

## AIPPI Q273 Descriptive use as a defence in trademark proceedings

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### I. CURRENT LAW AND PRACTICE

- (1)(a) May a descriptive use<sup>6</sup> of a third party's trade mark act as a defence to an allegation of trade mark infringement by that third party? Please answer YES or NO.

Answer: YES

- (1)(b) Are there specific statutory provisions in your law governing this defence? Please answer YES or NO.

Answer: YES

- (1)(c) If the answer to Q1)b) is YES, what does/do the statutory provision(s) state?

Answer: Further to the implementation of the European Trademark Directive (2015/2436), article 2.23(1)(b) and (c) of the Benelux Convention on Intellectual Property ("BCIP") state the following in relation to Benelux trademarks:

*"A trademark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:  
[...]*

- b. signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;*
- c. the trademark for the purpose of identifying or referring to goods or services as those of the proprietor of that trademark, in particular, where the use of the trademark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;*

*provided that such use is made in accordance with honest practice s in industrial or commercial matters"*

The EU Trademark Regulation (2017/1001) contains an identical provision in article 14(1)(b) and (c) in relation to EU trademarks.

The defence of descriptive use may also play a role in assessment of infringement through use of a sign other than as a trademark. In this respect

article 2.20(2)(d) of the BCIP states the following:

*“Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trademark, and without prejudice to the possible application of ordinary law in matters of civil liability, the proprietor of that registered trademark shall be entitled to prevent all third parties not having his consent from using any sign where such sign:  
[...]*

(2) Is this defence only available as a defence in respect of word trade marks?

Answer: No. Although there has been some discussion in the past whether the defence of descriptive use was available only for word marks or also for device marks, since the Dutch Supreme Court’s decision in *G-Star v Makro* (NJ 2010/84) it seems clear that descriptive use of a device mark is also possible, provided that it meets the relevant criteria.

(3) Under what conditions may a descriptive use of a third party’s trade mark act as a defence to an allegation of trade mark infringement by that third party?

Answer: Where a third party’s trade mark is used in the course of trade (which is subject to a low threshold<sup>1</sup>), descriptive use may act as a defence in three situations:

1. If the sign or indication is not distinctive;
2. If the sign or indication concerns the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;
3. If the trade mark is used for the purpose of identifying or referring to goods as those of the proprietor of that trade mark, in particular, where the use of the trademark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.  
According to the Court of Justice of the European Union (“CJEU”) in the *Gillette* case (C-228/03), such use is only “necessary” where it constitutes the only means of providing the public with comprehensible and complete information on the intended purpose in order to preserve the undistorted system of competition in the market for that product.

In all three situations, the defence of descriptive use can only be successful if the use is made in accordance with honest practices in industrial or commercial matters. In *BMW v Deenik* (C-63/97), the CJEU held that use of a third party’s trademark for descriptive purposes is not in accordance with honest practices in industrial or commercial matters when it is used in a way that creates the impression that there is a commercial connection between the undertaking and the trade mark proprietor. This CJEU confirmed this in *Gillette* and added three more situations that are not in line with honest industrial and commercial practices, namely (1) if the use affects the value of the trade mark by taking unfair advantage of its distinctive character or

<sup>1</sup> See e.g. Benelux Court of Justice 9 July 1984, case A 82/2 (*Nijs/Ciba Geigy*); and CJEU, C-206/01, 12 November 2002, *Arsenal Football Club plc v Matthew Reed*.

repute, (2) it entails the discrediting or denigration of that mark, or (3) where the third party presents its product as an imitation or replica of the product bearing the trade mark of which it is not the owner.

Descriptive use may also serve as a defence when assessing whether an infringement has occurred article 2.20(2)(d) BCIP through use other than as a trademark. Within this framework use is allowed where it will not take unfair advantage of or be detrimental to the distinctive character or the repute of the trademark, or where the sign has been used with due cause.

In this context, trademarks will not only be seen as descriptive if their literal meaning corresponds to the goods and/or services for which the mark has been filed or registered, but also where for instance the trademark could be said to describe a characteristic of the goods.

- (4)(a) In order for the defence to succeed, must the use be "honest", "fair" or an equivalent thereof? Please answer YES or NO.

Answer: YES.

- (4)(b) If the answer to Q4)a) is YES, what factors are taken into account when assessing this requirement? Please tick the boxes as applicable.

- the reputation of the invoked trade mark
- the use affects the value of the invoked trade mark by taking unfair advantage of its distinctive character or reputation
- the use gives the impression that there is a commercial connection with the trade mark owner
- the use discredits or denigrates the invoked trade mark
- the product is presented as an imitation or replica of the product bearing the invoked trade mark
- the way the sign is used, namely in relation to the total product (e.g. look-and-feel, including the design of packaging and labelling (including the placement – prominent or otherwise – and the size), whether or not it is prominently being used as well as whether the mark is used in conjunction with another trade mark (of the party who is using the trade mark in a descriptive sense) and the way in which this other trade mark is used.
- the party invoking the defence was aware of the invoked trade mark
- other, namely use by the trade mark owner itself, use by third parties in market, usual practices in the relevant product market, the degree of necessity to use the mark in a descriptive way, the nature of the trade mark (short or complicated) and/or all other relevant circumstances of the case.

- (5) What kind of evidence may be accepted to support the defence?

Answer: There are no restrictions as to what kind of evidence may be accepted since, as a basic rule, all evidence can be used as such in infringement proceedings in the Netherlands. The alleged in-fringer may therefore avail itself of all the means of evidence available, provided that it is are capable of

supporting the descriptive use defence.

The question as to whether a sign has been used in accordance with honest practices in industrial and commercial matters is to be decided from the perception of the relevant public though. Generally, this perception of the relevant public is evidenced in court by inter alia dictionaries, consumer survey evidence, expert witnesses, marketing materials, point of sale materials, examples of use by the trade mark owner, examples of use by the alleged infringer as well as examples of use by third parties in the market and/or examples of consumers establishing a link.

(6)(a) In what types of proceedings concerning trade mark infringement can the defence be invoked? Please tick the boxes as applicable.

- court proceedings (civil)
- court proceedings (administrative)
- court proceedings (criminal)
- IP office
- other, namely .....

## II. POLICY CONSIDERATIONS AND PROPOSALS FOR IMPROVEMENTS OF YOUR GROUP'S CURRENT LAW

(7) Could any of the following aspects of your Group's current law or practice relating to the descriptive use defence against an allegation of trade mark infringement be improved? If YES, please explain.

(a) whether a descriptive use of a third party's trade mark can act as a defence to an allegation of trade mark infringement by that third party and if so, whether this applies only to word trade marks.

Answer: NO

(b) under what conditions a descriptive use of a third party's trade mark may act as a defence to an allegation of trade mark infringement by that third party.

Answer: NO

(c) whether, in order for the defence to succeed, the use must be "honest" "fair" or an equivalent thereof.

Answer: NO

(d) the kind of evidence that may be accepted to support the defence.

Answer: NO

(e) the types of proceedings concerning trade mark infringement in which the defence can be invoked

Answer: NO

- (8) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

Answer: The Group desires more clarification on the situation when a company uses (and/or applies for) a generic term as trade mark in combination with its company name or other distinctive element – for which generic sign another company owns a trade mark that slightly deviates from the generic term. In this respect, it may also be noted that certain terms can over time get a new, ordinary meaning in the digital age, which means that they lose their independent and distinctive role in the overall impression of the mark and become more like generic terms like PRO or PLUS. In the example below this is for instance the case with the word SMART.

Example: Company 123 is the owner of a word mark registration for PHONESMART (registered for telecom services), which has been used intensively since the year 1990 (before the 'smartphone' existed). Although PHONESMART has acquired distinctiveness, this is – currently – ab initio only due to the 'unusual juxtaposition' (ex CJEU Baby-Dry ) of the words 'phone' and 'smart'. In 2020 phone manufacturer ABC (which is a reputed or well-known trade mark), starts using the sign ABC SMARTPHONE and applies for such trade mark registration, both for mobile phones. Company 123 opposes this trade mark registration, due to a high level of similarity, highly similar services and, consequently, an alleged risk of confusion with PHONESMART. Applicant ABC brings forward that it uses the element 'SMARTPHONE' in a descriptive manner only, to refer to the intelligent mobile phone device introduced by end of the 2000s. In the beginning of the 2000s, trade mark infringement may have been more evident than it is now, as the smartphone did not exist. However, due to the introduction of the smartphone, the earlier mark PHONESMART may be less distinctive than it originally was.

In the opinion of the Group, Company ABC should be allowed to use the term SMARTPHONE as part of the ABC SMARTPHONE mark and also has to be able to apply for trade mark protection for ABC SMARTPHONE, because the SMARTPHONE element lacks distinctiveness, grasps less of the attention of the relevant public, and has no independent distinctive role in the mark. A defence of ABC that it uses the element SMARTPHONE in a descriptive way (albeit part of a trade mark) should succeed.

A further consideration that may represent barriers to full harmonization of the defence, also within the EU, is the different perception of – particularly English – words throughout the EU. For instance, in the Netherlands even terms such as BEASTY will be considered descriptive, whereas for example in Spain DOUGHNUTS will not be considered descriptive and can therefore have an independent and distinctive role in the mark.

(9) Do you believe that there should be harmonization in relation to the descriptive use defence against an allegation of trade mark infringement?  
Answer: The Dutch group believes that at an EU level the law and case law regarding the descriptive use defence have already sufficiently been harmonised. However, should the practice be substantially different globally, particularly in larger economies like the US and China, then further harmonisation would be desirable. Such harmonisation would be helpful within the context of globalisation and the increasing rise of e-commerce, but also from a practical perspective when performing clearance searches.

(10) Should a descriptive use of a third party's trade mark act as a defence to an allegation of trade mark infringement by that third party? Please answer YES or NO.

Answer: YES

(11) Should this defence only be available as a defence in respect of word trade marks?

Answer: No, provided that the use meets the relevant criteria set out for descriptive use, this defence should in principle also be available for other types of trademarks.

(12) Under what conditions should a descriptive use of a third party's trade mark act as a defence to an allegation of trade mark infringement by that third party?

Answer: See the answer to question (3)

(13)(a) In order for the defence to succeed, should the use be "honest", "fair" or an equivalent thereof? Please answer YES or NO.

Answer: YES

(13)(b) If the answer to Q13)a) is YES, what factors should be taken into account when assessing this requirement? Please tick the boxes as applicable.

Answer:

- the reputation of the invoked trade mark
- the use affects the value of the invoked trade mark by taking unfair advantage of its distinctive character or reputation
- the use gives the impression that there is a commercial connection with the trade mark owner
- the use discredits or denigrates the invoked trade mark
- the product is presented as an imitation or replica of the product bearing the invoked trade mark
- the way the sign is used, namely in relation to the total product (e.g. look-and-feel, including the design of packaging and labelling (including the placement – prominent or otherwise – and the size), whether or not it is prominently being used as well as whether the mark is used in conjunction with another trade mark (of the party who is using the trade

mark in a descriptive sense) and the way in which this other trade mark is used.

- the party invoking the defence was aware of the invoked trade mark
- other, namely use by the trade mark owner itself, use by third parties in market, usual practices in the relevant product market, the degree of necessity to use the mark in a descriptive way, the nature of the trade mark (short or complicated) and/or all other relevant circumstances of the case.

(14) What kind of evidence should be accepted to support the defence?

Answer: There should be no restrictions as to what kind of evidence may be accepted; all evidence should be accepted to support the defence.

(15) In what types of proceedings concerning trade mark infringement should it be possible to invoke the defence? Please tick the boxes as applicable.

- Answer:
- court proceedings (civil)
  - court proceedings (administrative)
  - court proceedings (criminal)
  - IP office
  - Other