

Hungarian Patent Office intensifies debate over genuine use of CTMs

International - Trevor Little

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International procedures
Supranational
National

The Hungarian Patent Office (HPO) has rejected a trademark opposition on the grounds that the complainant “provided proof of genuine use of the invoked Community trademark (CTM) only in one member state”. The ruling follows the stance recently taken in *ONEL*.

An application to register the mark C CITY HOTEL in Hungary was opposed by a UK company on the basis of likelihood of confusion with, and taking unfair advantage of the repute of, its earlier CITY INN marks. However, in its [decision](#) the HPO stated: “None of the submitted documents supported that the use in question related to any other member state in addition to the single member state concerned. Consequently, that use could not be considered to bear significance in the internal market of the European Union... It is not justified that an applicant wishing to obtain trademark protection only in Hungary should lose the opportunity for doing so because another party is using a similar mark in one single member state of the European Union” (Case number M0900377).

Although the decision seemingly contradicts the European Court of Justice's decision in *Pago*, it adopts a similar stance to the [Benelux Office of Intellectual Property's](#) recent *ONEL* ruling (for further details please see "[ONEL ruling plunges Europe into confusion](#)"), and follows the publication of an HPO [document](#) which supported the *ONEL* position.

[Charles Gielen](#), partner at NautaDutilh, told *WTR*: “I think that when we talk about an EU with 27 member states, you cannot argue with good reason that if you have an exclusive right for the whole of that EU, you can maintain it by using it in one particular member state. It's not economically feasible and is too much of a hindrance to competition and other trademark owners who are blocked by a company that is only using it in one jurisdiction. In view of the fact that there is a national system and a community system, one has to put those into perspective. National systems are for the national jurisdictions and CTMs are for community-wide operations and one should count on a requirement of use in a substantial part of the EU. It is up to the national courts and the offices to deal with this definition but substantial part should mean a substantial part. There is co-existence between CTMs and national marks, so companies that operate only on a national level or in a couple of member states have the option of filing for protection at the national offices.”

Helena Morgonsköld, head of the trademark and design department at the [Swedish Patent and Registration Office](#), agrees, noting that: "In the EU, we have two parallel systems which fulfill the different requirements of the different types of applicants for trademark protection - international companies whose market is far beyond one national country and the national companies/applicants who, at least initially, have no intention or strategy to sell to a broader market. These two systems are complements to each other and are open to all applicants."