

Decision of the European Ombudsman closing his inquiry into complaint 174/2012/MMN against the European Commission

Decision

Case 174/2012/MMN - **Opened on** 02/02/2012 - **Decision on** 29/07/2013 - **Institution concerned** European Commission (No maladministration found) |

The background to the complaint

1. The present case concerns a dispute between a private company and the European Commission relating to the registration of a Community trademark.
2. The complainant is a consulting company in the field of innovation, which was created in 2000.
3. According to the complainant, it registered certain internet domains in 2000 and in 2005. Furthermore, in 2003, it registered a related trademark with its logo in Spain. In 2005, it also registered a Community trademark with its logo with the Office for Harmonization in the Internal Market ('OHIM').
4. It appears that, in 2005, a trademark attorney firm requested the registration with the OHIM of a similar Community trademark on behalf of the Commission. The Commission's Directorate-General Enterprise and Industry ('DG Enterprise') has a programme with a similar name which aims at supporting innovation.
5. In 2006, one of the complainant's employees became aware of the existence of the programme in question during a presentation given by DG Enterprise staff. On 20 July 2006, the complainant sent an e-mail informing DG Enterprise that it had already registered the relevant Community trademark. Moreover, the complainant suggested that an agreement should be found.
6. On 25 July 2006, DG Enterprise replied that it was unaware of the existence of the complainant's Community trademark. DG Enterprise added that, since its programme did not carry out commercial activities, it should not constitute a threat for the complainant. DG Enterprise implied that a coexistence agreement should be found.



7. In May 2007, the complainant launched before the OHIM 'opposition' proceedings in relation to the registration of the Community trademark by the Commission.

8. In 2008, after it became apparent that a friendly settlement would not be possible, the Commission made an application to have the complainant's Community trademark declared invalid. It based its application on a pre-existing Community trademark it had already registered.

9. In a letter of 13 September 2011, the Commission's trademark attorney recognised that this action had been taken " *in order to resume negotiations between the parties* ". The Commission's trademark attorney further indicated in this letter that, after the OHIM had adopted a negative decision concerning the application for the declaration of invalidity, the Commission initiated in 2011 proceedings for the revocation of the complainant's Community trademark. This application was based on the lack of use of that trademark. However, at the same time, the Commission's trademark attorney informed the complainant that, if it were to withdraw its opposition to the registration of the Commission's Community trademark and sign a co-existence agreement, the Commission would withdraw its application for revocation.

10. In this context, the complainant turned to the Ombudsman.

The subject matter of the inquiry

11. The Ombudsman included the following allegation and claims in his inquiry:

Allegation:

The Commission abused the relevant procedures when it lodged with the OHIM its applications (i) for the declaration of invalidity and (ii) for the revocation of the complainant's Community trademark.

Claims:

(1) The Commission should stop its abuse of trademark-related administrative proceedings against the complainant.

(2) The Commission should stop using its relevant trademark or, alternatively, it should buy the complainant's Community trademark. Otherwise, it should enter into a coexistence agreement which would provide adequate compensation to the complainant for its legal costs.

The inquiry



12. On 2 February 2012, the Ombudsman opened an inquiry and asked the Commission to provide an opinion.

13. On 15 May 2012, the Commission submitted its opinion which was forwarded to the complainant for its observations.

14. However, the complainant did not submit any observations.

The Ombudsman's analysis and conclusions

A. Allegation of abuse and related claims

Arguments presented to the Ombudsman

15. In its complaint, the complainant alleged that the Commission abused the relevant procedures when it lodged with the OHIM its applications for the declaration of invalidity and for the revocation of the complainant's Community trademark. It thus asked that the Commission cease this alleged abuse. Moreover, the complainant claimed that the Commission should cease using its relevant trademark or, alternatively, should buy the complainant's trademark. Otherwise, it should enter into a coexistence agreement and provide adequate compensation to the complainant.

16. In its opinion, the Commission indicated that it had decided to request the registration with the OHIM of the name of a programme in the field of innovation as a trademark. It explained that the registration procedure has several stages. One of them is the publication of the application for registration so that third parties can invoke their earlier rights in opposition proceedings.

17. After the complainant launched opposition proceedings against the Commission's application, the parties initially tried to negotiate a friendly settlement. However, the complainant subsequently opted out. The Commission further noted that two more opposition proceedings were initiated by third parties against the Commission's application for the relevant trademark registration and in both cases a settlement was reached. The Commission indicated that, in one case, it agreed to pay EUR 650 as compensation for the other party's opposition fees and negotiation costs.

18. In view of this, the Commission initiated revocation proceedings against the complainant's trademark, claiming that the earlier trademark on which the opposition was based had not been genuinely used in connection with the goods and services for which it was registered. The OHIM would have to assess whether the complainant's trademark had been genuinely used. The Commission stressed that such course of action was justified in order to verify whether the complainant had a genuine interest in its trademark. It noted, however, that it signalled to the



complainant its willingness to suspend these proceedings in order to reach a settlement.

19. The Commission noted that the complainant had asked that the Commission should buy the complainant's trademark for EUR 150,000 or enter into a coexistence agreement and provide compensation in the amount of EUR 70,000.

20. In the Commission's view, it did not abuse the relevant trademark procedures. It merely acted within the existing rules in order to defend its rights through regular procedures before the competent trademark authority.

21. The Commission emphasised that it has always been open to concluding a coexistence agreement with the complainant. However, the complainant proposed the sale of its trademark rights, which included rights in which the Commission was not interested. The Commission argued that it did not wish to set a precedent by purchasing a third party's trademark rights.

22. In conclusion, the Commission indicated that it remained open to entering into a coexistence agreement under reasonable terms, without however being forced to purchase the trademark rights.

23. As mentioned above, the complainant did not submit any observations on the Commission's opinion.

The Ombudsman's assessment

24. In essence, the Commission's position is that, far from having committed any abuse of the relevant trademark-related procedures, its actions should be seen as an effort to protect its legitimate rights through the legally established procedures before the OHIM. Moreover, although it did not wish to purchase the trademarks, it remained open to reaching a settlement with the complainant, namely, by signing a coexistence agreement under reasonable terms.

25. The Ombudsman understands that the Commission considered as unreasonable the terms requested by the complainant concerning the intended purchase of the complainant's trademark and the payment of compensation in the event a coexistence agreement.

26. Without considering whether the allegedly unreasonable nature of the complainant's underlying terms could justify the Commission's actions, the Ombudsman takes the view that, in the course of his inquiry, he has found no indication that the Commission was acting in an abusive manner. In fact, as the Commission argued, it appears that it was merely seeking to defend its rights and its interests through the legally foreseen mechanisms.

27. It appears useful to add that, on 28 February 2013, the OHIM decided to revoke the complainant's trademark and that thus the Commission's revocation action was successful. [1]

28. In view of the foregoing, the Ombudsman considers that there has been no



maladministration.

B. Conclusions

On the basis of his inquiry into this complaint, the Ombudsman closes it with the following conclusion:

There has been no maladministration in the present case.

The complainant and the Commission will be informed of this decision.

P. Nikiforos Diamandouros

Done in Strasbourg on 29 July 2013

[1] Decision of the OHIM's Cancellation Division of 28 February 2013 in case 5553C. In particular, the OHIM considered that the complainant's trademark had not been genuinely used within the relevant period of time for certain goods for which it had been registered. Moreover, as regards certain services for which the trademark had also been registered, the OHIM also considered that the trademark had not been genuinely used 'within the EU', since there was evidence of use essentially in Barcelona alone.