

Kluwer Trademark Blog

Genuine use in a supranational trademark system

Friso Onderdelinden (NLO Shieldmark) · Saturday, June 17th, 2017

In a decision of a Dutch District Court earlier this year^[1], the American fast-food chain Wendy's suffered a loss against a local Dutch snack restaurant, which bears the name WENDY'S. The trademark registration owned by the same snack restaurant blocks the American chain to enter the market. Although this case has similarities with the story of David and Goliath, it is actually the geographical element of the case we want to address.

Having a supranational trademark system has its perks. It is often considered cost and time-efficient when compared with a national trademark system, not only in the context of the registration process, but also with regard to enforcement proceedings. The success of the European Union Trademark is perhaps the best example of how much centralized filings, oppositions and the many other centralized options are appreciated by trademark owners.

Limited use of a supranational trademark

Of course, there are practical issues involved with having a cross-border trademark. We know that the term 'cross-border' is a sensitive subject. After all, the European Court of Justice has repeatedly stated that the European Union should not be considered as a group of separate member states, but rather as one, uniform territory, disregarding the territorial borders between them. However, although denying the territorial borders is a truly noble endeavor in the Court rooms of Luxembourg, the economic and social practice is different. For fiscal, linguistic and cultural reasons, companies often are hesitant to extend their businesses beyond their home countries. More often than not, companies stick to their home country, or – if you like – a limited part of the territory in which their trademark is registered. This limited use of a supranational trademark can lead to interesting questions with regard to the requirement of genuine use of a trademark.

Benelux

The Benelux is a precursor on the EU, at least from a trademark perspective; in 1971 the separate countries Belgium, the Netherlands and Luxembourg adopted a supranational (Benelux) trademark law and trademark registration system. While there are of course numerous Benelux based companies that have extended their business throughout the entire Benelux, there are still cultural and economic differences between the three member states. Particularly smaller companies often do not "cross the border" in this sense.

Geographical significance

In the mentioned ruling this geographically-limited use in a member state was taken into account. The American Wendy's filed an application to register the mark WENDY in the EUTM register but the application was opposed by a Dutch national with a prior Benelux trademark registration to the sign WENDY'S.



In fact, the Dutch national operates a single local snack restaurant under the name Wendy's. The American fast-food giant which is in fact not active in the Benelux (or the EU for that matter) initiated a Court procedure to have the prior Benelux registration cancelled due to insufficient use.

The Court, however, ruled that having only one establishment is perfectly normal in the snack restaurant business. Thus, using the trademark for only one establishment, in one country alone, would suit for genuine use in the entire Benelux.

[1] C/02/301721 / HA ZA 15-448, Court of Zeeland- West-Brabant, February 15, 2017

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