

# Denmark: When is the use of a third party's trademark necessary?

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Already, back in 1983 the Danish Government decided to create a national debit card named 'DanKort'. Today the DanKort is usually combined with a Visa card and functions as a credit card abroad. The right to issue DanKort currently belongs to Nets Denmark A/S ('Nets'), and the DanKort-logo is protected as a trademark and



looks as follows

In a decision from the Danish Maritime and Commercial High Court ('Court') dated 7 December, 2017 (No. V-70-16) the Court ruled in a conflict regarding the legitimate and necessary use of the DanKort logo by a third party, namely Yourpay ApS ('Yourpay').

In accordance with EU Directive 2015/2436 approximating the laws of the Member States relating to trademarks ('TM Directive') Article 14 (previously Article 6 TM Directive) deals with the limitation of the effects of a trademark. Paragraph 1 specifies situations in which an owner of a trademark is not entitled to prohibit a third party from using the trademark in the course of trade. Sub-paragraph C states that 'the trademark for the purpose of identifying or referring to goods or

services as those of the proprietor of that trademark, in particular, where the use of the trademark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts'. Article 14 TM Directive has a counterpart in Article 14(1)(c) EUTMR.

In the court case referred to above Nets opposed Yourpay's use of the DanKort logo. Yourpay provides payment solutions. Yourpay facilitates payments with many different kinds of credit and debit cards but not DanKort, as it has not entered into any agreement with Nets regarding the facilitation and use of the DanKort. Despite the fact that Yourpay does not facilitate payments with DanKort, the logo is used on the homepage of Yourpay together with the Visa card logo.

After having received a ceased and desist letter from Nets (which included an invitation to enter into an agreement with Nets regarding the facilitation and use of DanKort), Yourpay chose to create its own unauthorized combination logo of the Visa and DanKort logo that looked as follows:



Also after Yourpay had put the unauthorized combination logo into use, Nets still considered the unauthorized combination logo to infringe their earlier rights to the DanKort logo. Additionally, Nets claimed reputation of its earlier right to the DanKort logo. The fact that both Nets and Yourpay provide financial services was claimed by Nets to be an aggravating element.

In its decision the Court found that both the use of the logo which is identical to the earlier trademark right to DanKort logo owned by Nets and the unauthorized combination logo invented by Yourpay constituted violations of Nets trademark right to the DanKort logo, as Yourpay's use of either logo was done for purposes of promoting the financial services of Yourpay and not, as claimed by Yourpay, solely for information purposes. Thus Yourpay violated the Danish equivalent of Article 10 TM Directive.

The Court moved on to examining whether Yourpay's use was nevertheless justified as the use of Nets' DanKort logo was necessary for Yourpay to

communicate to the relevant public that Yourpay facilitated payments with the Visa part of the Visa Dankort card. Thus Yourpay claimed the Danish equivalent of Article 14 TM Directive to apply.

The Court noted that for a three-year period (from 2013 - 2016) Yourpay found ways to communicate to its relevant public that it facilitated payments with the Visa part of the Visa Dankort card without having to use the Dankort logo on its homepage and additionally, none of the evidence indicated that use of the Dankort logo and the unauthorized combination Dankort logo was the only way to communicate the services offered by Yourpay to its relevant public. Thus the Court found that the use by Yourpay was not necessary, and the exception in Article 14 TM Directive did not apply.