SQUIRE SANDERS

PEEK & CLOPPENBURG V OHIM — PEEK & CLOPPENBURG (PEEK & CLOPPENBURG) CASE T-506/11 AND CASE T-507/11

18 April 2013

Actions for annulment brought by the applicant for the word marks PEEK & CLOPPENBURG for goods in class 25 and services in class 35.

In Cases T-506/11 and T-507/11, *Peek & Cloppenburg KG (Düsseldorf) v Office for Harmonization in the Internal Market (OHIM)*, the General Court has dismissed the appeals from two decisions of the Board of Appeal of OHIM in opposition proceedings brought by Peek & Cloppenburg (Hamburg) against Community trade mark applications by Peek & Cloppenburg (Düsseldorf) for the word marks PEEK & CLOPPENBURG, applied for on 13 March 2000 in class 25 and on 24 October 2000 in class 35. Peek & Cloppenburg (Hamburg) had based both oppositions on Article 8(4) Community Trade Mark Regulation (CTMR) in conjunction with Articles 5(2), 6(3), 15(2) and (3) of the German Act on the Protection of Trade Marks and other Symbols (thereafter referred to as "MarkenG") claiming that they had used the company name PEEK & CLOPPENBURG since 1911 for department stores in relation to clothing, footwear and headgear in Germany. The Opposition Division and the Board of Appeal of OHIM had upheld both oppositions.

In its actions before the Court, Peek & Cloppenburg KG (Düsseldorf) raised two pleas. First, it claimed that the Board of Appeal of OHIM had misinterpreted Article 8(4)(b) CTMR in so far as Peek & Cloppenburg (Hamburg) did not have the right to prevent Peek & Cloppenburg KG (Düsseldorf) from obtaining a successful registration for its Community trade marks on the basis of the company name pursuant to Articles 5(2), 6(3), 15(2) and (3) MarkenG. Second, Peek & Cloppenburg KG (Düsseldorf) claimed that the right pursuant to Article 8(4) (b) CTMR and the respective national provision, namely Article 12 MarkenG, would have to exist in the whole territory of the Member State.

With respect to the first plea, in relation to the earlier business name relied on in the present case, the Court held that regard must be had, in particular, to the national rules advanced in support of the opposition and to the judicial decisions delivered in the Member State concerned and that, on that basis, Peek & Cloppenburg KG (Hamburg) must establish that the sign concerned fell within the scope of the law of the Member State relied on and that it allowed use of a subsequent mark to be prohibited. It followed that Peek & Cloppenburg (Hamburg) must establish only that it had a right to prohibit use of a subsequent mark and that it was not required to establish that that right had been used, in other words that Peek & Cloppenburg KG (Hamburg) had actually been able to prohibit such use.

In the present case, the Court found that Peek & Cloppenburg (Hamburg) had submitted sufficient evidence to show that its designation PEEK & CLOPPENBURG was used in the course of trade to designate its business and its sales departments in Germany, and therefore enjoyed protection as a business name within the meaning of Article 5(2) MarkenG, with an older seniority under Article 6 MarkenG. After having considered the identity of the signs and the goods at issue the Court further found that there also existed a likelihood of confusion between the commercial designation and the later mark, which it considered as a use contrary to accepted principles of morality. The Court then concluded that Peek & Cloppenburg (Hamburg) had a right to prohibit the use of the subsequent marks under Articles 5, 6, and 15 MarkenG.

Peek & Cloppenburg KG (Düsseldorf) further submitted that even if Peek & Cloppenburg (Hamburg) had such a right, it had tolerated the coexistent use of the later mark for more than five consecutive years and therefore forfeited its right to claim prior rights under Article 21 MarkenG.

With regard to this point, the Court stated that it was not impossible that in certain cases the coexistence of similar signs can reduce the likelihood of confusion. Such eventuality, however, could only be considered if Peek & Cloppenburg KG (Düsseldorf) had provided at least sufficient evidence that the coexistence in question occurred because the relevant public did not consider the signs as confusingly similar. In the present case though, Peek & Cloppenburg KG (Düsseldorf) had not provided evidence that the signs had coexisted in Germany. In addition, it had certainly done nothing to prove that the coexistence of the signs occurred because there was no likelihood of confusion.

In this context, the Court further held that Article 21 MarkenG governs the relationship between an earlier mark or business name and a later mark, which has been registered for a period of five successive years. If Peek & Cloppenburg KG (Düsseldorf) wished to successfully rely on Article 21 MarkenG, it would need to prove an existing registration for at least five consecutive years, which was contradictory for a mark that was only more recently applied for. Therefore, the assertion of Article 21 MarkenG was without merit.

In addition to the inapplicability of Article 21 MarkenG in the present case, the Court found that it was also inadmissible as the argument concerning Article 21 MarkenG had been put forward for the first time before the Court. This point was, therefore, a new argument which Peek & Cloppenburg KG (Düsseldorf) had not submitted before OHIM and could not be raised by the Court of its own motion since this was limited to arguments and submissions of the parties pursuant to Article 76 (1), (2) CTMR.

In its second plea, Peek & Cloppenburg (Düsseldorf) argued that a sign which confers on its proprietor an exclusive right throughout the national territory does not preclude the subsequent registration of a sign as a mark if the use of the earlier sign is of "mere local significance" within the meaning of Article 8(4) CTMR in conjunction with Article 12 MarkenG.

The Court held that the rational of Article 8(4) CTMR in conjunction with Article 12 MarkenG is to restrict the number of conflicts between signs, by preventing an earlier sign, which is not sufficiently important or significant, from making it possible to challenge either the registration or the validity of a Community trade mark. Consequently, the significance of the mark must be interpreted uniformly throughout the European Union. Account must be taken, first, of the geographical dimension of the sign's significance; that is to say of the territory in which it is used to identify its proprietor's economic activity. Secondly, account must be taken of the economic dimension of the sign's significance, which is assessed in light of the length of time for which it has fulfilled its function in the course of trade and the degree to which it has been used, the group of addressees among which the sign in question has become known as a distinctive element, namely consumers, competitors or even suppliers, and the exposure given to the sign, for example, through advertising or on the internet.

Considering the above, the Court held that it was apparent from the evidence provided that the significance of the sign relied on in the present case was more than merely local. The documents submitted by Peek & Cloppenburg KG (Hamburg) proved that, at the time when registration of the two Community trade marks was applied for, the later business name had been used since 1911 to designate stores in Germany for sales of clothing for women, men and children as well as leather accessories, and thus, the earlier sign's use was of more than mere local significance.

In these decisions the Court took the opportunity to reiterate its legal position as set out in joined Cases T-318/06 to T-321/06 - GENERAL OPTICA. It clearly stated that a company name, which is only valid in a single Member State of the European Union can successfully serve as basis for opposition proceedings against the registration of a Community trade mark, if the name enjoys protection under national law and is of more than mere local significance in geographic and economic dimensions. The case is also interesting in that it provides some insight to the legal consequences a company may face if it continues to operate in separate entities while sharing its business name. Peek & Cloppenburg was founded in 1900 in Düsseldorf by three merchants, one of them being Heinrich Cloppenburg. His younger son, Anton Cloppenburg, together with Paul Schröder, Heinrich Cloppenburg's son-in-law, opened their own fashion store in Hamburg in 1911. Since then, there have been two companies with the business name Peek & Cloppenburg in Germany.

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