

BENELUX OFFICE FOR INTELLECTUAL PROPERTY

DECISION on OPPOSITION

dated 15 January 2010

N° 2004448

NON-OFFICIAL TRANSLATION

Opponent: **Leno Merken B.V.**
Leeuwendseweg 12
1382 LX Weesp
The Netherlands

Agent: **ONEL TRADEMARKS**
Leeuwendseweg 12
1382 LX Weesp
The Netherlands

Invoked trademark: ONEL (European registration 2622082)

against

Defendant: **Hagelkruis Beheer bv**
Leropperweg 9 A
6077 NW St. Odiliënberg
The Netherlands

Agent: -

Contested trademark: OMEL (Benelux application 1185770)

I. FACTS AND PROCEDURE

A. Facts

1. On 27 July 2009 defendant filed a Benelux application for the word mark OMEL for the following services:

Trademark	Services
OMEL	CI 35 Advertising and publicity; business administration, administrative services; commercial affairs management; marketing. CI 41 Education, courses and training sessions; organising seminars and trade shows. CI 45 Legal services.

The application was considered under number 1185770 and was published on 29 July 2009.

2. On 18 August 2009 the opponent filed an opposition against the registration of this application. The opposition is based on the older Community registration 2622082 of the word mark ONEL, filed on 19 March 2002 and registered on 2 October 2003, for the following services:

Trademark	Services
ONEL	CI 35 Advertising and publicity; business administration; administration services; business management; marketing; marketing studies; providing business information, via electronic channels or otherwise; retail services. CI 41 Providing of training and courses, in particular in relation to intellectual property; seminars and exhibitions relating in particular to intellectual property; publishing of journals and periodicals. CI 42 Trade mark, patent and industrial design protection, copyright, monitoring thereof; trade mark development and creation; legal research into trade marks, industrial designs, trade names, patents and copyright; legal and technical consultancy with regard to intellectual property rights; protection, research into and consultancy with regard to domain names; computer programming, IT and ICT services; software development; information on intellectual property rights.

3. According to the register the opponent is the actual holder of the invoked right.
4. The opposition is based on all services of the invoked right and is directed against all services of the disputed application.
5. The grounds for opposition are those laid down in article 2.14, paragraph 1, subsection a, of the Benelux Convention on Intellectual Property (hereinafter to be referred to as 'BCIP').
6. The language of the proceedings is Dutch.

B. Course of the procedure

7. The opposition is admissible. On 18 August 2009 the Benelux Office for Intellectual Property (hereinafter to be referred to as 'the Office') sent the notice of admissibility of the opposition to parties.
8. The contradictory phase of the procedure began on 19 October 2009. The Office sent the notice of commencement of the procedure to parties on 20 October 2009 and set the opponent a time limit up to and including 20 December 2009 to substantiate the opposition with arguments and any supporting documents.
9. Opponent filed arguments substantiating the opposition on 26 October 2009. The Office sent these to defendant on 30 October 2009 and set him a time limit up to and including 30 December 2009 in which to respond.
10. On 6 November 2009 the defendant stated that he did not wish to respond to the opponent's arguments at this stage of the procedure but requested proof of use of the invoked trademark . This request was passed on to opponent on 11 November 2009 and at the same time a time limit up to and including 11 January 2010 was set for providing the requested proof of use.
11. On 19 November 2009 opponent responded to the request for the proof of use. The Office sent the response on to defendant on 23 November 2009 and set defendant a time limit up to and including 23 January 2010 for filing his arguments.
12. On 2 December 2009 the Office received defendant's arguments. These were sent to opponent on 4 December 2009.

13. The comments received from both parties were submitted within the time limits set by the Office.

14. The Office is of the opinion that it has sufficient information in order to make a decision on the opposition.

II. ARGUMENTS OF THE PARTIES

15. Opponent filed an opposition at the Office under article 2.14, paragraph 1, subsection a of the BCIP, appealing to the provisions of article 2.3, subsection b of the BCIP: the likelihood of confusion based on the identity or similarity of the relevant marks and the identity or similarity of the goods or services of the trademarks concerned.

Opponent – arguments

16. Opponent explains that he, or a legal predecessor, has already been active as a trademark agency for forty years in the Netherlands. Under the ONEL brand, the services listed in the invoked right are offered, more in particular relating to the protection of intellectual property and specifically researching, registering and protecting trademarks and designs, managing intellectual property rights and providing courses in this area. Clients may file trademarks on the website www.onel.nl through the ‘ONEL Webshop’ and consult their trademark portfolios using ‘My ONEL’. Opponent, a Knijff Merkenadviseurs subsidiary as of 2005, states that it has a large number of clients varying in size, in this respect the Dutch small and medium-sized market is its specific target market. ONEL has its own client approach and rate structure inside the Knijff Groep and operates independently, according to opponent.

17. In regard to the comparison of the marks, opponent observes that both marks have no significance as to the services in question and that the marks therefore are (very) distinctive. The only difference is the letters M and N, which are similar both visually and auditive, which makes the marks practically identical as a whole. Since both marks do not have any significance, conceptually they are neither similar nor different, therefore this does not neutralise the clear visual and auditive similarity. According to opponent, the general impression is that the marks are virtually identical.

18. In regard to the comparison of the services, opponent states that these are identical.

19. Opponent concludes that there is likelihood of confusion. He requests the Office to refuse registration of the disputed application and to order the defendant to pay the costs.

Defendant – proof of use

20. As stated earlier (supra, point 10), to start with defendant requested opponent to provide proof of use of the invoked earlier mark. In this context, defendant stated that he was aware of the use of the ONEL mark in the Netherlands and was therefore only requesting proof of use in other countries. Defendant stated that he himself was not planning to use the OMEL mark in the Netherlands or in the Benelux but that he wanted to develop activities in Norway, Sweden and perhaps a few other Scandinavian countries. This Benelux application has exclusively been filed to serve as the basis for an international application (Madrid Protocol), according to defendant.

Opponent – proof of use

21. Opponent establishes that it was admitted that genuine use was made of the invoked mark in the Netherlands, but that defendant had requested proof of use outside the Netherlands. Opponent however states that use in one country is sufficient to meet the requirement of use as defined in article 15 of the Community Trade Mark Regulation, and that he will therefore not respond to the counterparty's request. Opponent observes in this context that the assumption that use of a Community trade mark in one single country is acceptable, is based on the Joint Statements established by the Council and Commission with the Community Trade Mark Regulation. In addition opponent states that this is the current policy of OHIM, whereby he refers to the opposition guidelines of that office, in which this principle is incorporated. According to opponent, providing proof of use in one country is precisely one of the system's strengths; by a single application, protection is obtained for a large area whereas the requirements for maintaining protection are low. Opponent further observes that defendant's intention not to use the disputed mark in the Benelux is not relevant. Moreover, opponent states that based on his Community trade mark, he would not allow defendant to register or use his mark in Sweden (nor in other European countries) and that he would take legal action against this. Since parties have agreed on the use of the invoked right in the Netherlands, opponent requests the Office to presume in the decision that use of the Community trade mark ONEL is legally valid.

Defendant – arguments

22. Defendant observes that it can not be denied that ONEL and OMEL are similar and that the services concerned, although their wordings do differ slightly, are identical. Defendant also acknowledges that if the marks were to be used side by side, this could create confusion.

23. However, defendant stresses that both marks will not be used side by side. He reiterates that he aims to offer his services in Norway, Sweden and perhaps in a number of other Scandinavian countries and that subject Benelux application has only been filed because this is necessary in order to serve as a basis for filing an international application for those two countries (in any case). Now that opponent has stated that he would also invoke his mark against him in Sweden, defendant states that he would have an even greater interest in a decision by the Benelux Office on the justness of the opposition.

24. Defendant states that he totally disagrees with the statement that use in one single country would be sufficient to maintain a Community Trade Mark. The relevant provision in the Community Trade Mark Regulation states use 'in the Community' and that is quite different to use 'in one of the community member states'. If that really had been the legislator's intent, the legislator would in fact have made that provision in as many words, according to defendant. Defendant is of the opinion that such an interpretation of the provision would also have highly undesirable consequences. A trademark holder would in that case block the entire European market with a mark that he only uses in a very small part thereof and could frustrate other parties, even in areas where he himself is not active at all. According to defendant this is extremely unjust.

25. Defendant therefore requests the Office to reject the opposition and to register the disputed application.

III. DECISION

A. Proof of use

26. In accordance with article 2.16, paragraph 3, subsection a of the BCIP and rule 1.29 of the implementation regulations (IR), if requested to do so by defendant, the opponent must provide proof of genuine use of the invoked mark within a time period of five years prior to the date of publication of the application, against which the opposition has been filed.

27. The disputed mark was published on 29 July 2009. The period that must be considered – the relevant period – therefore runs from 29 July 2004 to 29 July 2009. Since the invoked right was registered prior to this period, the request made to provide proof of use is founded.

28. The invoked right is a Community Trade Mark so that the obligation for use is governed by article 15 of the Council Regulation (EC) No. 207/2009 dated 26 February 2009 on the Community Trade Mark (hereinafter to be referred to as ‘Community Trade Mark Regulation’). The provision is as follows:

“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.”

29. When the regulation was established, notably its (identical) predecessor (Council Regulation (EC) no. 40/94 dated 20 December 1993 on the Community Trade Mark), the following was considered in the so-called Joint Statements¹:

“The Council and the Commission consider that use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community.”

30. It has been admitted between parties that opponent has made genuine use in the Netherlands of the invoked right for the services for which it is registered. The Office is deemed to accept this as a fact. Yet parties are not in agreement on whether this use is sufficient in order to maintain the invoked Community Trade Mark. Therefore, the matter that essentially divides parties is the interpretation of the words ‘in the Community’ in article 15 of the Community Trade Mark Regulation and more precisely the question on whether the explanation in the Joint Statements – that genuine use in one country constitutes genuine use in the Community – is legally valid.

31. In this respect, it is premised that an explanation of this nature is not legally binding (ECJ, Antonissen, C-292/89, 26 February 1991).

Also the Joint Statements in question were already overruled by the Court of Justice. In respect of article 1, paragraph 1 the following was indeed considered:

¹ Joint statements by the Council and the Commission of the European Communities entered into the minutes of the Council meeting at which the Regulation on the Community Trade Mark is adopted on 20 December 1993, OJ OHIM 1996, p. 615.

“The Council and the Commission consider that the activity of retail trading in goods is not as such a service for which a Community trade mark may be registered under this Regulation.”

In the *Praktiker Bau- und Heimwerkermärkte* case (ECJ, C-418/02, 7 July 2005) the Court of Justice completely renounced this statement.

32. In addition it is stated that the consideration in the Joint Statements is legally disputable. The consideration is at least at odds with the second, third and sixth recitals in the preamble to the Community Trade Mark Regulation:

“(2) It is desirable to promote throughout the Community a harmonious development of economic activities and a continuous and balanced expansion by completing an internal market which functions properly and offers conditions which are similar to those obtaining in a national market. In order to create a market of this kind and make it increasingly a single market, not only must barriers to free movement of goods and services be removed and arrangements be instituted which ensure that competition is not distorted, but, in addition, legal conditions must be created which enable undertakings to adapt their activities to the scale of the Community, whether in manufacturing and distributing goods or in providing services. For those purposes, trade marks enabling the products and services of undertakings to be distinguished by identical means throughout the entire Community, regardless of frontiers, should feature amongst the legal instruments which undertakings have at their disposal.”

“(3) For the purpose of pursuing the Community's said objectives it would appear necessary to provide for Community arrangements for trade marks whereby undertakings can by means of one procedural system obtain Community trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Community. The principle of the unitary character of the Community trade mark thus stated should apply unless otherwise provided for in this Regulation.”

“(6) The Community law relating to trade marks nevertheless does not replace the laws of the Member States on trade marks. It would not in fact appear to be justified to require undertakings to apply for registration of their trade marks as Community trade marks. National trade marks continue to be necessary for those undertakings which do not want protection of their trade marks at Community level.”
(underlining added)

33. In addition, the consideration conflicts with (the system of) the Community Trade Mark Regulation itself, more precisely with article 112 relating to converting a Community Trade Mark into national marks. Paragraph 2, subsection a of this article provides that conversion shall not take place:

“where the rights of the proprietor of the Community trade mark have been revoked on the grounds of non-use, unless in the Member State for which conversion is

requested the Community trade mark has been put to use which would be considered to be genuine use under the laws of that Member State”

This provision would be pointless if genuine use in one member state would by definition be sufficient in order to maintain a Community Trade Mark, the more so as the concept of ‘genuine use’ has been harmonised by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (hereinafter to be referred to as ‘Directive’).

34. In addition it should be noted that aligning the territory of the Community with that of one single member state can lead to undesirable and unreasonable results. Since the establishment of the Community Trade Mark Regulation the EU has grown steadily to 27 member states and further expansion is imminent. The actual and economic context has changed dramatically as a result. In a territory (currently) covering more than four million square kilometres and a (current) population of almost 500 million people, use in one member state only may essentially boil down to local use only. In the Office’s opinion, such use is not acceptable in order to justify such an extensive exclusive right. This would also not do justice to the ninth recital in the preamble to the Directive, which is as follows:

“In order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation. It is necessary to provide that a trade mark cannot be invalidated on the basis of the existence of a non-used earlier trade mark, while the Member States should remain free to apply the same principle in respect of the registration of a trade mark or to provide that a trade mark may not be successfully invoked in infringement proceedings if it is established as a result of a plea that the trade mark could be revoked. In all these cases it is up to the Member States to establish the applicable rules of procedure.”

35. The consideration in the Joint Statements could even undermine the most important objectives of both the Directive (second recital in the preamble) and the Regulation (fourth recital in the preamble):

“The trade mark laws applicable in the Member States before the entry into force of Directive 89/104/EEC contained disparities which may have impeded the free movement of goods and freedom to provide services and may have distorted competition within the common market. It was therefore necessary to approximate the laws of the Member States in order to ensure the proper functioning of the internal market.” (second recital in the preamble to the Directive, underlining added)

“The barrier of territoriality of the rights conferred on proprietors of trade marks by the laws of the Member States cannot be removed by approximation of laws. In order to open up unrestricted economic activity in the whole of the internal market for the benefit of undertakings, trade marks should be created which are governed by a uniform Community law directly applicable in all Member States.” (fourth recital in the preamble to the Community Trademark Regulation, underlining added)

36. After all, a trademark right offers a monopoly. In order to justify that monopoly and to fulfil its essential function, the mark must be used. A monopoly that goes (much) further than the territory in which the mark is used, will indeed form an obstacle for the free movement of goods as well as the freedom to provide services within the internal market. This is obviously not what the legislator had in mind. It would be most unjust if an undertaking that only uses its mark on a local scale could impede the possibilities for other undertakings in the entire territory covered by the internal market. It would even be more unjust if an undertaking that is only active locally (this applies to the majority of small and medium-sized businesses, a substantial part of the European economy) were to be hindered in developing its activities, and would have to defend itself against another undertaking that is also only active locally, and which does not have a single economic activity in an area that even approaches it to some degree, as a result of which there is no likelihood of confusion among the relevant public for both undertakings.

37. Taking everything into consideration, the Office is of the opinion that the view contained in the Joint Statements stating that genuine use in one single country by definition results in genuine use in the Community, cannot be maintained.

38. The invoked right is a Community Trade Mark right and parties have admitted that it has only been used in the Netherlands. The services for which the invoked right is registered are destined at a large public located throughout the entire Community. Use in only the Netherlands can, given these facts, not be classified as normal use of the invoked right.

B. Conclusion

39. Opponent has not provided proof of genuine use of the invoked right during a five-year time span prior to the date of publication of the disputed application. The opposition was therefore not judged any further.

IV. DECISION

40. Opposition number 2004448 is refused.

41. Benelux application number 1185770 will be registered.

42. In accordance with article 2.16, paragraph 5 of the BCIP in conjunction with rule 1.32, paragraph 3 IR, EUR 1,000 is payable by opponent to defendant because the opposition was refused in its entirety. This decision shall constitute an order pursuant to article 2.16, paragraph 5 of the BCIP.

The Hague, 15 January 2010

Pieter Veeze
(rapporteur)

Saskia Smits

Diter Wuytens

Handled by administrator: Tomas Westenbroek