

Netherlands

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The Netherlands is one of the three countries that are parties to the Benelux Convention on Intellectual Property (BCIP) concerning trademarks and designs. As a consequence, trademarks cannot be registered in one of these countries alone, but only for all of the Benelux countries (Belgium, the Netherlands and Luxembourg). As such, the Benelux is seen as one trademark territory and injunction orders are, in principle, given for the entire Benelux at once. This also applies to international registrations. The following questions have been answered for the Benelux as a whole as regards trademark application and opposition procedures. However it is noted that the procedural law for litigation differs per contracting country. Where it comes to litigation, questions have been answered for the Netherlands alone.

1 Ownership of marks

Who may apply?

Under the Benelux Convention on Intellectual Property, any individual or legal entity (regardless to its nationality) may apply for a trademark registration. Trademarks can be registered in the name of more than one party.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

Names, patronymic names, designs, stamps, seals, letters, figures, shapes of products or packaging (three-dimensional) and all other signs (including olfactory signs) can be registered as individual trademarks, as long as they are able to be represented graphically and can be used to distinguish the goods or services of a company. No trademark rights are acquired in the following situations:

- if the trademark does not have a distinctive character;
- if the trademark is descriptive (eg, if it comprises only signs or indications which may be used in trade to indicate the kind, quality, quantity, intended purpose, value, geographical origin or time of manufacture of the product or provision of the service, or other characteristics thereof);
- if the trademark comprises only signs or indications which have become customary in everyday language or in the bona fide and established practices of the trade;
- if the trademark solely comprises a shape which is imposed by the very nature of a product, which gives the product substantial value, or which is necessary for obtaining a technical result;
- if the trademark resembles a lapsed collective trademark that had been registered for similar goods or services, if the lapse took place no more than three years before the application;

- if the trademark resembles a lapsed individual trademark registered by a third party for similar goods or services, if the lapse took place no more than two years before the application (unless the third party consents or the former trademark could have been cancelled for non use);
- if the trademark might give rise to confusion with a well-known trademark, within the meaning of article 6bis of the Paris Convention, belonging to a non-consenting third party;
- if the trademark was filed in bad faith;
- if the trademark is contrary to public order or moral principles;
- if the trademark resembles national flags, weapons and other official symbols of states or international organisations which are registered according article 6ter of the Paris Convention. These kind of trademarks can only be registered with consent of the state or organisation concerned;
- if the trademark is deceptive or misleading, eg, concerning the nature, quality or geographical origin of goods or services; or
- as regards wines or spirits: if the trademark includes a geographical indication identifying wines or spirits, where the goods do not have that origin.

3 Common law trademarks

Can trademark rights be established without registration?

Registration is needed. However, if a party has used a trademark in trade without a registration, it may stop a third party from infringing upon that trademark by means of a fast (provisional) Benelux registration of the trademark. That may be sufficient for a successful trademark action as far as regards the period following the registration. Such fast registration can be arranged within a few days, and is often used to strengthen a claimant's position in injunction proceedings. The provisional registration is still open to opposition and may be revoked if an opposition is successful.

4 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration?

It currently takes approximately three to four months to complete the procedure for registration. A fast (provisional) registration can be executed within a few days. This provides the rights of a normal registration while third parties may still submit an opposition. This option may be attractive to a party who needs the registration to take urgent action against an infringement, and cannot await the final registration.

The BOIP (Benelux Office for Intellectual Property) taxes for an individual trademark registration are €240, for a collective mark €373, both for registration in one to three classes. For each additional class €37 is charged by the BOIP. The additional BOIP charge for a fast registration is €193 for three classes. Filing an opposition

involves taxes of €1,000. These costs do not include the fees of a local adviser.

5 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed?

The goods and services are classified under the Nice Agreement for international classification of goods and services (45 classes, comprising 34 for goods and 11 for services). Each class has different subclasses, to be more specific. It is possible, though not necessary, to give a unique, even more specific description of goods or services.

6 Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The BOIP investigates only possible absolute grounds for refusal. It only checks for prior trademarks if the applicant requests for it. With an anteriority check, the BOIP checks three registers (Benelux, Community trademark and international). Applicants may respond to refusals and try to convince the BOIP to allow the application after all, if unsuccessful, an appeal can be lodged with one of the competent courts of appeal (The Hague, Brussels, Luxembourg).

7 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

No prior use is needed for a registration. Foreign priority rights (trademark registrations or applications) not older than six months may be invoked at the application. The trademark must be genuinely used for the specified goods or services within five years after the registration date. If not, the registration of the trademark may be declared lapsed upon the request by any interested party, either entirely or partly. All facts and circumstances have to be taken into account to determine if the use of a trademark can be considered 'genuine'. The commercial exploitation of the mark has to be real. Mere token sales, serving solely to preserve the rights conferred by the mark, are not sufficient.

8 Appealing a denied application

Is there an appeal process if the application is denied?

If a request to the BOIP to reconsider the refusal is unsuccessful, an appeal can be lodged with the court of appeal of The Hague, Brussels or Luxembourg. The competency depends on the address of the applicant, the agent or the postal address given at the time of filing. The appeal must be initiated within two months after the final refusal.

9 Third-party opposition

May a third party oppose registration, or seek cancellation of a trademark or service mark? What are the primary bases of such challenges, and what are the procedures?

Opposition

Third parties claiming prior trademark rights may file an opposition within two months following the publication of the application (grounds: likelihood of confusion with a similar mark for similar goods or services, or with a well-known trademark within the meaning of article 6bis of the Paris Convention. It is noted that Benelux opposition grounds are more limited than those applying to a CTM (Community trademark) opposition before OHIM (Office of Harmonization for the Internal Market). Damage to repute or taking an unfair advantage of a well-known mark is not an opposition ground under the Benelux Convention, nor are other rights such as trade-name rights or copyright. However, such rights may be invoked in a cancellation action following a possible Benelux registration.

Cancellation

Any interested party may request the cancellation of a registration based on absolute grounds, relative grounds or nullity. In the Netherlands a cancellation action is judged by any competent district court in proceedings on the merits. The judgment is subject to appeal with the competent court of appeal. This procedure is subject to review, and the authority to judge on cancellation requests may be given to the BOIP in the future.

10 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

The registration lasts for 10 years from the filing date and can be renewed on request for further periods of 10 years, if requested within the six months before exceeding expiration, against payment of the fees due. Until six months after the date of the lapse, the renewal can still be requested at the BOIP for a slightly higher fee. No proof of use must be submitted with a renewal request.

11 The benefits of registration

What are the benefits of registration?

A registered trademark provides the owner with an exclusive right. Without prejudice to the possible application of ordinary law in matters of civil liability, the owner may prevent any third party, without its consent, from:

- the use in business of an identical sign for the same goods or services, provided that a trademark function is harmed;
- the use in business of an identical or similar sign for identical or similar goods or services, and there is a likelihood of confusion in the mind of the public;
- the use in business (for any goods or services) of a sign identical or similar to a trademark well known in the Benelux, where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the repute of the trademark;
- the use of a sign for purposes other than those of distinguishing the goods or services, where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the repute of the trademark.

Use of a similar trademark or sign includes in particular:

- attachment of the sign to products or their packaging;
- offering, marketing or holding goods for these purposes or offering or providing services under the sign;
- importing or exporting goods under the sign;
- use of the sign in business papers and advertising.

Besides an injunction the owner may claim compensation for any

damage or loss incurred because of the infringement. In the case of wilful infringement the owner may instead claim the profits made by the infringer and a delivery of accounts. The owner may also claim ownership of moveable goods that have adversely affected its right or assets that have been used for the production of these goods or to require that they be destroyed or rendered unserviceable. Furthermore, additional claims to receive specific information on the scope of the infringement can be made.

12 Licences

May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

A licence may be registered with the BOIP. To be certain of any third-party effects of the licence, such as a third party that acquires the trademark, it is beneficial to register the license. This way the third party shall be deemed to be aware of the licence. A licensor cannot independently remove the registration without the licensee's consent.

13 Assignment

What can be assigned?

A trademark registration can be assigned with or without goodwill, relating to all or just to some goods or services. The assignment must apply to the entire territory of the Benelux.

14 Assignment documentation

What documents are required for assignment and what form must they take?

The assignment must be executed in a written deed of assignment, signed by both parties.

15 Validity of assignment

Must the assignment be recorded for purposes of its validity?

Even without the recording of the assignment the parties to the assignment are bound to it. Thus, in order to reach effect, the assignment does not have to be recorded. However a copy of the assignment deed (or an extract of it) must be registered with the BOIP in order to be enforceable against third parties.

16 Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Securities such as a pledge or *usu fructu* are recognised. The security right must be laid down in a deed signed by both parties, not necessarily a notarial deed. It must be registered with the BOIP in order to be enforceable against third parties.

17 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Using words or symbols for trademark use is not mandatory; it has no formal status in the Benelux. However, using '®' for a registered trademark or '™' for a non-registered trademark may be recommended, since such use may cause others not to use the trademark unauthorised.

18 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals?

Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

In the case of an infringement, the trademark owner or the licensee – if authorised by the owner – has several procedural actions available in the Netherlands.

- Ex parte injunction order: in extremely urgent counterfeit matters an injunction order may be obtained without the infringing party knowing in advance. Should such order not be granted, less far going measures such as seizure of goods, custody or the pre trial attachment of evidence can be granted. These requests tend to be handled by the Dutch court within a few days.
- Summary (injunction) proceedings: if an urgent interest is at stake the trademark owner can claim an injunction order. On average it takes between six and 10 weeks after filing a request with the court until an enforceable judgment is obtained. In highly urgent matters the district court may well allow for a shorter term. In general, damages cannot be claimed in these proceedings.
- In proceedings on the merits a legal judgment on both future conduct (injunction) and the past (unlawful act, damages, submission of information regarding the origin of the goods or distribution networks, scope of the infringement). Proceedings on the merits last, on average, 12 to 18 months until a judgment.
- The trademark owner may initiate a customs procedure if he suspects wares might be in violation with his rights. Dutch customs is well willing to work with trademark owners against counterfeit, and it may well worth the time to clearly instruct customs as to the identity and origin of the genuine trademark goods so that appropriate action can be taken fast.
- Under Dutch criminal law, one who intentionally infringes trademark rights commercially may be punished with imprisonment up to four years or a €67,000 fine. In practice, the public prosecutor is hesitant to take action if there are still private actions available to the trademark owner.

19 Procedural format and timing

What is the format of the infringement proceeding?

See also question 18. In proceedings on the merits the court assesses any kind of evidence produced by the parties. In general such proceedings take about 12 to 18 months until a judgment, but if live witnesses or experts are to be heard this may take longer. The case is decided by one or three judges. Discovery is not obligatory, which means that proceedings in the Netherlands are, on average, much less costly than in common law countries that do allow for disclosure or discovery. In general, proceedings include a written statement by the claimant (writ of summons), followed by a defence statement six weeks later. Often a court session is then planned a few months later, followed by a judgment. This may be an interim judgment in which the burden of proof is put on one of the parties, allowing that party to then submit evidence or call witnesses to the court. Appeal is possible before the competent court of appeal. Appeal proceedings currently tend to take about 18 to 24 months. On questions of law the third instance is the Dutch Supreme Court.

20 Burden of proof

What is the burden of proof to establish infringement or dilution?

Under Dutch procedural law, the burden of proof of certain facts is

on the party who invokes the rights following from such facts. As to infringement or dilution the burden is likely to be put on the plaintiff. Proof is often rendered through one or more market surveys. No restrictions apply to the kind of proof, and it is up to the court to decide how much weight should be attached to a piece of evidence.

21 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The owner and the licensee – if authorised by the owner – may each take legal action. No specific conditions are applicable. Besides, anyone suffering damage from an infringement may file a criminal complaint.

22 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

It is unlikely that activities that take place outside the country of registration can support a charge of infringement or dilution.

23 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

The court may grant an ex parte order to preserve evidence, and it may order the infringer to release information regarding origin of the wares and distribution networks, order the detailed description, sample taking and physical seizure of the infringing goods and materials used in the production or distribution of these goods, as well as all documents relating thereto. Dutch procedural law does not provide for full discovery, but one could obtain a court order to provide specific documents relating to a legal liaison to which that one is a party. This provision is applied restrictively. In proceedings on the merits the court may interpret a refusal by a procedural party to provide evidence, documents or information, against that respective party. In practice this, however, is not a powerful instrument. As to foreign parties it remains up to the country of domicile of the party from whom evidence must be obtained, whether the local court will allow for the enforcement of any measure taken.

24 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

- Ex parte injunction order: in extremely urgent counterfeit matters an order may be obtained within a few days or even the same day.
- Summary (injunction) proceedings: on average it takes between four and 10 weeks after filing a request with the court until an enforceable judgment is obtained. In highly urgent matters the district court may allow for a shorter term.
- Proceedings on the merits last, on average, 12 to 18 months until a judgment. Appeal proceedings tend to last between 18 and 24 months.

25 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The costs of an action highly depend on the complexity of the matter involved. Lawyer's fees in average trademark proceedings are €20,000 to €40,000. Some cases may involve lower costs, while in complex litigation the costs could be double the amounts mentioned. Court fees depend on the interest of the matter, and currently do not exceed €5,000.

Some of these fees could be recouped in a successful action. In the Netherlands the losing party in proceedings about intellectual property rights (trademarks included) will be ordered to compensate part of the lawyer's fees of the prevailing party, as well as the court fees. In simple summary proceedings this is approximately €6,000, complex proceedings €15,000. In proceedings on the merits these amounts are €8,000 and €25,000 respectively. If both parties are claiming higher amounts, the Dutch court tends to award at least the lowest of the two amounts claimed to the winning party.

26 Appeals

What avenues of appeal are available?

The competent Court of Appeal (in total there are five) will give a full judgment on the matter on the issues as to which a decision is requested by the parties. A third instance before the Dutch Supreme Court may be possible, but only on questions of law.

27 Defences

What defences are available to a charge of infringement or dilution, or any related action?

All standard defences are available. In most of the cases the defendant argues that the sign used is not similar to the trademark or used for different goods or services. Also, one might conclude that there is no likelihood of confusion or that use of the respective sign does not bring unfair advantage or is not detrimental to the distinctive character or the repute of the trademark – only if the latter is well-known, which may be questioned as well. The defendant may claim a 'due cause' for the trademark use, such as a licence. Freedom of expression may be a sound reason for use, although not often assumed.

The defendant may conclude that the trademark that he is supposed to infringe:

- does not constitute a trademark;
- is devoid of any distinctive character;
- comprises only descriptive signs or indications; or
- comprises only signs or indications that have become customary in everyday language or in the bona fide and established practices of the trade.

The exclusive right shall not imply the right to challenge a third party over the use in business of:

- its name and address;
- indications relating to the kind, quality, quantity, intended purpose, value, geographical origin or time of manufacture of a product or provision of a service or other characteristics thereof; or
- the trademark, where it is necessary in order to indicate the purpose of a product or service, particularly as an accessory or spare part; provided that such use is made in accordance with fair use in the conduct of industry or business.

The exclusive right to a trademark shall not imply the right to challenge use in business of a similar sign that draws its protection from

Update and trends

The procedure for a cancellation action is currently being reviewed, as well as the appeal authority of decisions by the Bureau of Intellectual Property (BOIP):

The BOIP may be given the authority to rule on the cancellation requests of Benelux trademark registrations, both on absolute grounds, nullity and non-use. In the Netherlands that authority currently rests with the local district courts.

Decisions by the BOIP are currently open for appeal before a Court of Appeal in each of the three countries that form the Benelux.

This appellate authority may be amended so that the Benelux Court of Justice may introduce a second chamber ruling on facts instead of solely points of law. This chamber may become the appellate authority of all decisions by the BOIP.

The amendments will be relevant to private practice, as only *advocaten* (attorneys-at-law) are entitled to proceed before the court. If cancellation actions are decided by the BOIP this may involve a shift of work from law firms towards trademark agents.

a prior right of local scope. The exclusive right shall not imply the right to challenge use of the trademark for goods that have been marketed in the European Community or EEA under that trademark by the owner or with his consent, unless there are legitimate grounds for the owner to object to further marketing of the goods, in particular where the condition of the goods has been altered or adversely affected after they have been marketed.

The right to a trademark shall be declared as lapsed, if:

- there has been no normal use of the trademark, without due cause, on Benelux territory for the goods or services in respect of which the trademark is registered, for an uninterrupted period of five years;
- the trademark has become the normal commercial description of a product or service for which it is registered as a result of the activity or inactivity of its owner; or
- as a result of the use made of it by the owner or with his consent, in respect of the goods or services for which it is registered, the trademark is likely to mislead the public, particularly as regards the nature, quality or geographical origin of the goods or services.

28 Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

Besides a cease-and-desist order, a recall could be ordered, and the handing over or the destruction of infringing goods. Injunctive relief is available, both preliminary and permanently. The Dutch court tends to be willing to schedule a court session at short notice if urgently required. In clear and highly urgent counterfeit matters injunctions may even be granted *ex parte* (eg, cease-and-desist order, attachment, custody, preservation of evidence, without hearing the defendant). The order could address other territories than the Netherlands, particularly if the defendant is based in the Netherlands.

A damages claim may be awarded for actual damage incurred (damage or loss of profits). Although the burden of proof of the damage

amount is on the claimant, the Dutch court is entitled to estimate the damages amount. In the case of wilful infringement the profits made by the infringer may be surrendered and allocated to the trademark owner.

Furthermore, customs may be a good partner in stopping counterfeit goods. If instructed well in advance and clearly, customs may suspend goods so that the trademark owner can make an attachment after their warning.

Although counterfeiting is a criminal act, it does not have the highest priority of the Dutch public prosecutor until all civil actions have been used.

29 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The parties to a conflict are entitled to agree upon ADR, although it is less used than, for example, in the US. This may be because proceedings in the Netherlands are, in general, much less costly than in the US or in the UK, as pretrial disclosure or discovery are not available. In domain name disputes, UDRP proceedings with WIPO are commonly used.

30 Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What protection is provided?

Although a registration is lacking, the protection by trademark law will be given if proven (by evidence) that the mark can be characterised as 'famous' under article 6bis of the Paris Convention. It is commonly assumed that the trademark has to be famous in the Netherlands to account for such protection in the Netherlands. Actual use in the Netherlands is not necessary, but will likely affect the level of fame of the mark.

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