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## CJEU considers whether trademark owner can plead infringement of its exclusive rights where mark was revoked for non-use

European Union - [Herald](#)

- **This request for a preliminary ruling concerned the interpretation of Article 5(1)(b), the first subparagraph of Article 10(1) and Article 12(1) of Directive 2008/95**
- **At issue was whether a mark owner whose mark was revoked for non-use retains the right to claim compensation for the injury sustained as a result of a third party's use of a confusingly similar sign before the revocation took effect**
- **The CJEU found that Directive 2008/95 must be interpreted as leaving member states the option of allowing the mark owner to retain such right**

On 26 March 2020 the Court of Justice of the European Union (CJEU), Fifth Chamber, issued its decision in [AR v Cooper International Spirits LLC](#) (Case C-622/18). This request for a preliminary ruling concerned the interpretation of Article 5(1)(b), the first subparagraph of Article 10(1) and Article 12(1) of [Directive 2008/95](#).

### Background

The appellant in the main proceedings markets alcohol and spirits. On 5 December 2005 he filed an application for registration of the semi-figurative trademark SAINT GERMAIN in France. The mark was registered on 12 May 2006 for goods and services in Classes 30, 32 and 33 for alcoholic beverages (except beers), ciders, digestives, wines and spirits, as well as alcoholic extracts and essences.

On 8 June 2012, having learnt that Cooper International Spirits was distributing under the name St-Germain a liqueur manufactured by St Dalfour and Établissements Gabriel Boudier, the appellant brought proceedings against those three companies before the Tribunal de Grande Instance de Paris for trademark infringement.

In parallel proceedings, an irrevocable decision of the Court of Appeal of Versailles, France, of 11 February 2014, revoked the mark SAINT GERMAIN.

The appellant maintained his claims alleging infringement for the period prior to the revocation which was not time-barred, but lost. The decision was upheld on appeal on 13 September 2016.

The appellant brought an appeal in cassation, submitting that all his claims alleging infringement had been incorrectly dismissed on the ground that he had not demonstrated that the mark SAINT GERMAIN had actually been used, even though neither EU law nor the French Intellectual Property Code provides that, during the five-year period following registration of a trademark, the proprietor of that mark must prove that the mark has been used in order to benefit from trademark protection. Moreover, as regards infringement, the likelihood of confusion on the part of the public must be assessed in the abstract, in the light of the subject matter of the registration, and not in relation to a specific situation on the market.

The French *Cour de Cassation* pointed out that, in the 21 December 2016 judgment [Länsförsäkringar](#) (Case C-654/15), the CJEU held that Article 15(1) and Article 51(1)(a) of [Regulation 207/2009](#) confer on the proprietor of the trademark a grace period within which to begin to make genuine use of their mark, during which they may rely on the exclusive rights which the mark confers, pursuant to Article 9(1) of the regulation, in respect of all the goods and services, without having to demonstrate such use. This means that, during that period, the extent of the right conferred on the proprietor of the trademark must be assessed by reference to the goods and services covered by the registration of the mark.

The *Cour de Cassation* held that the case in the main proceedings differed from the case in *Länsförsäkringar*, in that, in the present case, the trademark proprietor's rights were revoked as a result of the lack of use of that mark during the five-year period following registration of that mark.

The question here was whether the proprietor of a trademark who has never used it and whose rights in it have been revoked because the five-year period mentioned in the first subparagraph of Article 10(1) of Directive 2008/95 has expired, may claim that the essential function of their trademark has been affected and, consequently, seek compensation for injury as a result of the alleged use by a third party of an identical or similar sign during the five-year period following registration of the mark.

The *Cour de Cassation* thus decided to refer the following question to the CJEU:

*Must Article 5(1)(b) and Articles 10 and 12 of Directive [2008/95] be interpreted as meaning that a proprietor who has never [used their] trademark and whose rights in it were revoked on expiry of the period of five years following publication of its registration can obtain compensation for injury caused by infringement, claiming an adverse effect on the essential function of [their] trademark, caused by use by a third party, before the date on which the revocation took effect, of a sign similar to that trademark to designate goods or services identical or similar to those for which that trademark was registered?*

## CJEU decision

The CJEU reworded the request for a preliminary ruling by asking whether Article (1)(b), the first subparagraph of Article 10(1) and the first subparagraph of Article 12(1) of Directive 2008/95 must be interpreted as meaning that the proprietor of a trademark whose rights in that mark have been revoked on expiry of the five-year period from its registration because they have failed to make genuine use of the mark in the member state concerned in connection with the goods or services for which it was registered retains the right to claim compensation for the injury sustained as a result of the use by a third party, before the date on which the revocation took effect, of a similar sign in connection with identical or similar goods or services that is liable to be confused with his or her trademark.

It cited the judgment in *Länsförsäkringar*, already mentioned by the *Court de Cassation*, and the fact that the exclusive right conferred by virtue of that provision should be assessed, during the five-year period following registration of the EU trademark, by having regard to the goods and services as covered by the mark's registration, and not in relation to the use that the proprietor has been able to make of the mark during that period (*Länsförsäkringar*, Paragraphs 26 and 27).

The CJEU stated that this decision was applicable by analogy in relation to the now applicable Regulation 207/2009.

It recalled that the case in the main proceedings can be distinguished from the case that gave rise to the judgment in *Länsförsäkringar* in that, specifically, it concerns the question of the scope of that exclusive right on expiry of the grace period where the trademark has already been revoked.

It was necessary to examine whether, under Directive 2008/95, revocation of the rights conferred by the mark may have an effect on whether it is possible for the proprietor to rely, after expiry of the grace period, on infringements of the exclusive rights conferred by that mark which occurred within that period.

As the advocate general had noted in his opinion at Point 79, the French legislature chose to have the revocation of a trademark for non-use take effect on expiry of a five-year period following registration of the mark. Moreover, there was nothing in the order for reference to suggest that, at the material time in the main proceedings, the French legislature had made use of the option provided for in Article 11(3) of Directive 2008/95.

It followed that French legislation maintains the possibility, for the proprietor of the trademark concerned, of relying, after expiry of the grace period, on infringements of the exclusive rights conferred by that mark which occurred within that period, even if the proprietor had had their rights in the mark revoked.

As regards the award of damages, although the fact that a trademark has not been used does not, in itself, preclude compensation in respect of acts of infringement that have been committed, that remains an important factor to be taken into account in determining the existence and, as the case may be, the extent of the injury sustained by the proprietor and, accordingly, the amount of damages.

In the light of the foregoing, the CJEU held as follows:

*Article 5(1)(b), the first subparagraph of Article 10(1) and the first subparagraph of Article 12(1) of [Directive 2008/95] must be interpreted as leaving member states the option of allowing the proprietor of a trademark whose rights in that mark have been revoked on expiry of the five-year period from its registration because he or she failed to make genuine use of the mark in the member state concerned in connection with the goods or services for which it was registered, to retain the right to claim compensation for the injury sustained as a result of the use by a third party, before the date on which the revocation took effect, of a similar sign in connection with identical or similar goods or services that is liable to be confused with his or her trademark.*

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