

Genuine use and its requirements: study of recent EU case law

Under the current EU laws, genuine use is one of the prerequisites for trademark holders to maintain the validity of trademarks and their ability to enforce their trademark rights against third parties. Lack of genuine use could thus lead to trademark revocation or refusal to register a trademark. Given the high stakes for trademark holders, recent EU case law can serve as valuable guidance on the issue of what constitutes genuine use of trademarks and the requirements pertaining thereto.

The notion of “genuine use” and its criteria

After the grace period of five years following the registration of the trademark, the trademark holder may be required to demonstrate the use of the trademark for the goods and services covered by the registration.¹

Upon request from the trademark applicant in opposition proceedings or the intervener in invalidation proceedings, the owner of the (earlier) trademark is obliged to prove genuine use or the existence of proper reasons for non-use, failing which the opposition or the application for a declaration of invalidity is to be rejected.²

Consequently, genuine use constitutes public use of the trademark in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered in order to create or preserve an outlet for those goods or services. The assessment of whether the use of the trademark is genuine cannot be limited merely to establishing that the trademark has been used in the course of trade; instead such use should be associated with goods and services which are placed on the market or “are about to be marketed with all preparations necessary to secure customers are under way”.³

As regards the criteria for assessing whether the use of the trademark is genuine, all the facts and circumstances relevant to establishing whether the commercial use of the trademark is real should be determined, particularly the practices regarded as warranted in the relevant economic sector as means of maintaining or creating market shares for the goods or services protected by the trademark, the nature of those goods or services, the characteristics of the market as well as the extent and frequency of the use of the trademark. The specified factors are interdependent, which means that the low volume of goods under the trademark may be offset, for instance, by peculiarities of the relevant goods and services and/or frequency of trademark use and *vice versa*.

The extent of genuine use: Does quantity mean everything?

It is a general rule that the volume of sales of the goods and services marketed under the trademark cannot be assessed in absolute terms but, rather, must be analyzed together with other relevant factors, such as the volume of business, economic sector, marketing capacity and characteristics of goods and services on the relevant market. Therefore, genuine use of the trademark does not require it to be significant in quantitative terms: even minimal use can suffice provided that it is regarded as warranted in the relevant economic sector.

¹ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, Art.18(1).

² Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, Art. 47(2), art. 58(1)(a).

³ Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV* [2003], para 37.

In the recent *Polfarmex SA v EUIPO* case, the EU trademark SYRENA was registered for, *inter alia*, goods in Class 12 (*motor vehicles for locomotion by land and parts therefor*).⁴ In the cancellation proceedings, the General Court tried to draw a border line in the assessment of genuine use of the SYRENA trademark in relation to *racing cars* and *electric cars* comprising Class 12.

According to the General Court, such a category as racing cars had certain technical specifications, which made racing cars less suitable for normal, everyday road use and more expensive in comparison to most private use cars. Therefore, racing cars were often characterized by relatively low demand, production to an individual specific order, and sale of a limited number of vehicles. The General Court concluded that, given the specifics of the economic sector, the provision of accounting documents presenting sales figures and invoices was not mandatory for the purposes of establishing genuine use.⁵ The existence of various preparatory tasks and advertising efforts were recognized to be sufficient to prove genuine use of the trademark in relation to racing cars, even though no cars had been sold. In contrast, electric cars were not intended for a market as specific as racing cars and thus the criteria relating to the racing cars could not apply to electric cars. Therefore, the General Court found that the evidence adduced was not sufficient to confirm the use of the SYRENA trademark for electric cars.⁶

Consequently, it is impossible to determine in the abstract, without taking into consideration all the relevant facts of the case, what quantitative threshold should be established to determine whether the trademark has been put to genuine use. Notwithstanding that even minimal use of the trademark could be sufficient to establish genuine use, what exactly constitutes the “minimal use” depends on the specific circumstances of the case.

The nature of goods and services: Is it necessary to prove genuine use for every product or service covered by the trademark?

It is an established rule that when a trademark has been registered for goods and services for which it is not possible to make clear subdivision within the relevant class, the evidence of genuine use for those goods and services covers the whole class. The purpose and/or intended use of the goods or service are of fundamental importance to determine whether the goods or services form a coherent subcategory that can be viewed independently.⁷

In the aforementioned *Polfarmex SA v EUIPO* case, the applicant raised the question of whether the evidence confirming the use of the SYRENA trademark for racing cars was sufficient to prove genuine use in relation to a broad category of “cars”. The General Court held that the purpose and use of racing cars (the goods in relation to which genuine use was established) was different from the purpose and use applicable to vehicles intended to carry a driver and passengers. Those cars were not suitable to be driven on public roads - such use was even prohibited, given the specific characteristics of racing cars. Therefore, the purpose of the use was clearly different from that of other cars. The General Court concluded that the fact that genuine use of the trademark was established in relation to racing cars only which, due to their difference in purpose, formed an independent subcategory within Class 12, was not sufficient to show the use in respect of the whole category of “cars”.⁸

⁴ Case T-677/19, *Polfarmex v EUIPO* [2020], para 2.

⁵ Case T-677/19, *Polfarmex v EUIPO* [2020], para 70.

⁶ Case T-677/19, *Polfarmex v EUIPO* [2020], para 103.

⁷ Case C-714/18 P, *ACTC GmbH v EUIPO* [2020], para 31.

⁸ Case T-677/19, *Polfarmex v EUIPO* [2020], para 126.

The nature of use: use of the trademark in the altered form

According to EU trademark law, proof of genuine use of the trademark also includes proof of its use in a form differing in elements which do not alter the distinctive character of that trademark.⁹ This provision goes to the heart of maintaining a fair balance between the interests of trademark holders to adjust their brands to the changing marketing and promoting requirements and public interests in preserving competition on the market.

In *Euroapotheca UAB v EUIPO*, the General Court examined, *inter alia*, whether the use of the registered EU trademark GNC LIVE WELL in a stylized letter font, different colours and with highlighting the three grouped letters “gnc” compared to the words “live well” was sufficient to establish genuine use of the subject trademark. The General Court emphasized that graphic representations as well as components represented in upper- or lower-case letters used in respect of the registered trademark could not be taken into consideration to prove its use since they did not have an impact on trademark distinctiveness.¹⁰ The figurative elements were limited to the use of different fonts, colours, background which “had a merely decorative function, did not play a significant role in the overall impression of the sign and had no inherent semantic content of their own” which would alter the trademark’s distinctive character.¹¹

Accordingly, provided the changes in the trademark are insignificant for its overall impression, the altered form can be used as a proof of genuine use. It is a general rule that changes in the font format, colour variants and line arrangement, which are neither distinctive nor dominant, do not affect a trademark’s distinctiveness.

Use of the trademark in accordance with its essential function

The requirement of genuine use of the trademark in accordance with its essential function is not fulfilled where the trademark that is affixed to a product does not contribute to creating an outlet for that product or to distinguishing the product from the goods of other undertakings. In other words, the trademark should be perceived as indicative of the origin of the product or service for that use to be covered by the term “genuine use”.

For example, in the *W.F. Gözze Frottierweberei GmbH and Wolfgang Gözze v Verein Bremer Baumwollbörse* case, the Court of Justice of the European Union (“CJEU”) ruled that the figurative trademark representing a cotton flower and registered for textiles would be perceived by the public first and foremost as a label of quality and thus would not convey any message as to the origin of the goods.¹² The CJEU concluded that where the use of an individual trademark, “despite certifying the composition or quality of the goods or services”, did not guarantee to consumers that the goods or services came from a single undertaking under the control of which they were manufactured or supplied and which were responsible for the quality of those goods and services, such use was not made in accordance with the function of indicating origin.¹³

The CJEU came to a similar conclusion in the *Georgios Pandalis v EUIPO* case holding that the word mark Cystus registered for, *inter alia*, goods in Class 30 (*food supplements not for medical purposes*) was not used to indicate the commercial origin, but rather served as a description of the main active

⁹ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, Art.18(1)(a).

¹⁰ Case T-686/19, *Euroapotheca UAB v EUIPO* [2020], para 56.

¹¹ Case T-686/19, *Euroapotheca UAB v EUIPO* [2020], para 59.

¹² Case C-689/15, *W.F. Gözze Frottierweberei GmbH and Wolfgang Gözze v Verein Bremer Baumwollbörse* [2017], para 51.

¹³ Case C-689/15, *W.F. Gözze Frottierweberei GmbH and Wolfgang Gözze v Verein Bremer Baumwollbörse* [2017], para 45.

ingredient of the goods concerned – in particular, the plant variety *Cistus Incanus L.*¹⁴ The CJEU confirmed that the public would perceive the term “Cystus” on the product packaging as a description of the essential ingredient of those products and not as a badge of origin. The terms “Cystus® extract” and “Cystus®052” in the ingredient list would clearly indicate that the word “Cystus” referred solely to the active substance of the products in question.

Evidence sufficient to prove genuine use

Establishing genuine use leads to a determination as to whether the trademark can be deemed to be registered in respect of the goods or services in question. Therefore, genuine use cannot be demonstrated by means of probabilities or suppositions. It should be proved by solid and objective evidence supporting the effective and sufficient use of the trademark on the market. According to the settled case law, grouping items of evidence may allow the necessary facts to be established, even if each of those items, individually, would be insufficient to prove the accuracy of those facts.

According to the case law, print-outs from websites on which the goods have been offered for sale under the trademark, the brochures and advertising materials, pages from social media, financial documentation are equally relevant to establish genuine use of the trademark.¹⁵ It is also worth noting that although the presence of the trademark on the website can demonstrate the nature of its use and/or the fact that products or services bearing the trademark have been offered to the public, such evidence is not sufficient to prove genuine use unless the website shows the place, time and extent of use. However, the value of the internet extracts as potential evidence can be strengthened by “presenting that the specific website has been visited and, in particular, that orders for the relevant goods and services have been made through the website” by a certain number of customers in the relevant period and in the relevant territory.¹⁶

As regards affidavits which are commonly used to demonstrate genuine use of the trademark, such evidence cannot constitute sufficient proof of the use if the affidavit has been produced by the interested parties themselves or any person who has close links with them since the perceptions of a party involved in a dispute may be more or less affected by its personal interest in the matter.¹⁷

The proof of genuine use must be furnished by the holder of the trademark in accordance with the established procedural time limits. In this regard, the case law confers a certain amount of flexibility to the trademark holder to guarantee the balance between the observance of procedural time limits and principles of justice. Therefore, the documents from only just outside the five-year timeframe, if they are relevant for the assessment, can be taken into account and evaluated together with the rest of evidence, since they may offer proof of real and genuine commercial exploitation of the trademark.¹⁸ Such an approach enables the scope of the use of the registered trademark and actual intentions of the holder during the latter period to be borne out and assessed more accurately.

Key takeaways

The question of what constitutes genuine use of the trademark is frequently posed at both national and EU level. A significant number of uncertainties arise in relation to the scope and extent of such use, its nature, and the effective evidence to be demonstrated. The legislative provisions governing

¹⁴ Case C-194/17 P, *Georgios Pandalis v EUIPO* [2019], para 87.

¹⁵ Case T-686/19, *Euroapothea UAB v EUIPO* [2020], para 74.

¹⁶ EUIPO Cancellation No. 14 788 C [2019].

¹⁷ Case T-686/19, *Euroapothea UAB v EUIPO* [2020], para 47.

¹⁸ Case T-686/19, *Euroapothea UAB v EUIPO* [2020], para 46.

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genuine use require trademark holders to ensure whether their current trademark registrations meet the criteria of such use.

The importance of the relevant evidence of the trademark use cannot be overemphasized. Therefore, it is recommended that trademark holders exercise diligence when collecting materials and documents supporting genuine use.

The evidence should provide a sufficient indication as to the factors of time, place, extent and nature of use and point to the real commercial presence of the trademark on the market for the relevant goods and services. Such factors must be assessed with due regard to the economic sector in which the trademark holder operates, category of goods and services that the trademark is registered for, and distinctive elements of the trademark. By doing so, trademark holders would be able to withstand legal challenges of a request to demonstrate genuine use of the trademark.

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