

**STATEMENT OF THE HPO
ON THE GEOGRAPHICAL SCOPE OF THE GENUINE USE
REQUIREMENT RELATING TO THE COMMUNITY TRADE MARK**

On 15 January 2010, the Benelux Office for Intellectual Property (BOIP) made a decision on an opposition¹ that departs from the approach followed by the Office of Harmonization for the Internal Market (OHIM). In the reasoning of that decision, the BOIP has stated that the use of a Community trade mark in one Member State does not qualify as “genuine use” within the meaning of Directive 2008/95/EC to approximate the laws of the Member States relating to trade marks and Regulation 207/2009/EC on the Community trade mark (CTMR). It is important to see that the European Court of Justice has not ruled so far on the question whether genuine use of a Community trade mark may be established based on use in only one Member State; and the decision of the BOIP wishes to enforce the requirement clearly enshrined in Article 15(1) of the CTMR to use the trade mark “in the Community”.

The Hungarian Patent Office concurs with both the decision above and its reasoning, and deems it appropriate and timely to review the geographical requirements relating to the genuine use of Community trade marks. The evaluation of the comprehensive study within the meaning of the Council Conclusions of May 2007 on the functioning of the Community trade mark system (to be prepared by the Max Planck Institute, mandated by the European Commission) will make this review especially opportune.

The Community trade mark system was not established to replace the national trade mark systems operational in the individual Member States of the European Union. One of the underlying principles of the CTMR is co-existence of the Community and national protection systems, thus ensuring that applicants can choose the type of protection most suitable for their needs and maintaining the possibility to acquire national (or international) trade mark protection parallel to Community trade marks.

The current practice, under which it is enough to use the Community trade mark even in just a part of a single Member State in order to ward off the legal consequences of non-use, creates an undesirable situation. As a result, more and more signs that are only used within a fragment of the European Union enjoy EU-wide protection – blocking economic activities of undertakings operating in another territory within the rest of the Member States. The problematic nature of deeming use in one Member State sufficient for establishing genuine use is especially clear in the light of the fact that the number of EU Member States has by now risen to 27.

The reconsideration of the disputable practice relating to the genuine use of Community trade marks seems inevitable. In the absence of that, Hungarian SMEs and users of the national trade mark system may find themselves in a situation where national trade mark protection is not a viable option anymore, even though economically they would only need protection in the territory of one Member State. This process is further intensified by the fact that a multitude of Community trade marks used only “nationally” (instead in a substantial part of the EU) may form an obstacle as earlier rights to the registration of national trade marks. The unjustified withering of national trade mark systems thus results in a narrower range of options for undertakings when evaluating their IP needs, sidetracking them to apply for

¹ *ONEL/OMEL, Leno Merken B.V. / Hagelkruis Beheer by case*

Community trade marks even when their prospective market is not wider than a single Member State.

It is to be borne in mind that it is not only the OHIM's task but also that of the national authorities and courts to apply EU trade mark law, and they are equally entrusted to interpret the territorial requirements of genuine use – taking into account the jurisprudence of the European Court of Justice. Consequently, as long as the European Court of Justice has not ruled on the issue at stake (which would be welcome for the sake of legal certainty), decisions of national authorities are to be respected by all.

The BOIP attempted in its decision of first instance to clarify this long disputed question. The Hungarian Patent Office welcomes and supports these endeavours, and will closely follow the development and outcome of the proceedings.