

EIP

Anheuser-Busch v Budvar

European Court of Justice: Case C-96/09 P

A recent appeal to the European Court of Justice (ECJ) in relation to the ongoing trademark dispute between Anheuser-Busch and Budvar has highlighted several important issues surrounding reliance on unregistered rights in trademark oppositions at the Community Trade Mark Office (OHIM). The latest episode in the Anheuser-Busch/Budvar dispute relates to Anheuser Busch's attempts to register figurative and word forms of the mark "BUD" as a Community Trade Mark (CTM), and Budvar's oppositions thereto, which ultimately focused heavily on a number of appellations of origin following the failure of their initial reliance on an earlier registered trademark due to "proof of use" issues.

In summary, the ECJ found that:

- Where an earlier unregistered sign has been found invalid by a national court but appeal remains a possibility, the earlier right may still provide valid basis for an opposition to a CTM under Article 8(4) of EC Regulation 40/94, otherwise known as the Community Trade Mark Regulation (CTMR), given that the earlier right would continue to have effect in the relevant territory until an appeal was no longer possible or had been resolved. It was not for OHIM to make its own assessment of the validity of such rights.
- Article 8(4) of the CTMR does not impose a requirement that "genuine use" of an earlier unregistered sign be proved for that sign to be relied upon in support of an opposition in the same way that this is required for earlier registered trademarks. Essentially, the relative grounds for refusal based on an earlier unregistered sign are independent of those for an earlier registered trademark, and the use requirement for an earlier unregistered sign is only that it be used commercially with a view to economic advantage, however limited, provided that it is not a private

matter. Furthermore, the requirement for use in the course of trade can be satisfied by deliveries of goods or services made without charge, since those deliveries could have been made in the context of commercial activity with a view to economic advantage.

- The significance of an earlier unregistered sign cannot be a function of the mere geographical extent of its protection, for example, across a whole territory, such as France, as that would lead to the conclusion that the mere existence of a sign whose protection is not merely local would prevent registration of a CTM regardless of the extent to which the sign is used in the course of trade in the relevant territory. Thus, it follows that a sign relied upon in an opposition under Article 8(4) of the CTMR must actually be used in a sufficiently significant manner in the course of trade with a geographical extent that is not merely local within the territory in which it is protected. An assessment of the use made of the earlier unregistered sign must be carried out separately for each of the territories in which the sign is protected.

This decision highlights a number of considerations to be taken into account by opponents seeking to rely on appellations of origin and other unregistered rights in signs in CTM oppositions. In this regard, it is apparent that the “proof of use” requirement for such signs has been relaxed to some extent by distinguishing it from the “genuine use” requirement that applies to earlier registered trademarks. However, in other respects reliance on such signs in trademark oppositions has been constrained, for example, by requiring that the use of those signs be substantial in the territories in which they are protected.

It is also clear from the decision of the ECJ in this case that it would have been much easier to rely on trademark registrations in this dispute, rather than on appellations of origin, particularly trademark registrations that were sufficiently “young” to avoid having to meet the onerous “genuine use” requirements. This acts as a reminder that an active strategy for maintaining “genuine use” of registered trademarks and/or a regularly updated trademark filing program which avoids registrations becoming vulnerable to “genuine use” requirements is well-advised.