

## **QUESTION 92 A**

### **Harmonization of Trademark Law**

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Q92 A

## **QUESTION Q92 A**

### **Use Requirements for the acquisition and the maintenance of registered trademarks**

## **RESOLUTION**

The AIPPI

having studied the question whether use of a trademark should constitute a condition for acquiring and maintaining a trademark registration,

*observing*

that the national law and practice still shows a number of differences in respect to this question,

therefore *welcoming* the WIPO initiative for a harmonization of a trademark law, and *keeping in mind* that some of the related questions may not be suitable for being regulated on the national or international level but may, nevertheless, be harmonized by case law and practice,

*takes the following position:*

### **I. Condition of use for acquiring a right in a registered trademark**

1.a) The AIPPI *observes*

- that already the great majority of national laws do not require a sign which is distinctive and eligible for trademark protection to be used as a condition for its registration as a trademark;

- that in those (three) countries where the national law still requires a trademark to be in use before registration this condition is eased for foreign applicants who are entitled to the benefits of the Paris Convention for the Protection of Industrial Property;

- that the great majority of national laws do not even require that there should be an intention to use the trademark as a condition of registration.

b) The AIPPI *believes*

- that modern national and international trademark legislation should not establish any use or intention to use requirement as a condition for the registration of signs which are distinctive and eligible for trademark protection, provided  
- that it is appropriate to provide for sanctions against unjustified non-use of a registered trademark.

2.a) The AIPPI *observes*

- that most national laws do not exclude the registration of reserve marks,  
- that, indeed, in most countries the grace period for using a registered trademark amounts to a factual and temporary admission of reserve marks.

b) The AIPPI *believes*

- that such a solution satisfies a practical need.

## **II. Condition of use for maintaining registered marks**

a) The AIPPI *observes*

- that the great majority of national laws require a registered trademark to be used to maintain the rights relating to that mark („obligation to use“).

b) The AIPPI *confirms* the position taken at the Munich Congress and *emphasises*

- that in enforcing the obligation to use a registered trademark the function of the trademark should be taken into account, which is to distinguish the products or services of a business.

(Annuaire AIPPI 1978/II, p. 160 s.)

### **A. Nature and form of required use**

1. Use as a trademark

a) The AIPPI *observes*

- that the majority of national laws do not define the nature and amount of use necessary to maintain the rights relating to a registered trade mark („required use“);  
- that, nevertheless, the opinion prevails that the required use of the mark must be made in relation to goods or services.

b) The AIPPI *believes*

- that the evaluation of required use should be made taking into account all factual circumstances.

c) The AIPPI *observes*

that, in the majority of national laws use of a sign merely as a business name or a business symbol, i.e. not in relation to goods or services, does not fulfill the conditions of required use, and

- that, as a rule, use of merely a sign as a descriptive or geographical indication does not constitute use as a trademark.

## 2. Required use as public use

The AIPPI *observes*

- that in the majority of national laws the required use must be of a public nature,

- that use of the mark within a group of associated or related companies may fulfill the conditions of required use provided that such use is made in connection with a normal business transaction.

## 3. Form of required use

a) The AIPPI *observes*

- that national law and practice is divided on the question whether use in commercial documents or in advertising fulfills the conditions of required use.

- that in countries having an experience with the protection of service marks the use of such marks on business documents, including stationary, fulfills the conditions of required use.

b) The AIPPI *confirms* the position taken at the Munich Congress and *emphasises*

- that the use of a mark in an advertisement announcing a future sale should fulfill the conditions of required use provided that the process of putting the goods on the market or providing services has been started and that the customer can obtain the goods or the services in the near future.

(Annuaire AIPPI 1978/I, p. 35)

## 4. Extent and genuineness of required use

a) The AIPPI *observes*

- that in all countries where the national law requires a registered trademark to be used, such required use needs to be genuine, token use not being sufficient;

b) The AIPPI, recalling the position taken at the Munich Congress, believes

- that the question whether, in a given case, the extent and genuineness of required use can be considered adequate is a question of fact which requires the consideration of all factual circumstances;

- that under these conditions use for the purpose of market tests is normally sufficient;

- that, consequently, the use of a trademark in conjunction with trials (e.g. clinical trials which may not involve the sale of goods) may also fulfill the conditions of required use.

(Annuaire AIPPI 1978/I, p. 35)

## **B. Products or services in respect of which the required use must take place**

1. Effects of use which is limited to one or more of the registered goods or services.

a) The AIPPI *observes*

- that national law and practice differ in considering the effect of use limited to one or more of the registered goods or services („limited use“).

b) The AIPPI, recalling the position taken at its Munich Congress, believes

- that consideration of the effects of limited use should take into account the scope of protection of the registered trademark which should always extend to similar goods or services and not necessarily to all goods or services falling in the same class or in respect of which the mark has been registered.

(Annuaire AIPPI 1978/I, p. 35 s.)

2. Effects of use limited to specific goods or services

The AIPPI *observes*

- that, in case of trademarks registered for goods or services identified by a general term of the official classification (e.g. cosmetics), use which is limited to specific goods or services (e.g. mascara) suffices in most countries to maintain the registration for the general term.

## **C. Form of the mark - elements which need to be used**

a) The AIPPI *observes*

- that with respect to the question of use of the mark in a form differing in elements which do not alter the distinctive character of the registered mark, the national law responds to the principles established in Article 5 C para. 2 of the Paris Convention for the Protection of Industrial Property.

b) The AIPPI *believes*

- that, as a matter of principle and subject to Art. 5 C para. 2 of the Paris Convention for the Protection of Industrial Property, the required use should take place in the form in which the mark has been registered,

- that, in the case of composite marks consisting of several elements, the use of the essential elements should be sufficient,

- that, in the case of word marks, the mark may be used in any form, typography or colour and may be used in combination with additional elements (e.g. tradenames, descriptive terms) provided that the mark maintains its distinctive character,
- that, in the case of marks registered and used to distinguish all or a range of products or services of an undertaking, the mark may always be used in combination with (different) product marks,
- that, if a wordmark and a device mark are registered separately, combined use of both marks is sufficient to maintain both registrations.

#### **D. Persons using the mark**

##### a) The AIPPI observes

- that the majority of national laws allows for the required use to be made by a third party with the consent of the trademark owner,
- that this consent may, as a rule, be given a posteriori,
- that, however, such consent a posteriori may not have effect if the registration was challenged before,
- that the third party using the trademark with the consent of the trademark owner need not be a related company or the holder of a formal license,
- that there is no common opinion as to the question whether effective use by a third party presupposes the existence of a written agreement,
- that there is no common opinion as to the question whether the agreement authorizing use by a third party should be legally valid or recorded and should not give rise to objections under the law of unfair competition.

##### b) The AIPPI, confirming the position taken at the Munich Congress and at the Toronto Executive Committee Meeting, believes,

- that when considering use by a third party the function of the trademark should be taken into account and
- that, consequently, it should be sufficient that the third party is effectively and genuinely entitled to use the mark on behalf of the trademark owner irrespective of whether the agreement is legally valid or recorded or may give rise to criticism under unfair competition law.

(Annuaire AIPPI 1978/I, p. 37; 1980/I, p. 121 )

#### **E. Place of use**

##### a) The AIPPI observes

- that, unless otherwise provided for in international treaties, the majority of national laws provide that the required use must take place within the country of registration,
- that there is a growing number of countries in which the conditions of required use are considered to be fulfilled whenever the mark is used only in relation to goods to be exported.

b) The AIPPI confirms the position taken at the Toronto Executive Committee Meeting and emphasises

- that in case of a mark used in international trade it might suffice that either the mark had become known in the country where it was registered or that there was a serious proposal to use the mark in that country.

(Annuaire AIPPI 1980/I, p. 121 )

## **F. Period within which use is to take place**

a) The AIPPI observes

- that the law of a growing number of countries provides for a grace period of five years from registration within which required use has to take place,
- that the national law of most countries does not prohibit a new and independent registration of the mark during the grace period.

b) The AIPPI confirms its position taken at the Munich Congress and emphasises

- that there should be a grace period of five years which should run from the date when the registration is issued,
- that use of the registered mark after expiry of the grace period should revalidate the mark provided that such use takes place before the validity of the mark is called into question.

(Annuaire AIPPI 1978/I, p. 38 s.)

## **G. Extenuating circumstances**

The AIPPI confirms the position taken at the Munich Congress and emphasises

- that reasons justifying the non-use of a registered trademark within the meaning of Article 5 C para. 1 of the Paris Convention for the Protection of Industrial Property should not only be cases of „force majeure“ but any other circumstance which is not due to the fault or negligence of the proprietor of the mark.

(Annuaire AIPPI 1978/I, p. 39)

## **H. Sanctions and procedure**

a) The AIPPI observes

- that in almost all countries failure of required use does not lead to lapse or ex officio cancellation of the registered trademark,
- that in all countries failure of required use may lead to cancellation of the mark upon request of a third party,
- that in most countries the trademark owner need not prove use at the time of renewal of the registration.

b) The AIPPI believes

- that evidence of use should not be required for the renewal of a trademark registration,
- that, on the other hand, it is appropriate to put the burden of proof of required use in cancellation proceedings on the owner of the registered trademark,
- that a simple and inexpensive cancellation procedure should be provided, in which upon the request of an interested party the trademark owner must submit prima facie evidence of required use.

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