



Trademark Law Insight

Practical aspects of the right-preserving trademark use

Speakers



Sebastian von Rüden, LL.M.

Partner

Deloitte Legal | Digital Law | IP

Specialist lawyer for intellectual property rights

Specialist lawyer for information technology law

Phone: +49 211 8772 5544

Mobile: +49 151 18293170

E-mail: svonrueden@deloitte.de



Sonja Baier, B.A.

Senior Associate

Deloitte Legal | Digital Law | IP

Phone: +49 211 8772 5578

Mobile: +49 151 18293178

E-mail: sbaier@deloitte.de

Overview

- I. Legal background
- II. Tips for documenting proof of use: Best Practice



I. Legal background

Why is there an obligation to use a trademark?



Public interest in preventing economically unnecessary restrictions of competition and competitors through "trademark register corpses"



Interest of the trademark owner in maintaining his registered trademark



Rights-preserving use of trademarks and proof of use in trademark law (2/7)

The relevant periods of use

Principle period of use German Trademark Act:

The trademark shall be cancelled due to revocation if it has not been used in such a way as to preserve rights for an uninterrupted period of five years **from the date on which opposition against it is no longer possible.**

Principle Period of use European Union Trade Mark Regulation:

The EU trademark is subject to revocation if it has not been used in a right-preserving manner within an uninterrupted period of five years from the **date of registration** in the EU.

Grace period for use

The trademark owner initially has a 5-year grace period during which he can slowly test his trademark without having to prove the use of his trademark. This changes after this period has expired: At the request of a third party, the trademark owner must now prove that his trademark has been used to preserve rights.

Modifications/other periods of five years of non-use (German Trademark Act):

- Execution of an opposition proceeding
- Periods of use when raising the plea of non-use

Effects of the obligation to use



The registered trademark

(i) is subject to cancellation

resp.

(ii) no rights can be asserted from it if it has not been used within five years.

Isolated cancellation requests

- ❖ Official trademark revocation proceedings
- ❖ Judicial cancellation actions

Plea of non-use of the defendant in trademark proceedings

- ❖ Trademark opposition proceedings
- ❖ Trademark invalidity proceedings

Plea of non-use of the defendant in civil court proceedings

- ❖ Trademark infringement proceedings
- ❖ Invalidity action

Rights-preserving use of trademarks and proof of use in trademark law (4/7)



Rights-preserving use requires that (during the relevant period of use)

(1.) the trademark

**(2.) has been put
to genuine use**

(3.) by its owner

**(4.) for the goods or
services for which it
is registered**

(5.) domestically

Rights-preserving use of trademarks and proof of use in trademark law (5/7)

Procedural problems of the proof of use



The required proof of use must contain cumulative information on

- ⊕ **Territory** (Where was the trademark used?)
- ⊕ **Time period** (When, i.e. in which years and for how long was the trademark used?)
- ⊕ **Nature** (For what, i.e. for which goods/services was the trademark used? How was the trademark applied to the goods or to the items used to provide the service?)
- ⊕ **Extent** (To what extent was the trademark used? How much revenue was generated from it?)
- ⊕ **Form** (Has the trademark been used in the form registered in the trademark register or in a different form?)
- ⊕ **Person of the user** (Who used the trademark? The trademark owner or an authorised third party?)

Rights-preserving use of trademarks and proof of use in trademark law (6/7)

Challenges



Evidence / documents for the proof of use, esp:

- dated photographs of the goods bearing the trademark
- dated photographs of the outer packaging of the goods bearing the trademark
- dated price lists
- dated order forms
- dated and localised invoices (*names of customers may be blacked out*)
- dated catalogues (with images of the goods bearing the trademark or with services offered under the trademark) (circulation + territory)
- dated advertising materials (e.g. brochures; flyers) (circulation + area)
- dated newspaper adverts (circulation + reach of the publication)
- Proof of dated trade fair appearances (data + facts about the trade fair, in particular significance, exhibitor and visitor numbers)
- dated publications by third parties naming the trademark for the goods and services concerned (circulation + reach)
- Market surveys/market share
- dated internet printouts or screenshots (details of place, time and extent of use)

Rights-preserving use of trademarks and proof of use in trademark law (7/7)

Challenges

Special features: Service mark

- In the case of **service marks**, a physical connection between the brand and the product is not possible.
- Therefore, **only indirect forms of** use can be considered as acts of use:
 - i. Affixing the trademark to the business premises
 - ii. Use on items which are used in the course of the provision of services (e.g. workwear, business letters, brochures, invoices, printed advertising material)
 - iii. Use as part of an internet address if the services advertised with the trademark are actually offered on the website accessible via the domain
- If a **trademark is also a company sign**, use within the meaning of the right-preserving use is denied if the trademark is used exclusively as a company name.
- In order to exclude such purely corporate use, the trademark must also be used as a reference to a specific (service) product and thus have a connection to a specific product/service
 - ⊕ with particularly graphic highlighting
 - ⊕ in the case of a spatial separation of further information on the company (e.g. on the legal form supplement)
 - ⊕ Use of the ® ("R in a circle")

Case law example

EUIPO (Cancellation Division):

The evidence of use submitted by McDonald's is not sufficient to prove that the trademark 'Big Mac' has been used in a genuine manner

Order for cancellation of the EU trademark "Big Mac"

EUIPO (Board of Appeal):

McDonald's did not submit more suitable evidence of use that preserved the right until the appeal proceedings

Partial cancellation of the lower court's decision: EU trademark "Big Mac" remains registered for many goods/services, but not for all of them

Cancellation request against the wordmark "Big Mac" due to (alleged) non-use



The trademark owner must not only use the trademark genuinely, but must also continuously take care of obtaining and securing the supporting documents and evidence!

II. Tips for documenting proof of use

Best Practice

Regular Filing // Scope

Tips

Establish two to three fixed dates per year for the filing of proof of use, making it part of the "business routine"

For invoices:

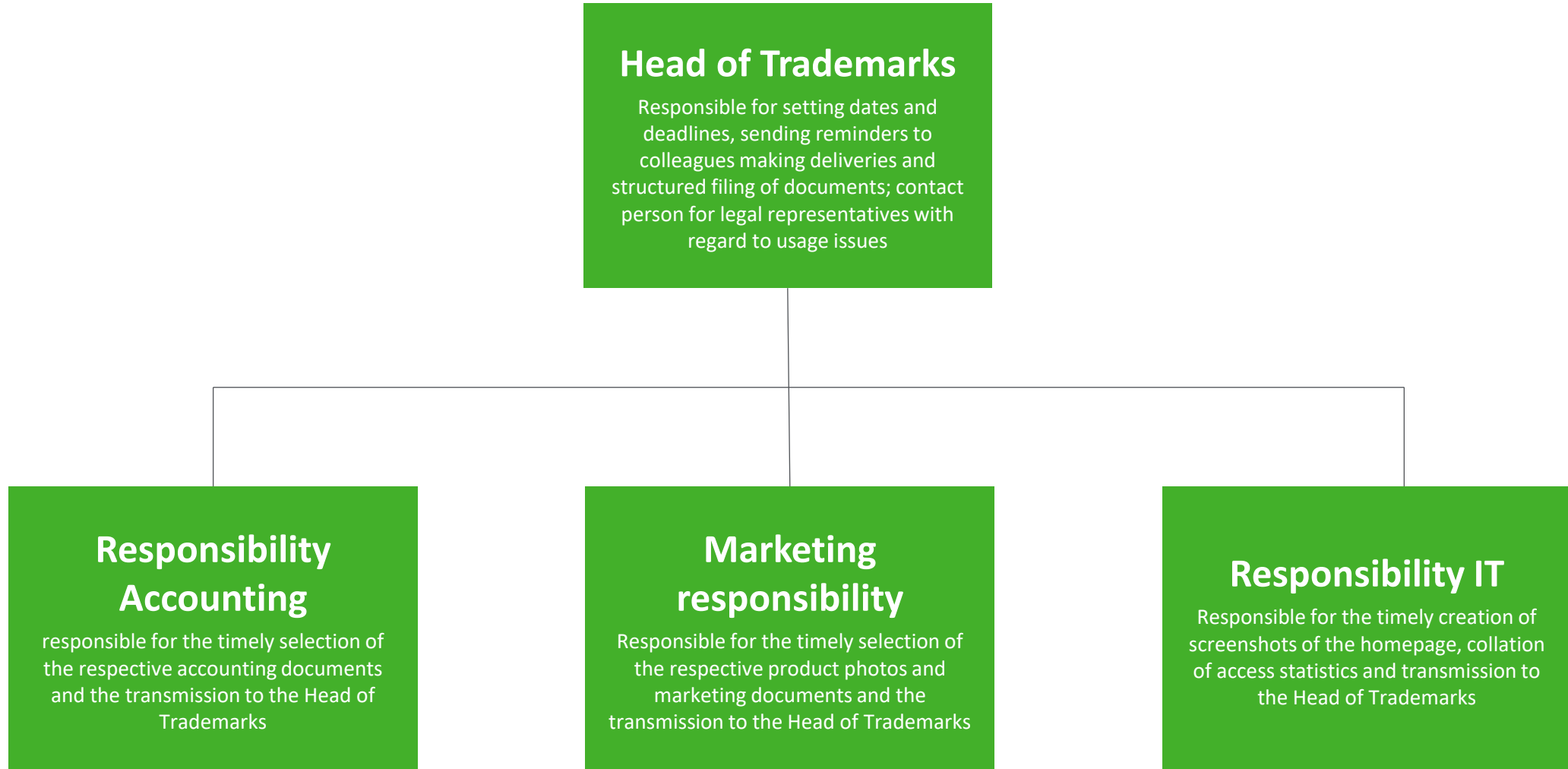
- Pay attention to service description, turnover and "customer diversification"
- document the number of units sold (goods and service products) and sales achieved (e.g. per quarter depending on business practice)

Guide value for scope:


- Product photos: the entire range once a year
- max. 15 invoices per year per good/service
- However, store marketing documents completely
- When taking screenshots, make sure that all goods and services offered online are included

Assignment of fixed responsibilities (governance)

Proposal



Q&A



Thank you very much
for your attention

Deloitte Legal

Your contact

Feel free to contact us!



Sebastian von Rueden, LL.M.

Partner

Deloitte Legal | Digital Law | IP

Specialist lawyer for intellectual property rights

Specialist lawyer for information technology law

Phone: +49 211 8772 5544

Mobile: +49 151 18293170

E-mail: svonrueden@deloitte.de



Sonja Baier, B.A.

Senior Associate

Deloitte Legal | Digital Law | IP

Phone: +49 211 8772 5578

Mobile: +49 151 18293178

E-mail: sbaier@deloitte.de

Experience the future of law, today

Deloitte Legal, that are

more than **2.500** Attorneys
in **75+** countries



who work closely together
across national borders and together with
other Deloitte business units

Services of Deloitte Legal

Our three overlapping service areas enable us to advise our clients when and where needed and in the most suitable form to realise their visions.



Legal
Advisory

Models, concepts and
systems to increase
efficiency

Legal
Management
Consulting

Legal
Managed
Services

Outsourcing und Legal
Managed Services

We create (added) value

As part of the Deloitte global network, Deloitte Legal works with a wide range of other specialisms to provide multinational legal solutions and globally integrated service:



in line
with your company-wide vision



customised
for your business units and branches



supported by technology
for improved collaboration and transparency



customised
to your regulatory requirements



Deloitte Legal means the legal practices of Deloitte Touche Tohmatsu Limited member firms, their affiliates or partner firms that provide legal services.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/de/ueberUns to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Legal advisory services in Germany are provided by Deloitte Legal. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com/de.

This communication contains general information only, and none of Deloitte Legal Rechtsanwaltsgesellschaft mbH or Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.