



## **Study Guidelines**

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### **2023 – Study Question**

#### **Proving Trade Mark Use**

##### **Introduction**

- 1) A registered trade mark, in most of jurisdictions, requires a certain level of use to be maintained. Different jurisdictions may set different periods of time during which use must take place for a mark to be maintained ('grace periods'). For example, in China, Japan and Mexico, a three-year period after registration is given as a grace period while in Argentina, Brazil, the EU and many other European countries, it is five years. Some jurisdictions, for instance the USA and Argentina, even require proving use at renewal or at certain point after registration.
- 2) Subject to some exceptions, such as the USA and the Philippines, use is generally not a requirement when registering a trade mark.
- 3) Between different jurisdictions, specific provisions may vary greatly, for instance, in terms of use volume, geographical coverage, the extent of use required and the nature and type of evidence of use that is required and required to be shown.
- 4) There are also different rules on whether or in what conditions non-use can be accepted as a defence or counterclaim in an opposition, invalidation or infringement proceedings.
- 5) Aspects of many of the above-mentioned issues have been studied by AIPPI previously. However, over time, legal provisions and practices may change and there are still some further issues yet to be looked at in more detail. Moreover, the development of the technologies and the emergence of new scenarios for trade mark use, such as the Internet and the Metaverse, have created new challenges and raised questions for trade mark use and proving use.

##### **Why AIPPI considers this an important area of study**

- 6) Use is an essential and fundamental issue in trade mark law. Because a trade mark

may be renewed indefinitely, an unwarranted and unjustified long-term monopoly could result if there were not to be a requirement that any registered trade mark be used actively. In some senses, the purpose of the registration is to give notice to the public that there is a trade insignia that is in use to distinguish the goods of one enterprise from those of another. Without a relevant underlying use, a registration no longer performs that function.

- 7) Although aspects of the use requirement have been studied by AIPPI before, both its high practical relevance and the emergence of new challenges and questions, for instance, use in virtual worlds, have led to the more extensive study in this Study Question.
- 8) AIPPI also believes that it would be helpful for trade mark owners and practitioners to have some guidance on the new issues and to have further certainty regarding use and proving use of trade marks.

### **Relevant treaty provisions**

- 9) Article 5 (C) of *Paris Convention for the Protection of Industrial Property* (“Paris Convention”), while neither preventing member countries from requiring use as a condition for obtaining or maintaining trademark registrations nor requiring member countries to do so, sets out some general principles of use as indicated below:
  - (1) *If, in any country, use of the registered mark is compulsory, the registration may be cancelled only after a reasonable period, and then only if the person concerned does not justify his inaction.*
  - (2) *Use of a trademark by the proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the countries of the Union shall not entail invalidation of the registration and shall not diminish the protection granted to the mark.*
  - (3) *Concurrent use of the same mark on identical or similar goods by industrial or commercial establishments considered as co-proprietors of the mark according to the provisions of the domestic law of the country where protection is claimed shall not prevent registration or diminish in any way the protection granted to the said mark in any country of the Union, provided that such use does not result in misleading the public and is not contrary to the public interest.*
- 10) Article 15 (3) of TRIPs Agreement (*Agreement on Trade-Related Aspects of Intellectual Property Rights*) states that “Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.”
- 11) Article 19 of the TRIPs Agreement provides that a trademark owner may invoke valid reasons based on the existence of obstacles to such, which states that “Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions or other government requirements for goods or services protected by the trademark,

*shall be recognized as valid reasons for non-use.”*

- 12) As general international treaties, the Paris Convention and the TRIPs Agreement do not and cannot be expected to contain detailed rules on the requirements of trade mark use and proving use.

### **Scope of this Study Question**

- 13) This Study Question will focus on proving use in the context of the genuine use requirement of a trade mark to maintain and enforce the trade mark.
- 14) Proving reputation or distinctiveness of a trade mark acquired through use and infringement use are out of the scope of this Study Question.

### **Previous work of AIPPI**

- 15) The trade mark use subject was studied in AIPPI Resolution Q218 “*The requirement of genuine use of trade marks for maintaining protection*” in 2011 at AIPPI Congress Hyderabad. In this Resolution, various issues relating to trade mark use for registration maintenance were addressed including the following:
- (1) The principle of genuine use
  - (2) Use as a mark distinguishing goods or services as to their origin
  - (3) Use of variations of a registered trade mark recognized as sufficient use to maintain the trade mark registration
  - (4) Use by proprietor or with his consent
  - (5) Use for goods and services for which the mark is registered
  - (6) Territory of use
  - (7) Use in course of trade
  - (8) What is genuine use: in particular, it was resolved that “*Where it is established, in view of all the facts, that the use is made to establish or maintain a presence on the market, it should be held to be genuine. In this respect, **no minimum threshold should be established**. However, if the use is made merely to protect or obtain a registration (“token” or “sham” use), it should be disregarded.*”
  - (9) Proof of use
  - (10) Grace period
  - (11) Justification of non-use
  - (12) Challenge of non-use
- 16) Before 2011, there were several earlier Resolutions also discussing some specific issues relating to trade mark use:
- a) Resolution Q70 “*Impact of Use on Maintenance and Renewal (1978)*” focused on use on similar goods/services, use by third parties, use out of the registration jurisdiction, and degree of use. It resolved that a trade mark registration could be maintained for goods listed in the registration in so far as the mark has been used for such goods or for similar goods and that in the case of a mark used in international trade, it might suffice that either the mark had become known in the country where it was registered or that there was a serious proposal to use the mark in that country.
  - b) Resolution Q168 “*Use of a Mark as a Mark as a Legal Requirement (2002)*”

resolved that AIPPI should follow the developments in trade mark usage on the Internet in an effort to facilitate harmonised developments in this area.

- 17) AIPPI also looked at the issue of proving use and the use requirement in panel sessions at its Congresses, e.g., panel session “*Proving Use Across Jurisdictions – A Monumental Task*” (2022, San Francisco) and panel session “*Use it or lose it – genuine use of trademarks*” (2018, Cancun).
- 18) Additionally, there are two editions of AIPPI Law Series Book “*Genuine Use of Trademarks*” published in 2018 and 2021 respectively which provide information of current use requirements of trade marks in more than 20 jurisdictions. The purpose of this Study Question is to consider how the law on trade mark use should be developed, going forward.
- 19) Regarding the Metaverse, a panel session “*The Metaverse: Real World IP Issues*” was held at AIPPI Congress 2022 in San Francisco, in which different IP issues in Metaverse, including trade mark issues. In this session, some questions were raised including trade mark use in the Metaverse context.

## Discussion

### Evidence to prove trade mark use?

- 20) In order for use to be considered as “genuine”, the mark must be used by the trade mark owner or with his consent, for example by licensees, in such a manner that the use is actual use on the market with the aim of making sales. Genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid evidence of effective and sufficient use of the trade mark on the market concerned (18/01/2011, T-382/08, *Vogue*, EU:T:2011:9, § 22). According to this line of cases, evidence of use should concern the place, time, extent and nature of use of the trade mark for the relevant goods and services. The evidence is then to be evaluated in an overall assessment. Therefore, although pieces of evidence may be insufficient by themselves to prove the use of an earlier trade mark, they may contribute to proving use in combination with other documentation and information.
- 21) Token or sham use merely to maintain or obtain a registration cannot establish genuine use and it is often viewed as token or sham use when too little use evidence is submitted. In “蔡司;WTCAIS” trade mark cancellation review case<sup>1</sup> tried by CNIPA (the Chinese IP Office), the trade mark registrant was an individual person and he submitted only one piece of commercial advertisement evidence in which the mark, the designated goods, the time and place could be shown. CNIPA ruled the use was more akin to token use and the evidence submitted was not sufficient to maintain the registration. The CNIPA finding in this case was affirmed by Beijing IP Court and Beijing High People’s Court in the appeal proceedings<sup>2</sup>. Although the registrant submitted some other use evidence during the appeal proceedings, the courts concluded that the submitted evidence was not sufficient to prove the actual use of

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1 TRAB [2019] No. 49128 Cancellation Review Decision relating to TM No. 5907484

2 Beijing High People’s Court decision No. (2020) Jing Administrative Final No. 7506

the trade mark in the market.

- 22) Generally speaking, the registrant should submit certain quantity of use evidence and normally there will be requirement on the evidence to prove the sales of the goods or services marketed under the trade mark; otherwise, there might be risk of being viewed as token or sham use. However, the issue should be analysed together with other relevant factors. In *Polfarmex SA v EUIPO*<sup>3</sup>, the EU trademark “SYRENA” was registered for, *inter alia*, goods in Class 12 and the relevant goods were racing cars and electric cars. According to the General Court, racing cars had certain technical specifications which meant that they were less suitable for normal daily road use and were more expensive in comparison to most cars used on a daily basis. The Court concluded that racing cars were in relatively low demand, and were normally produced against individual specific orders, and the number of vehicles sold was often limited. The General Court held that, in such circumstances, the provision of accounting documents setting out sales figures or invoices is not necessary for the purposes of establishing genuine use of the mark in question.
- 23) Therefore, the evidence showing the existence of various preparatory tasks and advertising efforts was recognized to be sufficient to prove genuine use of the trade mark in relation to racing cars, even though no cars had been sold. In contrast, the court held that electric cars were not intended for a specific racing car market and thus the criteria for evidence relating to the racing cars could not apply to electric cars. On this basis, the General Court found that the evidence adduced was not sufficient to confirm the use of the SYRENA trademark for electric cars.
- 24) It is not surprising that evidence of use should reflect patterns of trade in the field in question. It does, however, create practical difficulties for brand owners, who have to engage in more complex evidence gathering exercises, the scope of which ultimately will depend on the Court’s view *later on* of how detailed the evidence should have been, especially when the Court’s factual analysis of the market may be limited by the available facts<sup>4</sup>.
- 25) Consequently, it is difficult to determine in advance, without taking into consideration all the relevant facts of the case, what view the court will in due course take on the type and amount of evidence needed to prove genuine use. Different businesses and case factors may lead to different threshold criteria in proving use – but this will only be known later, once the relevant court has decided what the characteristics of the commercial sector are.
- 26) Additionally, the reputation and status of the trade mark may alter the analysis somewhat. The evidentiary requirements for proving use may be influenced or reduced by how well the trade mark is known, or the history of use of the trade mark, for instance, if the trade mark is commonly recognised and associated with the relevant goods (or even present in culturally significant images and texts, or otherwise more permanently embedded in the consumer mindset). A common association may linger

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<sup>3</sup> Case No. T-677/19

<sup>4</sup> Some electric cars could arguably be classified as racing cars too.

despite there being just very limited use of a trade mark.

- 27) In terms of the forms of use evidence, there should not be limitation but different weight may be given to different forms of the evidence. Article 10(6) EUTMDR expressly mentions written statements as admissible means of proof of use and Article 97(1)(f) EUTMR lists sworn or affirmed written statements or other statements that have a similar effect under the law of the State in which they were drawn up, as means of giving evidence. As far as the probative value of this kind of evidence is concerned, statements drawn up by the interested parties themselves or their employees are generally given less weight by the EUIPO than “independent” evidence. Statements unsupported by other, corroborating, evidence may be less convincing as well.
- 28) In the “BIG MAC” non-use cancellation case<sup>5</sup>, three affidavits signed by corporate representatives of the proprietor’s businesses in Germany, France and United Kingdom were not accepted by the EUIPO since their probative value was said (by the EUIPO) to be weak and the statements were not supported by other corroborating evidence.
- 29) It is notable that even the cancellation applicant admitted the trade mark proprietor’s valid use of its “Big Mac” mark on sandwich goods in this cancellation case. Nonetheless, the EUIPO decided that the proprietor’s declarations were insufficient and concluded that the proprietor had not proven genuine use of the contested trade mark on any of the goods or services.
- 30) The EUIPO’s decision, by excluding evidence from the brand owner without any objective reason to doubt its veracity, has practical consequences. If followed, it would mean that proving *authorised* (i.e. non-infringing) use becomes more difficult or impossible in some cases. It would also mean that gathering evidence becomes a more expensive and lengthy process. It may also mean that in some instances, where evidence from third parties is not available, the brand owner might not be able to prove the use of a trade mark when the brand owner knows the mark was used.
- 31) In contrast, a different and more fine-grained approach has been followed by the Chinese IP Office (CNIPA). In its decisions on several review of cancellation cases, it took into consideration the attitude of the cancellation applicant when making the decision. In the “DANONE” case<sup>6</sup>, the CNIPA decided to cancel the contested trade mark since the trade mark proprietor could not prove the genuine use of the registered trade mark on the designated goods in class 28 but at the review stage, the cancellation applicant declared no longer to challenge the use of the contested trade mark and the CNIPA maintained the registration considering there was no longer a dispute between the two parties, although the use evidence submitted by the trade mark proprietor was not sufficient to prove valid use on the concerned goods.
- 32) There also is a real question as to whether a mechanical approach to evidence of use should be followed, as per the BIG MAC decision, for the *temporal aspects* of use. Should continuing use on a simple month-by-month basis be required? Or

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<sup>5</sup> EUIPO cancellation decision No. 14 788 C

<sup>6</sup> CNIPA review of cancellation decision No. TRAB [2021] No. 0000026991

should the relevant court take into account the nature of the business and the mark? For example, even though the phrase “A diamond is forever” was used in a 1994 advertising campaign by De Beers<sup>7</sup>, arguably the link in the minds of consumers has persisted ever since. Even playing a few notes from the music accompanying the advertisement, Palladio, may still evoke the brand DE BEERS in the mind of the consumer without there even being any need for any words to be seen. Demandingly copies of monthly advertising invoices in these circumstances may seem disproportionate.

- 33) It is also difficult to see a rationale for requiring evidence of use e.g. on a monthly, yearly, quarterly or even hourly basis. There is no reason for supposing that there should be a minimum use requirement of one use per month, for example.
- 34) Similarly, there is no logical reason for requiring a specific quantitative level of use, e.g. in 25 trade publications per month (and use in 24 falls short such that the mark is considered insufficiently used).
- 35) If temporal and quantitative minimums cannot be justified, it is debatable why those types of requirements were imposed in the BIG MAC decisions. It may be more logical to describe the required level of use as being that which is sufficient to maintain the link, in the minds of consumers, between the trade mark and the origin of the goods.

#### **Use of the mark in forms different from the registered one and the allowed form variation?**

- 36) Frequently, trade marks are actually used not exactly in the form as registered, but adapted to market situations. For example, trade marks registered as standard word marks without specifying the typeface and colour are often used in different typefaces and colours in different use scenarios. The question thus arises to what degree the mark as used may differ from the mark as registered.
- 37) The Paris Convention allows certain variations in trade mark use as long as the form in use does not alter the distinctive character of the registered trade mark. Many national laws also adopt this same formula. However, the assessment of the distinctive character of one or more components of a complex trade mark must be based on the intrinsic qualities of each of those components, as well as on the relative position of the different components within the arrangement of the trade mark. How much variation should be allowed without altering the distinctive character and how to evaluate such variations may differ from country to country.
- 38) In the case of elements being added into or omitted from the registered mark, an assessment of the distinctive character of the added or omitted elements could be carried out on the basis of the intrinsic qualities of each of those elements, as well as of the relative position of the various elements within the arrangement of the mark in order to find whether the distinctive character of the mark as registered has been

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<sup>7</sup> <https://www.youtube.com/watch?v=mWZAAmNhX0Q>

altered<sup>8</sup>. An example of this type of analysis is found in the “Mc” case<sup>9</sup>, in which the EUIPO concluded that the actual use of “McDonald’s” substantively altered the distinctive character of the registered trade mark “Mc” as “Donald’s” was not descriptive and was even more visible and distinctive than “Mc”. It was held that the forms of “McRIB”, “McMUFFIN”, “McTOAST”, “McFISH”, “McWRAP”, “McNUGGETS”, and “McCHICKEN” did not alter the distinctive character of the registered trade mark “Mc” as *“the elements added (RIB, MUFFIN, TOAST, FISH, WRAP and NUGGETS) are indented to describe the characteristics of the goods and/or their main ingredient”*.

- 39) The EUIPO’s approach in the Mc case is of course a classically legalistic analysis, in which the various sub-elements of marks such as “McRIB” are broken down into parts which are never used in commerce: “Mc” and “RIB” are not in fact used separately by the brand owner. This raises the question of why they should be analysed in that way, if they are not used in that way, and are not perceived in that way by consumers? A consumer is unlikely to spend a long time parsing brands and sub-dividing them into elements.
- 40) However, if a sub-division is not carried out, how should the similarity of the registered mark vs. used mark be assessed? Similarity is clearly a jury question and if similarity is instead being decided by a court
- 41) The *Matzka v. The Mind Gym Ltd.* case<sup>10</sup> in Australia and “*高通 GOTOP*” case<sup>11</sup> in China both held that the use of just one distinctive element of a registered trade mark could be viewed as valid use of the registered trade marks. In the Australian case, the registered trade mark was a combined mark of the word “MINDGYM” and a device, both being distinctive. In the Chinese case, the registered trade mark was a combined mark of Chinese characters and Latin letters. The Beijing High People’s Court confirmed that the use of the Chinese character element or the Latin letters alone could be viewed as valid use of the registered trade mark since (1) both elements were distinctive and (2) the trade mark proprietor did not have registered trade marks for the combined element alone during the relevant use period.
- 42) It is useful to evaluate the criteria for variations of marks in us, what types of variations could be allowed and on what basis.

### **Trade mark use on the internet and in the virtual world**

- 43) A question that has arisen in deciding whether use is “genuine” is whether the use of a mark on an internet web page can be genuine use. The issue is also of practical relevance when the trademark proprietor can show internet use, and offer of goods or services, in the territory concerned, but does not have actual sales in the territory. Internet use may be judged differently depending on the language used and the territories to which the website is directed. Different jurisdictions may have different rules on this issue.

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<sup>8</sup> see judgments of 24 November 2005 in *GfK v OHIM — BUS (Online Bus)*, T-135/04, ECR, EU:T:2005:419, paragraphs 36 and 40, and 10 June 2010 in *Atlas Transport v OHIM — Hartmann (ATLAS TRANSPORT)*, T-482/08, EU:T:2010:229, paragraph 31

<sup>9</sup> EUIPO cancellation decision No 14 787 C

<sup>10</sup> *Matzka v. The Mind Gym Ltd.* (2006) 68 IPR 339 344

<sup>11</sup> Beijing High Court’s decision (2017) Administrative Ruling No. 4603



- 44) Canada does not take “internet use” as a valid use for goods on the basis that such use does not relate to goods, although it may amount to use in relation to services<sup>12</sup>, with a possible further exception of use in relation to a limited range of goods, such as software<sup>13</sup> (the provision of software as a good is blurred with the provision of services). Regarding the use of the internet to advertise for services, Canada is becoming more open to accepting that a global operation entity may offer or provide services in Canada through the internet. In the *HomeAway* case<sup>14</sup>, the Canadian Federal Court held that the information for the trade mark proprietor’s advertisements for its services, which contained the contested trade mark, was inputted through computers in the United States, but computer screens displayed the information in Canada. Therefore, the court concluded in this case that “*a trade-mark which appears on a computer screen website in Canada, regardless of where the information may have originated from or be stored, constitutes for Trade Marks Act purposes, use and advertising in Canada.*” However, the court made such a conclusion in the factual context of the case and the same conclusion may not necessarily follow in other cases with different types of services or situations.
- 45) Under Japanese law, if a website with its server in a foreign country does not have a Japanese domain, and if the price indication is in a foreign currency and if there are no indications that the website is targeted to Japanese consumers, it would be doubtful that trade mark use on such a website can be considered as use in Japan. Cancellation Trial 2007-300017 and Cancellation Trial 2009-300585 illustrated such a conclusion<sup>15</sup>.
- 46) In the USA, generally speaking, if an internet use were to be unauthorised and would infringe the rights of the proprietor (e.g. *1-800 FLOWERS*<sup>16</sup> and *Crate & Barrel*<sup>17</sup> decisions), there appears to be an argument that the same use - but by the proprietor - would be genuine use in the jurisdiction. The only real way to know whether the use is authorised is to find out from the proprietor, which suggests that in these types of situations evidence from third parties will not necessarily assist.
- 47) The virtual world, e.g. the Metaverse, sharing some characters with the internet, has given rise to new issues relating to trade mark use. The Metaverse is a persistent virtual environment that allows access to and interoperability of multiple individual virtual realities<sup>18</sup>, where people may game, socialize, shop and even work through an avatar. It could be a virtual version of the real world, even with more possibilities. There is not only one Metaverse but are many, such as Horizon Worlds<sup>19</sup>, Roblox<sup>20</sup>, Decentraland<sup>21</sup>, and so on. In the Metaverse, goods and services may be provided in

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12 *GENUINE USE OF TRADEMARKS* (second edition) (2021 Kluwe Law International BV, The Netherlands), page 117  
 13 *CANADIAN TRADEMARK LAW AND “USE” IN THE COMPUTER AND INTERNET AGE*, by David Bowden and Junyi Chen (2017) ([https://www.blaney.com/files/31838\\_cipr\\_canadian-trademark-law-and-use-in-the-computer-and-internet-age.pdf](https://www.blaney.com/files/31838_cipr_canadian-trademark-law-and-use-in-the-computer-and-internet-age.pdf))  
 14 *HomeAway.com, Inc v Hrdlicka*, 2012 FC 1467 [HomeAway]  
 15 *GENUINE USE OF TRADEMARKS* (second edition) (2021 Kluwe Law International BV, The Netherlands), page 264  
 16 11 CV 1038 (DRH)(WDW) (E.D.N.Y. Aug. 17, 2012)  
 17 US case: [96 F. Supp. 2d 824 (2000)]  
 18 [www.merriam-webster.com/dictionary/metaverse](http://www.merriam-webster.com/dictionary/metaverse)  
 19 [www.oculus.com/horizon-worlds/](http://www.oculus.com/horizon-worlds/)  
 20 [www.roblox.com](http://www.roblox.com)  
 21 [decentraland.org](http://decentraland.org)

the virtual market just as in the real world.

- 48) With the development and increased popularity of the Metaverse, there are also increased new needs in trade mark registration and protection. As reported by KIPO at the TM 5 Annual Meeting held in October 2022, KIPO received 771 trade mark applications designating goods relating to “virtual goods” for the first half of year 2022 which was a huge jump in number compared with the previous years, among which there were only 17 for the whole year of 2021. For the USPTO, the number of trade mark applications relating to the virtual world increased fast as well with higher numbers than KIPO in recent couple of years. As the USPTO reported at the same meeting, in 2021, the trade mark applications designating goods using the phrase of “virtual goods” received by USPTO was 821 while in 2022 by the time when the USPTO finalised the report on Oct. 26, 2022, the number increased to more than 3000.
- 49) Thus, various trade mark issues may arise or have already risen relating to such virtual worlds. One of those issues is proving use, for marks used in connection with virtual worlds.
- 50) It seems there is a practice that such virtual goods can be included in class 9, and some IP offices, such as EUIPO<sup>22</sup>, also expressly clarified the acceptable names of virtual goods and services.
- 51) There will be conflicts between the virtual world and real world. In terms of the trade mark use, can the use of the trade mark in one world count as the use in the other world? For instance, company A registers its “XYZ” trade mark on both physical clothing goods and virtual clothing goods. If it has only used its “XYZ” trade mark on virtual clothing goods, can such use suffice to maintain the registration on the physical clothing goods? The question might be answered NO since the virtual clothing goods and the physical clothing goods shall be classified into different classes according to the current practice of the IP offices. However, firstly, it is still a question whether such goods shall be put into different classes<sup>23</sup>; and secondly, are they similar goods to each other and if so, can use of the trade mark on one goods maintain a trade mark registration on another goods similar to that? The US court cases *Nike Inc. v. StockX LLC*<sup>24</sup> and *Hermès International v. Manson Rothschild*<sup>25</sup> might give some guidance on the issue but the conclusion is not clear yet.
- 52) For example, if “BIG MAC” is used in a Metaverse, should that count only as “internet/virtual world use”, or should that count as “internet/virtual world use” as well as use for the purposes of advertising BIG MAC hamburgers in the real/physical world, on the basis that when consumers log out of their virtual world they will remember

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22 As reported by EUIPO news ([https://euiipo.europa.eu/ohimportal/en/news-newsflash/-/asset\\_publisher/JLOyNNwVxGDF/content/pt-virtual-goods-non-fungible-tokens-and-the-metaverse](https://euiipo.europa.eu/ohimportal/en/news-newsflash/-/asset_publisher/JLOyNNwVxGDF/content/pt-virtual-goods-non-fungible-tokens-and-the-metaverse)), EUIPO’s approach is to include virtual goods in class 9 as are treated as digital content or images and it requires the goods names to be specific. Such an approach is set out in EUIPO’s 2023 draft Guidelines.

23 For example, the use of the mark BIG MAC in a virtual world might be considered advertising for Big Mac hamburgers in the real physical world. Indeed it is difficult to conceive of any other commercially relevant objective for the use of BIG MAC in a virtual environment.

24 Southern District of New York, case number: 1:22-cv-00983

25 Southern district of New York, case number: 1:22-cv-00384

what they have seen and recognise the BIG MAC mark in the real world?

- 53) Another more confusing and debatable issue is the recognition of geographic coverage of trade mark use in the virtual world. Technically speaking, there is no geographic boundary in the Metaverse and any one from any corner of the world can access a Metaverse and therefore have access to all the trade mark used in the Metaverse. The trading of goods and services happens in the virtual world and no physical delivery is involved. Thus, the geographical boundary of trade mark use becomes ambiguous. When proving the use of a registered trade mark, we need to prove the place of the use. Then, how to decide the place of use of the trade mark in the Metaverse?
- 54) In SQ 281 "*Trade Marks and the Internet and Social Media*", a similar issue was discussed regarding the factors that should be taken into account when assessing whether there is jurisdiction regarding the infringement of a trade mark by online activities.
- 55) The Metaverse is only one type of such virtual worlds and we may see many similar worlds in the future. It is therefore worthwhile to study the question of use of trade marks in Metaverses.

#### **Justification of non-use**

- 56) Paris Convention provides justification of non-use should be available with certain conditions. AIPPI Resolution Q218 also resolved that "the trademark proprietor must be allowed to justify the absence of genuine use". Limited examples were given in Q218 and it may be useful to discuss further in relation to specific justifications.
- 57) The main example debated in recent times has been the plain packaging rules imposed in some jurisdictions. If the use of the trade mark is against the law, then clearly it cannot be used – and should this be a justification for non-use?

#### **Issues to be studied**

- 58) It is proposed that the following issues be studied in relation to proving use of a trade mark:
- a) evidence to prove trade mark use,
  - b) use of the mark in forms different from the registered one and the allowed form variation,
  - c) trade mark use on the internet and in the virtual world, and
  - d) justification of non-use.

***You are invited to submit a Report addressing the questions below.***

## Questions

### I) Current law and practice

Please answer all questions in Part I on the basis of your Group's current law.

#### Evidence to Prove Trade Mark Use

- 1) Is there any quantitative or temporal threshold (minimum level) on evidence requirement to prove genuine use?

Please answer YES or NO. Please comment.

- 2) If there is a minimum level on evidence requirement to prove genuine use, is that minimum level different for well-known/famous/commonly known marks from a quantitative, temporal or any other perspective?

Please answer YES or NO. Please comment.

- 3) Could evidence of one single advertisement likely to be sufficient to prove genuine use and if so, in what circumstances?

Please answer YES or NO. Please comment.

- 4) When considering genuine use, are there specific types of evidence (A) always excluded, (B) always included, or (C) given weight according to the circumstances? Please consider the following types of evidence, and select category A, B or C for each of them and explain in each type why that category applies:

- a) declarations by or on behalf of the trade mark owner (e.g., corporate representatives)
- b) declarations by unconnected and unpaid third parties
- c) declarations by unconnected but paid third parties
- d) copies of current web pages
- e) copies of web pages from Wayback Machine (including entries from Wikipedia which cannot any longer be modified)
- f) unpaid consumer surveys (no payment to the respondents)
- g) paid consumer surveys (in which the respondents are paid in some means)
- h) copies of invoices, bills, and accounts
- i) copies of advertising materials
- j) copies of distribution contracts
- k) evidence admitted by the adverse party in case of an *inter partes* proceeding
- l) anything else: please name and explain.

### **Use of the Mark in Forms Different from the Registered One and the Allowed Form Variation**

- 5) What are the criteria when assessing the genuine use of a trade mark if the mark in actual use is in a form different from the trade mark as registered? In other words, how much form variation of the mark can be accepted in proving its genuine use?
- 6) What factors are considered when judging whether the use of a variation of the mark can be accepted as valid use of a registered trade mark in your jurisdiction? Please select one or more answers from the following choices and provide explanations as appropriate:
- a) the distinctiveness of the registered trade mark and the variation;
  - b) whether such a variation alters the distinctive character of the registered trade mark;
  - c) whether consumers view them as the same mark;
  - d) whether the variation of the mark is also registered;
  - e) other, please name \_\_\_\_\_.
- 7) Which of the following variations may be viewed as not altering the distinctive character of the registered trade mark in your jurisdiction?

Please choose one or more answers from the following choices:

- a) in which the typeface, size, and/or colour of the registered trade mark is changed, partially or wholly;
- b) in which distinctive elements are added to the registered trade mark;
- c) in which non-distinctive elements are added to the registered trade mark;
- d) in which part of the distinctive element is omitted from the registered trade mark;
- e) in which the non-distinctive element is omitted, partially or wholly, from the registered trade mark;
- f) in which the word of the registered trade mark has been changed other than adding or omitting words but constitutes similar mark to the registered trade mark;
- g) in which the layout of the different elements in the registered mark is changed, for instance, changing the up-and-down arrangement into left-and-right arrangement;
- h) in which one composite element is omitted in case of a combined trade mark, for instance, the figurative element is omitted in use when it is a word/figurative combined trade mark;
- i) in which the registered mark is used in conjunction with another mark;
- j) others, please name and explain \_\_\_\_\_.

### **Trade Mark Use on the Internet and Virtual World**

- 8) Is the use of a mark on the internet/on a website taken into account for genuine use, and if so, what are the criteria?

Please answer YES or NO and explain.

- 9) Can a single use of a mark on the internet/on a website be attributed only to a specific single class of goods/services, or can it be attributed across a range of goods/services?

Please select:

- a) only a specific single class of goods/services
  - b) can be across a range of goods/services – please explain
  - c) other answer: please explain
- 10) What is the effect (in terms of genuine use) by the use of a mark in the virtual world (such as in a Metaverse), and in particular does the use of a mark in the virtual world also signify use of the mark on physical goods/real-world services?
- 11) What factors are taken into account when assessing whether the use of a trade mark in a virtual world (such as the metaverse) can be accepted as use in your jurisdiction in terms of the geographical coverage? Please select one or more answers from the following choices and provide explanations as appropriate:
- a) whether the consumers in your jurisdiction can access the virtual world;
  - b) whether there are users or participants from your jurisdiction in the virtual world;
  - c) whether the virtual world provides the option of using a local language of your jurisdiction;
  - d) whether the virtual world provides the option of using a local currency of your jurisdiction;
  - e) whether the virtual world provides an environment mimicking the local real environment of your jurisdiction;
  - f) whether the organization who created or provides the virtual world is located in your jurisdiction;
  - g) whether any physical facilities used to provide the virtual world are located in your jurisdiction;
  - h) whether there are any promotional activities targeting consumers in your jurisdiction by the user of the trade mark or the provider of the virtual world;
  - i) other, namely .....

### **Justification of Non-use**

- 12) What can be the justification of non-use in your jurisdiction? Please select one or more answers from the following choices and provide explanations as appropriate:
- a) None;
  - b) Force majeure;

- c) Policy restriction in your jurisdiction;
  - d) Policy restriction in other jurisdictions, for instance in the jurisdiction of the trade mark proprietor if it is out of your jurisdiction;
  - e) Bankruptcy/insolvency of the trade mark proprietor;
  - f) The trade mark proprietor being in financial difficulty (but not insolvent);
  - g) Requirement of a licence or marketing authorization which takes long time to obtain;
  - h) A still-pending trade mark transfer;
  - i) A still-pending trade mark dispute regarding ownership, validity, etc.;
  - j) A sufficiently high existing reputation of the trade mark, such that further use is commercially pointless/futile because it would not significantly increase or enhance that reputation;
  - k) Others, please name\_\_\_\_\_.
- 13) Would the burden of proof to prove the justification be reduced if it relates to a widely known event, such as the COVID 19 pandemic?

Please answer YES or NO and explain.

## **II) Policy considerations and proposals for improvements of your Group's current law**

- 14) Do you consider your Group's current law or practice relating to genuine use and proving trade mark use adequate or do you consider that the law should be changed? Please explain.
- 15) Are the rules regarding genuine use and proving use adequate for the issue arising in relation to the use of trade marks in the virtual world? If not, what changes should be made? Please explain.
- 16) If there are specific reasons for disqualifying online/internet use in your Group's law so that it does not count as genuine use of a mark, please explain those reasons.
- 17) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

## **III) Proposals for harmonisation**

- 18) Do you believe that there should be harmonisation in relation to issues regarding genuine use and proving use? Please answer YES or NO.

*If YES, please respond to the following questions without regard to your Group's current law or practice.*

*Even if NO, please address the following questions to the extent your Group considers your Group's current law or practice could be improved.*

### **Evidence to Prove Trade Mark Use**

- 19) Should there any quantitative or temporal threshold (minimum level) on evidence requirement to prove genuine use?

Please answer YES or NO. Please comment.

- 20) When considering proof of genuine use, should there be specific types of evidence (A) always excluded, (B) always included, or (C) given weight according to the circumstances? If yes, please give the types of evidence for A,B and C above and explain why they should be treated differently.

- 21) Please consider the following types of evidence, and select category A, B or C for each of them and explain for each type why that category should apply:

- a) declarations by or on behalf of the trade mark owner (e.g. corporate representatives) (affidavits)
- b) declarations by unconnected and unpaid third parties
- c) declarations by unconnected but paid third parties
- d) copies of current web pages
- e) copies of web pages from Wayback Machine (including entries from Wikipedia which cannot any longer be modified)
- f) consumer surveys
- g) copies of invoices, bills, and accounts
- h) copies of advertising materials
- i) catalogues
- j) copies of distribution contracts
- k) witness evidence
- l) private documents, including private opinions
- m) anything else: please name and explain.

- 22) Should reputable/well known/famous/historical trademarks be treated differently in terms of proof? If so, in what respects?

- 23) Please explain what should be probative value of the following:

- a. a single use of a mark on the internet/on a website
- b. mere advertising (real commercial advertisement rather than just advertising the ownership or information of the trade mark) – with no sales

- 24) Please explain if evidence of use should include specific information, for example place,



time, extent or nature of use? If yes, should all the evidence show all of the above information or whether this is not necessary and the evidence should be considered and assessed as a whole?

- 25) Should evidence of use be the same or different in courts and IP offices/administrative tribunals?

**of the Mark in Forms Different from the Registered One and the Allowed Form Variation**

- 26) What should be the criteria when assessing the genuine use of a trade mark if the mark in actual use is in a form different from the trade mark as registered? In other words, how much form variation of the mark should be accepted in proving its genuine use?
- 27) What factors should be considered when judging whether the use of a variation of the mark can be accepted as valid use of a registered trade mark? Please select one or more answers from the following choices and provide explanations as appropriate:
- a) the distinctiveness of the registered trade mark and the variation;
  - b) whether such a variation alters the distinctive character of the registered trade mark;
  - c) whether consumers view them as the same mark;
  - d) whether the variation of the mark is also registered;
  - e) the features of the industry in which the trade mark is used and the business customs of the industry in relation to trade mark use;
  - f) other, please name \_\_\_\_\_.
- 28) Which of the following variations should be viewed as not altering the distinctive character of the registered trade mark?

Please choose one or more answers from the following choices:

- a) in which the font, size, and/or colour of the registered trade mark is changed, partially or wholly;
- b) in which distinctive elements are added to the registered trade mark;
- c) in which non-distinctive elements are added to the registered trade mark;
- d) in which part of the distinctive element is omitted from the registered trade mark;
- e) in which the non-distinctive element is omitted, partially or wholly, from the registered trade mark;
- f) in which the word of the registered trade mark has been changed other than adding or omitting words but constitutes similar mark to the registered trade mark;
- g) in which the layout of the different elements in the registered mark is changed, for instance, changing the up-and-down arrangement into left-and-right arrangement;
- h) in which one composite element is omitted in case of a combined trade mark, for instance, the figurative element is omitted in use when it is a word/figurative combined

trade mark;

- i) in which the registered mark is used in conjunction with another mark;
- j) others, please name and explain \_\_\_\_\_.

### **Trade Mark Use on the Internet and Virtual World**

- 29) Should the use of a mark on the internet/on a website be taken into account for genuine use, and if so, what should be the criteria?

Please answer YES or NO and explain.

- 30) Should a single use of a mark on the internet/on a website be attributed only to a specific single class of goods/services, or should it be attributed across a range of goods/services?

Please select:

- a) only a specific single class of goods/services
  - b) should be possibly across a range of goods/services – please explain
  - c) other answer: please explain
- 31) What should be the effect (in terms of genuine use) by the use of a mark in the virtual world (such as in a Metaverse), and in particular should the use of a mark in the virtual world also signify use of the mark on physical goods/real-world services?
- 32) What factors should be taken into account when assessing whether the use of a trade mark in a virtual world (such as the metaverse) can be accepted as use in a jurisdiction in terms of the geographical coverage? Please select one or more answers from the following choices and provide explanations as appropriate:
- a) whether the consumers in your jurisdiction can access the virtual world;
  - b) whether there are users or participants from the jurisdiction in the virtual world;
  - c) whether the virtual world provides the option of using a local language of the jurisdiction;
  - d) whether the virtual world provides the option of using a local currency of the jurisdiction;
  - e) whether the virtual world provides an environment mimicking the local real environment of the jurisdiction;
  - f) whether the organization who created or provides the virtual world is located in the jurisdiction;
  - g) whether any physical facilities used to provide the virtual world are located in the jurisdiction;
  - h) whether there are any promotional activities targeting consumers in the jurisdiction by the user of the trade mark or the provider of the virtual world;

- i) other, namely .....

**Justification of Non-use**

- 33) What should be valid justifications of non-use? Please select one or more answers from the following choices and provide explanations as appropriate:
- a) none;
  - b) force majeure;
  - c) policy restriction in the jurisdiction where the trade mark is registered;
  - d) policy restriction in other jurisdictions, for instance in the jurisdiction of the trade mark proprietor if it is out of trade mark registration jurisdiction;
  - e) bankruptcy/insolvency of the trade mark proprietor;
  - f) the trade mark proprietor being in financial difficulty
  - g) requirement of a licence or marketing authorization which takes long time to obtain;
  - h) in the process of a trade mark transfer;
  - i) in the process of a trade mark dispute regarding ownership, validity, etc.;
  - j) a sufficiently high existing reputation of the trade mark, such that further use is commercially pointless/futile because it would not significantly increase or enhance that reputation;
  - k) others, please name \_\_\_\_\_.
- 34) Should the burden of proof to prove the justification be reduced if it relates to a widely known event, such as the COVID 19 pandemic?

Please answer YES or NO and explain.

**Others**

- 35) Please comment on any additional issues concerning any aspect of trade mark use you consider relevant to this Study Question.
- 36) Please indicate which industry/cultural sector views provided by in-house counsel are included in your Group's answers to Part III.