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With trademark conflicts on the rise, General Court takes more lenient approach to use requirement

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- The EUIPO partially revoked the mark SUPERIOR MANUFACTURING on the ground that it had not been put to genuine use for some of the goods
- The General Court confirmed that, when assessing genuine use, account may be taken of circumstances subsequent or prior to the relevant period
- It could be concluded that the International Pipe Line & Offshore Contractors Association yearbook, in which the mark appeared clearly, was disseminated internationally

In <u>Worldwide Machinery Ltd v European Union Intellectual Property Office</u> (EUIPO) (Case T-316/21), the General Court has confirmed that trademark holders have a variety of flexible means at their disposal to show sufficient, genuine use, including circumstances subsequent or prior to the relevant timeframe.

Background

Worldwide Machinery Ltd filed an application for revocation of the mark SUPERIOR MANUFACTURING under Article 58(1)(a) of Regulation 2017/1001, claiming that the mark was not put to genuine use within a continuous period of five years in connection with all of the goods for which it had been registered.

The Cancellation Division of the EUIPO partially upheld the application for revocation and partially dismissed Worldwide Machinery's claim with regard to some of the goods.

Worldwide Machinery filed a notice of appeal against the decision insofar as the contested mark had not been revoked in respect to some of the goods. The Fifth Board of Appeal of the EUIPO dismissed the appeal.

Decision

One of the most relevant findings of the General Court in this matter related to what could constitute proof of genuine use. While it is undisputed that proving use under Article 58(1)(a) of Regulation 2017/1001 involves providing evidence of use within a strict timeframe, the General Court has broadened its interpretation in relevant case-law, finding that:

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it is not precluded that, in assessing the genuineness of use of a trademark during the relevant period, account may be taken, where appropriate, of any circumstances subsequent to that period which may make it possible to confirm or better assess the extent to which that mark was used during the relevant period. [...] The same applies to circumstances which are prior to the relevant period.

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In the present case, instead of rigidly taking into account the evidence before it, the General Court considered additional pieces of information, stating that:

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although it is true that the invoices submitted by the [trademark owner] are addressed to clients in the regions of Tuscany, Emilia-Romagna and Lombardy, the [trademark owner] also provided extracts from the IPLOCA yearbook [...]. Since IPLOCA is an association which operates internationally, it can be deduced from that that its yearbook, in which the contested mark appears clearly [...], was disseminated internationally, which therefore includes, inter alia, other member states.

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Additionally, the court highlighted that is it impossible to determine *a priori* a quantitative threshold, because it would not allow for an informed assessment of all the relevant circumstances.

On the other hand, the court confirmed the principles on the territorial extent of use. In particular, the Court of Justice of the European Union considers EU consumers as participants in a single marketplace, instead of separate EU member states. As a result, when the Court of Justice stated that:

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it cannot be ruled out that, 'in certain circumstances', the market for the goods or services for which an EU trademark has been registered is in fact restricted to the territory of a single member state and that, in such a case, use of the EU trademark in that territory might satisfy the conditions both for genuine use of an EU trademark and for genuine use of a national trademark, it was not, however, seeking to establish that acknowledging that the use of an EU trademark that had been used in a single member state was genuine constituted an exception to a general principle. Indeed, the Court of Justice referred rather to the conditions laid down by settled case-law for assessing whether the use of a mark is genuine, namely all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered.

Comment

According to the decision, it is of great relevance that "creating" or "maintaining" market shares refers to the European Union as a whole. In addition, probably due to the increase in trademark conflicts leading to cancellations for lack of genuine use, the court has provided a more moderate interpretation of the use requirement. Nonetheless, as trademark registers get increasingly crowded, along with an actual trademark 'shortage', it is hoped that the court will issue further decisions on lack of genuine use, thereby providing clear guidance to make outcomes as consistent and predictable as possible.

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