

Unauthorised filing of trademarks by agent or representative

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On 28 May 2019 the District Court of Gelderland in preliminary relief proceedings rendered a judgment on the subject of unauthorised agent or representative filings. It deemed that a third party was so closely involved in the distribution agreement between two other parties that it could be ordered to transfer the trademarks that it had registered unauthorised.

Facts

Bigfoot is a Qatari company which specialises in coating technology. Bigfoot trades in exclusive cars, motor yachts and private jets under the brand name Mayvinci. Smartrepair & Car Cleaning (SCC) is involved in the repair and towing of cars. Bigfoot and SCC concluded an exclusive distribution agreement. Ayanmo is a company that was not a party to the distribution agreement but was closely involved in the way the agreement was concluded and put into force. Without the consent and knowledge of Bigfoot, Ayanmo filed and obtained two Benelux trademark registrations for MAYVINCI, for which Bigfoot already held trademark rights to in other jurisdictions.

Consequently, Bigfoot sought an injunction to transfer the Benelux trademarks from Ayanmo to Bigfoot and to prohibit Ayanmo's use of the trademarks. Bigfoot based its actions on Article 2.20ter of the Benelux Convention on Intellectual Property (BCIP):

Where a trademark is registered in the name of the agent or representative of a person who is the proprietor of that trademark, without the proprietor's consent, the latter shall be entitled to do either or both of the following: (a) oppose the use of the trademark by his agent or representative or (b) demand the assignment of the trademark in his favor.(1)

Decision

Ayanmo argued that it could not be regarded as an agent, representative or distributor of Bigfoot (in the sense of Article 2.20ter). The court found that, strictly speaking, this was true. The distribution agreement was concluded between Bigfoot and SCC and if Ayanmo was a random third party, Article 2.20ter could not have been invoked. However, the court ruled that Ayanmo had been closely involved in the distribution agreement because, among other things:

- the directors of Ayanmo had co-signed the distribution agreement (to emphasise that they were going to invest in the performance of the distribution agreement);
- Ayanmo – instead of SCC – had factually implemented part of the obligations of the distribution agreement by incorporating the subsidiary company Mayvinci Europe, which had to implement the distribution agreement; and
- Ayanmo had filed the Benelux trademarks relatively soon after the conclusion of the distribution agreement.

Under these circumstances, the court found that Ayanmo had been so closely involved in the distribution agreement that Bigfoot could successfully demand that Ayanmo transfer the trademarks and obtain an injunction regarding their use. Any other interpretation, according to the court, would not do justice to the protection offered by Article 2.20ter.

Comment

The proprietor of a trademark can take action against agents or representatives who have registered their trademark in Benelux in their own name and without the proprietor's consent.

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Articles 8(3), 13, 21 and 60(1)(b) of the EU Trademark Regulation align with Article 2.20ter of the BCIP (and Article 6septies of the Paris Convention).

The court's judgment correctly illustrates that the notion of 'an agent' in the context of unauthorised agents or representative filing is broader than it seems from a literal reading of the law.

The court's decision is supported by European case law. The purpose of these provisions is to safeguard the legal interests of trademark proprietors against the misappropriation of their trademarks by their commercial associates. Thus, the terms 'agent' and 'representative' should be interpreted broadly to cover all kinds of relationships based on any business arrangement (governed by a written or oral contract) where one party is representing the interests of another, regardless of the *nomen juris* of the contractual relationship between the proprietor and the EU trademark applicant.⁽²⁾

Therefore, it is sufficient that there is some agreement of commercial cooperation between the parties that gives rise to a fiduciary relationship by imposing on the applicant, whether expressly or implicitly, a general duty of trust and loyalty regarding the interests of the trademark proprietor.

Given the variety of forms that commercial relationships may acquire in practice, a case-by-case approach is applied, focusing on whether the contractual link between the proprietor and the applicant is limited to a series of occasional transactions, or if, conversely, it is of such a duration and content to justify the application of the provisions on agent or representative filings. The question is whether the applicant's cooperation with the proprietor gave it the opportunity to understand and appreciate the value of the mark and incited the applicant to subsequently try to register the mark in its own name.

Nevertheless, some kind of cooperation agreement has to exist between the parties. If the applicant acts completely independently, without having entered into any kind of fiduciary relationship with the proprietor, it cannot be considered an agent within the meaning of Article 8(3) of the EU Trademark Regulation, which aligns with the Dutch court's decision.⁽³⁾ Therefore, a mere customer or a client of the proprietor cannot amount to an 'agent or representative' for the purposes of Article 8(3), since such persons are under no special obligation of trust to the trademark proprietor.

Further, looking at European and EU Intellectual Property Office case law, it is also clear that it is not necessary for an agreement between the parties to assume the form of a written contract. Even in cases where a written contract does not exist, it may still be possible to infer the existence of a commercial agreement. Indirect indications and evidence include:

- commercial correspondence between the parties;
- invoices and purchase orders;
- credit notes and other banking instruments;
- sales targets imposed on the applicant;
- payment of royalties;
- production of the goods covered by the mark under licence; and
- help in setting up a local distribution network.

In addition, active cooperation between parties concerning advertising could give rise to the required fiduciary relationship. However, the mere desire of the applicant to enter into a commercial relationship with the opponent cannot be considered as a concluded agreement between the parties.

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Endnotes

(1) This article is based on Article 6septies (1) of the Paris Convention for the Protection of Industrial Property.

(2) 13 April 2011, T-262/09, First Defense Aerosol Pepper Projector, EU:T:2011:171, Section 64.

(3) *Ibid.*

Naomi Nanulaitta, student, assisted in the preparation of this article.