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Trade Marks 2023

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Netherlands: Trends & Developments

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NETHERLANDS

Trends and Developments

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Introduction

The traditionally territorial discipline of trade mark law currently finds itself at the mercy of globalisation. This contribution discusses the difficulties that the internet poses to global brand enforcement. Special attention goes to the emerging trend of courts attempting to expand their jurisdiction on trade marks outside their territorial limitations. Furthermore, this contribution discusses recent cases on platform liability in relation to trade mark enforcement and it sheds a light on the Digital Services Act, which entered into force in 2022. Finally, it walks through a variety of mentionable court cases from the past year.

Extraterritorial Brand Enforcement

Introduction

Since its birth, trade mark law has been characterised by its territorial nature. This means that once you are granted a trade mark, you will only be able to enforce your rights within the boundaries of the territory for which the trade mark is granted. This past year, we have discerned the trend of courts worldwide seeking to expand their jurisdiction to countries outside the trade mark's designated territories. Where does this urge come from and is it valid?

Globalisation through the internet and platforms

In the age of the internet, the borders that were drawn up centuries ago tend to get blurry. Of course, the internet was meant to connect people all around the world. So, this does not come

as a big surprise. However, it does pose issues as to who can claim jurisdiction and which rules apply to behaviour of its users.

To further complicate this matter, add the complexity of large, powerful and influential platforms to the equation. In light of brand enforcement, the most prominent example of such a platform is Amazon. Amazon is accessible from virtually anywhere around the globe. Its marketplace consists of a dual platform; it sells its own products but also third parties are allowed to sell and advertise their products on it. One of the key debates that plays on the forefront of platform regulation is how and when to hold such a platform liable when its users undertake illegal activities on it.

Not incidentally, the Court of Justice EU (CJEU) decided on a case involving Amazon's marketplace where a seller advertised, without authorisation, Louboutin heels displaying the red sole for which Louboutin holds an EU trade mark. The CJEU held that the use without authorisation by the advertiser on its platform cannot be attributed to the operator of an online marketplace. However, only so long as the normal and reasonably informed internet user would not perceive the advertisement as a commercial communication by the operator. As such, Amazon remained unscathed, but the trade mark owner was left to deal with the trade mark infringement on a much smaller and more complicated level, because it will need to address every single infringer individually.

Additionally, considering the foregoing, this case is also exemplary of an EU trade mark holder seeking to enforce its rights against a globally operational platform.

Legislative initiatives

Due to these developments, legislatures have been attempting to regulate platforms for quite some time now. The most recent initiatives in Europe are the Digital Services Act (DSA) and the Digital Markets Act (DMA). The DSA seeks to protect the platform users' rights in terms of illegal content, transparent advertising and disinformation. The DMA addresses the concern of market access and transparency when large platforms operate as a "gatekeeper" in the online environment. Although the rules of both were finalised in 2022, they will not be applicable for all regulated entities until the first quarter of 2024.

In terms of brand enforcement, the DSA can be expected to make the most impact of the two. The DSA sets out to modernise the current liability exemption under the E-Commerce Directive that encourages passive behaviour by platforms in addressing illegal activity ([read more on this in our previous contribution from last year](#)).

The DSA will apply to online platforms that act as an intermediary within the EU to connect consumers with goods, services and content. In practice, this will mostly affect platforms that are headquartered and operated from outside the EU borders. Thus, again marking the tendency to supply the EU courts with extraterritorial reach.

EU courts attempting to expand their jurisdiction

Notwithstanding the imminent implications of the DSA, EU courts already attempt to broaden

their authority. A few examples from the past year are discussed below.

CJEU 14 July 2022, FETA

In the case between Greece and Denmark, the CJEU reprimanded Denmark for not blocking local companies from using the name "Feta" for sales outside the EU. Feta has been designated a traditional Greek product by the EU executive since 2002, and the CJEU endorsed this label in 2005.

Dutch Court of Appeals The Hague 17 May 2022 (Light in the Box v Hikvision)

The Dutch Court of Appeals claimed jurisdiction in a case between an Asian website and an EU trade mark holder in relation to security equipment (eg, cameras, systems). The Court of Appeals based its jurisdiction on the fact that this Asian website targets the EU market. It held that it was sufficient that the website itself offered and sold the products bearing the mark, which were destined for the European market. This was evident from the purchase.

Board of Appeals EUIPO 30 August Portal Golf v Augusta National: implications of Brexit in conjunction with the reputation of an older trade mark used outside the EU

This case concerns the opposition proceedings against the registration of the visual mark for Portal Golf. The opposition was initially filed by Augusta National that based its opposition on its predating reputation supported by its earlier EU trade mark "Masters". In doing so, it mainly provided evidence for the UK. However, as the UK separated from the EU, the evidence relating to its own territory cannot be taken into account to prove the reputation "in the EU". As such, it is clear that the EU courts remain protective of their own trade mark regime when parties from

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non-EU countries attempt to enforce their local rights on the EU market.

The trend of expanding jurisdiction is not unique to the EU

It should be said that the trend of courts (and legislatures) attempting to expand their jurisdiction for trade mark enforcement is not unique to the EU. This is also a highly relevant discussion in the US.

Plixer International, Inc v Scrutinizer GMBH, No 18-1195 (1st Cir. 2018)

This concerns a case between a US (Maine) corporation and a German corporation, Scrutinizer GmbH, where the German corporation was alleged to have infringed the US trade mark “Scrutinizer” of the Maine Corporation. However, the German company had no ties to the US, but was still considered to “continuously and deliberately” exploit the US market, since the German corporation used its website to obtain US customer contracts that yielded nearly USD200,000 in business over three-and-a-half years. Therefore, the court of appeals held that this is not a situation where a defendant merely made a website accessible in the US.

US Supreme Court Abitron Austria GmbH v Hetronic International Inc

On 4 November 2022, the US Supreme Court agreed to review the extent to which trade mark owners can use the Lanham Act to police foreign sales. In this case, Hetronic, a German company appealed to the Tenth Circuit’s decision that the Lanham Act can stretch to conduct that substantially affects US commerce, such as the products that were sold by Hetronic Germany to European customers that infringed Hetronic’s US trade marks. In this case, 97% sales were concluded in the EU. The US Supreme Court has

yet to decide on this potentially ground-breaking case.

Other Trends and Developments

Intergenerational battle over family name between trade mark holder and local rights-holder of the name “Meering”

CJEU June 2, 2022,

ECLI:EU:C:2022:438,C111/21 (Classic Coach Company)

On 2 June 2022, the Dutch Supreme Court submitted two preliminary questions to the CJEU regarding the explanation of the term “earlier right” of a trade name and the protection it has against a trade mark which has been registered at a later timing.

The case involved two Dutch touring car companies founded by two brothers in the seventies. The first brother (“Brother 1”) started using their family name “Meering” in its trade name in 1975. In 1991 the second brother (“Brother 2”) simultaneously started using their family name as part of the company’s trade name. After Brother 2’s passing in 1995, the two sons of Brother 2 took control of the business. They founded Classic Coach Company and after a few years the family name was shown on their touring cars as well. However, in 2008 Brother 1 had already registered “Meering” as a trade mark at the Benelux Office of Intellectual Property (BOIP). This leads to the question whether the trade name of Brother 2 is protected against any claims of Brother 1 regarding infringement on his later trade mark.

The CJEU ruled that in order to have a valid “earlier right” on a trade name, it is not required that the earlier rights-holder is able to prohibit the use of the “younger” trade mark. Besides, Brother 1 is no longer able to prohibit Brother 2 in exercising this “later right”, because he tolerated the Brother 2’s use for all these years.

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However, what is required by European law, is that the earlier right of a trade name must be of a particular locality (ie, the name must carry local prominence) and cannot relate to the entire area for which the younger trade mark is registered. Consequently, the ruling means that Brother 2 may continue to use his older trade name, despite the registration of the later trade mark of that same name by Brother 1.

Trade mark on yellow stitch in Dr Martens Boots

Court of Appeals (Gerechtshof) The Hague April 26, 2022 ECLI:NL:GHDHA:2022:722 (Van Haren v Airwair)

Aside from the rough, black and leather appearance, you may be familiar with the signature yellow stitch attached to the air-cushion sole of the Dr Martens Boots. Airwair, producer and exclusive licence holder of the Dr Martens shoes, holds a position mark of the “yellow-stitch-on-black-welt” (YSBW Mark).

Van Haren, a Dutch shoe retailer and part of Germany’s *Deichmann Schuhe*, the largest shoe company in Europe, filed an appeal at the Court of Appeals in The Hague, after the lower court had ruled that it was infringing the Airwair’s rights in YSBW Mark on the boots by bringing similar boots with the YSBW Mark into commerce.

At issue is (i) whether Van Haren’s use of the yellow stitch on black welt on its shoes is likely to confuse the average consumer or (ii) if Van Haren’s is taking unfair advantage of the popularity of this design.

Van Haren asserts that the stitches on its boots are not within the yellow colour spectrum, nor are they used as trade mark but merely as decoration. Airwair is claiming that Van Haren attempts to ride its coattails by using its YSBW Mark.

The Court of Appeals rejects Van Haren’s argument that it intends to use the YSBW Mark as a decoration, because the only relevant consideration is whether the relevant public perceives it as an indication of origin, which it does in this case. Furthermore, it holds that Van Haren’s stitch must – in fact – be placed in the yellow colour spectrum. Interestingly, however, it rejects Airwair’s unfair advantage argument, since the deviation of colour is too significant for the relevant public to assume a connection with the Dr Martens Boots.

Consequently, the Court of Appeals rules that there is a likelihood of confusion, but no unfair advantage taken by Van Haren.

Trade mark protection of a lookalike water gun

Lower Court (rechtbank) of The Hague April 19, 2022, ECLI:NL:RBDHA:2022:3596 (Spyra v Designnest)

Spyra is a product developer in innovative water toys and owner of the trade mark “SPYRA”. DesignNest is a retailer in electronic equipment and product design platform. Until recently, both parties operated through a gentleman’s agreement in which DesignNest was authorised to sell Spyra’s water gun SPYRA ONE, for which it has a registered design.

Spyra argues that DesignNest is infringing its trade mark and model rights. Due to procedural reasons, the judge was unable to rule on most of these claims. The judge did, however, hold that DesignNest was infringing their trade mark in using their trade mark while selling copycat products.

DesignNest argued that they were merely showing these copycat products in promoting their research on market behaviour of copycats. How-

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ever, based on the indication on the website “only open for business enquiries”, the judge rules that it can be inferred that business customers did have the opportunity to order the copycat product. Thus, as part of the selling process this was considered a trade mark infringement. The court even held that including a banner containing “intellectual property infringement” and taking the order procedure off their website did not change this conclusion, as there would still be a threat of trade mark infringement.

The risk of extensive market research in showing familiarity by the public

Lower Court of The Hague March 23, 2022, ECLI:NL:RBDHA:2022:2925 (Mexx v G-maxx)

In a case between Mexx, an international fashion brand and owner of the Benelux trade mark “Mexx”, and C&S designs, a fashion retailer and owner of the EU trade mark “G-MAXX”, the lower court of the Hague ruled on a possible trade mark infringement by G-MAXX.

Firstly, Mexx argued that G-MAXX infringed their trade mark by creating the likelihood of confusion among the relevant public by using the brand “G-MAXX”. However, the court ruled that this was not the case as the way in which the letters were displayed was not similar enough. Although the court did agree on a certain level of similarity between the brands, it argued that the only aspect which could result in confusion among the public was the last two letters both being “XX”.

Secondly, Mexx argued that their brand is highly renowned, and G-Maxx could draw an advantage from their popularity by using a similar brand. If this were the case, it should be protected. The court stated that popularity is a dynamic phenomenon and that Mexx is not as popular as it used to be as a women’s fashion brand.

This followed from Mexx’s own market research. Therefore, Mexx’s brand cannot be protected on this basis. Consequently, it resulted in the rejection of both of Mexx’s claims.

The aftermath of Brexit

Lower Court of The Hague February 2, 2022, ECLI:NL:RBDHA:2022:642 (Rituals v The Body Shop)

In 2015, The Body Shop, a cosmetics retailer in the UK, launched a skin care product line using the word “RITUAL” in all four of their product categories. Rituals, an international producer of luxurious cosmetics, claimed that this was an infringement on their trade mark of the same name.

The Body Shop argued that she was merely using the word “RITUAL” in a describing manner to show customers their products were part of a routine. Conversely, the court of The Hague held that the prominent way in which the word was used in promoting material, their web shops and product packaging led to the conclusion that Ritual’s trade was not used it in a merely descriptive way.

It should also be noted that the court awarded a cross-border injunction extending to the UK and, as such, it held that Brexit had no consequences for this ruling. Since the procedure started before the end of the transition period it could rely on the Withdrawal Agreement between the EU and the UK. Therefore, The Body Shop is not allowed to use the word “RITUAL” in the aforementioned way in both the EU and the UK.

Who is responsible for a coffee machine that caught fire?

CJEU July 7, 2022, ECLI:EU:C:2022:536

(Philips v Fennia)

After a fire that was caused by a coffee machine (the Philips Saeco Xsmall HD8743/11), Fennia had compensated its consumer for the damage that resulted from it. Fennia then brought an action against Philips, as its trade marks were affixed to the machine, seeking compensation pursuant to joint liability of producers involved in the production process, as laid down in Article 5 of Directive 85/374.

However, even though it had its Philips trade mark affixed to the coffee machine, Philips argued that she was not the producer. This resulted in preliminary questions to the CJEU by the Supreme Court of Finland about the concept of a “producer”.

According to EU law the person (ie, company) who puts his name, trade mark or other distinguishing feature on the product, or who has authorised those particulars to be put on the product, also presents himself as the producer of that product. The CJEU held that the producer need not also present itself as a producer in another way to qualify as a producer.

Consequently, Philips qualifies as a producer of the coffee machine and should compensate Fennia for the damage that was caused by the fire.

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Greenberg Traurig, LLP is an international law firm with approximately 2,650 attorneys serving clients from 44 offices in the United States, Latin America, Europe, Asia and the Middle East. The practice in Amsterdam is built around

IP-specialist Radboud Ribbert. The team frequently advises and represents companies and individuals on matters involving European IP law, such as patent rights, trade mark rights, neighbouring rights and copyrights.

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Radboud Ribbert has over 25 years of extensive experience, is a leading expert in IP and entertainment law and a well-known litigator in these fields. He represents famous lyricists,

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