

Kluwer Trademark Blog

Retail Services Marks Don't Improve With Age – Exemplified by ALDI/ALDIANO

Kai Schmidt-Hern (Lubberger Lehment) · Thursday, December 1st, 2022



A judgment of the General Court demonstrates the controversial and problematic nature of retail services marks.

The ALDI/ALDIANO Case

The case concerns Aldi, the discount chain. An Aldi entity (in the following “**Aldi**”) filed an application for the declaration of invalidity against the EUTM ALDIANO, registered for “*alcoholic beverages (except beers)*” (class 33). Aldi relied on an EUTM (reg. 2004) and an IR with protection in the EU (reg. 2005), both protected for “*retailing in all areas*” (class 35). The evidence of use submitted by Aldi showed that ALDI was a well-known retail brand in Germany. It also contained leaflets and invoices showing that a wide variety of goods was sold in ALDI stores, with wine among them.

The **EUIPO Cancellation Division** declared the ALDIANO registration invalid because of a risk of confusion. It reasoned that genuine use of Aldi’s 2004 mark was proven for the ‘retailing of foodstuffs including alcoholic and non-alcoholic beverages’ and that these were similar to “alcoholic beverages”.

Upon appeal, the **Fourth Board of Appeal** annulled the decision. According to the BoA, the

evidence of use was insufficient. Aldi would have had to prove the use for retail services in respect of “all” possible goods, as stated in the description in class 35. The BoA said that proving this was impossible, as the number of products was indefinite. The BoA admitted that Aldi’s 2004 registration pre-dated the ECJ’s “Praktiker” decision, which says that applicants must specify the goods to which retail services in class 35 are supposed to relate. However, it said that Aldi had not used any of the subsequent opportunities to specify the goods, neither by a declaration pursuant to Art. 38 II CTMR, nor on the occasion of the registration’s renewal. Moreover, the fact that alcoholic beverages sporadically appeared in the material submitted did not mean that the earlier marks would have been used ‘in relation to part of the goods or services for which the mark is registered’ as required by Article 64(2) EUTMR.

With [judgment of 5 October 2022](#), the **General Court** has now annulled the BoA’s decision (T-429/21). Since Aldi’s 2004 registration pre-dated the “Praktiker” decision, the obligation to specify the goods subject to the retail services did not apply to Aldi’s 2004 registration ([judgment of 11 October 2017 – Cactus, C-501/15 P](#), para. 45). Further, trademarks registered for retail services after “Praktiker”, can, in principle, serve as a basis for invalidity applications, even if they, as Aldi’s 2005 registration, do not specify the goods as required by “Praktiker” ([judgment of 4 March 2020, C-155-158/18 – Burlington](#), para. 134; [judgment of 7 July 2005 – Praktiker, C-418/02](#)). Lastly, also pursuant to “Burlington”, proof of genuine use is a legitimate way to determine the precise goods covered by retail services as registered (para. 136).

Observations: The Problem with Retail Services Marks

To annul the BoA’s decision is in line with “Praktiker”, “Cactus” and “Burlington” – and quite clearly so.

One gets the sense that the Fourth Board of Appeal felt uneasy about Aldi’s invalidity action; there is even a little anger between the lines. In part, this may be about the retail services mark as such:

- The very **concept of “retail services”** seems quite artificial. In the eyes of the public, “selecting an assortment of goods” (Praktiker, para. 34) is nothing but the groundwork necessary to sell goods. It is an ancillary activity, not a service to the customer or to the manufacturer. So there must be other activities that count as “retail services”. In that respect, the ECJ has mentioned, in very abstract terms, “*services aimed at inducing the consumer to conclude the above-mentioned transaction*”. What could such “services of inducement” be? The first thing that comes to mind is advice about the assortment of goods, given either by staff members or via text, audio or video. It could also be entertainment (e.g. playing music) or other activity not directly linked to the goods (e.g. free coffee, head massage). But also, such additional activity may, in the eyes of customer and manufacturer, be merely ancillary in nature, disregarding the fact that, in discount stores, such activity is largely absent.
- This raises the question of what **genuine use of a retail services mark** should look like. Owners of retail service marks seem to rely on evidence of the mere fact that certain goods have been sold to customers. Trademark offices tend to be satisfied with that. But the sale of a product is the way a product mark is used, it can’t count as a service to the buyer at the same time. Equally, as mentioned above, selecting the goods which the trader intends to offer should not count as a service to others, just as advertising for one’s own business is not considered “advertising” in the sense of class 35.
- A further, problematic question is **whether retail services are similar to the goods** to which the retail services relate. The GC and the German courts are rather quick to assume such similarity.

According to the “O-STORE” decision by the GC, clothing on the one hand and clothing retail on the other hand are similar, because they are complementary in nature. However, that complementary nature does not say much about whether the public would believe that both the goods and the retail services have the same commercial source. According to the German Federal Supreme Court (BGH), in fact, if the public may believe that there is an identical commercial source, but the standard applied by the BGH often leads to a “yes”: The public regularly assumes a common source, according to the BGH, when traders offer the respective products both under third party marks and under their own marks (“OTTO CAP” decision, also concerning clothing). Under that standard, similarity becomes the rule, as nowadays most large retailers offer goods under their own marks, too.

To prevent retail services marks from becoming **overly potent** and a **hindrance to competition**, the following seems worth discussing:

- Genuine use of a retail service mark should require more than selling the respective goods to customers.
- Where activity beyond the mere sale is supposed to count as genuine use, there should be attention to the question of whether that activity is merely ancillary to the sale as opposed to being a sufficiently autonomous service to the customer or to the manufacturer.
- Similarity between certain goods on the one hand and retail services relating to these goods on the other hand should not be judged on the basis of abstract notions like complementarity.

To make sure you do not miss out on regular updates from the Kluwer Trademark Blog, please subscribe [here](#).

Kluwer IP Law

The **2022 Future Ready Lawyer survey** showed that 79% of lawyers think that the importance of legal technology will increase for next year. With Kluwer IP Law you can navigate the increasingly global practice of IP law with specialized, local and cross-border information and tools from every preferred location. Are you, as an IP professional, ready for the future?

Learn how **Kluwer IP Law** can support you.

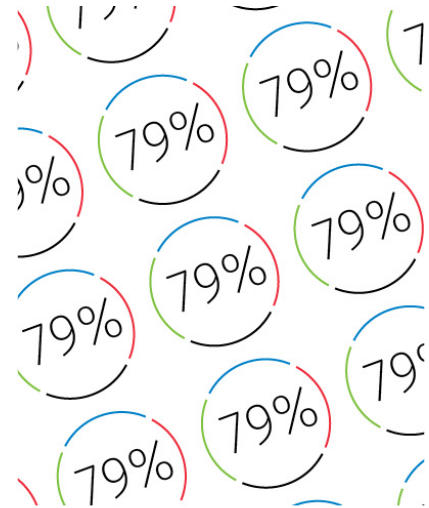
79% of the lawyers think that the importance of legal technology will increase for next year.

Drive change with Kluwer IP Law.

The master resource for Intellectual Property rights and registration.



2022 SURVEY REPORT
The Wolters Kluwer Future Ready Lawyer
Leading change



Experience how the renewed **Manual IP** enables you to work more efficiently



[Learn more →](#)



This entry was posted on Thursday, December 1st, 2022 at 10:42 am and is filed under [Case law](#), [CJEU](#), [EU trade mark law](#), [EUIPO](#), [The EU is an economic and political association of certain European countries as a unit with internal free trade and common external tariffs.](#)“>[European Union](#), [EUTM](#), [Evidence](#), [The General Court is first level court of the European Union, previously known as the Court of First Instance.](#)

“>[General Court](#), [A trade mark is considered to be used when it is used in the course of trade to indicate the origin of goods and services. There are various criteria determining whether use will be considered genuine use or not.](#)“>[Genuine use](#), [Invalidity](#), [Likelihood of confusion](#), [similarity of goods and services](#), [Use requirement](#)

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. You can leave a response, or [trackback](#) from your own site.