Client Alert

EU: CJEU rules on meaning of the term "due cause" in the context of infringement of a trade mark with a reputation

The CJEU has ruled that use of a sign may be with "due cause" if it was in use before the filing date of a registered trade mark which enjoys a reputation, and its use in relation to identical goods to those covered by the registration is in good faith.

The judgement concerned the interpretation of the term "due cause" under Art. 5(2) of the Trade Marks Directive. Although the case concerned the previous Directive 89/104, the equivalent provision of the current Directive 2008/95 provides that:

"Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark."

Subsequent case law has confirmed that this protection is also granted where a sign is used in relation to goods or services which are identical or similar to those for which the trade mark is registered.

The reference was made in the context of Red Bull's action against the use of the defendant's sign "Bull Dog" in relation to energy drinks. The key facts and timeline in the case was as follows:

- Prior to 1983 (possibly dating back to 1975), the defendant began using the mark "The Bulldog" for hotel, restaurant and café services involving the sale of drinks.
- Red Bull owns a Benelux Trade Mark Registration for the mark "Red Bull Krating-Daeng" for non-alcoholic drinks in class 32, with registration date of 11 July 1983.
- Defendant owns, inter alia, a Benelux Trade Mark Registration for the mark "The Bulldog" in class 32, with registration date of 14 July 1983.
- As of a date not confirmed in the judgement, the defendant began to use the mark "Bull Dog" in relation to an energy drink.

For further information please contact:

Nicole Fairhead
Professional Support Lawyer
+44 (0)20-7919-1577
Nicole.Fairhead@bakermckenzie.com
The CJEU stated that where a sign has been used prior to the registration of a mark with a reputation in relation to services and goods which may be linked to the product for which that mark has been registered, the use of that sign in relation to that latter product may appear to be a natural extension of the range of services and goods for which that sign already enjoys a certain reputation with the relevant public. Furthermore, the greater the repute of the sign used, prior to the registration of a similar mark with a reputation, for a certain range of goods and services, the more its use will be necessary for the marketing of a product identical to that for which the mark was registered.

In conclusion, the use of a sign may be considered to be with "due cause" where it has been in use prior to the filing date of the claimant's mark which enjoys a reputation and the use of the sign in relation to the identical goods covered by the trade mark registration is in good faith. In order to determine whether this is the case, the national court must take into account:

- how the sign has been accepted by, and what its reputation is with, the relevant public;
- the degree of proximity between the goods and services for which that sign was originally used and the product for which the mark with a reputation was registered; and
- the economic and commercial significance of the use for that product of the sign which is similar to that mark.

Ultimately, it will very much depend on the facts of a case whether use of a sign is held to be with "due cause", and it will now be for the national court to decide this in relation to the use of the "Bull Dog" mark.