

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
12 December 2002 *

In Case T-39/01,

Kabushiki Kaisha Fernandes, established in Tokyo (Japan), represented by
R. Hacon, N. Phillips and I. Wood, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs)
(OHIM), represented by S. Laitinen, acting as Agent,

defendant,

* Language of the case: English.

the other party before the Court being

Richard John Harrison, of Doncaster, South Yorkshire (United Kingdom),
represented by M. Edenborough, Barrister, and S. Pilling, Solicitor,

ACTION brought against the decision of the First Board of Appeal of the Office
for Harmonisation in the Internal Market (Trade Marks and Designs) of
4 December 2000 (Case R 116/2000-1),

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (Fourth Chamber),

composed of: M. Vilaras, President, V. Tiili and P. Mengozzi, Judges,
Registrar: J. Plingers, Administrator,

having regard to the application lodged at the Registry of the Court on
20 February 2001,

having regard to the response lodged by the OHIM at the Registry of the Court
on 15 June 2001,

having regard to the response lodged by the intervener at the Registry of the
Court on 7 June 2001,

further to the hearing on 10 July 2002,

gives the following

Judgment

Legislation

- 1 Article 43(2) and (3) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, provides as follows:

‘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... by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.’

2 Rule 22 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1) provides as follows:

‘1. Where, pursuant to Article 43(2) or (3) of the regulation, the opposing party has to furnish proof of use..., the Office shall invite him to provide the proof required within such a period as it shall specify. If the opposing party does not provide such proof before the time-limit expires, the Office shall reject the opposition.

2. The indications and evidence for the furnishing of proof of use shall consist of indications concerning the place, time, extent and nature of use of the opposing trade mark for the goods and services in respect of which it is registered and on which the opposition is based, and evidence in support of these indications in accordance with paragraph 3.

3. The evidence shall, in principle, be confined to the submission of supporting documents and items such as packages, labels, price lists, catalogues, invoices, photographs, newspaper advertisements, and statements in writing as referred to in Article 76(1)(f) of the Regulation.

4. Where the evidence supplied pursuant to paragraphs 1, 2 and 3 is not in the language of the opposition proceedings, the Office may require the opposing party to submit a translation of that evidence in that language, within a period specified by the Office.’

Facts

- 3 On 29 October 1996, Richard John Harrison filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) ('the Office') under Regulation No 40/94.
- 4 The mark in respect of which registration is sought is the word HIWATT.
- 5 The goods in respect of which registration is sought are in Class 9 of the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: 'Amplifier and speaker boxes; electrical sound effects units; parts and fittings for all the aforesaid goods'.
- 6 On 16 March 1998, the trade mark application was published in *Community Trade Marks Bulletin* No 18/98.
- 7 On 27 April 1998 the applicant filed a notice of opposition to the Community trade mark application. The earlier marks cited in support of the opposition were German registration No 1129761, French registration No 1674997 and Italian registration No 18651 C/89 of the word HIWATT for goods in Class 9 of the Nice Agreement and the well-known marks HIWATT in Germany, France and Italy. The goods for which the earlier German mark No 1129761 is registered are within Class 9 of the Nice Agreement and correspond to the following description: "Technical and electronic apparatus and instruments (all included

in Class 9); apparatus for recording, transmitting or reproduction of sound or images; loud-speakers, amplifiers, microphones'. The grounds relied on in support of the opposition are those set out in Article 8(1)(b) and (5) of Regulation No 40/94.

- 8 At the request of the applicant for the Community trade mark, the applicant was required to furnish proof of genuine use of the earlier marks for the purposes of Article 43(2) and (3) of Regulation No 40/94 and Rule 22(1) of Regulation No 2868/95.
- 9 Within the period imposed by the Office for proving genuine use of the earlier marks, the applicant submitted various documents, consisting of an invoice showing a shipment of HIWATT goods from Korea to Italy dated 2 December 1998; excerpts from the Fernandes Guitars Universal Catalogue in English showing a HIWATT amplifier and mentioning an address in Japan; various excerpts from the programme for the 1999 and 2000 Musikmesse/ProLight & Sound trade fair in Frankfurt am Main; the cover of, and some pages from inside, the official catalogue of the 1997 Musikmesse/ProLight & Sound trade fair naming the applicant and HIWATT Amplification International as exhibitors at that fair; a HIWATT catalogue in English from 1997 showing HIWATT amplifiers and mentioning an address in the United States.
- 10 By a decision of 23 November 1999, the Opposition Division refused the opposition under Article 43(2) of Regulation No 40/94 on the ground that neither the existence of any well-known mark nor genuine use of the registered marks had been proved.
- 11 An appeal against the decision of the Opposition Division was brought before the Boards of Appeal of the Office under Article 59 of Regulation No 40/94 on 19 January 2000.

- 12 The appeal was dismissed by a decision of the First Board of Appeal of 4 December 2000 ('the contested decision'), which was served on the applicant on 14 December 2000.
- 13 The Board of Appeal found that the evidence submitted by the applicant was insufficient to demonstrate genuine use of the earlier HIWATT marks in France, Germany or Italy.

Forms of order sought

- 14 The applicant claims that the Court should:
- annul the contested decision;
 - order the Office to refuse the mark claimed;
 - order the Office to pay the costs.
- 15 The Office contends that the Court should:
- dismiss the application;

— order the applicant to pay the costs.

16 The intervener contends that the Court should:

— uphold the decisions of the Office;

— order the Office to proceed to registration;

— make an order for costs.

Law

Requests by the applicant and the intervener that the Court order the Office to adopt a particular course

17 By their second heads of claim, the applicant and the intervener respectively ask the Court to order OHIM to refuse the mark claimed and to instruct it to proceed to registration.

- 18 It should be recalled in that connection that Article 63(6) of Regulation No 40/94 requires the Office to take the measures necessary to comply with the judgment of the Community courts. Accordingly, the Court of First Instance cannot issue directions to the Office. It is for the Office to draw the appropriate inferences from the operative part of this judgment and the grounds on which it is based. The second heads of claim submitted by the applicant and the intervener are therefore inadmissible (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld v OHIM (Giroform)* [2001] ECR II-433, paragraph 33; Case T-34/00 *Eurocool Logistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 12).

The application for annulment

- 19 The applicant stated at the hearing that it was challenging the contested decision only in so far as the Board refused to accept that there had been genuine use of the earlier German HIWATT mark, No 1129761. In support of its application, the applicant advances a single plea in law, alleging infringement of Article 43(2) and (3) of Regulation No 40/94.

Arguments of the parties

- 20 The applicant argues that, whilst the Board of Appeal defined the concept of genuine use of a trade mark correctly (at paragraph 25 of the contested decision), it applied the definition wrongly in this case.
- 21 As regards the HIWATT amplifier catalogue which the applicant claims was made available at the Frankfurt fair in the years 1993 to 1997, the applicant observes that the Board of Appeal refused, at paragraph 27 of the contested

decision, to have regard to that catalogue on the ground that it is in English, which is a surprising criterion to use. According to the applicant, the Frankfurt Musikmesse/ProLight & Sound trade fair at which the catalogues were distributed is an international fair and it is therefore logical that most of the exhibitors, if not all, provide catalogues in English. Nor is it surprising that the name of the Musikmesse/ProLight & Sound fair does not appear on the catalogues, as there is no obligation to stamp catalogues with the name of the trade fair at which they are distributed.

22 Accordingly, the applicant submits that the Board of Appeal was wrong not to accept that it was overwhelmingly likely that the ordinary use of the catalogue by the opponent at the Frankfurt fair from 1993 to 1997 constituted genuine use of the earlier mark for the purpose of trading in amplifiers.

23 The applicant claims that it is clear from the evidence produced that a company called HIWATT Amplification International had a stand at the 1997 Frankfurt fair and that the company was closely related to the applicant, given that they shared the same address and fax number. In that connection the applicant states that it was more than likely that HIWATT Amplification International used the HIWATT mark at its stand at that trade fair for amplifiers and that such use was with the applicant's consent. Accordingly, the applicant considers that it would be remarkable to suppose that such use was artificial use solely for the purpose of maintaining the registration of the mark.

24 The applicant concludes that the Board of Appeal ought to have taken account of all those factors demonstrating genuine use of the German HIWATT mark in the five-year period preceding publication of the application for the contested mark.

- 25 The Office argues that the test of genuine use of the trade mark is not satisfied by token use exclusively for the purposes of maintaining trade mark rights. Genuine use depends on analysis of all the factual circumstances of each case. Genuine use of the earlier trade mark may be proved where all the requirements laid down by Rule 22(2) of Regulation No 2868/95 are met, on the basis of all the evidence adduced to that end.
- 26 With regard to the documents submitted by the applicant, the Office argues first of all that whilst the 1997 HIWATT catalogue describes the nature of the use, it does not satisfy the other criteria in Rule 22(2) of Regulation No 2868/95, particularly as to time, place and extent of use. As regards the language of the catalogue, English, it considers that this was of minimal influence in relation to the decision to refuse the opposition.
- 27 Secondly, the Office considers that the catalogue for the 1997 Frankfurt Musikmesse/ProLight & Sound trade fair merely shows that the applicant and HIWATT Amplification International attended that fair. However, it contains no information as to the goods displayed, the trade mark used, and the duration or extent of the use.
- 28 The Office argues that it cannot determine whether there has been genuine use of a trade mark on the basis of probabilities, but must assess whether use has been proved. If the applicant had been making genuine use of its mark in Germany, there would have been nothing to keep it from submitting evidence other than that relating to its presence at the Frankfurt Musikmesse/ProLight & Sound trade fair.

- 29 The Office concludes that the evidence submitted by the applicant is not capable of showing genuine use of the German HIWATT mark and that both the reasoning and the result of the contested decision are sound.
- 30 The intervener submits that genuine use requires more than token use. He considers that the Opposition Division and the Board of Appeal reached the correct conclusion on the facts, namely that the applicant failed to establish use of the earlier mark.
- 31 The intervener argues that the applicant failed to adduce evidence of use of the HIWATT mark on the goods covered by the German registration and that it failed to produce a single invoice for a product sold in Germany. Accordingly, the intervener considers that the applicant failed to adduce any of the type of evidence that would normally be expected to support a contention of genuine use.
- 32 With regard to the HIWATT amplifiers catalogue, the intervener submits that the fact that the catalogues do not bear a Frankfurt Musikmesse/ProLight & Sound trade fair stamp is indicative that they were not distributed at that fair.
- 33 Furthermore, the intervener considers that the coincidence that the applicant and HIWATT Amplification International share the same address and fax number does not establish that the latter used the sign with the consent of the former or that there is a relationship between them. In any event, the intervener argues that no evidence was adduced as to the use of the earlier mark by HIWATT Amplification International.

Findings of the Court

- 34 The ninth recital in the preamble to Regulation No 40/94 states that there is no justification for protecting earlier trade marks except where the marks are actually used. Consistently with that recital, Article 43(2) and (3) of Regulation No 40/94 provides that an applicant for a Community trade mark may request proof that the earlier mark has been put to genuine use in the territory where it is protected during the period of five years preceding the date of publication of the Community trade mark application against which an opposition has been filed. Accordingly, if the opponent does not prove that the earlier mark in question has indeed been put to use in the market concerned, that mark cannot justify a refusal to register a Community trade mark.
- 35 It must be observed at the outset that Regulation No 40/94 does not define the notion of genuine use of a trade mark. The Board of Appeal stated, at paragraph 25 of the contested decision, that a distinction must be drawn between genuine use and token use. According to the contested decision, genuine use implies real use for the purpose of trading in the goods and services in question, as opposed to artificial use designed solely to maintain the trade mark on the register.
- 36 It must be noted first of all that genuine use implies real use of the mark on the market concerned for the purpose of identifying the goods or services. Genuine use is therefore to be regarded as excluding minimal or insufficient use when determining that a mark is being put to real, effective use on a particular market. In that regard, even if it is the owner's intention to make real use of his trade mark, if the trade mark is not objectively present on the market in a manner that

is effective, consistent over time and stable in terms of the configuration of the sign, so that it cannot be perceived by consumers as an indication of the origin of the goods or services in question, there is no genuine use of the trade mark.

- 37 Accordingly, not only does genuine use of a trade mark exclude artificial use for the purpose of maintaining the mark on the register; genuine use means that the mark must be present in a substantial part of the territory where it is protected, *inter alia* exercising its essential function, which is to identify the commercial origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent purchase (Case T-79/00 *Rewe-Zentral v OHIM (LITE)* [2002] ECR II-705, paragraph 26).
- 38 As to the criteria for assessing genuine use, account must be taken of the facts and circumstances of each case, regard being had to the wording of Rule 22(2) of Regulation No 2868/95, which states that the indications and evidence for furnishing proof of use are to consist of indications concerning the place, time, extent and nature of the use.
- 39 It is necessary to determine whether the applicant gave the Office proof of genuine use of the HIWATT mark in Germany during the five-year period preceding publication of the Community trade mark application, which is to say from 16 March 1993 to 16 March 1998, for the purpose of identifying the goods covered by German registration No 1129761 (technical and electronic apparatus and instruments (all included in Class 9); apparatus for recording, transmitting or reproduction of sound or images; loud-speakers, amplifiers, microphones).

- 40 As regards the documents produced as proof of use, the applicant made express reference in the written submissions only to the 1997 catalogue of HIWATT products and to the documentation relating to the Frankfurt Musikmesse/ProLight & Sound trade fair.
- 41 As regards the HIWATT catalogue, the Court finds that it does not contain all the particulars necessary to prove use of the earlier mark. This document is a catalogue relating to HIWATT amplifiers, written in English and dating from 1997, which states that the products are manufactured in the United States ('made in USA') and mentions an address in the United States. However, it does not contain any information capable of demonstrating that the products are sold on the German market. The applicant maintains that it distributed the catalogues in question at the Frankfurt Musikmesse/ProLight & Sound trade fair in the years 1993 to 1997, but it did not submit any evidence of that.
- 42 The only relevant fact proved by the catalogue is the existence of amplifiers bearing the HIWATT mark. The document contains no evidence, however, that the catalogues were made available to the German public, or that the amplifiers in question were marketed or exhibited in Germany.
- 43 As regards the official catalogue of the 1997 Frankfurt Musikmesse/ProLight & Sound trade fair, which the applicant produced as proof that it and a company called HIWATT Amplification International attended that fair, the catalogue does not prove that any HIWATT products were exhibited or offered for sale at the fair. In any event, the document indicates only the sporadic and occasional presence on the part of those companies on the German market; it in no way proves their continued presence on that market.

- 44 Since it has not been proved that products were exhibited or marketed at the fair under the HIWATT mark, whether HIWATT Amplification International used the applicant's German trade mark HIWATT with the applicant's consent, tacit or otherwise, is irrelevant. Nor can use of the HIWATT sign as a company name be considered to constitute use of the sign as a trade mark for the purpose of identifying the goods covered by the German registration.
- 45 Accordingly, the presence of the applicant and HIWATT Amplification International at the 1997 Frankfurt Musikmesse/ProLight & Sound trade fair can only be considered to indicate a possible intention on the part of those companies of entering the German market, which does not prove consistent, stable and real use of the HIWATT mark by the applicant capable of amounting to genuine use of that mark.
- 46 Finally, the applicant claims more than once that it is more than likely that the earlier mark was used genuinely, either by itself or by HIWATT Amplification International with its consent. The applicant considers that it would be remarkable to suppose that such use was artificial use solely for the purpose of preserving the registration of the mark.
- 47 In that regard it must be held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned.

- 48 It follows from all of the foregoing that the documents produced by the applicant before the Office in support of its contention of genuine use of the HIWATT mark do not include the information required by Rule 22(2) of Regulation No 2868/95, namely the place, time, extent and nature of use of the earlier mark.
- 49 As the applicant has failed to show even minimal use of its German trade mark No 1129761 HIWATT in Germany between 16 March 1993 and 16 March 1998 for the goods in respect of which the mark is registered, it must be held that the Board of Appeal was right to find that genuine use of that mark had not been proved.
- 50 The application must therefore be dismissed.

Costs

- 51 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since the applicant has been unsuccessful, it must, having regard to the form of order sought by the Office and the intervener, be ordered to pay their costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

1. Dismisses the application;
2. Orders the applicant to pay the costs.

Vilaras

Tiili

Mengozzi

Delivered in open court in Luxembourg on 12 December 2002.

H. Jung

Registrar

M. Vilaras

President