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Advertising goods and services rendered abroad constitutes genuine use of EUTM

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The General Court (GC) recently overturned⁽¹⁾ the European Union Intellectual Property Office (EUIPO) Board of Appeal's (BoA's) decision on the revocation of an EU trademark (EUTM) for non-use, stating that advertising and promotional activities for hotel and ancillary services which are rendered outside the European Union can constitute acts of use within the European Union.

Facts

In 2011, a US hotel group, Standard International Management LLC, registered the figurative sign THE STANDARD (written upside down) as an EUTM for goods and services such as hotel, restaurant and bar services. In 2018, a hotel group based in Hong Kong with a similar name, Asia Standard Management Services Ltd, filed an application for revocation of the THE STANDARD EUTM for non-use, arguing that the services in question were not offered in the European Union, but in the United States only. The Cancellation Division revoked the contested mark for lack of genuine use of the EUTM within the European Union.

BoA

Standard International Management LLC lodged an appeal with the EUIPO BoA, but the appeal was dismissed. The BoA held that the hotel and ancillary services at issue were provided exclusively in the United States, thus outside the relevant territory of the European Union. The BoA rejected all evidence submitted by the trademark owner regarding the hotel's ads and ancillary services – which were directed at customers in the European Union – as irrelevant; the same went for evidence regarding the nationality or geographical origin of the addressed customers. Having rejected the evidence, the BoA concluded that the trademark owner could not prove genuine use of the contested mark if the goods and services themselves were not offered within the European Union.

Standard International Management LLC filed for annulment of the BoA's decision with the GC, alleging that the BoA's incorrect assessment of genuine use infringed article 58(1)(a) of the EU Trademark Regulation.⁽²⁾

GC

The GC annulled the contested decision, finding:

- on a procedural note, that the BoA had erred in considering the evidence relating to the promotion of the hotel and ancillary services towards customers in the European Union as irrelevant; and
- on the subject matter, that a trademark covering hotel and ancillary services can be genuinely used by advertising such services in the European Union only.

The GC emphasised that there is a distinction between the place where the services are provided and the place where the trademark is used. Only the latter, which is demonstrated by multiple types of acts and thus not limited solely to the provision of the services themselves, is relevant for the examination of genuine use. Since the acts of advertising and offering for sale are "acts of use of a trademark" pursuant to the EU Trademark Regulation, those acts – in so far as they occur in the relevant territory – can establish genuine use of a trademark.

The GC further pointed out that regardless of whether the hotel and ancillary services at issue were provided outside the European Union, the contested mark could still be genuinely used within the European Union through acts of advertising and offers made in the European Union. In order to establish genuine use of a trademark, it is sufficient if the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods and services for which it has been registered. Therefore, the applicant can use the mark in the European Union in order to create or preserve an outlet for the goods and services provided in the United States. Such an interpretation is also supported by the EUIPO guidelines, which state that where the goods or services covered by the contested mark are provided abroad, such as holiday accommodation or particular products, advertising alone may be sufficient to satisfy the requirement of genuine use.

Comment

The GC's decision will be welcomed by trademark owners – particularly those based outside the European Union – as it clarifies that advertising goods and services that are provided abroad in the European Union might be all that is necessary to ensure genuine use of a EUTM. The ruling, however, relates exclusively to hotel and ancillary services; it remains to be seen whether these principles will be upheld in regard to other categories of goods and services.

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Endnotes

(1) T-768/20.

(2) Regulation (EU) 2017/1001.