when it is not convinced that the conditions for the alleged earlier right have been met, rather than suspending the proceedings. If the opponent later prevails before the national courts, he or she can then initiate an invalidity.

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65. CJEU, judgment of 27 March 2014, C-530/12, para. 45—MANO PORTAFORTUNA.

66. In fact, on 5 April, 2017, the CJEU, in rejecting an appeal filed by the EUIPO, stated that the General Court had the competence to make searches ex officio in the national case law "beyond the documents submitted" to make up for the "possible lacunae in the documents submitted as evidence of the applicable national law" (Case C-598/14 P, EUIPO v. Gilbert Szajner, at para. 38).


68. EUIPO (BoA), decision of 22 January 2013, R 1182/2011-4, para. 50—CROWN Lounge, holding that the opponent need not only show what can be protected, but also how the specific right at issue is protected.

69. CJEU, judgment of 29 March 2011, C-96/09 P, paras. 94 et seq.—BUD, concerning protection of geographical indications based on the Lisbon Agreement and a bilateral agreement, respectively. In the case leading to this judgment, national judgments holding that the alleged earlier rights did not exist or could not be enforced had not become final. When it comes to unregistered trademarks, in the absence of a final national judgment, the EUIPO is free to decide whether they exist.

70. See Heitmann, in: BeckOK MarkenR, 6th ed. 01.05.2016, Article 8 EUTMR para. 88. At least, the opposition should not be granted based on the right at issue.
proceeding. As such, on balance, the refusal of the opposition cannot cause irreparable harm. On the other hand, if the application is refused, the applicant loses its priority or filing date, and this may have severe consequences for his business. Any doubts should therefore be construed to the detriment of the opponent, who bears the burden of proof.

Where there are no national decisions or disputes regarding the specific unregistered trademark, the opponent should refer to national case law and doctrine more generally to support his case. Where there are no national decisions or disputes regarding the specific unregistered trademark, the opponent should refer to national case law and doctrine more generally to support his case.71 Also, these materials must be submitted both in the original language and in the language of proceedings, if it is different. Of course, there must also be factual evidence showing that the national requirements have been met.

To summarize: the opponent must submit the provisions of the national law that support the acquisition of the unregistered trademark right, must distill from this the relevant requirements, preferably supported by case law and legal doctrine, and prove by factual submission that these requirements have been met.

B. Use in the Course of Trade

Once the acquisition of the alleged earlier right has been established, the opponent must further prove that the EU law requirements of Article 8(4) EUTMR are also met, namely, that the sign has been “used in the course of trade” and that it is of “more than mere local significance.”

The threshold for use in the course of trade is not high. The CJEU has held that it is not “genuine use” as required to maintain a trademark registration.73 Commercial activity that is not merely internal is meant to be sufficient.74 Such commercial activity does not even require that remuneration be received. Even a delivery free of charge can suffice if made within the context of a commercial activity that is ultimately directed at obtaining a commercial advantage.75

With these statements, the CJEU rejected the position whereby use that leads to the creation of trademark rights had to be more than merely maintaining use, let alone infringing use. In any event,

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71. See, e.g., EUIPO (BoA), decision of 8 May 2015, R 676/2014-2, para. 31—TORNADO (holding that it is useful to provide national decisions).
72. EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, page 29.
73. General Court, judgment of 16 December 2008, T-225/06, T-255/06, T-257/06 and T-309/06—BUD on Article 43 of the CTMR 40/94; confirmed on this point by CJEU, C-96/09 P.
74. CJEU, judgment of 12 November 2002, C-206/01, para. 40—the requirement under Article 8(4) need not be interpreted the same way as in Article 5(1) Directive 89/104, but the general understanding is that use in the course of trade is essentially commercial use; see also CJEU, judgment of 29 March 2011, C-96/09 P, para. 144—BUD; Jaeger-Lenz, in: Hasselblatt (ed.), Community Trade Mark Regulation, 2015, Article 8 para. 280.
75. CJEU, C-96/09 P, para. 152—BUD with respect to the delivery of free samples.
the sign must have been used as a trademark—that is, “as a distinctive element in that it must serve to identify an economic activity engaged in by its proprietor.”

Moreover, in line with the territoriality principle, the use must have occurred in the territory where the earlier right exists. This had been misinterpreted by the (then) Court of First Instance, now General Court, in BUD, which had referred to the overall use of the alleged appellation of origin rather than use in the specific country, the laws of which had been invoked.

Use also has an element of time. In accordance with the priority principle, all legal requirements under Article 8(4) EUTMR must have been met before the filing or priority date of the opposed EUTM. This includes the requirement of use in the course of trade. Use that occurs after the filing or priority date cannot be taken into account for the purposes of Article 8(4) EUTMR. On the other hand, Article 8(4) EUTMR does not require that the use of the sign continue as at the filing or priority date. If the national law protects an earlier trademark based on use, for example because it continues to enjoy the necessary recognition, Article 8(4) EUTMR provides no basis for any additional use requirement based on time.

Of course, the earlier right must exist at the relevant time (i.e., the filing or priority date of the opposed EUTM). This, however, does not mean that the use must necessarily be continued at that time, as national law can recognize the existence of unregistered trademark rights without current use. That said, the onus to prove the continued existence of the earlier right rests with the opponent; if use has ceased, the opponent must explain that and why the right nevertheless continues to enjoy protection under the applicable national law.

The EU law requirement of use in the course of trade will normally be easy to meet in the case of an unregistered trademark, because national laws generally require that such marks have been used in the course of trade. The element of time per se might be relevant where an unregistered trademark right is invoked to

76. CJEU, C-96/09 P, para. 149—BUD. Here, the Court did not differentiate specifically between use of a sign as a geographical indication and as a trademark. The opponent had used the alleged indication of Czech origin “BUD” together with the English words “SUPER STRONG.”

77. CJEU, C-96/09 P, paras. 161 et seq.—BUD; see also Keeling/Weidenfeller, in: BeckOK UMV, 2d ed. 24.03.2016, Article 8 paras. 331 et seq.

78. General Court, judgment of 16 December 2008, T-225/06 et al., para. 167—BUD.

79. CJEU, C-96/09 P, paras. 164-169—BUD. See also EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, at 3.3.2.1.

80. Not addressed in General Court, judgment of 23 October 2013, T-581/11, para. 28—BABY BAMBOLINA. Here, the Cancellation Division had even assumed that use had to continue beyond the application date until the date of the request for declaration of invalidity. The General Court could confirm the rejection of the opposition based on lack of more than mere local significance.
provide continued protection to vintage marks, where the corresponding trademark registration may be vulnerable to revocation due to non-use during the past five years.\textsuperscript{81}

\textbf{C. More Than Mere Local Significance}

An earlier unregistered trademark right, or other sign used in the course of trade, must be of more than mere local significance to be legally effective against an EUTM application. This requirement “aims at restricting the number of potential opposing non-registered rights, thus avoiding the risk of a collapse or paralysis of the EUTM system by being flooded with opposing, relatively insignificant rights.”\textsuperscript{82} This requirement is particularly important where the conditions under national law for obtaining unregistered rights are relatively low, such as in Malta or Denmark. As such, it can serve as a potential safety net for the applicant where he or she faces an opposition based on an unregistered trademark protected in those jurisdictions.

The owner of an earlier unregistered right that has merely local significance still enjoys protection against the later EUTM. While he cannot block the registration of the EUTM, he or she can prevent its use within the scope of his earlier right—that is, where this is protected under national law (Article 111(1) EUTMR). This is an exception to the general rule under Article 1(2) 1st sentence EUTMR whereby the use of the EUTM “[shall not] be prohibited, save in respect of the whole Union.” Article 1(2) 2nd sentence of the EUTMR allows such exceptions, expressly allowing the owner of an earlier right of only local significance to enforce his national right to maintain his exclusivity in the territory where his right is protected.\textsuperscript{83}

The criterion of more than mere local significance must be interpreted without recourse to national law. This was always the practice of the EUIPO and it has been finally clarified by the CJEU in \textit{Bud}.

\textsuperscript{81} See Federal Court of Justice (Bundesgerichtshof/BGH), judgment of 10 April 2003, I ZR 276/00, GRUR 2003, 973, 974—\textit{TUPPERWAREPARTY}.

\textsuperscript{82} EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4.2, page 4.

\textsuperscript{83} Where the applicable national law protects unregistered trademarks in the entire territory of the state, this can lead to the use of the EUTM being enjoined for the entire Member State, even if—in the assessment under Article 8(4) EUTMR—the unregistered right was deemed to be of significance only in a small part of that Member State. This results from the fact that the applicable law is at once both the national and EU trademark law.

\textsuperscript{84} CJEU, C-96/09 P, para. 156 et seq.—\textit{BUD}. 
is alleged to confer exclusive rights to the sign, is irrelevant. What matters is whether the use of the sign in that specific Member State gave the sign significance that is more than merely local. Legal assessments play no role in this context.

In fact, the CJEU has interpreted “more than mere local significance” in a way that goes beyond the mere territorial aspect, requiring that the earlier right be “sufficiently definite—that is to say, important and significant in the course of trade.” Here, the Court again used the language “substantial part of the territory,” and it went on to state that “account must be taken of the duration and intensity of the use of that sign as a distinctive element vis-à-vis […] purchasers and consumers as well as suppliers and competitors.” In line with this, the Board of Appeal, in Cellapy, did not recognize the use of a signpost in France to meet the threshold, even though this had been used throughout the country, given the insufficient economic impact of the right.

In summary, the requirement of “more than mere local significance” has both a commercial and a geographical dimension. It must be independent of the law of the country of protection and be considered solely with respect to the degree of significance acquired by the sign on account of its use.

D. Right to Prohibit the Use of the Later Mark

Finally, the opponent must prove that he or she would be entitled to prohibit the use of the opposed mark. This is not merely in the abstract: it must be shown that the earlier right invoked under the national law in question entitles its owner to prohibit the use of a later trademark. But this is not enough: in an opposition against an EUTM application, the opponent must show that it could prohibit the use of the specific mark in question.

Article 8(4) EUTMR speaks of the possibility to prohibit the use, not the registration, of the trademark. The opponent should

85. This had been the erroneous understanding of the General Court (then: Court of First Instance).
86. CJEU, C-96/09 P, para. 156, 157—BUD. General Court, T-225/06 et al., para. 180 et seq.—BUD.
87. CEJU, id., para. 159.
88. Id., para. 160; EUIPO (BoA), decision of 19 December 2013, R 1294/2011-1, para. 37—CULTURE.
89. EUIPO (BoA), 8 March 2017, RO587/2016-5, Cellap et al. v. Cellapy—CELLAPY.
90. Id., para. 130.
91. EUIPO (BoA), decision of 19 December 2013, R 1294/2011-1, paras. 39 et seq.—CULTURE. Use over 10 years of a sign in a Portuguese town of 120,000 inhabitants and unsubstantiated references to advertisements outside this town are not sufficient, see General Court, judgment of 24 March 2009, T 318/06 to T-321/06, para. 44—GENERAL OPTICA.
92. Only the possibility of prohibiting the use must be shown; actual successful enforcement is not necessary, see CJEU, C-96/09 P, para. 191—BUD.
therefore show that he or she would be entitled to bring an infringement action on the basis of the earlier right, not that he or she could oppose registration of a national trademark application for the mark.\textsuperscript{93} To this end, the opponent must submit the relevant national legal provisions and, where appropriate, national case law and doctrine.\textsuperscript{94}

Proving the entitlement to prohibit the use of the later mark is generally straightforward in the event of an unregistered trademark. Normally, the scope of protection of unregistered trademarks under national law will be the same as that of registered trademarks. Therefore, unregistered marks will normally be protected against double identity and likelihood of confusion, and they will often also enjoy the reputation required for protection against dilution, misrepresentation, and tarnishment. In this respect, the EUIPO can apply the same rules that apply in the case of oppositions based on registered trademarks. Only in the context of passing off will it be necessary to further substantiate the requirements of misrepresentation and damage.\textsuperscript{95}

IV. DIFFERENTIATION BETWEEN UNREGISTERED TRADEMARKS PROTECTED UNDER ARTICLE 6\textit{BIS} PARIS CONVENTION AND (OTHER) NATIONAL PROVISIONS

Well-known trademarks within the meaning of Article 6\textit{bis} Paris Convention and 8(2)(g) EUTMR, on the one hand, and unregistered trademarks as referred to in Article 8(4) EUTMR, on the other, are both relative grounds for refusal of later EUTM applications. Their requirements and scope of protection will often overlap. While the scope of protection of well-known trademarks in EUTM oppositions is determined by Article 8(1) EUTMR, and that of unregistered trademarks by national provisions, the corresponding concepts and, accordingly, the result, will usually be the same.

The main differences between them lie in the conditions for obtaining the earlier right. Normally, where the national law provides for the protection of unregistered trademarks, the

\textsuperscript{93} General Court, judgment of 12 June 2007, T-60/04 to T-64/04, para. 78—\textit{BUD}; now, however, different EUIPO, Guidelines, Status: 01.08.2016, Part C, Opposition, Section 4, pages 23 et seq.: the right to prohibit the registration of a later mark implies \textit{a fortiori} the right to prohibit its use in the marketplace. Registration can be seen as a first expression of an intent to use the sign. Confirmed for Article 711-4 of the French IP Code by General Court, judgment of 21 October 2014, T-453/11 (LAGUIOLE), para. 37. This is in contrast to the clear wording of Article 8(4)(b) EUTMR. Open on this point: Hughes, in Gielen/von Bomhard (eds.), Concise EU Trade Mark and Design Law, 2d ed. 2017, Article 8 note 8(d).

\textsuperscript{94} Heitmann, in: BeckOK MarkenR, 6. Ed. 01.05.2016, Article 8 UMV paras. 89 et seq.

\textsuperscript{95} \textit{See above}, at Part III.A.2.
requirements will be easier to meet, and a possible threshold of recognition or use will be lower than for a well-known trademark.\textsuperscript{96}

This is certainly true for Germany. Even though, as mentioned in Part III.A.2. above, under German law, signs must meet a relatively high threshold to acquire trademark protection based on use, this threshold is still lower than for well-known trademarks. In this situation, status as a well-known trademark becomes important only where the sign at issue has not been used in Germany.

Protection as a well-known trademark requires significant recognition within the territory, but this need not be based on use within the territory.\textsuperscript{97} That is different for German unregistered trademarks, which must have been used within the territory (albeit not necessarily within the last five years).\textsuperscript{98} However, cases where a trademark that is well-known in Germany, but has not been used at all within that country, will be rare; if anything, one can imagine an international brand that, for historical or legal reasons, has not been used as such within the country.

The situation is different in Member States that do not recognize unregistered trademarks. For protection based on use, as mentioned above (see Part III.A.1), opponents must rely on well-known trademarks protected under the Paris Convention, or on other types of rights, such as trade names.

V. UNREGISTERED TRADEMARKS SHOULD BECOME RECOGNIZED UNDER EU LAW—MAYBE IN ANOTHER TWENTY-FIVE YEARS

The second step in the harmonization of EU trademark law under the new Directive 2015/2436 has taken twenty-six years. This Directive has, however, once again stopped short of harmonizing unregistered trademark rights, which continue to remain in the domain of the Member States. The EUTMR recognizes these rights as grounds for both opposition and invalidity, but it does not grant any EU-wide rights based on mere use. Nevertheless, use-based trademark rights are of major importance in EU trademark law, not least because of the absence of a right to continue use commenced in good faith before a third party obtained a trademark registration.

Greater harmonization in this respect would be desirable from the perspective of global trademark owners. The diversity of the legal conditions makes availability searches far from exhaustive. Moreover, the absence of a right to continue good-faith use in

\textsuperscript{96} See Part II.C above.

\textsuperscript{97} General Court, judgment of 3 March 2016, T-778/14, para. 60—COYOTE UGLY.

commerce often triggers trademark registrations that are not commercially necessary, because the planned use is for a limited amount of time.

Nevertheless, trademark owners will presumably have to live with this situation for at least another quarter of a century. That being the case, the authors hope to have helped in providing an overview of the various rights in the Member States with respect to unregistered trademarks.