

# Benelux

Charles Gielen\*

## I. Introduction

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Since 1971, The Netherlands, Belgium, and Luxembourg, collectively forming the economic union of the Benelux, have shared one uniform trademark law, provided for in what is now called the Benelux Convention on Intellectual Property (BCIP). The BCIP is in line with the European Trademark Harmonization Directive (Directive 2008/95/EC of 22 October 2008).

In instances where there is uncertainty as to the meaning of a provision of the BCIP, national courts may and the Supreme Courts of the Benelux countries must submit questions of interpretation of this uniform law either to the European Court of Justice (ECJ) (if it concerns questions of harmonized trademark law) or to the Benelux Court of Justice (if it concerns issues of trademark that are not affected by the Directive, such as aspects of the registration procedure and other formalities). Judgments of national courts apply to the whole Benelux territory, unless stated otherwise in the judgment.

Only one article of the BCIP (Article 2.4(e)) deals with well-known marks. It provides that no right to a trademark should be acquired by the deposit of a mark likely to cause confusion with a well-known mark within the meaning of Article 6*bis* of the Paris Convention. Given the broad protection granted under the BCIP<sup>1</sup> there was no need for any further express provision on this point. Well-known marks have in most cases been granted fair protection against the use of similar marks, even for non-similar goods and services. Under the influence of the European Trademark Harmonization Directive, non-confusion

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\* Professor, Intellectual Property Law, University of Stellenbosch, South Africa; Of counsel, NautaDutilh, Amsterdam.

<sup>1</sup> See Section II, *infra*.

protection of a mark is granted only if the mark has a reputation in the Benelux territory and unfair advantage is taken of or detriment is caused to the repute or distinctive character of the mark.

## II. Supranational and National Law

### A. Supranational Law

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In order to comply with Article *6bis* of the Paris Convention, Article 2.4(e) was incorporated in the BCIP. This Article provides that no right to a mark shall be acquired by the deposit of a mark likely to cause confusion with a well-known mark within the meaning of Article *6bis*. Article *6bis* is intended to grant protection to well-known trademarks on the sole ground of their being well known, without a requirement that they be registered in the country where protection is sought. Article 2.19(1) of the BCIP provides that no action can be based on protection of a mark's without this mark's having been deposited. No exception is made for well-known marks, and this seems to be in violation of Article *6bis*. If, however, the user of a well-known mark does not wish to register the mark, the user could rely on Article 4.7 of the BCIP, which says that the provisions of the Paris Convention may be invoked directly before the national courts if this benefits the party in question. Courts accept that in order to be able to successfully invoke protection of a well-known mark under Article *6bis*, registration in the Benelux is not a requirement.<sup>2</sup> Under Benelux law a trademark right can be obtained only through registration.

The Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement") gave no reasons for amending the BCIP. Both the text of the BCIP and the interpretation given to it by the courts comply with the TRIPS Agreement, in particular, with respect to the fact that since 1987

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<sup>2</sup> Court of Appeal The Hague, 3 April 2012, LJN BW0685, *Wendy's*.

virtually all the provisions of the BCIP, including Article 2.4(e), have been applicable to trademarks for both goods and services.

## B. Previous Benelux Law

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As far as national law is concerned, it is important firstly to outline how the infringement criteria under Benelux law have developed before the change of the text of these criteria under the influence of the European Trademark Harmonization Directive, which entered into force on 1 January 1996.

According to the former Article 13(A) of what was then called the Benelux Trademarks Act (BTMA), the owner of a registered trademark could oppose:

- (1) any use made of the mark or a similar sign for the goods or services in respect of which the mark is registered, or for similar goods or services;
- (2) any other use of the mark or a similar sign made without a valid reason under circumstances likely to cause prejudice to the owner of the mark.

It is interesting that the first criterion does not require likelihood of confusion or other prejudice to be shown by the trademark owner. The question was under what circumstances a mark or other sign should be considered “similar” to the mark to be protected. In a landmark decision in the *Union* case, the Benelux Court of Justice decided that there is similarity:

... when taking into account the particular circumstances of the case such as the distinctive power of the mark, the mark and the sign each looked at as a whole and in correlation, show such a resemblance phonetically, visually, or conceptually, that by this resemblance alone *associations* between the sign and the mark are evoked [emphasis added].<sup>3</sup>

This covers a wide variety of situations. First of all, it covers the classical notion of *direct* confusion: confusion between the mark and the sign themselves—in other words, the risk that one takes one sign for the other. It also covers what is called *indirect* confusion, meaning the likelihood that notwithstanding the fact that the mark and the sign as such will not be confused, it would be assumed on the basis of the resemblance of the mark and the sign, that there is some kind of relationship between the

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<sup>3</sup> Benelux Court of Justice, 20 May 1983, NJ 1984/72, BIE 1984/40 at 137, *Union*.

proprietor or user of the mark and the user of the sign—for example, relations such as a license, a merchandising or franchising agreement, or a relation of sponsorship. Finally, it covers the likelihood that (subconscious) connections or associations are made by virtue of the fact that through the perception of a sign, recollection of the mark might be stirred up—in other words, the likelihood that the mark is called to mind by the perception of a sign. It therefore also covers the likelihood of *dilution* in case of similar goods or services. It is clear that this offers a broad infringement criterion based on a modern approach to the function of trademarks.

A good example of a case in which it was expressly decided that a likelihood of confusion is not a prerequisite for the protection of a mark is the *Monopoly* case, which dealt with the protection of the well-known **MONOPOLY** mark against use of the **ANTI MONOPOLY** mark for a similar game that showed some similarity with the original Monopoly game, but was totally anticapitalistic. It could be argued that there was no risk of confusion in this case because **ANTI MONOPOLY** is the reverse of **MONOPOLY**. The Dutch Supreme Court decided that a likelihood of confusion was not a criterion of Benelux trademark law. Indeed, under the likelihood of association concept the simple fact that the public, when seeing or hearing **ANTI MONOPOLY**, would think of **MONOPOLY** was sufficient to cause trademark infringement.<sup>4</sup> Another example of a case in which the likelihood of association concept was accepted involved the get-up of the **POISON** and **FAHRENHEIT** perfume products as against the get-up of two perfume products that bore different word marks, namely **PASSIE** and **RED NIGHT**. Notwithstanding the fact that these word marks were not considered to be infringing, the total get-up was viewed to

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<sup>4</sup> Supreme Court, 24 June 1977, NJ 1978/83, BIE 1978/6 at 39 and BIE 1978/8 at 43. It is clear that there is misunderstanding with respect to the meaning of the likelihood of association concept. See, e.g., Adrian Y. Spencer (1994) "European Harmonization, Harmony—or Confusion and Conflict", *ECTA Newsletter* No. 25, May, 35. He writes: "But consider the owners of, e.g., (PEUGEOT) **CANON** seeking to oppose registration of (JAGUAR) **KANON** when the first mark is used for a £10,000 car and the second for a £50,000 car. There is probably no likelihood of confusion or even of 'association.'" Under Benelux law it could very well be argued that on the basis of the phonetic and visual similarity of both marks caused by the almost identical words **CANON** and **KANON**, both marks will be associated. Indeed, confusion in the classical sense will not occur.

evoke an association with the **POISON** and **FAHRENHEIT** packaging.<sup>5</sup>

The second criterion provided for protection of a mark in case of dissimilar products and is therefore of great relevance for the protection of famous and well-known marks. In a landmark decision in the *Claeryn* (a trademark for a Dutch gin) *v. Klarein* (a mark used for detergents) case of 1975,<sup>6</sup> the Benelux Court of Justice provided an interpretation of the concept of prejudice that the trademark owner has to prove in such a case as well as of what constitutes a “valid reason” when pleading this as a defense. The court determined that prejudice in these instances includes an adverse effect on the attractive power and the ability of the mark to generate a desire to buy (*kooplustopwekkend vermogen*), and a loss of exclusivity (referred to as “trademark dilution”). The risk of confusion, the improper benefit derived from the reputation of the mark and affecting the distinctive power of the mark may also be elements of prejudice, although not necessarily. Furthermore, the Benelux Court ruled that, in order to establish prejudice, it is not necessary that the mark be famous or well-known, but the fact that the mark is famous certainly influences the assessment of prejudice. The more famous the mark is, the greater the risk of prejudice if the mark is used for non-similar goods or services.

The user of the **KLAREIN** mark argued that he had a “valid reason” to use this particular word because in the Dutch language it meant “clear and pure,” words that were particularly apt to indicate the characteristics of the product on which this mark was used. The Benelux Court decided that a “valid reason” could only be present in a case of absolute need to use a particular sign. It is therefore a very strict criterion that will apply only in a minority of cases.

On the basis of the *Claeryn v. Klarein* decision, it can be said that under Benelux law, famous and well-known marks did enjoy substantial protection in relation to dissimilar products.

A decision similar to *Claeryn v. Klarein* was rendered by the Court of Appeal of Arnhem in a conflict between the trademark **AGIO** for cigars and the junior trademark **AGIO** for a tempo-

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<sup>5</sup> Court of Appeal Den Bosch, 14 February 1995, IER 1995/23 at 136.

<sup>6</sup> Benelux Court of Justice, 1 March 1975, NJ 1975/472, BIE 1975/9 at 183, *Claeryn v. Klarein*.

rary employment agency.<sup>7</sup> Both the District Court and the Court of Appeal were of the opinion that, given that **AGIO** for cigars was a “famous” (internationally recognized) mark, a substantial part of the public would recognize and associate the mark **AGIO** for the temporary employment agency with the well-known cigar trademark. The public would wonder whether the temporary employment agency was in some way or another connected with the manufacturer of the cigars, as it is not unusual for large companies to extend their activities beyond their principal field of endeavour.

However, a caveat must be added to the proposition that under Benelux law famous and well-known marks have always enjoyed substantial protection. Notwithstanding the broadly formulated infringement criteria and the interpretation given by the Benelux Court in *Claeryn v. Klarein*, there is no automatic protection against unauthorized use for goods or services in all other classes. In all cases, the owner of the mark has to establish a risk of prejudice. For example, the owner of the **JEEP** trademark for cars opposed the use of the **JEEP** mark for ladies’ underwear.<sup>8</sup> The Court of Appeal of Amsterdam agreed that the **JEEP** mark was well-known for cars but rejected the argument of the owner of the mark that the use of **JEEP** for ladies’ underwear adversely affected the exclusivity and attractive power of the mark. The Court rightly pointed out that the system of the BTMA is that Article 13(A)(1) provides for protection against the use of the mark for the same or similar goods or services: the basic principle of specialty. This principle would be meaningless if a loss of exclusivity or attractive power were to be found in all cases of the unauthorized use of the mark for whatever goods or services. In other words, the courts should be convinced of a realistic risk of prejudice.<sup>9</sup>

### C. Current Benelux Law

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Since the latest amendment to the Benelux Act in 1996, the infringement criteria of what is now Article 2.20(1) of the BCIP

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<sup>7</sup> Court of Appeal Arnhem, 23 February 1993, BIE 1995/55 at 218, IER 1993/40 at 187, *Agio Cigars v. Agio Temporary Employment Agency*.

<sup>8</sup> Court of Appeal Amsterdam, 22 May 1980, BIE 1981/72 at 324, *Jeep*.

<sup>9</sup> Other examples of cases in which protection of well-known or famous marks was granted or refused are given in Section VI, *infra*.

have been revised in order to comply with the European Trademark Harmonization Directive. Now the owner of a trademark may oppose:

- (a) any use made in the course of trade of the mark in relation to goods for which the mark is registered;
- (b) any use made in the course of trade of the mark or of a similar sign for goods for which the mark is registered or for similar goods where there exists a likelihood of association on the part of the public between the sign and the mark;
- (c) any use made in the course of trade, without due cause, of a mark that has a reputation in the Benelux territory, or of a similar sign, for goods that are not similar to those for which the mark is registered, where use of such a sign takes unfair advantage of or is detrimental to the distinctive character or repute of the mark;
- (d) any use in the course of trade, without due cause, of a mark or a similar sign in any way other than to distinguish goods where the use of such sign takes unfair advantage of or is detrimental to the distinctive character or the repute of the mark.

Under these newly formulated criteria the protection of famous and well-known marks is also guaranteed in a fairly comprehensive manner. In the meantime the CJEU has had an opportunity to decide under what circumstances a reputed mark is protected against the taking of unfair advantage of, or the causing of detriment to, its distinctive character or repute.

In the *INTEL vs. INTEL MARK* case<sup>10</sup> the CJEU said that for infringement to occur under the broad scope of protection for reputed marks, it is necessary that a link be made between the opposed mark and the reputed mark—in other words, that the reputed mark be brought to mind. The Court decided that, as regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as “dilution,” “whittling away” or “blurring,” such detriment is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of

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<sup>10</sup> CJEU, 27 November 2008, Case C-252/07, [2008] ECR I-08823, *Intel Corp./CPM UK Ltd.*

the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so. The CJEU furthermore held that the proprietor of the earlier trade mark is not required to demonstrate actual and present injury to its mark. When it is foreseeable that such injury will ensue from the use that the proprietor of the later mark may be led to make of its mark, the proprietor of the earlier mark cannot be required to wait for it actually to occur in order to be able to prohibit that use. The proprietor of the earlier mark must, however, prove that there is a serious risk that such an injury will occur in the future.

In *L’Oreal v. Bellure*<sup>11</sup> the CJEU had an opportunity to explain the notions “detriment to repute” and “taking under advantage.” With regard to detriment to the repute of the mark, also referred to as “tarnishment” or “degradation,” the Court said that such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality that is liable to have a negative impact on the image of the mark.

Regarding unfair advantage, the Court explained that the concept of “taking unfair advantage of the distinctive character or the repute of the trade mark,” also referred to as “parasitism” or “free-riding,” relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. The concept covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics that it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coattails of the mark with a reputation. According to the Dutch Supreme Court for unfair advantage there should be an intention to take profit of the trademark of someone else.<sup>11a</sup>

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<sup>11</sup> CJEU, 18 June 2009, Case C-487/07, [2009] ECR I-05185, *L’Oréal SA/Bellure NV*.

<sup>11a</sup> HR 9 August 2013, ECLI:NL:HR:2013:CA0273, *Red Bull/Menken*.



Article 5(1)(b) of the Directive speaks of a “likelihood of confusion including the likelihood of association with the mark.” The concept of “likelihood of association” originates from former Benelux law. The original position of the Benelux legislature was that the fact these words appear in this Article was meant to confirm former Benelux law, according to which likelihood of association was the only criterion for infringement.

Support for this position could be found in the statements for entry in the minutes of the Council meeting at which the Directive was adopted.<sup>12</sup> However, the CJEU in its landmark decision in *Sabel/Puma* made it clear that for trademark infringement there should be likelihood of confusion. Likelihood of association only serves to define the scope of likelihood of confusion, but is no alternative to it.<sup>13</sup> In order to assess whether there is likelihood of confusion, the trademarks should at least be similar.

As far as the protection of marks against unauthorized use on dissimilar products is concerned, Article 2.20(1)(c) provides that protection is granted in instances where a mark has a “reputation in the Benelux territory.” The CJEU decided in the *General Motors/Yplon* case that reputation means that the trademark must be known by a significant part of the public concerned by the products or services that it covers. Because it concerned a Benelux case, the CJEU furthermore held that in the Benelux territory, it is sufficient for the registered trademark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.<sup>14</sup> This decision shows that “reputation” is a lower threshold than being “well-known.” The Dutch equivalent of “reputation” is “*bekendheid*,” literally: “being known”; “well-known” in Article

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<sup>12</sup> For a discussion on this point, see Gielen, “Likelihood of Association: What Does It Mean?”, *Trademark World* 20-23 (1996) and *Mitteilungen der deutschen Patentanwälte* 105-107 (1996); “European Trade Mark Legislation: The Statements”, *EIPR* 83-89 (1996). A different opinion was expressed by Mr. Justice Hugh Laddie in *gamama Ltd. v. City Centre Restaurants plc* [1995] FSR 713 (High Court of Justice, 31 July 1995); see for a case review *EIPR* 1995 D-292.

<sup>13</sup> CJEU, 11 November 1997, Case C-251/95, [1997] ECR I-06191, *Sabel BV/Puma AG*.

<sup>14</sup> CJEU, 14 September 1999, Case C-375/97, [1999] ECR I-05421, *General Motors Corp./Yplon SA*.

*6bis* of the Paris Convention is translated in Dutch by “*algemeen bekend*,” literally “generally known.”

Although according to the literal text of Article 2.20(1)(c) of the BCIP (which is based on Article 5(2) of the Directive) protection of reputed marks is available only in case of use of this mark or a similar sign for *dissimilar* goods and services, it is clear from the *Davidoff/Gofkid* judgment of the CJEU that this provision cannot be given an interpretation that would lead to marks with a reputation having less protection where a sign is used for identical or similar goods or services than where a sign is used for dissimilar products.<sup>15</sup> In the meantime, this ruling of the CJEU has been applied by national courts in the Benelux.<sup>16</sup> The CJEU decided that once a Member State introduced this provision, it was obliged to apply the ruling given in the *Davidoff/Gofkid* case.

At the request of an interested party, the registration of a deposit of a mark likely to cause confusion with a well-known mark may be declared null and void (Article 2.28(3)(b)). A request to this effect must be made within five years from the date of the filing of an application for registration. This complies with the requirements of Article *6bis* (2) of the Paris Convention. A judge may not declare a trademark null and void *ex officio*. More importantly, and contrary to the old law, it is now provided that in case of a registration of a mark identical or similar to a mark with a reputation for dissimilar products, the registration shall be cancelled if, by the use of such a mark, an unfair advantage would be taken of, or detriment would be caused to, the distinctive character or repute of the mark.

The BCIP itself does not directly meet the prohibition standard in Article *6bis* (3) to set a fixed time limit for the cancellation of marks that have been registered in bad faith. Both a claim for cancellation on the ground of infringement of a well-known mark and a claim for cancellation based on bad faith must be asserted within five years after the registration of the trademark. The Benelux Court of Justice decided that in cases of bad faith applications of a well-known mark no time

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<sup>15</sup> CJEU, 9 January 2003, Case C-292/00, [2003] ECR I-389, *Davidoff & Cie SA/Gofkid Ltd.*

<sup>16</sup> Court of Appeal The Hague, 13 March 2003, IER 2003/46, *Giorgio v. Tatari*; District Court The Hague, 19 March 2003, BIE 2004/54, *Flugel v. W&S Enterprises*; District Court Zutphen, 24 March 2004, BIE 2005/18, at 66, *Viagra/Sigra*.

limit should be applied in view of Article 6*bis* (3).<sup>17</sup> According to Article 4.7 of the BCIP, the provisions of the Paris Convention may be invoked directly before the national courts.<sup>18</sup>

The essential notion of the Benelux infringement criteria of Article 2.20(1) is the “use” of the trademark. This “use” must be made in the Benelux territory in the course of trade. In line with Article 5(3) of the Directive, the BCIP provides that even “export marks,” that is to say, trademarks affixed to products in a factory in the Benelux that leave the Benelux for export without anybody in the Benelux having seen them, may infringe another mark, as the mere affixing is regarded as “use” of the mark.<sup>19</sup>

### III.

#### The Criteria: When Is a Mark “Famous” or “Well-Known”?

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Neither in Benelux trademark law nor in case law does a clear definition exist of “famous” marks, “well-known” marks, “highly reputed” marks or “highly renowned” marks. Only with respect to “reputed marks” the aforementioned CJEU ruling in *General Motors v. Yplon* gives guidance. One of the main reasons for the fact that not a lot of doctrine and case law exists with respect to these concepts is that Benelux trademark law provided for substantial protection of marks in general. This, in turn, means that there has not been a specific need for developing criteria along the lines of which the existence of the well-known status of marks should be assessed. Although definitions are lacking, the following marks will undoubtedly be considered well-known in the Benelux countries: **KODAK**,

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<sup>17</sup> See also Benelux Court of Justice, 23 December 1985, NJ 1986/258, BIE 1986/54 at 208, *Adidas*.

<sup>18</sup> See, for an example of this, District Court Antwerp, 14 January 1997, *Revue de Droit Intellectuel L’Ingénieur-Conseil* 1997 at 37, *Hard Rock Cafe*.

<sup>19</sup> BenGH, 13 June 1994, NJ 1994/666, BIE 1995/65 at 266, *Champion*; see also District Court Haarlem, 12 March 2002, IER 2001/28 at 184, *Friesland/Unyokes*, and District Court Groningen, 3 September 2008, IER 2008/79, *Olympia Luxus Hänchen* ann. Gielen.

COCA-COLA, SONY, INTEL, HEINEKEN, MTV, BBC, DUNHILL, ROLEX and DISNEYLAND.

The courts in the Benelux need to apply the concept of repute of a mark in cases of a dilution action under Article 2.20(1)(c) BCIP. Factors such as the degree of recognition of a mark, its geographical extent, and duration of use can be determinative of whether a mark has a reputation. As once stated by the District Court of The Hague, the sales figures of a particular product, in the context where there are many other trademarks on the market in relation to the same product (soap), can lead one to conclude that the plaintiff's trademark is known to a large part of the public.<sup>20</sup> In a case concerning protection of the BEN & JERRY'S trademark, the court recognized the fact that the mark was well-known in the United States. However, at the time of application of the mark in the Benelux by an unauthorized third party, the court, after considering all facts and circumstances, came to the conclusion that the mark was not yet well-known to a large majority of the public in at least one of the Benelux states.<sup>21</sup> It follows from this decision that the plaintiff does not have to prove that its mark is well-known in all three member states of the Benelux Economic Union. Extensive use will, of course, add to the mark's reputation, as was demonstrated, for example, in the *Lego* case, where the mark was used in relation to a toy building system. The Court of Appeal of The Hague<sup>22</sup> recognized that the LEGO mark for toys had been used very extensively and on a large scale and that it enjoys a high reputation and wide notoriety and is therefore a well-known mark within the meaning of Article 6*bis* of the Paris Convention.

There is little doubt that the courts in the Benelux will also take into account other factors such as the impact of the media and the fact that marks can become known in a very short period of time through use and advertising in the modern media.

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<sup>20</sup> Court of Appeal The Hague, 21 November 1991, BIE 1993/21 at 53, *FA for soap v. FA for leather accessories*.

<sup>21</sup> District Court The Hague, 20 September 1995, IER 1995/39 at 218 ann. Gielen.

<sup>22</sup> Court of Appeal The Hague, 11 February 1988, BIE 1991/24 at 92, IER 1988/22 at 53, *Lego for toys v. Lego for sprinkling machines*.

## IV. Parameters of Famous and Well-Known Marks

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As indicated above, a mark must be registered within the Benelux in order to qualify for protection. If a mark has acquired a well-known status in the Benelux, protection will be granted in the absence of actual use pursuant to Article 6*bis* of the Paris Convention. The Court of Appeal of The Hague held that Article 6*bis* applies only to marks that are protected abroad and that this provision can be applied only in an international context. In that case, protection under Article 6*bis* was denied to the mark **KING CORN**, which had been used in the past for bread on a nationwide scale in The Netherlands only. This court also ruled that Article 6*bis* could not be applied to marks that have not been used for longer than five years. This decision has been critiqued in legal doctrine.<sup>23</sup> *Mere* international reputation that does not reach the Benelux will, however, not suffice.

Under former Benelux law, marks were considered to be well-known if they were known to the public at large and not only to interested circles of trade or industry.<sup>24</sup> However, under the influence of Article 16 of the TRIPS Agreement, the courts in the Benelux now apply a softer criterion by accepting that a mark needs to be well-known only among the relevant public concerned. For example, this was clearly decided by the Court of Appeal of The Hague in a case regarding the trademark **WENDY'S**.<sup>25</sup>

It is interesting to note that the Court of Appeal of The Hague used the criteria of the Joint Resolution of WIPO on the

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<sup>23</sup> Court of Appeal The Hague, 27 April 2000, IER 2000/47 at 224, *King Corn* ann. Gielen. See also District Court Almelo, 31 October 2007, BIE 2009/23 ann. Gielen, *Jansen & Tilanus*.

<sup>24</sup> See, for example, Court of Appeal Brussels, 2 May 1990, BIE 1993/46, *Panoxyl v. Pannogel*; Court of Appeal Arnhem, 23 February 1993, BIE 1995/55 at 218, IER 1993/40 at 187, *Agio Cigars v. Agio Temporary Employment Agency*.

<sup>25</sup> Court of Appeal The Hague, 3 April 2012, LJN BW0685, *Wendy's*. See also: District Court Noord-Nederland, 14 August 2013, BIE 2013/94 at 381, *Baidu Online Network/Baidu Europe*

protection of well-known marks as an instrument to decide whether a mark is well known.<sup>26</sup>

The following two cases illustrate how arbitrary some of the judgments on acquiring well-known status are. The Court of Appeal of The Hague<sup>27</sup> recognized that the **LEGO** mark for toys had been used extensively and on a large scale and that it enjoyed a high reputation and wide notoriety. Therefore, it was considered to be a well-known mark within the meaning of Article 6bis of the Paris Convention. The Court of Appeal even accepted the opinion put forward by Lego that **LEGO** can be seen as a unique mark, on a par with marks such as **COCA-COLA** and **KODAK**. The Court of Appeal concluded that Lego for sprinkler systems infringed the trademark **LEGO** for toys. The public would immediately recognize the mark **LEGO** and associate it with **LEGO** for toys, and from this association the conclusion could easily be drawn that both users of the mark were related.

In another case<sup>28</sup> in respect of an alleged infringement of the **LEGO** trademark, the District Court of Amsterdam decided that the same **LEGO** mark for toys was not infringed by **LEGO** for clothing, despite the fact that Lego toys also sells T-shirts and caps bearing its logo in toy stores. According to the court, the purpose behind such merchandising items was not to sell clothing under the trademark **LEGO**, but to advertise the toys. The sale of such clothing was not an aim in itself, according to the court, as had become the case, for instance, for the sale of utensils bearing the **HEINEKEN** trademark. Neither was there any confusion, any risk of adverse effect on the ability of the mark to generate a desire to buy nor any loss of exclusivity or uniqueness.

It should be noted that it is practice in the Benelux to provide survey evidence to prove reputation and well-known status.

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<sup>26</sup> Court of Appeal The Hague, 25 September 2000, IER 2001/4 at 27, *Tae Bo*.

<sup>27</sup> See note 22, *supra*.

<sup>28</sup> District Court Amsterdam, 26 June 1985, BIE 1990/13 at 43, *Lego for toys v. Lego for clothing*.

## V. Protection of Famous and Well-Known Marks and The Element of Bad Faith

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Pursuant to Article 2.4(f) of the BCIP, no right to a mark shall be acquired by a deposit made in bad faith. The BCIP provides for some examples of deposit in bad faith. These examples are:

- (a) an application which is filed while the applicant knew or should have known that a third party has, within the three preceding years, used a similar mark in the Benelux territory for similar goods in good faith and in a normal way, and the third party had not given consent;
- (b) an application which is filed while the applicant, in view of his direct relationship with the third party, knew that the third party has, within the three preceding years, used a similar mark outside the Benelux territory for similar goods in good faith and in a normal way, unless the third party had given consent, or the knowledge was first acquired after the applicant had commenced using the mark within the Benelux territory.

According to the explanatory memorandum to this Article, there is no valid excuse for not knowing of the previous use of the mark, if such use was well-known within the interested circles. This means that, generally speaking, the depositor cannot be required to carry out comprehensive examinations into the existence in interested circles of non-filed marks, neither does he need to give special attention to that existence. Culpable ignorance will, however, be found to be present in instances where the prior use of the mark is so well-known in interested circles that it could not reasonably have been concealed from the depositor.<sup>29</sup>

The examples provided in this Article do not exclude the

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<sup>29</sup> Court of Appeal Amsterdam, 28 March 1985, BIE 1986/2 at 5, IER 1985/29 at 53, *Vincistar*.

possible presence of bad faith in other circumstances. The explanatory memorandum clearly stipulates that the position of the trademark owner should be protected against abuse in cases where bad faith is present. The notion of bad faith also occurs in the Community Trade Mark Regulation (Council Regulation (EC) No. 207/2009 of 26 February 2009) as an absolute ground for invalidity. The CJEU had an opportunity to explain that notion in *Lindt v. Hauswirth*.<sup>30</sup> Since this notion is also used as an optional ground for invalidity in the Directive, the interpretation by the CJEU of “bad faith” in the *Lindt/Hauswirth* case is also relevant for Benelux law. The Court said the following: “In order to determine whether the applicant is acting in bad faith within the meaning of [the] [Community Trade Mark] Regulation. . . , the national court must take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of the sign as a Community trade mark, in particular: – the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought; – the applicant’s intention to prevent that third party from continuing to use such a sign; and – the degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought. . . . [A] presumption of knowledge, by the applicant, of the use by a third party of an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought may arise, inter alia, from general knowledge in the economic sector concerned of such use, and that knowledge can be inferred, inter alia, from the duration of such use. The more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it. However, [that presumption] is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith. [T]he applicant’s intention at

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<sup>30</sup> CJEU, 11 June 2009, Case C-529/07, [2009] ECR I-4893, *Chocoladenfabriken Lindt & Sprüngli AG/Franz Hauswirth GmbH*; see also CJEU, 27 June 2013, Case C-320/12, ECLI:EU:C:2013:435, *Malaysia Dairy*. See, for an application of this ruling rather than the literal text of Article 2.4(f) of the BCIP, Court of Appeal The Hague 26 November 2013, IEPT 20131126, *Porsche*; Court of Appeal Arnhem-Leeuwarden, 5 February 2013, IEPT 20130205, *HEI-Bike/Accell*



the time when he files the application for registration . . . is a subjective factor which must be determined by reference to the objective circumstances of the particular case. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant[, in particular where the applicant does not intend to use the sign, but wants only to prevent a third party from entering the market].”

Although the territoriality principle of trademark law leads to a position where someone can adopt and deposit a mark that is already in use in another country, case law shows that this may not always be the case. Even though the District Court at The Hague decided that the **BEN & JERRY'S** trademark was not well-known in the Benelux and could therefore not be protected as a well-known mark in the sense of Article 6*bis* of the Paris Convention, the fact that the mark was well-known in other jurisdictions played a role in the decision of the court to conclude that the deposit of the same mark by a third party (a company called “Mayfair”) was considered to have been done in bad faith.<sup>31</sup> The court cancelled the deposit and granted an injunction based on the combination of the following circumstances leading to the conclusion of finding bad faith:

- (i) the mark had been well-known for at least ten years in the United States;
- (ii) this mark had already acquired at least some repute in the Benelux that was based on some publications in three reviews published in the Netherlands and the distribution of small amounts of **BEN & JERRY'S** products at a couple of occasions in that country;
- (iii) the company that used the **BEN & JERRY'S** mark is a very expansion-oriented company that already had some establishments in Europe;
- (iv) Mayfair had registered the mark for the same classes of goods;
- (v) the managing director of Mayfair was a trade broker and registered several marks with the aim of selling those to interested companies;
- (vi) Mayfair had filed other marks that were used by different companies outside the Benelux territory, and,

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<sup>31</sup> See note 21, *supra*.

in one particular case, Mayfair sold the mark to the company that had previously used the mark in the United States; and

- (vii) Mayfair did not succeed in convincing the court that it had plans to use the mark concerned for its own products or to commence a franchising operation.

The court therefore concluded that it was clear not only that Mayfair knew of the prior use of the mark outside the Benelux but also that it had deposited the mark only with the intention wilfully to damage the interest of the legitimate user of the **BEN & JERRY'S** mark. The court found this to be a plain example of misuse. A similar situation occurred in the *Hooters* case, in which the Court of Appeal of Amsterdam ruled that the company depositing the mark **HOOTERS** was acting in bad faith because it showed behaviour as a trademark broker by also having deposited marks that were known in the United States and were used for products that had nothing to do with the business of the depositor.<sup>32</sup> These decisions are important because they show that, even in instances where the mark is not well-known and not even used in the Benelux, protection will be granted in case of abuse and the presence of bad faith.

The same court, in the case *Disney's Mulan v. Fa Mulan*, referred to legal doctrine saying that there might also be bad faith in the event of knowledge of use outside the Benelux where the person depositing the mark knew of such use elsewhere and could assume that the company using such mark wanted to start using it in the Benelux as well. The court came to the conclusion that this was a question of law that should be referred to the Benelux Court of Justice, but this was never done because the case was not continued.<sup>33</sup>

A rather complicated matter was litigated up to the Supreme Court of The Netherlands on issues of bad faith and (constructive) knowledge of prior use outside the Benelux. The Supreme Court referred questions of law to the Benelux Court of Justice, but then the case was settled; so, the questions will not be answered.<sup>34</sup> The Court of Appeal in that case decided that

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<sup>32</sup> To be found in Supreme Court, 28 September 2001, NJ 2002/104, *Hooters Inc. v. Hooters B.V.*

<sup>33</sup> District Court The Hague, 16 February 2000, IER 2000/32 at 165, *Disney's Mulan v. Mulan*.

<sup>34</sup> Supreme Court, 22 June 2001/50 IER 2001 at 282, *Van A tot Zink* ann. Gielen.

someone who applies for a mark should make some investigations into the developments in his market not only in the Benelux but also elsewhere, in particular in those countries where products are normally being developed.

## VI. Protection of Famous and Well-Known Marks on Non-Competing Goods

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As indicated above, more than adequate protection is provided to well-known marks and reputed marks. This also applies in circumstances where protection is required against unauthorized use on dissimilar goods or services. In these circumstances, it is necessary to show a prejudice to the owner, namely that by the use of the mark or a similar sign unfair advantage is taken of, or detriment is caused to, the distinctiveness or reputation of the mark. According to the CJEU in the INTEL/INTELMARK decision, the trademark owner is not required to demonstrate actual and present injury. When it is foreseeable that such injury will ensue from the use that the proprietor of the later mark may be led to make of its mark, the owner of the earlier mark cannot be required to wait for it actually to occur in order to be able to prohibit that use. He must, however, prove that there is a serious risk that such an injury will occur in the future. Furthermore, the CJEU ruled that proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer or a serious likelihood that such a change will occur.<sup>35</sup> Dutch courts ruled that the CJEU set a very high bar for a dilution case.<sup>36</sup>

The evidence rule expressed by the Court in its Intel judgment (at paragraph 77) gave rise to quite a bit of debate,

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<sup>35</sup> See note 10, *supra*.

<sup>36</sup> District Court The Hague, 25 November 2009, IER 2010/10 ann. Gielen, *G-Star Raw/Pepsi Raw*.

and, to the author's opinion, became somewhat blurred by the findings of the Court in the more recent *Environmental Manufacturing v OHIM* decision. The Court stated in *Intel* that, in order to prove that the use of a later mark is, or would be, detrimental to the distinctive character of an earlier mark, evidence must be brought of a change in the economic behavior of the average consumer of the goods or services for which the earlier mark was registered or a serious likelihood that such a change will occur in the future. Some scholars argued that this requirement can be met only with great difficulty, since it requires economic proof of a change to the attitude of consumers.<sup>37</sup>

In the author's opinion, however, this view is not correct. This can be based on an argument drawn from the *Intel* decision itself, but that argument does not seem to be correct if we read the more recent *Environmental Manufacturing v OHIM*-decision. The argument is that paragraph 77 of the *Intel* decision should not be read in isolation. It starts with the words "[i]t follows", which seems to indicate that what is being said in this paragraph follows from the preceding paragraphs, in which the CJEU, in answering the Court of Appeal's questions outlines the factors relevant to assess detriment to distinctiveness. In answer to the specific question of whether detriment to distinctive character requires an effect on the economic behavior of consumers, the Court answered that such detriment is caused when the mark's ability to identify the goods or services for which it is registered and used is weakened since use of the later mark leads to dispersion of the earlier mark's identity and hold on the public mind. Thus, read in context, it becomes clear that as long as the owner of the reputed mark can convince a court that use of the later mark leads to dispersion of the identity and hold on the public mind of its mark, this constitutes sufficient proof of a risk of change of the economic behavior of consumers. This reading makes sense. If the distinctiveness of a mark is diluted, the result will be that consumers, when faced with the mark, will no longer make a

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<sup>37</sup> At least two Dutch decisions refer to a heavy burden of proof for the trade mark owner: The Hague District Court, *G-Star Raw v Pepsi Raw*, 15 December 2008, IER 2009/9, and Leeuwarden District Court, *Huis & Hypotheek*, 29 April 2009, HA ZA 08-96. Others have argued that the *Intel v Intelmark* decision should not be read in this way but rather as defended here; see A. Quaadvlieg, *Intel en Verwatering*, Boek9, B97921, and Ch. Gielen, *Intel/Intelmark en L'Oreal/Bellure*, *Ars Aequi* 570 (2009).

direct association with the earlier mark, thus influencing their economic behavior by causing them to turn away from the original mark. This is all the trade mark owner must prove. The question however is, whether the argument outlined above still holds after the recent *Environmental Manufacturing v OHIM*-decision.<sup>37a</sup> In that decision, the CJEU said that the wording “[i]t follows” in para. 77 of the Intel decision is not merely an explanation of the preceding paragraphs of that decision, but the requirement to establish a change in the economic behavior of the average consumer and lays down an objective condition that needs to be fulfilled for a successful case on detriment to distinctiveness. The Court held in para. 37:

(. . .) [t]hat change (in the economic behavior of the average consumer, G.) cannot be deduced solely from subjective elements such as consumers’ perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.

The Court, however, also repeated that the law does not require evidence of actual detriment, but also admits the serious risk of such detriment which, according to the Court, allows the use of logical deductions (at para. 42). Such deductions, according to the Court, must not be the result of mere suppositions but must be founded on an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case (at para. 43). This decision seems to say that the risk of a change in the economic behavior of consumers cannot be established on hypothetical assumptions but should be analyzed on the basis of all circumstances of the case. This finding to the author’s opinion confirms that the evidence is not an evidence of purely economic factors, but requires a normative analysis. It is interesting to note that this is in line with what the Court decided earlier (after the *Intel* decision) in *Helena Rubinstein and L’Oréal v. OHIM*, where the CJEU confirmed the General Court’s reasoning that:

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<sup>37a</sup> CJEU, 14 November 2013, C-383/12, ECLI:EU:C:2013:74,1 *Environmental Manufacturing v OHIM*

(. . .) the proprietor of the earlier mark is not required to demonstrate actual and present harm to its mark but must, however, adduce prima facie evidence of a future risk, which is not hypothetical, of unfair advantage or detriment, and such a conclusion may be established, in particular, on the basis of logical deductions made from an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case.<sup>37b</sup>

So, although the *Environmental Manufacturing v OHIM* decision seems to require evidence of a change in the economic behavior of the average consumer, or a serious likelihood of such change will occur, as an objective condition, the analysis whether or not such change occurs or will occur depends on all circumstances of the case. In other words, the author believes that the Court warns against a too premature establishment of detriment to distinctiveness. The courts should be convinced that there is a serious risk that the

. . . mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.<sup>37c</sup>

The following cases with respect to the protection of famous marks on dissimilar goods or services should be mentioned. Infringement, for instance, was found to be present in the following instances:

- (i) **APPLE** for computers versus APPLE for services in the area of advertising, public relations, and marketing.<sup>38</sup>
- (ii) **LACOSTE**-crocodile for clothing versus design of two copulating crocodiles for fun-articles.<sup>39</sup>

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<sup>37b</sup> See CJEU, 10 May 2010, C-100/11, *Helena Rubinstein and L'Oréal v OHIM*, ECLI:EU:C:2012:285, para. 95; such finding can already be found in earlier decisions of the General Court; see for example the *Spa v. Spafinders*-decision, of 25 May 2005, T-67/04, [2005] ECR II-1825, para. 40.

<sup>37c</sup> See CJEU, 27 November 2009, C-252/07 [2008] ECR I-08823, *Intel v Intelmark*, para. 29

<sup>38</sup> Court of Appeal Amsterdam, 8 March 1984, BIE 1986/42 at 152, *Apple*.

<sup>39</sup> District Court Haarlem, 19 June 1985, BIE 1986/65 at 250, *LaCoste v. crocodile design*.

- (iii) **GUERLAIN** for cosmetic products versus **GUERLAIN** in sex books.<sup>40</sup>
- (iv) **ROLLS-ROYCE** for cars versus **ROLL'S** for beer (both in combination with a grill of a car and without such a grill).<sup>41</sup>
- (v) **MARLBORO** for tobacco products versus **MARLBORO MEN'S LINE** for cosmetic products.<sup>42</sup>
- (vi) **DAVIDOFF** for tobacco products, wines, and liquors and several other products versus **DAVIDOFF** as name of a bar.<sup>43</sup>
- (vii) Names of famous French wine chateaux versus the same names for apartment buildings.<sup>44</sup>
- (viii) Packaging of **DUNHILL** cigarettes versus the packaging in the same colors of **FREESTYLE** condoms.<sup>45</sup>
- (ix) **SWATCH** for trendy watches versus **SWITCH** for trendy radios.<sup>46</sup>
- (x) **JAGUAR** for cars versus **JAGUAR** for shoes.<sup>47</sup>
- (xi) **SPA** for mineral water versus **SPA** for cosmetics.<sup>48</sup>
- (xii) **BOSS** for clothing versus **BOSS** for tobacco products.<sup>49</sup>
- (xiii) **MARIE CLAIRE** for fashion magazine versus **MARIE CLAIRE** for clothing.<sup>50</sup>
- (xiv) **MSN** for messenger chatting program on Internet versus **MSN LOCK** for limited Internet use programs.<sup>51</sup>
- (xv) Philips device mark for electronic goods versus Philip device mark for web design services.<sup>52</sup>

<sup>40</sup> Commercial Court Brussels, 24 February 1987, BIE 1988/45 at 158, *Guerlain*.

<sup>41</sup> Commercial Court Brussels, 5 January 1988, BIE 1989/5 at 16, *Rolls-Royce v. Roll's*.

<sup>42</sup> Commercial Court Brussels, 6 October 1988, *Revue de Droit Intellectuel L'Ingénieur-Conseil* 1988 at 316, *Marlboro v. Marlboro Men's Line*.

<sup>43</sup> Commercial Court Antwerp, 1 June 1989, *Ing-Cons.* 1990 at 317, *Davidoff v. Davidoff*.

<sup>44</sup> Commercial Court Brugge, 5 September 1991, BIE 1995/89 at 350, *names of chateaux v. names of apartments*.

<sup>45</sup> Court of Appeal Amsterdam, 9 September 1993, BIE 1996/26 at 97, *Dunhill v. Freestyle*.

<sup>46</sup> Court of Appeal The Hague, 9 December 1993, BIE 1996/3 at 19, *Swatch v. Switch*.

<sup>47</sup> Court of Appeal Den Bosch, 22 April 2003, IER 2003/59 at 298, *Jaguar/Pinocchio*.

<sup>48</sup> Commercial Court Brussels, 19 December 2003, *Revue de Droit Intellectuel L'Ingénieur-Conseil* 2003 at 359, *Spa/Helena Rubinstein*.

<sup>49</sup> Court of Appeal Brussels, 13 September 2005, *Revue de Droit Intellectuel L'Ingénieur-Conseil* 2005 at 430, *Hugo Boss/Reemtsma*.

<sup>50</sup> Court of Appeal The Hague, 13 April 2006, IER 2006/43, *IPKO/Marie Claire*.

<sup>51</sup> District Court The Hague, 7 May 2008, casenr. 08/364, *msnlock.nl*.

<sup>52</sup> District Court The Hague, 21 December 2007, BIE 2009/132, *Philips/Philip*.

- (xvi) **F1** for world championship car races versus **F1 One** for energy drinks.<sup>53</sup>

Conversely, infringement was not recognized to be present in the following case because a risk of prejudice was not established: **CAFÉ DE LA PAIX** (the name of the famous restaurant in Paris) versus **CAFÉ DE LA PAIX** used as name for a simple, small restaurant in Amsterdam.<sup>54</sup> The same was true for **MACH 3** for razors and **MACH 3** for shoes and **SOLVAY** for chemical and pharmaceutical products and **SOLVAY BUSINESS JOURNAL** for a journal.<sup>55</sup>

Finally, reference is made to the following cases, which relate to the protection of marks that could probably not be considered as famous but that certainly are well-known in the Benelux and were protected by the courts:

- (i) **BLUE BAND** for margarine versus **THE BLUE BAND** for a music band.<sup>56</sup>
- (ii) **TINA** for magazines versus **TINA** for mail order activities, such as slimming programs, health bracelets, etc.<sup>57</sup>
- (iii) **MERCI** for chocolate versus **MERCI** for cat food.<sup>58</sup>
- (iv) **AJAX** for sporting articles versus **AJAX** for a tobacco shop.<sup>59</sup>
- (v) **KING** for peppermint versus **KING** for condoms.<sup>60</sup>
- (vi) **WE** for clothing versus **ME** for a television channel.<sup>61</sup>
- (vii) **FUNCTIEMEDIAIR** for an employment agency versus

<sup>53</sup> District Court The Hague, 4 September 2009, IER 2009/85 ann. AKS, *Formula One Licensing B.V./Goldzade C.V.*

<sup>54</sup> District Court Amsterdam, 7 May 1981, BIE 1983/83 at 252, *Café de la Paix v. Café de la Paix*.

<sup>55</sup> Court of Appeal Brussels, 3 January 2003, *Revue de Droit Intellectuel L'Ingénieur-Conseil* 2003 at 250, *Redisco/Gillette*; Court of Appeal Brussels, 9 January 2003, *Revue de Droit Intellectuel L'Ingénieur-Conseil* 2003 at 39, *Solvay/Solvay Business Journal*.

<sup>56</sup> District Court Arnhem, 22 January 1981, BIE 1981/61 at 266, *Blue Band v. The Blue Band*.

<sup>57</sup> District Court Maastricht, 23 December 1982, BIE 1984/73 at 231, *Tina v. Tina*.

<sup>58</sup> District Court Haarlem, 19 November 1984, IER 1985/3 at 14, *Merci v. Merci*.

<sup>59</sup> Court of Appeal Amsterdam, 6 November 1997, BIE 2000/38 at 146, *Ajax v. Ajax*.

<sup>60</sup> District Court Leeuwarden, 6 March 1996, IER 1996/29, BIE 1997/51, *King v. King*.

<sup>61</sup> President District Court Utrecht, 23 March 2001, IER 2001/24 at 138, *WE v. ME* (annulled by Court of Appeal Amsterdam, 27 September 2001, IER 2001/55 at 298 on other grounds).



**BOUWMEDIAIR** for an employment agency for construction workers.<sup>62</sup>

No prejudice was found in the following cases:

- (i) **VOLA** for financial services versus **VOLA** for sanitary products.<sup>63</sup>
- (ii) **PLUTO** for petfood versus **PLUTO** for insurance services for animals.<sup>64</sup>
- (iii) **G-STAR RAW** for clothing versus **PEPSI RAW** for softdrinks.<sup>65</sup>

## VII. Damages

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Under Benelux trademark law it is not necessary to show actual or potential damage when an injunction is sought. The mere fact that a mark or similar sign is used under the conditions set out in Article 2.20(1) is sufficient to obtain an injunction not only in instances of the unauthorized use of a famous or well-known mark for similar goods but also in the case of dissimilar goods. Furthermore, the owner of the mark has the right to claim damages in case of infringement. The law on damages is the national law of the three member states of the Benelux Economic Union. The principle that applies is that one has to prove actual damages. Such proof may be very difficult and Article 6(104) of the Dutch Civil Code, for instance, provides for some assistance because it offers the possibility to assess damages on the basis of the calculation of the profits made by the defendant. This method of calculation is reminiscent of the principle of unjust enrichment. Where proof of

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<sup>62</sup> District Court Assen, 22 December 2004, BIE 2005/86.

<sup>63</sup> President District Court Amsterdam, 7 October 1999, IER 2000/60 at 278, *Vola v. Vola*.

<sup>64</sup> Court of Appeal The Hague, 18 November 1999, BIE 2001/58, *Pluto v. Pluto Plus Polis*.

<sup>65</sup> District Court The Hague, 25 November 2009, IER 2010/10 ann. Gielen, *G-Star Raw/Pepsi Raw*.

actual damages is difficult, the courts have also been willing to fix a specific amount *ex aequo et bono*.<sup>66</sup>

In instances of bad faith, the owner of the well-known mark can obtain the defendant's profits in lieu of actual damages. This provision is regularly applied in cases of counterfeiting or piracy. Notwithstanding the fact that Article 2.21(2) provides that in such cases the owner of the mark can request both surrender of profits and compensation of the actual damages, there is doubt as to whether such cumulation can be made. This is caused by a decision of the Supreme Court of The Netherlands with respect to a similar provision in the Copyright Act, in which the Supreme Court ruled that such cumulation was contrary to general principles of civil law.<sup>67</sup> Whether a similar decision can be expected in the case of bad faith infringement of Benelux trademarks remains to be seen.

## VIII. Conclusion

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From the above it can be concluded that Benelux law provides substantial protection to famous and well-known marks not only in the case of similar products but also in the case of non-competing products. Case law is nowadays heavily inspired by the rules of European trademark law as developed under the Directive and the Community Trade Mark Regulation. Courts in the Benelux are well equipped to grant well-balanced protection to famous, well-known and reputed marks.

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<sup>66</sup> Court of Appeal Brussels, 23 September 2008, I.R.D.I. 2009 at 61, *Mustang*.

<sup>67</sup> Supreme Court of The Netherlands, 14 April 2000, NJ 2000/489, *H.B.S. Trading/Danestyle*.