

The latest dispatches from the Budweiser wars

Advocate General Verica Trstenjak recently gave [her opinion on questions referred to the European Court of Justice](#) by the UK Court of Appeal regarding the latest dispute in the complex on-going battle for the “Budweiser” UK trademark.

The registration of the UK trademark for “Budweiser” has been disputed between Budějovický Budvar (BB) and Anheuser-Busch Inc. (AB) since the 1970s: AB filed a UK trademark application for “Budweiser” in 1979, which was then opposed by BB. BB later filed their own UK trademark application for “Budweiser” in 1989, which was predictably opposed by AB.

In 2000 the UK Court of Appeal dismissed both oppositions. This allowed both sides to register “Budweiser” in the UK. The decision was made under the UK Trade Mark Act of 1938 which allowed the simultaneous registration of identical or confusingly similar trademarks. However, almost five years later, AB applied for a declaration of invalidity of BB’s trademark. Legal proceedings then reached the UK Court of Appeal.

The questions posed by the UK Court of Appeal mainly relate to the five-year period for acquiescence under Article 9 of the so-called Trademark Harmonisation Directive [89/104/EEC](#). This Article prevents a proprietor of an earlier trademark from applying for a declaration of invalidity for an identical or similar trademark that was registered after the earlier trademark, if the proprietor has acquiesced in the use of the later trademark for a period of five years. AB’s application was made four years and 364 days after BB’s mark was registered.

In particular, questions arose regarding the meaning of the term “acquiesce”, and the nature of the five year period. For example, can the proprietor of an earlier trademark be considered to acquiesce even if his earlier trademark application has not yet been

registered?

p2

The Advocate General's opinion is that the term "acquiesce" relates to conduct characterised by forbearance and non-objection in response to a situation which is not necessarily desired. In order for the five year period of acquiescence to begin, the Advocate General indicated that the following conditions need to be satisfied:

the later trademark has been registered;

the later trademark has been used; and

the proprietor of the earlier trademark is aware of the registration and use of the later trademark.

If these three conditions are met in a particular case, the status of the earlier trademark registration does not affect the commencement of the five year period. For example, it is immaterial whether or not the registration of the earlier trademark is still pending.

In the end, however, such analysis was moot as the Advocate General was of the opinion that the Directive was not applicable to the proceedings for the "Budweiser" trademark. This is because the Directive did not enter into force until 1989, whereas AB's original trademark application was made in 1979. Application of the Directive to the present proceedings would result in retroactive application of the Directive's scope, contrary to the principles of EU law.

We will have to wait to see if the European Court of Justice agrees with the Advocate General's opinion. If they do, it seems likely that the two "Budweiser" UK trademarks will be able to continue to co-exist peacefully under the UK Trade Mark Act of 1938.