

Court of Justice Case C-661/11 (*Martin y Paz Diffusion SA v. David Depuydt and Fabriek van Maroquinerie Gauquie SA*)

Introduction

The IP Federation represents the views of a significant number of major innovative UK companies in matters concerning intellectual property policy. A list of members is attached. The member companies hold a large number of trade marks, both UK and EU (Community). The Federation and its member companies therefore have a very considerable interest in the proper functioning and improvement of the trade mark system in Europe.

The decision

We have received notification of a new case referred by the *Cour de cassation* (Belgium) to the Court of Justice of the European Union, [C-661/11](#). The case concerns the exclusive right conferred on the proprietor of a registered trade mark and the circumstances in which that right can no longer be asserted against a third party in respect of all goods covered by it at the time of registration, in particular where a trade mark has been licensed pursuant to Article 8(1) of the Directive. The IPO has asked for comments by **16 February 2012**.

As far as we can tell in the short time available, this is an appeal against an earlier [decision](#), No. 2006/AR/3336 from the *cour d'appel de Bruxelles* dated 8 November 2007, involving the same parties. For an indication of the subject matter, see for example page 8 of the earlier [decision](#):

Il résulte des pièces déposées par les parties que depuis 2002 tant *Martin y Paz* que *Gauquie* font usage de la marque figurative « N » et d'un nouveau vocable « NATHAN BAUME ».

Martin y Paz distribue ainsi un catalogue d'articles de maroquinerie comprenant des trousse de toilette, des valises, des sacs de voyage, des pochettes, des porte-monnaies, des trousse de maquillage et de bijoux, des portefeuilles, des étuis à lunettes, stylos et GSM, des porte-clés, des ceintures, des agendas et des parapluies.

Quant à elle, *Gauquie* fabrique et vend des sacs à main et des chaussures.

Par ailleurs, les parties se vendent mutuellement leurs produits qu'elles exposent dans leurs boutiques respectives, étant précisé

It appears from the documents filed by the parties that since 2002 *both Martin y Paz and Gauquie* have made use of the figurative mark "N" and a new term "Nathan BALM".

Martin y Paz thus distributes a catalogue of leather goods including toilet bags, suitcases, travel bags, clutches, wallets, make-up kits and jewellery, wallets, spectacle cases, GSM and pens, key chains, belts, umbrellas and calendars.

Meanwhile, *Gauquie* manufactures and sells handbags and shoes.

Moreover, the parties sell each other's products to display in their shops respectively, with the stipulation that for deliveries of

qu'en ce qui concerne les livraisons de sacs, la facture de *Gauquie* est établie à une autre société, à savoir la SPRL Nathan-Baume Maroquinier (cf. fax du 23 septembre 2003, pièce VII, 17 du dossier de *Martin y Paz*).

bags, the *Gauquie* invoice is made out to another company, namely NV Nathan-Baume leather goods (see fax dated 23 September 2003, part VII, 17 of file *Martin y Paz*).

Le 24 janvier 2002, *Martin y Paz* dépose, à son nom, au BBM, sous le n° 0712962, la marque verbale «NATHAN BAUME» pour des produits de la classe 18 (cuir) et 25 (vêtements).

On January 24, 2002, *Martin y Paz* deposited in its name, at the *Bureau Benelux des marques*, as No. 0 712 962, the word mark "Nathan BALM" for goods in class 18 (leather) and 25 (clothing).

The questions referred to the court

The case raises the following questions which have been sent to the Court of Justice for a preliminary ruling:

- 1.1. Must Article 5(1) and Article 8(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks be interpreted as meaning that the exclusive right conferred by the registered mark can definitely no longer be asserted by its proprietor against a third party, in respect of all goods covered by it at the time of registration:
 - where, for an extended period, the proprietor has shared the use of that mark with that third party in a form of co-ownership for part of the goods covered?
 - where, when that sharing was agreed, the proprietor gave the third party its irrevocable consent to use of that mark by the third party in respect of those goods?
- 1.2. Must those articles be interpreted as meaning that application of a national rule, such as that according to which the proprietor of a right cannot exercise that right in a wrongful or abusive manner, can lead to a definitive prohibition on the exercise of that exclusive right for part of the goods covered or as meaning that that application must be restricted to penalising the wrongful or abusive exercise of that right in another way?
- 2.1. Must Article 5(1) and Article 8(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks be interpreted as meaning that, where the proprietor of a registered mark ends its undertaking to a third party not to use that mark for certain goods and thus intends to recommence that use itself, the national court can none the less definitively prohibit it from recommencing that use of the mark on the ground that it amounts to unfair competition because of the resulting advantage to the proprietor of the publicity previously made for the mark by the third party and possible confusion in customers' minds, or must they be interpreted as meaning that the national court must adopt a different

penalty which does not definitively prohibit the proprietor from recommencing use of the mark?

- 2.2. Must those articles be interpreted as meaning that a definitive prohibition on use by the proprietor is justified where the third party has, over a number of years, made investments in order to bring to the attention of the public the goods in respect of which the proprietor has authorised it to use the mark?

IP Federation response

Unfortunately we do not have sufficient information on many of the issues to make an informed response. It may be that contract law is involved in that "irrevocable" consent was given (at end of 1.1). It may be that, whilst an "exclusive" licence was granted, such a licence under Belgian law does not preclude use by the Licensor (i.e. English sole licence). It is also not clear whether "a third party" means the Licensee or an unconnected entity - by inference from 2.2, it refers to the Licensee.

On the basis of the foregoing, we believe that questions 2.1 and 2.2 should be answered in the negative, since otherwise licensing a trade mark registration (in part) will be tantamount to an involuntary assignment, if the Licensor's rights are overridden on termination.

It follows that questions 1.1 and 1.2 should also be answered in the negative.

We thus urge UK intervention in this case.

IP Federation
16 February 2012

IP Federation members 2012

The IP Federation represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. Its Council also includes representatives of the CBI, and its meetings are attended by IP specialists from three leading law firms. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

ARM Ltd
AstraZeneca plc
Babcock International Ltd
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
BTG plc
Caterpillar U.K. Ltd
Delphi Corp.
Dyson Technology Ltd
Eli Lilly & Co Ltd
ExxonMobil Chemical Europe Inc
Ford of Europe
Fujitsu Services Ltd
GE Healthcare
GKN plc
GlaxoSmithKline plc
Hewlett-Packard Ltd
IBM UK Ltd
Infineum UK Ltd
Merck Sharp & Dohme Ltd
Microsoft Limited
Nokia UK Ltd
Nucletron Ltd
Pfizer Ltd
Philips Electronics UK Ltd
Pilkington Group Ltd
Procter & Gamble Ltd
Rolls-Royce plc
Shell International Ltd
Smith & Nephew
Syngenta Ltd
The Linde Group
UCB Pharma plc
Unilever plc
Vectura Limited