



Reports of Cases

OPINION OF ADVOCATE GENERAL
SHARPSTON
delivered on 5 July 2012¹

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 207/2009³ ('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.

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.

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.’

5 — Article 1(1) of the Regulation.

6 — Article 4 of the 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.

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.

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.

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.

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

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.

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

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.

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

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.

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.

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.

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 *effet 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 *Gerechtshof '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.