



## **European Trademarks and revocation for non-use: a case of hotel services provided only in the USA**

This dispute concerns a figurative mark registered for several classes of goods and services (18, 25, 38, 39, 41, 43 and 44) which was attacked by a third party before the EUIPO for revocation for non-use. In the first instance, the Cancellation Division revoked the mark in its entirety, and as a consequence, the owner of the mark appealed the decision. However, the Board of Appeal dismissed the appeal.

It must be noted that the pivotal issue of the case was represented by the fact that the evidence submitted by the owner of the contested mark proved, on one hand, that the sign was mainly used to offer hotel services and ancillary services in the USA, but, on the other hand, that a considerable number of documents consisted of advertising activities targeting European customers. In reading the decision of the EUIPO Board of Appeal (R 828/2020-5 of November 27, 2020), it is in fact possible to note that the documents submitted included: press coverage in several EU countries; online articles; printouts from the proprietor's website; extracts from a holiday booking website, EU targeted advertising campaigns; printouts from social networks; consumer reviews on TripAdvisor, bookings from EU costumers and invoices addressed to EU consumers; and Google Analytics figures for the website displaying the contested mark.

Despite the large variety of documents provided by the trademark owner (later appellant before the General Court) that were somehow related to the EU territory, the Board of Appeal held that as the services were nonetheless rendered outside the European Union, and the nationality of the customers using those services was irrelevant. In this respect, the decision of the Board of Appeal shared the reasoning set forth in the first instance decision by the Cancellation Division: *"The fact that consumers from the EU could travel in the USA and book hotels from the EUTM proprietor is irrelevant, as the place of use of the trade mark remains the USA, regardless of the consumers' nationality or geographical origin. Therefore, all the evidence regarding use of the sign outside the territory cannot be taken into account and must be disregarded"* (paragraph 6).

Moreover, the advertising or booking material targeting EU consumers was ignored, because the "source" of the services was located outside the boundaries of the EU. More specifically, the EUIPO Board of Appeal clearly indicated that *"Even though the advertising, promotion and sale of US-based hotel and ancillary services targeted consumers based in, or originating from, the EU, the fact remains that the hotel and ancillary services themselves were actually rendered outside the EU's internal market, namely in the 'third State' of the USA. Therefore, the subject-matter of the advertisements and sales occurred outside the EU and was thus not in the relevant territory"* (paragraph 86).

The trademark owner then appealed the decision of the EUIPO Board of Appeal to the EU General Court, only with regards to the classes regarding hotel services and ancillary services.

### **The Decision**

In adopting a totally different approach, the General Court reversed the Board of Appeal's decision by observing that the Board of Appeal wrongly confused *the place of provision of the services* with *the place of use of the mark*.

In this sense, the Court focused first on the fact that advertising activities can amount to genuine use *per se* considering that, according to article 9(3) of the Regulation, the owner of an EU trade mark is entitled to prohibit a third-party from performing a number of activities, including using the same sign or a similar one for advertising purposes.

Secondly, the Court observed that the fact that the services were provided in the USA did not automatically imply that the promotion activities related to such services had to be considered automatically connected to the territory of the US, to the exclusion of the territory of the European Union. In other words, as indicated by the Court “(...) *it is sufficient to state that there is genuine use of a trade mark where that mark is used in accordance with its essential function, that mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods and services for which it has been registered, in order to create or preserve an outlet for those goods or services. Even if the applicant were to supply goods or services outside the European Union, it is conceivable that the applicant would make use of that mark in order to create or preserve an outlet for those goods and services in the European Union*” (paragraph 38).

Additionally, the Court held that the “place of use of an EU trade mark” does not necessarily coincide with the place where the services are provided because, as established by the EUIPO Guidelines, advertising alone may be sufficient to prove genuine use in the EU, such as in cases of advertising of holiday accommodations or particular products. To be precise, the Decision refers to the previous version of the Guidelines, which was in force when the facts of the case occurred, but the same principle can be found also in the current version in Part C, Opposition, Section 7 Proof of use, paragraph 6.1.2.5 (use in advertising) which reads as follows: “*Whether mere advertising, without any current or future plans to actually market goods or services, constitutes genuine use appears doubtful. As in most other situations, the outcome will depend on the circumstances of each case. For example, where the goods or services are available abroad, such as holiday accommodation or particular products, advertising alone may be sufficient to amount to genuine use*”.

### **Conclusions**

This Decision of the General Court seems to indicate that trade mark owners may rely on a certain more “relaxed” approach as to the type of evidence of genuine use that can be submitted in revocation proceedings, in the sense that it holds that, in some circumstances, advertising in the EU without selling or providing services in the same territory might suffice to demonstrate genuine use.

However, in our view, the approach adopted by the Court has been influenced by – and is therefore limited to – the types of services specifically involved in the case (i.e. hotel accommodations), which, by their nature, can be advertised in one or more countries (here, the EU), but provided in a different territory (in this case, the USA). Would it be possible to apply the same approach in relation to *all* types of services or goods? In reading the provisions of the Guidelines cited by the Court, it seems doubtful, because they specifically point to the examples of “*advertising of holiday accommodation*” and “*particular products*”, therefore alluding to the fact that this is not a blanket rule, and each challenge to the genuine use of a trademark will continue to turn on its own facts.

