

BENELUX OFFICE FOR INTELLECTUAL PROPERTY CANCELLATION DECISION N° 3000219 21 October 2022

Claimant: HYUNDAI HEAVY INDUSTRIES HOLDINGS Co., LTD

Yulgok-ro Jongno-gu 75

Seoul

Republic of Korea

Representative: Dennemeyer & Associates SA

Rue des Bruyères 55

1274 Howald Luxembourg

against

Defendant: Hyundai Technology INC., Puerto Rico corporation

Villa Golf Este #89 Dorado Porto Rico

United States of America

Representative: AWA Benelux SA

Josse Goffinlaan 158

1082 Brussels

Belgium

Contested trademark: Benelux registration 757752

HYUNDAI

I. FACTS AND PROCEEDINGS

A. Facts

- 1. On 4 June 2020, the claimant filed an application for cancellation in accordance with Article 2.30bis (1)(a) of the Benelux Convention on Intellectual Property (hereinafter: "BCIP") based on the ground for revocation set out in Article 2.27 (2) BCIP, namely that no genuine use has been made of the contested trademark in accordance with Article 2.23bis BCIP.
- 2. The cancellation application is directed against Benelux registration 757752 of the wordmark HYUNDAI, which was filed and registered by the defendant on 15 December 1999 for goods in Cl 9.
- 3. The cancellation application is directed against all goods of the contested trademark, namely:
 - Cl 9 TFT-LCD (liquid crystal display) panels, LCD screens, plasma display panel.¹
- 4. The language of the proceedings is English.

B. Course of the proceedings

5. The cancellation action is admissible and was notified by the Benelux Office for Intellectual Property (hereinafter: "the Office") to the parties on 12 June 2020. During the administrative phase of the proceedings both parties filed arguments. The course of the proceedings meets the requirements as stated in the BCIP and the Implementing Regulations (hereinafter: "IR"). As the application relates exclusively to a declaration of revocation for non-use, pursuant to Rule 1.31(2) of the UR, the defendant was first given the opportunity to react in writing by submitting proof of use or substantiating that there are proper reasons for not using the contested trademark, after which the claimant and, finally, the defendant were asked to react. The administrative phase was completed on 22 April 2021.

II. ARGUMENTS

A. Defendant's arguments

- 6. The defendant states that the trademark has been used by Hyundai IT Europe GmbH being a 100% owned subsidiary of Hyundai Bioscience Co., Ltd, the former owner of the trademark registration 757752 HYUNDAI.
- 7. The defendant provides the requested proof of use in six different documents. Documents 1 and 2 relate to invoices for display products under the trademark "HYUNDAI" in Belgium and The Netherlands in 2017 and 2018.

¹ The original language of the contested trademark registration is Dutch. The exact wording of the relevant goods is as follows:

KI 9 TFT-LCD (liquid crystal display) panelen, LCD- schermen, plasma-weergavepaneel.

The abovementioned English translation of the relevant goods is solely provided to facilitate the legibility of this decision.

- 8. Document 3 shows pictures that illustrate the use of the trademark "HYUNDAI" on LCD monitors, according to the defendant.
- 9. Document 4 relates to a catalogue showing the use of the trademark "HYUNDAI" for digital indoor signage and screens According to the defendant the catalogue is being used for customers worldwide, including European customers serviced by Hyundai IT Europe GmbH.
- 10. The 5th document relates to the use of the trademark "HYUNDAI" for displays and monitors for digital signage and outdoor displays and contains an Internet link.
- 11. With document 6 the defendant provides two links to websites that sell HYUNDAI display products.
- 12. The defendant concludes that the documents provided show that the contested trademark "HYUNDAI" has been genuinely used in the Benelux during the relevant period. He requests that the Office rejects the application for cancellation and orders the claimant to bear the costs.

B. Claimant's arguments

- 13. The claimant starts by pointing out that the defendant implies that a license has been granted to Hyundai IT Europe GmbH (see paragraph 6) but that any proof of the existence of such a license lacks. The claimant refers to Article 2.33 of the BCIP stating that a license should be recorded at the BOIP register to be enforceable against third parties. Therefore documents 1, 2, 4 and 5 as provided by the defendant should not be considered valid.
- 14. The claimant disputes the relevance of the documents 1 and 2 filed by the defendant. According to the claimant the sales amount is exceptionally low, i.e., two sales. Furthermore, the claimant noticed that the invoices are issued by Hyundai IBT Europe GmbH. Therefore, the claimant considers the ownership argument provided by the defendant void. The invoices provided cannot be considered as issued by the defendant or an authorized entity, according to the claimant.
- 15. The pictures provided in document 3 contain LCD monitors showing the trademark HYUNDAI situated at the back of the screen. However, there is not any indication of the territory of the actual offering of these products, according to the claimant.
- 16. The claimant finds that the catalogue, filed as document 4, does not show any use in the relevant territory. In fact, the claimant observes that all the installation places listed in the first page are outside of Benelux territory. Furthermore, the claimant states that the defendant did not show that the website mentioned (www.hdit.co.kr) is aimed at the Benelux market.
- 17. Document 5 is composed of print screens from the website http://hdit.co.kr. The claimant is of the opinion that no proof of use in the Benelux can be derived from the fact that a website would be worldwide accessible; it does not show that it targets Benelux customers, according to the claimant. The country code (.kr) and available languages (Korean or English) on the website also do not suggest otherwise.
- 18. As for the 6th document provided, the claimant does not understand the relevance of the first website mentioned as it does not show any information related to the Benelux territory nor about distributors located in the Benelux. The second page provided by the defendant is a website of the

distributor AVIDS established in Netherlands. Although Hyundai Monitors are visible on the website, they are erroneously presented as originating from the Hyundai Group, to which the claimant is connected.

- 19. The claimant states that Google search findings on "Hyundai IT Benelux", "Hyundai IT Belgium" and "Hyundai IT Netherlands" only generate results related to the claimant and not any related to the defendant.
- 20. Based on the foregoing, the claimant concludes that the evidence of use does not meet the legal requirements regarding genuine use of the contested trademark in the Benelux within the relevant period. Claimant requests that the Office upholds this cancellation action and revokes the contested trademark in its entirety.

C. Defendant's last arguments

- 21. The defendant states that it is not mandatory to record or register a license in the Benelux trademark register. Use with the consent of the trademark proprietor by an affiliated company inures to the trademark proprietor, according to the defendant.
- 22. The defendant points out that the company AVIDS, established in The Netherlands, clearly offers, and distributes displays under the trademark HYUNDAI. The defendant provides two additional screenshots to support his statement.
- 23. The defendant repeats his request to the Office to reject the cancellation action and to order the costs of the proceedings to be borne by the claimant.

III. DECISION

A.1 Legal framework

- 24. Pursuant to Article 2.30bis (1)(a) in conjunction with Article 2.30quater (1) BCIP an application for revocation may be filed with the Office based on the grounds set out in Article 2.27 (2) BCIP. It is in that case up to the defendant to provide proof that genuine use has been made of the contested trademark in accordance with Article 2.23bis BCIP in a period of five years prior to the date of the application for revocation in the Benelux territory or that there are proper reasons for non-use.
- 25. The application for revocation was submitted on 4 June 2020. Therefore, the defendant is required to show use of the contested trademark, during the period from 4 June 2015 to 4 June 2020 ("the relevant period").

A.2 Proof of use

In general

26. In accordance with the case-law of the European Court of Justice ("CJEU") there is genuine use of a trademark if the mark, in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, is used in order to create or preserve an outlet for those goods or services, not including token use for the sole purpose of preserving the rights conferred by

the mark.² When assessing whether use of the trade mark is genuine, regard must be had for all the facts and circumstances relevant to establishing whether the commercial use of the mark is real, particularly the practices regarded as warranted in the relevant economic sector as a means of maintaining or creating market shares for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark.³ In that regard, the condition relating to genuine use of the trademark requires that the mark, as protected in the relevant territory, be used publicly and outwardly.⁴

- 27. The General Court held that use of the earlier mark need not always be quantitatively significant for it to be deemed genuine.⁵ In interpreting the concept of genuine use, account should be taken of the fact that the *ratio legis* of the requirement that the mark must have been put to genuine use is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trademark protection to the case where large-scale commercial use has been made of the marks.⁶
- 28. Genuine use of a trademark cannot be proven by means of probabilities or suppositions but must be demonstrated by solid and objective evidence of effective and sufficient use of the trademark on the market concerned.⁷
- 29. Following rule 1.41 io. 1.25 IR the proof of use should contain evidence of the place, duration, extent and manner of use of the trademark invoked for the goods on which the opposition is based.

Analysis of the proof of use

- 30. The defendant submitted the following exhibits to demonstrate genuine use of the contested trademark:
 - 1. Invoice for a client in Belgium;
 - 2. Invoice for a client in The Netherlands;
 - 3. Pictures to illustrate the application of the trademark HYUNDAI on LCD monitors;
 - 4. Two pages of a catalogue;
 - 5. Two print screens from the website: http://hdit.co.kr/new/en/;
 - 6. Two print screens from two different websites that sell HYUNDAI display products in the territory of the Benelux.
- 31. The evidence submitted under 1. is an invoice to a Belgian client dated 24 April 2028. Based on the document and an additional extract of an email correspondence the Office can conclude that the product mentioned on the invoice is a screen. The invoice mentions type number and the name HYUNDAI as well as the price of this single unit, namely 850 euro and the fact that it concerns a 46" metal frame refurbished unit. The evidence mentioned under 2. is an invoice to a Dutch client dated 4 April 2017 The invoice

 $^{^2}$ CJEU 3 July 2019, C-668/17, ECLI:EU:C:2019:557, point 38 (Viridis) and CJEU 11 March 2003, C-40/01, ECLI:EU:C:2003:145, point 43 (Ansul).

³ CJEU 31 January 2019, C-194/17, ECLI:EU:C:2019:80, point 83 (Pandalis) and CJEU 11 March 2003, C-40/01, ECLI:EU:C:2003:145, point 43 (Ansul).

⁴ General Court (EU) 4 April 2019, T-910/16 and T-911/16, ECLI:EU:T:2019:221, point 29 and the case-law mentioned there (Testa Rossa).

⁵ General Court (EU) 8 July 2004, T-334/01, ECLI:EU:T:2004:223, point 36 (Hipoviton) and General Court (EU) 30 April 2008, T-131/06, ECLI:EU:T:2008:135, point 41 (Sonia Sonia Rykiel).

⁶ General Court (EU) 4 April 2019, T-910/16 and T911/16, ECLI:EU:T:2019:221, point 28 and the case-law mentioned there (Testa Rossa).

General Court (EU) 8 July 2020, T-686/19, ECLI:EU:T:2020:320, point 35 (GNC LIVE WELL).

concerns 3 units described with a model number including the name HYUNDAI and the price per unit, namely 805 euro. The total amount of the invoice is 2.415 euro. The invoice further mentions 42" DS LED SLIM, confirmed by the order relating to the same invoice, which mentions "Hyundai 42-inch display". The pictures mentioned under 3. show backside labels on LCD monitors mentioning the name HYUNDAI.

- 32. The two pages of the catalogue as named under 4. concerns Indoor Digital Signage and mentions the website www.hdit.co.kr. on it. It refers to HYUNDAI IT digital signage installation projects in several countries, none of which are in the Benelux. Furthermore, it mentions technical specifications of different displays. The catalogue is not dated, and it is not clear where and in which amounts it has been distributed.
- 33. The website referred to under number 5. is a Korean website. 8 It shows two print screens mentioning the word HYUNDAI and having monitors/displays depicted on it. The defendant states that the website is frequently visited by European customers. However, he does not substantiate this claim.
- 34. The first website mentioned under 6. has an identical "look and feel" as the one mentioned under 5. The address shows a .com domain. Language choices are English and Korean. The defendant fails to make clear how and why this website is relevant to show normal use of the contested sign in the Benelux. There is no proof whatsoever of this website targeting consumers in the Benelux.
- 35. Lastly, the second website mentioned under 6. is a website with the Dutch ccTLD .nl.¹⁰ It shows two print screens of the website showing Hyundai displays.
- 36. The Office finds that the proof of use provided by the defendant, even when considered as a whole, does not suffice to demonstrate that the defendant made genuine use of the trademark HYUNDAI for the goods for which the trademark is registered in the relevant period. Taking into consideration the nature of the goods and its pricing, a volume of only four units over a five-year period is considered negligible. The other materials provided lack dates, information on distribution or any other indication that these materials and sales channels are targeting consumers in the Benelux. The company AVDIS BV, exploiting the .nl website mentioned under 6., is the company mentioned on the invoice classified under 2. as buyer of three LED displays. This being the only economic activity in the Benelux mentioned over the relevant five-year period, the Office must conclude that no genuine use has been made of the contested trademark.

B. Other factors

37. The claimant points out that the defendant implies that a license has been granted to Hyundai IT Europe GmbH but that any proof of the existence of such a license lacks (see paragraph 13). The defendant states that it is not mandatory to record or register a license in the Benelux trademark register. Use with the consent of the trademark proprietor by an affiliated company inures to the trademark proprietor, according to the defendant (see paragraph 21). The Office follows the line of reasoning of the defendant and refers to Article 2.23bis (6) BCIP which states that "use of the trademark with the consent of the proprietor shall be deemed to constitute use by the proprietor." This does not necessarily mean that a formal contract, as for example a license agreement, must be concluded between parties. To establish this consent, a factual analysis may suffice as well. The fact that the defendant provides proof of use such as

⁸ http://hdit.co.kr/new/en/

 $^{^9~{\}rm http://portal.hyundaiit.com/new/en/product/detail.php?cate=single\&ckattempt=1$

https://www.avdis.nl/displays/hyundai.html

invoices, which can only be obtained through the party using the trademark implies a business relationship between proprietor and trademark user.

C. Conclusion

38. Based on the foregoing the Office is of the opinion that the defendant did not provide sufficient proof that the contested trademark has been used in the Benelux within the relevant period.

IV. DECISION

- 39. The cancellation application with number 3000219 is justified.
- 40. Benelux registration 757752 for the wordmark HYUNDAI will be revoked for all the goods for which it is registered.
- 41. The defendant shall pay the claimant 1,420 euros in accordance with Article 2.30ter (5) BCIP in conjunction with rule 1.44 (2) IR, as the cancellation application is awarded in its entirety. This decision constitutes an enforceable order pursuant to Article 2.30ter (5) BCIP.

The Hague, 21 October 2022



Tomas Westenbroek (rapporteur)

Tineke Van Hoey

Camille Janssen

Administrative officer: Diter Wuytens