

**Use of EUTM by third party may constitute genuine use even where proprietor's consent must be deduced
European Union - NJORD**

**Cancellation
International procedures**

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In *Windrush AKA LLP v European Union Intellectual Property Office* (EUIPO) (Case T-336/15, March 22 2017), the General Court has affirmed a decision of the First Board of Appeal of the EUIPO in which the latter had found that there was genuine use of the mark THE SPECIALS for CDs, which was considered use with the consent of the trademark owner (here, the keyboardist and founder of UK band The Specials).

This is the story of the trademark rights in a band name, where one member of the band applies for registration of the name of the band as a trademark in his own name: Jerry Dammers, the keyboardist and founder of the UK ska band The Specials, registered the mark as a Community trademark (now EU trademark or EUTM) in 2005 for a wide variety of goods and services in Classes 9, 16, 25 and 41.

In 2012 Windrush AKA LLP filed an application for revocation of Mr Dammers' EUTM for lack of genuine use for all abovementioned goods and services pursuant to Article 51(1)(a) of [Regulation 207/2009](#). In order for Mr Dammers to keep the EUTM, he had to prove genuine use of the EUTM during the five-year period running from October 30 2007 to October 29 2012. Mr Dammers responded by providing, among other things, a licence agreement dated June 8 1979, and letters from an accountant documenting royalty payments within the relevant period.

The Cancellation Division of the EUIPO cancelled the registration for all goods and services except "compact discs (audio-video)" and "electronic publications (downloadable)" in Class 9. Windrush appealed, and Mr Dammers intervened. The First Board of Appeal of the EUIPO upheld the appeal as regards "electronic publications (downloadable)", but found that the mark had been used for "compact discs (audio-video)". The Board of Appeal found that mark had been used by a third party with Mr Dammers' consent and had been put to genuine use in connection with those goods.

Windrush appealed further to the General Court in order to annul the decision of the Board of Appeal.

The crux of the appeal was whether the use by a record company pursuant to the agreement of June 8 1979 was with the consent of the trademark proprietor in accordance with Article 15(2) of the regulation, which reads as follows:

"2. Use of the EUTM with the consent of the proprietor shall be deemed to constitute use by the proprietor."

Windrush claimed that the agreement expressly stated that Mr Dammers assigned his rights in the trademark THE SPECIALS to the record company. However, the General Court agreed with the Board of Appeal that the fact that the proprietor had given the right to use the mark to the record company, and later received royalties from the record company, meant that this was genuine use. The court rejected Windrush's argument that the Board of Appeal blamed Windrush for not having provided judicial decisions that could substantiate its claims relating to the content of certain provisions of the agreement of June 8 1979, in other words effectively shifting the burden of proving non-use to Windrush. The court disagreed, and found that the board had indeed placed the burden of proof on Mr Dammers, who had upheld his burden by providing the agreement and the royalty payments.

Windrush further claimed that the Board of Appeal had not taken into consideration certain provisions of the agreement, from which it was apparent that Mr Dammers had assigned rights relating to the activity of the music group The Specials, among which were the rights relating to any use of the group's name, including as a trademark, with the result that he was no longer the proprietor of those rights. In other words, Mr Dammers had no right to file the EUTM application in the first place. However, the court agreed with the Board of Appeal that Windrush had not brought a cancellation action based on Article 52(1)(b) of the regulation (ie, that Mr Dammers was acting in bad faith at the time when he filed the application for registration of that mark).

Finally, Windrush argued that the Board of Appeal had taken irrelevant circumstances in consideration when it assessed whether Mr Dammers had consented to the use of the contested mark by a third party. The court concluded that the Board of Appeal had deduced that there was consent on Mr Dammers' part based on the evidence provided by the latter, and that there were no irrelevant circumstances on which the Board of Appeal based its arguments.

On these grounds, the court dismissed the action and ordered Windrush to pay the costs.

This case is interesting in two respects. First, it confirms that use of a mark by a third party can constitute genuine use by the proprietor, even where the consent is not expressed but, rather, must be deduced. This finding could assist EUTM proprietors in cancellation actions in the future, because one may consider that the court softened the usually strict rules concerning genuine use. Further, the decision shows that it is important to raise all relevant claims, including bad-faith claims, from the outset – it is not possible to add claims at a later date, no matter how relevant they are. Therefore, the applicant for cancellation must lodge a new cancellation action. This is particularly important in cases where the defendant's mark does not appear to be in use, but there is third-party use.

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