

Question Q234

National Group: The Netherlands

Title: **Relevant public for determining the degree of recognition of famous marks, well-known marks and marks with reputation**

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Questions

The Groups are invited to answer the following questions under their national laws.

I. Analysis of current law and case law

- 1) How is the relevant public for purposes of determining the degree of recognition of famous, well-known and reputed marks defined in your jurisdiction? Is it the general public at large or a relevant sector of the public that is considered to be the relevant public in determining the knowledge, recognition or fame of a mark?

In our jurisdiction we are acquainted with only two terms in this respect being "well-known marks" and "marks with a reputation" (see also question 2 below). The relevant public for "trademarks with a reputation" is defined as the public concerned by the products or services covered by that trade mark which can be either the public at large or a more specialized public, depending on the specific case (ECJ 14 September 1999, Case C-375/97, ETMR 1999, 122 (*General Motors/Yplon*))

In the past, before the TRIPS Agreement came into force on 1 January 1996, the "relevant public" in terms of "well-known" (famous) trademarks was considered to be only the general public at large (see Dutch Supreme Court, 20 March 1958 NJ 1958/406 (*Orchidee*)). This has been changed over the years as a result of the introduction of article 16 (2) TRIPS-Agreement, stipulating that for determining whether trademark is well-known the knowledge of the trademark in the relevant sector of the public must be taken into account. As a result the determination of the relevant public for well-known marks can under certain circumstances be deemed very close to the test applied to determining the relevant public in respect of the "mere" reputed marks.

- 2) Please clarify whether your jurisdiction uses several of the terms discussed in sections 22-26. If so, is the “relevant public” construed differently when determining the recognition of famous marks, well-known marks and marks with reputation respectively (and, if applicable, marks subject to another term)? Is the assessment made based on the same criteria?

In sections 22 - 26 of the Working Guidelines for Q234 the following terms are used: (i) famous marks,; (ii) well-known marks; and (iii) marks with a reputation; (iv) notorious; (v) highly renowned; (vi) highly reputed; and (vii) exceptionally well-known.

Legislation that is relevant for the Benelux (including the Netherlands] exists at the following levels:

- (a) International level: Paris Convention; TRIPS;
 (b) EU level: EU Harmonisation Directive 05/2008; EC Regulation 207/2009; and
 (c) National level: Benelux Convention Intellectual Property (BCIP).

The terms used either in Dutch or in English in these texts are the following:

Legislation	Dutch text	English text
Paris Convention, art. 6 bis	algemeen bekend merk	Well-Known Marks
TRIPS, Art. 16 paragraph 2	Algemeen bekend	Well-Known
EU Directive, art. 4 paragraph 2 (d)	Algemeen bekend	Well-Known
EU Directive, art. 4 paragraph 3	Bekend	Reputation
EU Directive, art. 4 paragraph 4 (a)	Bekend	Reputation
EU Directive, art. 5 paragraph 2	Bekend	Reputation
CTMR, art. 8 paragraph 2 (c)	Algemeen bekend	Well-Known
CTMR, art. 8 paragraph 5	Bekend	Reputation
CTMR, art. 9 paragraph 1 (c)	Bekend	Reputation
BCIP, art. 2.3 (c)	Bekend	Reputation
BCIP, art. 2.4 (e)	Algemeen bekend	Well-known
BCIP, art. 2.14 Paragraph 1 (b)	Algemeen bekend	Well-known
BCIP, art. 2.19, paragraph 1	Algemeen bekend	Well known
BCIP, art. 2.20 paragraph 1 sub c	Bekend	Reputation

As is clear from the above table that (only) the following two terms are used:

- *well-known* trademarks as set forth in article 6bis Paris Convention as well as article 16 TRIPS; and
- trademarks with a *reputation* as set forth in the CTMR and BCIP.

In our jurisdiction the relevant public is construed (slightly) differently when determining the recognition of well-known marks versus marks with reputation.

For recognition of a well-known mark the relevant public used to be only the general public at large, however, since 1996 and by virtue of the application of article 16 TRIPS the knowledge of the trademark in the relevant sector of the public must be taken into account meaning that under certain circumstances the mere recognition of the trademark in the particular sector of the public involved can be sufficient to accept that the trademark is a well-known trademark.

In two court cases the Dutch court seems to confirm that article 16 TRIPS indeed lowers the threshold for a mark to qualify as well-known within the meaning of art. 6bis Paris Convention (Appeal Court of The Hague, 3 April 2012, IEPT20120403, (*Wendy's International v Wendy's*); and District Court of The Hague, 15 november 2012, KG ZA 12-1198, (*Screentime PTY Ltd & Five Divas PTY Ltd. v SBS Broadcasting B.V. & Talpa Producties B.V. c.s. (Popstars)*)).

A mark with a reputation is a mark that is known by a significant part of the public concerned by the products or services covered by that trade mark (ECJ, 14 September 1999, C-375/97 (*General Motors/Yplon*) paragraph 26). The public concerned is, depending on the product or service marketed, either the public at large or a more specialized public, for example, traders in a specific sector (paragraph 24).

In its PAGO decision (6 October 2009, C-301-07 (*Pagov Tirol-milch*)) in which the ECJ explained the meaning of the phrase "reputation in the Community" the ECJ concluded (in relation to Community Trade Marks) that based on the facts of the case at stake the territory of the one Member State involved may be considered to constitute a substantial part of the European Community. The relevant public will then be limited to the relevant public in that (single) Member State. In respect of determining the reputation of Benelux trademarks it is accepted by Dutch national courts that under the circumstances of the case the Netherlands can be considered as a substantial part of the Benelux and that reputation in only the Netherlands is sufficient, resulting in only the Dutch public being the relevant public.

- 3) If the relevant public can be a limited sector of the public please respond (if applicable with reference to statutory provisions and/or case law) to the following questions.
 - a) Please briefly describe the criteria for determining the relevant public. Is consideration taken e.g. to age, gender, geography, culture, groups with special interests, sophistication/skill of the consumer? Is consideration taken to the way the goods or services with the trademark in question are marketed?

In order to qualify as a trademark with a reputation, the trademark must be known by a significant part of the public concerned by the products or services which it covers. (ECJ, 14 September 1999, Case C-375/97 (*General Motors v Yplon*). As this public is usually rather broad, Dutch courts generally do not apply criteria other than defining the trademark's target group, without much explanation. To date no firm criteria have

been formulated in case law to determine the target group in general terms or in a given case.

As a result, generally no explicit consideration is taken as to age, gender, geography, etc. but such specific target indications may nonetheless be present as a result of the nature of the goods or services for which the reputed mark is being used.

However, sometimes explicit consideration is taken e.g to groups with a special age, gender, interest or culture, particularly in relation to market surveys towards the reputation of the mark at stake. See for recent examples of national case law in this respect:

- District court (DC) of The Hague, 11 May 2011, LJN BJ9851 (*G-Star v PepsiCo*); where the court ordered to conduct the market survey among persons between the age of 15 and 40;
- Court of appeal (CoA) A The Hague, 13 April 2006, IER 2006, 58 8708 (*Ipko Amco v Marie Claire* where the court accepted reputation based on a market research for a reputed trademark which research group was composed of women of a certain age and that had a certain financial status.
- CoA The Hague, 2 October 2012, LJN: BX8708 where mark was considered reputed only among the public interested in soft drugs but not among the public for café and bars in general];
- CoA The Hague, 3 April 2012, IEPT20120403, (*Wendy's International v Wendy's*) where the mark was considered not to be well-known among the general public at large and not even in the relevant sector of the public concerned (consumers in the snack industry);
- PI Judge DC The Hague, 15 November 2012, case_nr. 429981/KG ZA 12-1198 (*Popstars*).

For determining the relevant public in terms of reputation consideration is sometimes also taken with regard to the way goods or services with the trademark in question are marketed. See (again) District court (DC) of The Hague, 11 May 2011, LJN BJ9851 (*G-Star v PepsiCo*), in which was denied by the court that the owner of the alleged reputed mark solely focusses on a fashion-conscious crowd with their advertisements. So in that case the relevant public was delimited.

The relevant public can also be composed of professionals, or persons with a certain skill, for example, in the pharmacy branch. See the opinion nr. 33 of the Dutch Supreme Court's Advocate-General Mr Huydecoper for the Supreme Court's decision dated 12 October 2001, LJN-nr. ZC3688 (*Adidas /Fitnessworld*)

The way the goods or services are marketed can be of interest to determine the relevant public, since, for example, certain distribution channels through which the goods are sold may exclude certain parts of the public at large.

- b) Would the relevant public be populated by actual/potential consumers/buyers of the products/services in question only or a larger public? Please explain how the delimitation is made.

As referred to above, for the purpose of determining whether a registered trade mark has a reputation in the sense of article 5 (2) Harmonization Directive, the trademark must be known by a significant part of the public concerned by the products or services which it covers (ECJ, 14 September 1999, Case C-375/97 (*General Motors v Yplon*)).

For the purpose of this test the relevant public is not limited to only customers and potential customers, but also includes the public that will be confronted with the trademark (Dutch Supreme court 28 January 2005, NJ 2005/432 (*NautaDutilh/Lensen Advocaten II*) and The Hague DC, 11 May 2011, *G-Star /PepsiCo*, LJN: BJ9851.

However, in case of a *well-known* mark the public may consist of people who are interested in the products or services concerned only (see *Wendy's* and *Popstars*). Pursuant to article 16 (2) TRIPs, the relevant public for determining whether a trademark is well-known in the sense of article 6bis Paris Convention is “the relevant sector of the public”. As a result the criterion for determining the relevant public of a well-known mark as referred to in the Paris Convention seems more restrictive for well-known marks than for marks with a reputation. There is no clear established case-law yet, but in the framework of TRIPs it seems that this public may be limited to consumers and potential consumers. This seems to be at odds with the larger scope of protection of well-known marks under the Paris Convention. In view of the larger scope of protection one would expect that the relevant public for determining whether the mark should be considered well-known would rather be larger instead of smaller than the public that is relevant for the purpose of marks with a reputation under article 5 (2) Harmonization Directive.

- c) Could the relevant public be composed of business /professional end consumers?

Yes, depending on the products or services concerned.

- d) Could the relevant public be composed of people in the trade of the goods or services in question, such as distributors, licensees and retailers?

Yes, but not solely as in principle also the public who will eventually be confronted with the trademark is relevant.

- e) Could the relevant public be "mixed" in a sense that it is composed of persons involved in trade, professional/business end customers and private end customers?

Yes, considering that all these categories of public which may be confronted with the trademark are relevant. In this respect reference is made to the ECJ's view that if a trade mark enjoys a reputation with the general public then, in principle, it is assumed to be known to professionals (ECJ 10 May 2012, Case C-100/11 P (*Botox/Botolist-Botocyl*)).

- f) How limited in terms of quantification can the relevant sector of the public be to constitute the relevant public? Is there a clear established “lowest level”?

In determining the notoriety of a mark, courts have considerable freedom and may take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting (ECJ 14 December 1999, C-375/97, NJ 2000, 376 annotation DWFV; IPR 1999, 51 annotation CHG (*General Motors v Yplon*), par. 27, Opinion AG Sharpston, ECJ 30 April 2009, C-301/07 (*PAGO v Tirol Milch*), B9 7859., see also question I-1a above).

Whilst these and other facts may be a clear indicator of the notoriety of a mark with the relevant public, such notoriety is not always easy to measure objectively through (percentages) in surveys. Much like the ECJ 22 June 1999, Case C-342/97, NJ 2000, 375 (*Lloyd v Klijsen*), par. 23-24; ECJ 14 September 1999, Case C-375/97, NJ 2002, 376 (*General Motors v Yplon*), par. 25 en ECJ 12 February 2004, Case C-363/99, NJ 2006, 531 (*Postkantoor*), para. 35.), national courts do not in general appear to want to tie themselves to results (in terms of percentages) shown in surveys. Rather national courts appear to make their

judgment independently and may use surveys to back up their final decision (See, for example, Amsterdam DC 7 October 1999 (*Vola v Vola*), *IER* 2000, p. 278 and Amsterdam HC 27 July 2000 (Beursplein5.nl) *Computerrecht* 2000, p. 253).

No clear rules regarding the delimitation of the relevant public can be derived from the relevant national case-law to date, though it is suggested by some that the lower limit of notoriety can be assumed to be between 25 and 50 percent of the relevant public in the event of so-called 'aided' notoriety (that is to say the recognition of a mark by the relevant public through the presentation of a list of marks, See, for example The Hague DC 10 November 1999 (*Giorgio c.s. / Tatari*), *BMM-bulletin* 2000-4).

An example of a case in which notoriety percentages presented in a survey played a determining role in the determination of the notoriety of a mark with the relevant public is Amsterdam DC, 27 September 2001, *BIE* 2003, 74 (RTL *Veronica v WE, ME/WE*), in which spontaneous awareness of 30% amongst males and 20% amongst females, with an aided notoriety of respectively 60 % and 72% was considered sufficient for the court's decision that the mark in question was a mark with a reputation.

- g) Is it possible to see any differences for different products/ industry sectors in respect of the delimitation of the relevant public?

By their nature some goods or services may only be known to a limited audience (such is the event for instance for specialist medical equipment) (see question I-1c above). A trademark used for such goods or services may more readily acquire notoriety with the relevant public, as this relevant public may be a (very) limited section of the public at large.¹ The same applies to goods or services that are limited geographically, for example, regional newspapers known only to a limited public in a certain city or region.

There is no case law evidencing that in the event of certain goods or services a more limited public (in number or percentage) should reasonably suffice in order to give a representation of the relevant public in comparison to other more widely known marks. In practice the question whether the relevant public has been delimited correctly in surveys has in general led to extensive discussions.² As stated previously (see question I-1g) no clear rules regarding the delimitation of the relevant public can be derived from the relevant national case-law to date. Therefore neither general rules concerning the delimitation of the relevant public concerned in determining the notoriety of the trademark for a variety of different good or services, some more specific than others, can be deduced from the relevant case law.

- 4) Are there any differences between the "relevant public" concept when assessing the recognition of trademarks in respect of e.g. dilution, free riding, or when determining likelihood of confusion in infringement proceedings?

In principle there is no such distinction, the relevant public is determined in the same way – see question 1.

- 5) When does the assessment of the relevant public come into play e.g. in registration matters, proceedings in respect of wrongful use such as free riding, dilution, infringement proceedings, and opposition proceedings?

The assessment of the relevant public comes into play in registration matters, opposition proceedings infringement proceedings in its broadest meaning (and

1 Tobias Cohen Jehoram, 'Benelux trademark law in European perspective', p. 272.; P. Reeskamp, 'Wat is een bekend merk?', *BMMB* 2000-4, p. 134-138.

2 See by analogy for instance HR 11 May 2001, *NJ* 2002, 55 (Vredestein / Ring 65). See also ECJ 29 April 2004, Case C- 371/02, *GRUR Int.* 2004, p. 629 (Björnekulla).

therefore including proceedings in respect of wrongful use such as free riding and/or dilution).

In registration matters the relevant public will come into play if and when the user of the well-known mark and or the Mark with reputation, for the purpose of registration, needs to demonstrate that the mark acquired distinctiveness through use.

In opposition proceedings and in infringement proceedings the relevant public comes into play if and when one wish to prove enhanced distinctiveness, i.e. that one has a mark with reputation or a well-known mark. This is relevant for the determination of the scope of protection and the likelihood of confusion or (when applicable) dilution of the mark with reputation or the well-known mark.

The OHIM Opposition Guidelines indicate that the same kind of test is applied for ascertaining whether the trademark has acquired enhanced distinctiveness through use for the purposes of Article 8(1)(b) CMTR, or whether the mark is well-known within the meaning of Article 6bis of the Paris Convention, since the subject-matter of proof in all these cases is in substance the same, namely the degree to which the mark is known by the relevant public.

- 6) Is the relevant public determined by a test, a specific procedure or in some similar manner, or rather on a case-by-case basis? Please give a brief description of how the test or analysis is made.

For the definition of and criteria to determine the "relevant public", reference is made to that stated above (in particular under 1 resp. 3). Taking such into account, the relevant public is determined on a case-by-case basis.

II. Proposals for harmonisation

Is harmonisation desired? If yes, please respond to the following questions.

- 1) Is it the general public at large or a particular sector of the public that should be considered as the relevant public in determining the knowledge, recognition or fame of a mark?

Yes, harmonization on a global scale is desired, both in respect of the so-called "marks with a reputation" as well as of "well-known marks. While in Europe the (case) law is already harmonized and it is accepted that reputed trademarks "only" require recognition among the relevant sector of the public, apparently there are countries in the world that only award reputation to a trademark when it its recognized among the general public at large. Further (global) harmonization is therefore desired. It is the Dutch group's view that it should be the relevant sector of the public rather than the general public at large for marks with a reputation.

For the other category of marks as discussed in this Question 234 being the "well-known marks" the Dutch group recommends that it should be further discussed whether the relevant public should still only be the general public at large or that the applying the lower threshold of 16 (2) TRIPs as currently occurs in our jurisdiction is desired. Such may under certain circumstances be more favourable for the proprietors of well-known marks abroad, yet it may also be considered to conflict with the principles of our registration system.

- 2) Please briefly set out the criteria to be used when establishing the relevant public for determining the degree of recognition of famous marks, well-known marks and marks with reputation.

The Dutch group is of the opinion that the criteria for establishing the relevant public in respect of “well-known marks” and “marks with a reputation” respectively should concentrate on defining the public involved with the goods or services designated under the trademark concerned. Any more detailed criteria should not be given on a general level but on a case-by-case basis. Although this may cause certain legal uncertainty, the Dutch group feels that such is the most justified approach.

- 3) Should the relevant public be construed differently for famous marks, well-known marks or marks with a reputation? If so, please define the terms used and describe what criteria is to be used for the different types of marks.

Yes, even though the notoriety of a trademark depends on a number of circumstances, we feel that the level of recognition should be higher in case of a well-known (famous) mark than in case of a reputed mark. In our view the relevant public should be construed wider in relation to well-known marks.

Protection without registration, which applies to well-known marks, is an exception to the Benelux and European trademark system in which the starting point is that only an actual registration can vest exclusive trademark rights. Such protection should therefore be limited to exceptional trademarks which are widely known, in our view, among the general public.

In any event, we feel that the required level of recognition, in comparison to marks with a reputation, should in any event never be lower in case of a well-known mark as the test of recognition for a well-known mark would then be easier to meet. Considering article 16 (2) TRIPs, however, it now seems that the test of recognition for a well-known mark may in certain cases be easier to meet than for a mark with a reputation as the relevant public may be more limited (see also question I-1b). We believe that if this were accepted, such might conflict with the (ratio) of the legal registration system of Benelux and European trademark law.

- 4) Would it be possible or desired to establish a test or a specific method of establishing the relevant public or should this be done on a case-by-case assessment? How should the test or analysis be made?

In our opinion this is not desirable, a case-by-case assessment should do just to all relevant circumstances.

National Groups are invited to comment on any additional issues concerning the relevant public for determining the degree of recognition of famous marks, well-known marks and marks with reputation that they deem relevant.