

Court of Justice EU, 19 December 2012, Leno v Hagelkruis

Omel
v

Onel trademarks



TRADEMARK LAW

Genuine use in the Community: territorial borders of Member States should be disregarded

• that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision. A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.

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Court of Justice EU, 19 December 2012

(A. Rosas, U. Löhms, A. Ó Caoimh, A. Arabadjiev and C. G. Fernlund)

JUDGMENT OF THE COURT (Second Chamber)

19 December 2012 (*)

(Community trade mark – Regulation (EC) No 207/2009 – Article 15(1) – ‘Genuine use of the trade mark’ – Territorial scope of use – Use of the Community trade mark in a single Member State – Whether sufficient)

In Case C-149/11,

REFERENCE for a preliminary ruling under Article 267 TFEU from the Gerechtshof te ’s-Gravenhage (Netherlands), made by decision of 1 February 2011, received at the Court on 28 March 2011, in the proceedings

Leno Merken BV

v

Hagelkruis Beheer BV,

THE COURT (Second Chamber),

composed of A. Rosas, acting as President of the second chamber, U. Löhms (Rapporteur), A. Ó Caoimh, A. Arabadjiev and C.G. Fernlund, Judges, Advocate General: E. Sharpston, Registrar: M. Ferreira, Principal Administrator, having regard to the written

procedure and further to the hearing on 19 April 2012, after considering the observations submitted on behalf of:

- Leno Merken BV, by D.M. Wille, advocaat,
 - Hagelkruis Beheer BV, by J. Spoor, advocaat,
 - the Netherlands Government, by C. Wissels and C. Schillemans, acting as Agents,
 - the Belgian Government, by J.-C. Halleux, acting as Agent,
 - the Danish Government, by C.H. Vang, acting as Agent,
 - the German Government, by K. Petersen, acting as Agent,
 - the French Government, by J. Gstalter, acting as Agent,
 - the Hungarian Government, by M. Ficsor, K. Szijjártó and K. Molnár, acting as Agents,
 - the United Kingdom Government, by S. Ossowski, acting as Agent,
 - the European Commission, by T. van Rijn, F.W. Bulst and F. Wilman, acting as Agents,
- after hearing the Opinion of the Advocate General at the sitting on 5 July 2012,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 15(1) of Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1).

2 The reference has been made in proceedings between Leno Merken BV (‘Leno’) and Hagelkruis Beheer BV (‘Hagelkruis’) concerning the opposition filed by Leno, the proprietor of the Community trade mark ONEL, against registration by Hagelkruis of the Benelux trade mark OMEL.

Legal context

Regulation No 207/2009

3 Recitals 2 to 4, 6 and 10 in the preamble to Regulation No 207/2009 state:

‘(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.

(4) 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.

[...]

(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.

[...]

(10) There is no justification for protecting Community trade marks or, as against them, any trade mark which has been registered before them, except where the trade marks are actually used.'

4 Article 1(2) of Regulation No 207/2009 provides:

'A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation.'

5 Article 15 of that regulation, entitled 'Use of Community trade marks', provides:

'1. 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.

The following shall also constitute use within the meaning of the first subparagraph:

(a) use of the Community trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered;

(b) affixing of the Community trade mark to goods or to the packaging thereof in the Community solely for export purposes.

2. Use of the Community trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.'

6 Article 42 of Regulation No 207/2009, entitled 'Examination of opposition', provides, in paragraphs 2 and 3:

'2. If the applicant so requests, the proprietor of an earlier Community trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the Community trade mark application, the earlier Community trade mark has been put to genuine use in the Community in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier Community trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. ...

3. Paragraph 2 shall apply to earlier national trade marks referred to in Article 8(2)(a), by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.'

7 Article 51 of Regulation No 207/2009, entitled 'Grounds for revocation', provides, in paragraph 1(a):

'The rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office [for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)] or on the basis of a counterclaim in infringement proceedings:

(a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; [...].'

8 Under Article 112 of the regulation:

'1. The applicant for or proprietor of a Community trade mark may request the conversion of his Community trade mark application or Community trade mark into a national trade mark application:

(a) to the extent that the Community trade mark application is refused, withdrawn, or deemed to be withdrawn;

(b) to the extent that the Community trade mark ceases to have effect.

2. Conversion shall not take place:

(a) 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;

[...]

Directive 2008/95/EC

9 Recital 2 in the preamble to 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 (OJ 2008 L 299, p. 25) states:

'The trade mark laws applicable in the Member States before the entry into force of [First Council] Directive 89/104/EEC [of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1)] 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.'

10 Article 10(1) of Directive 2008/95 provides:

'If, within a period of five years following the date of the completion of the registration procedure, the proprietor has not put the trade mark to genuine use in the Member State 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 trade mark shall be subject to the sanctions provided for in this Directive, unless there are proper reasons for non-use.'

[...]

The Benelux Convention on Intellectual Property

11 The Benelux Convention on Intellectual Property (Trade Marks and Designs), signed in the Hague on 25 February 2005, in the amended version in force since 1 February 2007 ('the BCIP'), is intended, among other things, to assemble in a systematic and transparent fashion in a single text, uniform laws implementing First Directive 89/104, which has been repealed and replaced by Directive 2008/95.

12 Article 2.3 of the BCIP provides:

'In determining the order of priority for filings, account shall be taken of rights, existing at the time of filing and maintained at the time of the litigation, in:

(a) identical trade marks filed for identical goods or services;

(b) identical or similar trade marks filed for identical or similar goods or services, where there exists a likelihood of confusion on the part of the public that includes the risk of association with the earlier trademark;

[...]

13 Paragraph 1 of Article 2.14 of the BCIP provides:

'1. The applicant for or the proprietor of an earlier trade mark may, within a period of two months starting with the first day of the month following publication of the filing, submit a written notice of opposition to the Office in respect of a trade mark which:

(a) in the order of priority, ranks after its own trade mark, in accordance with Article 2.3 (a) and (b), or

[...]

14 Under Article 2.45 of the BCIP, 'Article 2.3 and Article 2.28.3(a) shall apply where the registration is based on a prior filing of a Community trade mark'.

15 Article 2.46 of the BCIP provides:

'Article 2.3 and Article 2.28.3(a) shall apply to Community trade marks for which seniority on the Benelux territory is validly claimed in accordance with the Regulation on the Community trade mark even if the Benelux or international trade mark on which seniority is based has been voluntarily cancelled or has expired.'

The dispute in the main proceedings and the questions referred for a preliminary ruling

16 On 27 July 2009, Hagelkruis filed an application at the Benelux Office for Intellectual Property (Trade Marks and Designs) ('BOIP') for registration of the word mark OMEL in respect of services in Classes 35 (advertising and publicity; business administration; office functions; business management; marketing), 41 (education, courses and training sessions; organisation of seminars and trade shows) and 45 (legal services) of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended.

17 Leno is the proprietor of the Community word mark ONEL, which was filed on 19 March 2002 and was registered on 2 October 2003, for services in Classes 35, 41 and 42 of the Nice Agreement.

18 On 18 August 2009, Leno filed an opposition against Hagelkruis's application for registration of the trade mark OMEL, relying on the provisions of Article 2.14.1 in conjunction with those of Article 2.3(a) or (b) of the BCIP. Hagelkruis responded to the opposition asking Leno to provide proof of use of the Community trade mark.

19 By decision of 15 January 2010, the BOIP rejected the opposition on the ground that Leno had not shown that it had put its ONEL trade mark to genuine use during the period of five years preceding the date of publication of the disputed trade mark application. Leno appealed that decision before the Gerechtshof te 's-Gravenhage (Regional Court of Appeal, The Hague). 20 According to the referring court, it is common ground between the parties (i) that the two trade marks are similar (ii) that they are registered for identical or similar services and (iii) that OMEL is liable to give rise to a likelihood of confusion on the part of the public as referred to in Article 2.3(b) of the BCIP. They disagree, however, on the interpretation of the notion of 'genuine use', as referred to in Article 15 of Regulation No 207/2009, and, in particular, on the extent of the territorial area that is required for genuine use.

21 It follows from the explanations provided by the referring court that, although Leno has shown that it put the earlier trade mark ONEL to genuine use in the Netherlands throughout the relevant period, it has not produced proof that that mark has been used in the rest of the Community.

22 The referring court observes that it follows from the Court's case-law (see the judgments in [Case C-40/01 Ansul \[2003\] ECR I-2439, paragraph 43](#), and [Case C-416/04 P Sunrider v OHIM \[2006\] ECR I-4237, paragraphs 66, 70 to 73 and 76](#), and the order in [Case C-259/02 La Mer Technology \[2004\] ECR I-1159, paragraph 27](#)) that 'genuine use' is a concept which has its own independent meaning in European Union law, that the territorial extent of the use is just one of the factors to be taken into account in assessing whether or not an earlier trade mark has been put to 'genuine use' for the goods or services for which it has been registered and that use of the trade mark in a single Member State does not necessarily mean that 'genuine use' in the Community is out of the question.

23 The referring court is unsure, however, of the importance of Joint Statement No 10 regarding Article 15 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994, L 11, p. 1), entered in the minutes of the meeting of the Council of the European Union at which Regulation No 40/94 was adopted (published in the Official Journal of OHIM, 1996, p. 613; the ‘Joint Statement’), according to which ‘[t]he 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’.

24 In those circumstances, the Gerechtshof te ’s-Gravenhage decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

‘1. Must Article 15(1) of [Regulation No 207/2009] be interpreted as meaning that use of a Community trade mark within the borders of a single Member State is sufficient to constitute genuine use of that trade mark, given that, had it been a national trade mark, such use would have been regarded as genuine use in that Member State (see Joint Statement No 10 regarding Article 15 of [Regulation No 40/94] and the Opposition Guidelines of the OHIM)?

2. If Question 1 is answered in the negative, can the use of a Community trade mark within a single Member State as described above never be regarded as “genuine use” in the Community as referred to in Article 15(1) of [Regulation No 207/2009]?

3. If the use of a Community trade mark within a single Member State can never be regarded as genuine use in the Community, what requirements apply – in addition to the other factors – in respect of the territorial scope of the use of a Community trade mark when assessing genuine use in the Community?

4. Or else – as an alternative to the above – must Article 15 of [Regulation No 207/2009] be interpreted as meaning that the assessment of genuine use in the Community should be carried out wholly in the abstract, without reference to the borders of the territory of the individual Member States (and that, for example, market share (product markets/geographic markets) should be taken as the point of reference)?’

Consideration of the questions referred

25 By its questions, which it is appropriate to consider together, the referring court asks, in essence, whether Article 15(1) of Regulation No 207/2009 must be interpreted as meaning that the genuine use of a Community trade mark in a single Member State is sufficient to satisfy the requirement for ‘genuine use in the Community’ within the meaning of that provision or whether the territorial borders of the Member States should be disregarded in the assessment of that requirement.

26 As a preliminary point, it should be borne in mind that the protection of trade marks is characterised, within the European Union, by the coexistence of several systems of protection. First, according to recital 2 in the preamble thereto, the purpose of Directive 2008/95 is to approximate national trade mark laws in

order to remove any existing disparities which may impede the free movement of goods and the freedom to provide services and which may distort competition within the common market (see, to that effect, Case C-190/10 GENESIS [2012] ECR I-0000, paragraphs 30 and 31).

27 Second, as is apparent from recital 3 in the preamble to Regulation No 207/2009, the objective of that regulation is the creation of a Community regime for trade marks to which uniform protection is given and which produce their effects throughout the entire area of the European Union ([see, to that effect, Case C-235/09 DHL Express France \[2011\] ECR I-0000, paragraph 41](#), and GENESIS, paragraph 35).

28 The Court has already – in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* – interpreted the concept of ‘genuine use’ in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is ‘genuine use’ of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark ([see *Ansul*, paragraph 43](#), [Sunrider v OHIM, paragraph 70](#), and [the order in *La Mer Technology*, paragraph 27](#)).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not ([see *Sunrider v OHIM*, paragraph 76](#)).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.

32 Indeed, it follows both from recital 9 to the directive and from recital 10 to the regulation that the European Union legislature intended to make the preservation of the rights connected to the trade mark conditional upon it actually being used. As the Advocate General has pointed out in points 30 and 32 of her Opinion, a Community trade mark which is not used could obstruct competition by limiting the range of signs which can be registered as trade marks by others and by denying competitors the opportunity to use that trade

mark or a similar one when putting onto the internal market goods or services which are identical or similar to those covered by the mark in question. Consequently, non-use of a Community trade mark also risks restricting the free movement of goods and services.

33 Account must none the less be taken, when applying by analogy to Community trade marks the case-law cited in paragraph 29 of this judgment, of the difference between the territorial extent of the protection conferred on national trade marks and that of the protection afforded Community marks, a difference which is in any event apparent from the wording of the provisions relating to the requirement for genuine use which apply to those two types of marks respectively.

34 Thus, on the one hand, Article 15(1) of Regulation No 207/2009 provides that, '[i]f, 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'. On the other, Article 10 of Directive 2008/95 lays down in essence the same rule in respect of national trade marks, whilst providing that they must have been put to genuine use 'in the Member State'.

35 That difference between the two sets of trade mark rules as regards the territorial scope of 'genuine use' is also emphasised by Article 42(3) of Regulation No 207/2009. That provides that the rule set out in paragraph 2 of Article 42 – namely that where notice of opposition has been given, the applicant for a Community trade mark may require proof that the earlier Community trade mark has been put to genuine use in the Community – is also applicable to earlier national trade marks 'by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community'.

36 It should, however, be observed that, as is apparent from the case-law referred to in paragraph 30 of this judgment, the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase 'in the Community' is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.

37 It is therefore necessary, in order to reply to the questions raised, to ascertain what is encompassed by the phrase 'genuine use in the Community' for the purposes of Article 15 (1) of Regulation No 207/2009.

38 There is no reference in the text of Article 15(1) to the territories of the Member States. However, it is clear from the provision that the Community trade mark must be used in the Community, which means, in

other words, that use of the mark in third States cannot be taken into account.

39 In the absence of further specification in Article 15(1) of Regulation No 207/2009, account should be taken of the context of that provision, of the scheme laid down by the legislation in question and of the objectives which that legislation pursues.

40 As regards the objectives pursued by Regulation No 207/2009, if recitals 2, 4 and 6 thereto are read together, it is apparent that the regulation seeks to remove the barrier of territoriality of the rights conferred on proprietors of trade marks by the laws of the Member States by enabling undertakings to adapt their activities to the scale of the Community and carry them out without restriction. The Community trade mark thus enables its proprietor to distinguish his goods and services by identical means throughout the entire Community, regardless of frontiers. On the other hand, undertakings which do not wish to protect their trade marks at Community level may choose to use national trade marks and are not obliged to apply for registration of their marks as Community marks.

41 In order to achieve those objectives, the European Union legislature provided, in Article 1 (2) of Regulation No 207/2009 read together with recital 3 thereto, for the Community trade mark to have a unitary character, which results in it enjoying uniform protection and having equal effect throughout the entire area of the Community. It may not, in principle, be registered, transferred or surrendered or be the subject of a decision revoking the rights of its proprietor or declaring it invalid, nor may its use be prohibited, save in respect of the whole Community.

42 The purpose of the system of Community trade marks is thus – as can be seen from recital 2 to Regulation No 207/2009 – to offer on the internal market conditions which are similar to those obtaining in a national market. In that context, if it were held that particular significance should be given, in the framework of the Community arrangements for trade marks, to the territories of the Member States, that would frustrate the objectives described in paragraph 40 of this judgment and would be detrimental to the unitary character of the Community trade mark.

43 Admittedly, a systematic examination of Regulation No 207/2009 reveals that reference is made in the wording of certain of its provisions to the territory of one or more Member States. It should be noted, however, that such references are made particularly in relation to national trade marks, in the provisions relating to jurisdiction and procedure in legal actions relating to Community trade marks and in the rules dealing with international registration, whilst the phrase 'in the Community' is generally used in connection with the rights conferred by the Community trade mark.

44 It follows from the foregoing considerations that the territorial borders of the Member States should be disregarded in the assessment of 'genuine use in the Community' within the meaning of Article 15(1) of Regulation No 207/2009.

45 That interpretation is not undermined by either the Joint Statement referred to in paragraph 23 of this judgment, according to which ‘use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community’, or the Opposition Guidelines of OHIM which contain in essence the same rule.

46 First, regarding the Joint Statement, it is settled case-law that, where a statement recorded in Council minutes is not referred to in the wording of a provision of secondary legislation, it cannot be used for the purpose of interpreting that provision (Case C-292/89 Antonissen [1991] ECR I-745, paragraph 18; [Case C-104/01 Libertel \[2003\] ECR I-3793, paragraph 25](#); Case C-402/03 Skov and Bilka [2006] ECR I-199, paragraph 42, and Case C-356/05 Farrell [2007] ECR I-3067, paragraph 31).

47 Moreover, the Council and the Commission expressly acknowledged that limitation in the preamble to that Statement, according to which ‘since [t]he following statements of the Council and the Commission are not part of the legal text, they are without prejudice to the interpretation of that text by the Court.’

48 Second, it is to be noted that the OHIM Guidelines are not binding legal acts for the purpose of interpreting provisions of European Union law.

49 Nor can the Court accept the submission, made by some of the interested persons to have lodged observations in these proceedings, that the territorial scope of the use of a Community trade mark cannot under any circumstances be limited to the territory of a single Member State. That submission is based on Article 112(2)(a) of Regulation No 207/2009 pursuant to which it is possible, where the rights of the proprietor have been revoked on grounds of non-use, to convert a Community trade mark into a national trade mark application if, ‘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’.

50 Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.

51 As the Advocate General has observed in point 63 of her Opinion, it is only where a national court finds that, when account is taken of all the facts of the case, use in a Member State was insufficient to constitute genuine use in the Community, that it may still be possible to convert the Community trade mark into a

national trade mark, applying the exception in Article 112(2)(a) of Regulation No 207/2009.

52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from [Case C-375/97 General Motors \[1999\] ECR I-5421, paragraph 28](#), [Case C-328/06 Nieto Nuño \[2007\] ECR I-10093, paragraph 17](#), and [Case C-301/07 PAGO International \[2009\] ECR I-9429, paragraph 27](#)).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market ([see, by analogy, with regard to the scale of the use, Ansul, paragraph 39](#)).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A de minimis rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down ([see, by analogy, the order in La Mer Technology, paragraphs 25 and 27, and the judgment in Sunrider v OHIM, paragraphs 72 and 77](#)).

56 With regard to the use of the Community trade mark at issue in the main proceedings, the Court does not have the factual information necessary to enable it to provide the referring court with more specific guidance as to whether or not there is genuine use of that trade mark. As can be seen from the foregoing considerations, it is for the referring court to assess whether the mark in question is used in accordance with its essential function and for the purpose of creating or maintaining market share for the goods or services protected. That assessment must have regard to

all the facts and circumstances relevant to the main proceedings, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.

57 The answer to the questions referred is therefore that Article 15(1) of Regulation No 207/2009 must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

58 A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.

Costs

59 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Second Chamber) hereby rules:

Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision. A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.

* Language of the case: Dutch.

OPINION OF ADVOCATE GENERAL SHARPSTON

delivered on 5 July 2012 (1)

Case C-149/11

Leno Merken BV

v

Hagelkruis Beheer BV

[Reference for a preliminary ruling from the Gerechtshof 's-Gravenhage (Netherlands)]

“Community trade mark – Regulation No 207/2009 on the Community trade mark – Genuine use – Place of use”

1. Trade mark protection is, quintessentially, territorial. That is because a trade mark is a property right that protects a sign in a defined territory. Within the European Union, national and Community trade mark protection co-exist. A proprietor of a national trade mark can exercise the rights associated with that mark within the territory of the Member State under whose national law the mark is protected. A proprietor of a Community trade mark can do the same within the territory of the 27 Member States because the mark is effective throughout that territory. (2)

2. Article 15(1) of Council Regulation (EC) No 207/2009 (3) (‘the Regulation’) provides that a Community trade mark is to be subject to sanctions if, within a period of five years after registration, it has not been put to ‘genuine use in the Community in connection with the goods or services in respect of which it is registered’ (unless proper reasons for non-use exist). (4)

3. While the scope of protection of a Community trade mark is legally defined by reference to the territory of the 27 Member States, the question of where that mark must be put to genuine use cannot necessarily be answered in the same way. In the present case, the Court is asked to determine the extent of the territorial area in which a mark must be used to satisfy the ‘genuine use’ condition in Article 15(1) of the Regulation and in particular whether it is sufficient to use the mark in the territory of a single Member State.

Legal framework

European Union trade mark law

The Regulation

4. A Community trade mark is a ‘trade mark for goods or services which is registered in accordance with the conditions contained in’ the Regulation. (5) It may consist of ‘any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings’. (6)

5. According to recital 2 in the preamble to the Regulation, ‘[i]n 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’. Recital 2 further states that: ‘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.’

6. Recital 3 states that, 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’. This is the principle of the unitary character of the Community trade mark, which ‘should apply unless otherwise provided for in [the] Regulation’.

7. Recital 6 recognises the freedom of an undertaking to register a mark as a national trade mark or a Community trade mark, emphasising that ‘*[i]t would not in fact appear to be justified to require undertakings to apply for registration of their trade marks as Community trade marks*’. According to that recital, ‘*[n]ational trade marks continue to be necessary for those undertakings which do not want protection of their trade marks at Community level*’.

8. According to recital 10, ‘[t]here is no justification for protecting Community trade marks or, as against them, any trade mark which has been registered before them, except where the trade marks are actually used’.

9. Article 1(2) provides:

‘A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation.’

10. Registration of a mark as a Community trade mark confers certain exclusive rights on its proprietor. Those rights are listed in particular in Article 9, which provides:

‘1. A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) any sign which is identical with, or similar to, the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of,

or is detrimental to, the distinctive character or the repute of the Community trade mark.

[...]

11. Article 15 provides that the proprietor must put the Community trade mark to use:

‘1. 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.

The following shall also constitute use within the meaning of the first subparagraph:

(a) use of the Community trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered;

(b) affixing of the Community trade mark to goods or to the packaging thereof in the Community solely for export purposes.

2. Use of the Community trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.’

12. Article 42, entitled ‘Examination of opposition’, states:

‘2. If the applicant so requests, the proprietor of an earlier Community trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the Community trade mark application, the earlier Community trade mark has been put to genuine use in the Community in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier Community trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. If the earlier Community trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services.

3. Paragraph 2 shall apply to earlier national trade marks referred to in Article 8(2)(a), by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.’

13. Article 51 is entitled ‘Grounds for revocation’ and provides:

‘1. The rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings:

(a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use [...];

[...]

14. In accordance with Article 112, a proprietor may request the conversion of the Community trade mark into a national trade mark:

‘1. The applicant for or proprietor of a Community trade mark may request the conversion of his Community trade mark application or Community trade mark into a national trade mark application:

(a) to the extent that the Community trade mark application is refused, withdrawn, or deemed to be withdrawn;

(b) to the extent that the Community trade mark ceases to have effect.

2. Conversion shall not take place:

(a) 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;

[...]

The Directive

15. According to recital 9 in the preamble to the Directive, ‘it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation’; this requirement applies ‘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’.

16. Article 10, entitled ‘Use of trade marks’, provides:

‘1. If, within a period of five years following the date of the completion of the registration procedure, the proprietor has not put the trade mark to genuine use in the Member State 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 trade mark shall be subject to the sanctions provided for in this Directive, unless there are proper reasons for non-use.

[...]

17. Article 11(2) provides:

‘Any Member State may provide that registration of a trade mark may not be refused on the ground that there is an earlier conflicting trade mark if the latter does not fulfil the requirements of use set out in Article 10(1) and (2) or in Article 10(3), as the case may be.’

18. Article 4(2) of the Directive makes it clear that ‘earlier trade marks’ includes Community trade marks.

The Benelux Convention concerning Intellectual Property (Trademarks and Designs)

19. The Benelux Convention concerning Intellectual Property (Trademarks and Designs) (‘the Benelux Convention’) sets out, inter alia, the conditions for obtaining and maintaining a Benelux trade mark and the rights associated with this mark.

20. A Benelux trade mark is obtained through registration. In determining the order of priority for filings, (7) Article 2.3(b) of the Benelux Convention provides that account shall be taken of rights in ‘identical or similar trademarks filed for identical or similar goods or services, where there exists a

likelihood of confusion on the part of the public that includes the risk of association with the earlier trademark’. (8) The proprietor of such an earlier trade mark has, in accordance with Article 2.14.1, the right to oppose the registration of the mark.

21. According to Article 2.46, Article 2.3 ‘shall [also] apply to Community trademarks for which seniority on the Benelux territory is validly claimed in accordance with the [Community Trade Mark Regulation] ...’.

The main proceedings and the questions referred

22. Leno Merken BV (‘Leno’) and Hagelkruis Beheer BV (‘Hagelkruis’) are undertakings involved in a dispute about the latter’s application of 27 July 2009 for the registration of the word sign ‘OMEL’ as a Benelux trade mark in connection with certain services in Classes 35, 41 and 45 of the Nice Classification. (9) Leno opposed this registration on 18 August 2009, arguing that it is the proprietor of the Community trade mark ‘ONEL’, registered on 2 October 2003 for certain services in Classes 35, 41 and 42 of the Nice Classification. (10) The opposition was based on arguments set out in a letter of 26 October 2009 to which Hagelkruis responded on 2 December 2009.

23. On 6 November 2009, Hagelkruis asked Leno to prove genuine use of the Community trade mark ‘ONEL’. Leno responded to that request on 19 November 2009.

24. On 15 January 2010, the Benelux Office for Intellectual Property (‘BOIP’) rejected Leno’s opposition and concluded that Hagelkruis should be permitted to register ‘OMEL’ as a Benelux trade mark.

25. Leno appealed that decision before the Gerechtshof ’s-Gravenhage (Regional Court of Appeal, The Hague). It is common ground before that court that: (i) ‘ONEL’ and ‘OMEL’ are similar marks; (ii) the marks are registered for identical or at least similar services; (iii) between ‘OMEL’ and ‘ONEL’ there is a likelihood of confusion on the part of the public as referred to in Article 2.3(b) of the Benelux Convention; and (iv) Leno has put ‘ONEL’ to genuine use in the Netherlands. The disagreement between Leno and Hagelkruis concerns whether Leno is required to demonstrate genuine use of ‘ONEL’ in more than a single Member State in order to be able to oppose Hagelkruis’s registration of ‘OMEL’.

26. The referring court has referred the following questions to the Court for a preliminary ruling:

‘1. Must Article 15(1) of [the Regulation] be interpreted as meaning that use of a Community trade mark within the borders of a single Member State is sufficient to constitute genuine use of that trade mark, given that, had it been a national trade mark, such use would have been regarded as genuine use in that Member State (see Joint Statement No 10 regarding Article 15 of Council Regulation (EC) No 40/94 of 20 December 1993 and the Opposition Guidelines of the OHIM)?

2. If Question 1 is answered in the negative, can the use of a Community trade mark within a single Member State as described above never be regarded as genuine

use in the Community as referred to in Article 15(1) of [the Regulation]?

3. If the use of a Community trade mark within a single Member State can never be regarded as genuine use in the Community, what requirements apply – in addition to the other factors – in respect of the territorial scope of the use of a Community trade mark when assessing genuine use in the Community?

4. Or else – as an alternative to the above – must Article 15 of [the Regulation] be interpreted as meaning that the assessment of genuine use in the Community should be carried out wholly in the abstract, without reference to the borders of the territory of the individual Member States (and that, for example, market share (product markets/geographic markets) should be taken as the point of reference)?

27. Written observations have been submitted by Leno, Hagelkruis, the Belgian, Danish, German, Hungarian, Netherlands and United Kingdom Governments and the European Commission.

28. At the hearing on 19 April 2012, Leno, Hagelkruis, the Danish, French and Hungarian Governments and the Commission presented oral argument.

Assessment

Preliminary remarks

29. By the four questions referred, the Gerechtshof 's-Gravenhage essentially asks the Court to determine the extent of the territorial area in which the proprietor of a Community trade mark must use the mark in order to avoid the sanctions provided for in the Regulation and thus maintain exclusive rights associated with the mark.

30. The justification for protecting a Community trade mark disappears if the mark is not actually used. (11) If merely registering a mark as a Community trade mark were to suffice in order to benefit from protection throughout the territory of the 27 Member States, undertakings might seek protection for marks they do not (intend to) use. They could thereby deny competitors the opportunity to use that mark or a similar one when putting onto the internal market goods and/or services which are identical or similar to those covered by the mark. For that reason, a proprietor of a Community trade mark may no longer be able to invoke exclusive monopoly rights linked to the mark if it has not been put to genuine use in the Community within a period of five years following registration.

31. The order for reference contains few details about the registration of 'ONEL' as a Community trade mark or the circumstances leading to the conclusion that the mark was put to genuine use in the Netherlands. (12) According to the order, Leno was unchallenged in its assertion that 'ONEL', had it been a Netherlands trade mark, would have been regarded as having been put to genuine use in the Netherlands. The Court has not been given details about the market for the services covered by 'ONEL' or the specific use made of that mark in the Netherlands. I shall therefore address in general terms the question of the extent of the territorial area where use of a Community trade mark has to be demonstrated.

The meaning of 'genuine use in the Community' in Article 15(1) of the Regulation

32. The Court has previously examined the meaning of 'genuine use', primarily in relation to national or Benelux trade marks. (13) National trade marks must be put to 'genuine use in the Member State'. (14) Community trade marks, by contrast, must be put to 'genuine use in the Community'. (15) Although these types of mark exist under different jurisdictions, I consider that the function of the requirement that there be 'genuine use' is the same. It aims to ensure that the register does not contain marks that obstruct, rather than improve, competition in the market place because they limit the range of signs which can be registered as trade marks by others, serve no commercial purpose and do not actually help to distinguish between goods or services in the relevant market and associate them with the proprietor of the mark.

33. If a Community trade mark is not used in a manner consistent with its function, protection of the mark throughout the entire territory of the 27 Member States must disappear. The same principle applies to a national trade mark, though the loss of protection is obviously limited to the territory of the Member State where the mark was registered. I therefore see no reason why the Court should not interpret the concept of 'genuine use' as used in Article 15(1) of the Regulation in a manner that generally corresponds with the meaning it has given to the same concept in the Directive. (16)

34. The texts of Article 10(1) of the Directive and Article 15(1) of the Regulation none the less differ because the former uses 'in the Member State' whereas the latter uses 'in the Community'. This appears to suggest that whether a Community trade mark has been put to genuine use depends on the assessment of the relevant criteria in a geographical dimension that transcends that of the context in which genuine use of a national trade mark is established.

Use outside the Community is irrelevant

35. The phrase 'in the Community' in Article 15(1) of the Regulation clearly means that use of a Community trade mark outside the territory of the 27 Member States cannot contribute to establishing that the mark has been put to genuine use in order to avoid the sanctions in the Regulation. (17) That interpretation of Article 15(1) is consistent with the principle that the protection of a Community trade mark is limited to that territory.

36. Furthermore, if the opposite interpretation were correct, there would have been no reason for the legislature to state expressly in Article 15(1)(b) that putting a Community trade mark on goods or their packaging solely for export purposes 'also constitute[s] use within the meaning of the first subparagraph'.

'Genuine use in the Community' is an indivisible concept

37. The wording of Article 15(1) of the Regulation does not distinguish between different types of genuine use depending on where, other than 'in the Community', that use takes place. Its focus is on whether the mark is put to 'genuine use in the Community', which I take to be an indivisible concept.

This means that ‘genuine use’ and ‘in the Community’ are not cumulative conditions that must be examined separately.

38. The Court has accepted that ‘the territorial scope of the use is only one of the several factors to be taken into account in the determination of whether [such use] is genuine or not’. (18) The place of use is thus a factor to consider in assessing whether the trade mark has been put to genuine use in the Community. It is neither an independent condition that applies together with the requirement of genuine use, (19) nor is it the sole or dominant factor determining what constitutes genuine use in the Community.

39. For this reason alone, I consider that the use of a Community trade mark within the borders of a single Member State is not, of itself, necessarily sufficient to constitute genuine use of that trade mark, because the territorial scope of the use is merely one of the factors to take into account in the assessment.

The territorial scope of the use within the meaning of Article 15(1) of the Regulation

– The application of the criterion used by the Court in PAGO

40. Several parties submitting observations note that the General Court in HIWATT has already held that ‘genuine use means that the mark must be present in a substantial part of the territory where it is protected’, that is, the Community. (20) This is the same criterion as that used in the Court’s judgment in PAGO (21) to determine whether a mark has a reputation in the Community. (22)

41. In my opinion, PAGO concerned a different matter. There, the Court decided that, for a Community trade mark to have a reputation in the Community for the purposes of obtaining additional protection under Article 9(1)(c) of the Regulation, it must have acquired a reputation in a substantial part of the territory of the Community before its proprietor can exercise the right described in that provision. (23) That territory may consist of the territory of a Member State. By contrast, in the present case the Court is asked to determine the extent of the territory where a Community trade mark must be used to avoid sanctions such as revocation.

42. My starting point is therefore that the interpretation in PAGO cannot be transposed directly to the context of the revocation of a Community trade mark and the condition of genuine use.

– The use of the Community trade mark must be sufficient to maintain or create market share in the internal market

43. The Court found in Sunrider that a national trade mark has been put to genuine use ‘where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services’. (24) It must be ‘sufficient to maintain or create market share for the goods or services protected by the mark’. (25) Whether a trade mark has been put to genuine use must be determined based on all the facts and circumstances of the case, including the characteristics of the

economic sector and the market at issue, the nature of the goods and services protected by the mark, and the scale and frequency of the use. (26)

44. Essentially, therefore, trade marks are used in markets. The relevant market for a Community trade mark is the internal market which, in accordance with Article 26(2) TFEU, comprises ‘an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured’.

– The extent of the territorial area in which a Community trade mark must be used to satisfy the condition in Article 15(1) of the Regulation

45. A Community trade mark enables undertakings to adapt their activities to the scale of the internal market. Indeed, it was established for undertakings which want to deploy or continue activities on a Community level and wish to do so immediately or soon. It enables traders, consumers, producers and distributors to identify goods and services in the market and to distinguish them from those of others throughout the entire Community. This is consistent with the general objectives of Community trade mark protection, which are to encourage and open up economic activity in the entire internal market by communicating information about the goods or services covered by the trade mark. (27)

46. To that end, Community trade marks are protected throughout the entire territory of the Community without any distinction based on territorial borders between Member States.

47. Article 15 of the Regulation provides that, to preserve that protection, the Community trade mark must be ‘put ... to genuine use in the Community in connection with the goods or services in respect of which it is registered’. If the mark is not put to that use, its proprietor might lose, according to Article 42(2) of the Regulation, the right to oppose the application for registration of a similar mark for identical or similar services. (28) The principle applies also if the proprietor of an earlier national trade mark opposes the registration of a Community trade mark: in that circumstance, Article 42(3) of the Regulation provides that use in the Member State in which the earlier mark is protected be substituted for use in the Community. In my opinion, the same principle must apply, *mutatis mutandis*, in the event that opposition to a national trade mark is based on an earlier Community trade mark: the proprietor of the latter may be asked to prove genuine use in the Community. (29) The unitary character of a Community trade mark means that it must enjoy protection on equal terms in opposition proceedings involving registrations of national trade marks as well as Community trade marks.

48. To determine whether the condition of genuine use in the Community is satisfied, I consider that the national court must examine all forms of use of the mark within the internal market. In that context, the geographical definition of the relevant market is the entire territory of the 27 Member States. The borders between Member States and the respective sizes of their territories are not pertinent to this inquiry. What

matters is the commercial presence of that mark, and consequently that of the goods or services covered by the mark, in the internal market.

49. In the present case, I consider that the use made of the mark in the Netherlands market forms part of that assessment and may contribute to establishing whether the mark has penetrated the internal market for the services covered by the mark. Use (or non-use) outside the Netherlands is however equally relevant.

50. In that regard, there is a difference between national and Community trade marks. For the purpose of determining genuine use of a national trade mark, only instances of use within the territory of the Member State where the mark is registered are relevant, even if the proprietor uses it elsewhere. Use of a Community trade mark within the meaning of Article 15(1) of the Regulation, on the other hand, must be assessed taking into account instances of use in the entire internal market. Whether a Community trade mark has been used in one Member State or several is irrelevant. What matters is the impact of the use in the internal market: more specifically, whether it is sufficient to maintain or create market share in that market for the goods and services covered by the mark and whether it contributes to a commercially relevant presence of the goods and services in that market. (30) Whether that use results in actual commercial success is not relevant. (31)

51. The Court held in *La Mer* that whether use is sufficient ‘depends on several factors and on a case-by-case assessment which is for the national court to carry out’; account may be taken of ‘[t]he characteristics of those products and services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide’. (32) The Court found that ‘it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not’; a threshold ‘would not allow the national court to appraise all the circumstances of the dispute before it’. (33) I consider that this reasoning must apply to the assessment of genuine use as a whole – including, to the extent appropriate, that of the extent of the territorial use of the mark.

52. In my opinion, the case-by-case assessment of what constitutes genuine use involves determining the characteristics of the internal market for the particular goods and services involved. It also requires taking account of the fact that those features may change over time.

53. Demand or supply in, or access to, parts of the internal market may be limited depending on, for example, language obstacles, transportation or investment costs, or consumer tastes and habits. Use of a trade mark in an area where the market is particularly concentrated may thus play a more significant role in the assessment than use of the same mark in a part of the market where sources of supply and demand for these goods or services hardly exist or arise.

54. It is also conceivable that local use of a Community trade mark none the less produces effects on the internal market by, for example, ensuring that the goods are known – in a commercially relevant manner – by participants in a market that is larger than that corresponding to the territory where the mark is used. (34)

55. I therefore do not consider that use in a territory corresponding to that of only one Member State necessarily precludes the use from being characterised as genuine in the Community. At the same time, I do not consider that, for example, use of a mark on a website that is accessible in all of the 27 Member States is by definition genuine use in the Community.

56. Reading the requirement of ‘genuine use in the Community’ in this manner guarantees the freedom of undertakings of all types to choose to register a mark as either a national trade mark or a Community trade mark. (35) The Community trade mark, and its coexistence with national trade marks, were established with the objective of satisfying the needs of all market participants, and not solely those of small enterprises operating in a single Member State or small part of the internal market, or of large undertakings which are active in the whole or a large part of the internal market. Community trade mark protection must be available to all types of undertaking wishing to obtain protection of their marks throughout the territory of the 27 Member States and with the objective of using the mark in a manner that will maintain or create market share in the relevant internal market.

57. In the present case, I consider that the decision of the national court on whether the condition of genuine use in Article 15(1) of the Regulation is satisfied cannot be based on an assessment solely of instances of use of ‘ONEL’ in the Netherlands. Instead, the national court must consider all instances of use in the internal market, which obviously include those in the Netherlands, and give weight to each use against the background of the particular characteristics of the market and the market share of the proprietor in that market. If the national court finds, for example, that the internal market for the services covered by ‘ONEL’ is particularly concentrated in the Netherlands and possibly in surrounding areas, use of the mark in only the Netherlands may be given particular weight. At the same time, the national court must widen its examination so as to include forms of use that may not be relevant in assessing genuine use of a Netherlands national trade mark such as, for example, uses of the Community trade mark that make the services known in a commercially meaningful manner to potential customers outside the Netherlands.

58. In making this assessment, the national court must consider also that these are not static facts to prove and assess. Rather, they can evolve over time, including during the five years following registration of the mark.

59. I therefore take the view that genuine use in the Community within the meaning of Article 15(1) of the Regulation is use that, when account is taken of the particular characteristics of the relevant market, is

sufficient to maintain or create market share in that market for the goods and services covered by the Community trade mark.

60. In arriving at this conclusion, I do not consider that the Joint Statement or the Opposition Guidelines – documents that evidently are not binding on the Court – are necessary to the analysis. In my view, the text of Article 15(1), viewed in the light of its context and object and purpose, is sufficiently clear. In any event, neither the Joint Statement nor the Opposition Guidelines appear to contradict my conclusion.

– The territorial scope of use of a Community trade mark and its conversion into a national trade mark in the event of non-use

61. Finally, unlike some of the parties submitting observations, I consider that my interpretation of Article 15(1) of the Regulation does not undermine the effect utile of Article 112(2)(a) of the same regulation. Nor is Article 112 decisive in distinguishing the requirement of genuine use of a Community trade mark from that of a national trade mark.

62. Article 112 describes the circumstances in which a Community trade mark may be converted into a national trade mark. Conversion is excluded where ‘the rights of the proprietor of the Community trade mark have been revoked on the grounds of non-use’. Article 112(2)(a) provides an exception to this rule if ‘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’.

63. Non-use is thus contrasted with, on the one hand, genuine use in the Community and, on the other hand, genuine use of a national trade mark under the laws of a Member State. If use within a single Member State can, when account is taken of all other facts, constitute genuine use in the Community, there will be no basis for revoking the mark and the circumstances in which conversion is excluded do not arise. In certain circumstances, the same use of a mark will satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark. In that event, Article 112 will not apply. By contrast, if a national court finds that, when account is taken of all the facts of the case, use in a Member State was insufficient to constitute genuine use in the Community, it may still be possible to convert the Community trade mark into a national trade mark, applying the Article 112(2)(a) exception.

Conclusion

64. In the light of the foregoing considerations, I am of the opinion that the Court should answer the questions raised by the *Gerechthof 's-Gravenhage* to the following effect: Article 15(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that (i) use of a Community trade mark within the borders of a single Member State is not, of itself, necessarily sufficient to constitute genuine use of that trade mark, but (ii) it is possible that, when account is taken of all relevant facts, use of a Community trade

mark within an area corresponding with the territory of a single Member State will constitute genuine use in the Community. Genuine use in the Community within the meaning of Article 15(1) of Regulation No 207/2009 is use that, when account is taken of the particular characteristics of the relevant market, is sufficient to maintain or create market share in that market for the goods and services covered by the Community trade mark.

1 – Original language: English.

2 – In this Opinion, I shall primarily use the terminology used in the relevant regulations and directives, which continue to refer to the use of a Community trade mark in the Community and have not yet been amended in the light of the Lisbon Treaty.

3 – Of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1). The Regulation codified the various amendments made to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), which established the Community trade mark. See recital 1 in the preamble to the Regulation.

4 – By contrast, a national trade mark must be put to ‘genuine use in the Member State’ concerned: Article 10(1) of 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 (OJ 2008 L 299, p. 25, ‘the Directive’). See points 15 and 16 below.

5 – Article 1(1) of the Regulation.

6 – Article 4 of the Regulation.

7 – A filing in this context means the submission of a trade mark application.

8 – This is my translation of the authentic versions of the Benelux Convention.

9 – Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended.

10 – Neither the referring court nor the parties who have submitted observations have told us whether ‘ONEL’ has been the subject of an international registration. For the purposes of this Opinion, I shall assume that this Community trade mark has not been so subject.

11 – Recital 10 in the preamble to the Regulation.

12 – It must however be assumed that the application to register ‘ONEL’ as a Community trade mark was unaffected by any of the absolute or relative grounds of refusal in Articles 7 and 8 of the Regulation. For example, in accordance with Article 7(1)(b) read together with Article 7(2) of that regulation, registration of a sign as a Community trade mark must be refused if it is devoid of any distinctive character in part of the Community: see Case C-25/05 P *Storck* [2006] ECR I-5719, paragraph 81.

13 – See, for example, Case C-40/01 *Ansul* [2003] ECR I-2439; Case C-259/02 *La Mer* [2004] ECR I-

1159; and Case C-416/04 P Sunrider [2006] ECR I-4237.

14 – Article 10(1) of the Directive. That provision and the Directive in general apply to national and Benelux trade marks: Article 1 of the Directive. 15 – Article 15(1) of the Regulation.

16 – See, for example, point 43 below.

17 – I consider that the same principle applies to national trade marks: genuine use in a Member State cannot be established on the basis of use of the mark outside the territory of that Member State.

18 – Sunrider, cited in footnote 13 above, paragraph 76.

19 – See also the Memorandum on the creation of an EEC trade mark adopted by the Commission on 6 July 1976, SEC(76) 2462 (July 1976), Bulletin of the European Communities Supplement 8/76, paragraph 126: ‘use in the territory of a prescribed number of Member States should not be the determining factor’ and ‘a provision would be more appropriate which required “use in a substantial part of the common market” or a “genuine use within the common market”’.

20 – Case T-39/01 Fernandes v OHIM (HIWATT) [2002] ECR II-5233, paragraph 37.

21 – Case C-301/07 Pago [2009] ECR I-9429.

22 – See Article 9(1)(c) of the Regulation.

23 – The facts were such that ‘the territory of the Member State in question [i.e. Austria] may be considered to constitute a substantial part of the territory of the Community’: Pago, cited in footnote 21 above, paragraph 30.

24 – Sunrider, cited in footnote 13 above, paragraph 70. See also recital 8 in the preamble to the Regulation.

25 – Sunrider, cited in footnote 13 above, paragraph 71 and case-law cited.

26 – See Sunrider, cited in footnote 13 above, paragraph 70 and case-law cited.

27 – Opinion of Advocate General Ruiz-Jarabo Colomer in Ansul, cited in footnote 13 above, point 44.

28 – In that context, I can do no better than to quote Advocate General Ruiz-Jarabo Colomer’s observation that ‘[t]rade mark registers cannot simply be repositories for signs hidden away, lying in wait for the moment when an unsuspecting party might attempt to put them to use, only then to be brandished with an intent that is at best speculative’: Opinion in Ansul, cited in footnote 13 above, point 42.

29 – The Directive does not contain a provision identical to Article 42(3) of the Regulation. See further Articles 10(1) and 11(2) of the Directive.

30 – See points 41 to 44 above.

31 – I thus agree with the General Court which has adopted the same position in several judgments. See, for example, Case T-203/02 Sunrider (VITAFRUIT) [2004] ECR II-2811, paragraph 38 and case-law cited. To give a slightly light-hearted example: a successful vendor of deep-fried chocolate bars in Scotland might formulate a marketing plan to expand his business into France, Italy, Estonia and Hungary. To that end, he registers an appropriate Community trade mark. Despite his best commercial endeavours, the plan

proves ill-conceived: unaccountably, consumers in those Member States appear wedded to their own national culinary delicacies and unwilling to be tempted by the new offering. The lack of commercial success would not affect the analysis of whether there had been genuine use of the mark. By contrast, the fact that demand for a particular product in question was concentrated, at a particular point, in a specific geographical area would be relevant to the assessment.

32 – La Mer, cited in footnote 13 above, paragraph 22.

33 – La Mer, cited in footnote 13 above, paragraph 25.

34 – Such extra-territorial effects resulting from the local use of a national trade mark are not relevant to assessing genuine use in the Member State where that mark is registered. See point 50 above.

35 – See recital 6 in the preamble to the Regulation.