Kluwer Trademark Blog

Denmark: When do you lose your trademark established through use?

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As a follow up to the previous blog by Gorrissen Federspiel "Denmark: Trademark rights established through use" published 13 April 2016 we will now discuss for how long use of such a mark can be discontinued without the holder losing his right.

From the 1958 report it is apparent that the trademark right established through use depends on whether or not the trademark continues to be used or otherwise is maintained in the minds of relevant consumers. If the mark is not used continuously, it is – as a general rule – not possible to claim an exclusive right to the mark.

As stated in our previous blog it remains to be determined in practice how long a user-based trademark can be out of use before the right to the trademark ceases to exist.

With the amendment of the Danish Trademark Act (hereafter "TMA") in 1991 it became compulsory to use a registered trademark within five years from the date of registration, cf. Section 25 TMA. The objective of Section 25 TMA is that non-use of a registered trademark – either because it has never been in use or because use has long since ended – cannot involve exploitation of somebody else's goodwill and cannot in itself be deemed an unfair action. This is even more true if we are concerned with unregistered trademarks. However, it is not possible to apply Section 25 TMA by analogy when it comes to trademark rights based on use alone, but the assumption is that you lose the right to the trademark established through use sooner than the five-year grace period granted to registered rights. However it all depends on the distinctive character of the trademark and how intensely the mark has been used.

The first time it was established in practice that the right to an unregistered trademark can be extended beyond the time when use of the mark has been discontinued is seen in a judgment from the 1955, i.e. U.1955.1098 S. The case concerned a trademark which had been put into use before World War II. Due to shortages during and after the War the mark was not in use from 1942 to 1947. The Maritime and Commercial Court found that the first right based on use had not ceased to exist since failure to use the mark was due to specific circumstances during and immediately after the War.

In the 1958-report comments written in connection with Section 14(6) TMA it is explicitly assumed that non-use of a trademark for a short time or non-use caused by special circumstances

does not exclude protection of the trademark established through use. The situation is different if the non-use is of such extent or nature that the trademark must be considered to have been abandoned. In that case it is no longer possible to claim an exclusive right to the trademark established through use.

In U.1967.820 H the Supreme Court stated that non-use for slightly more than four years because of a rise in customs duties was long enough to disregard the trademark right established through use as the Court found that the previous use (more than four years back) was limited.

The two judgements differ in their reasoning both in relation to the non-use period and as regards the extent of use prior to the non-use period. In the U.1955.1098 judgement non-use of the trademark was caused by circumstances of force majeure whereas the reason for non-use in U.1967.820 H was an increase in customs duties. So despite a period of use of approximately 11 years prior to the non-use period in U.1967.820 H the Supreme Court found that the trademark right established through use had ceased to exist.

To conclude, rights to a trademark established through use will most likely cease to exist before the five-year grace period granted to a registered trademark. The period of time that a right to such a trademark can be maintained despite non-use depends on the extent of the previous use (how long and how intensely the trademark has been used) and the goodwill linked to the trademark prior to the non-use period.

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