

# Country correspondents

The Country correspondents section of *World Trademark Review* is a feature in which leading firms from countries across the globe take a detailed look at a specific topic affecting trademark owners

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In this issue the correspondents consider the complex relationship between trademarks and advertising

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# Benelux takes hardline view on comparative advertising

Ten years ago, comparative advertising featuring third-party marks was unlawful in Benelux. The implementation of the EU Comparative Advertising Directive has forced a change in thinking, but the courts still maintain a relatively strict approach

Until around 10 years ago, Benelux courts generally perceived comparative advertising to be infringing if it featured the trademarks of third parties. Since the introduction of the EU Comparative Advertising Directive (97/55/EC), which amended the EU Misleading Advertising Directive (84/450/EEC), the courts have started to allow certain types of comparative advertising, but strict criteria remain in place. This article looks at the evolution of comparative advertising law in Benelux, with an emphasis on the approach taken by the Netherlands courts in light of guidance from the European Court of Justice (ECJ). While decisions of the Dutch courts are the main focus for this article, in principle, Belgian and Luxembourgian case law do not differ markedly from that of the Netherlands.

## EU approach

Trademark law converges with comparative advertising law when an advertiser uses a competitor's mark without its consent with the aim of showing that the advertiser's product or service is better in some way than its competitor's rival product or service. The Comparative Advertising Directive defines and regulates comparative advertising in the European Union. It prohibits such advertising if it profits unjustifiably and without valid reason from the reputation of the competitor's trademark, or if that use is detrimental to the distinctive power or reputation of the mark. It allows comparative advertising provided that certain strict criteria are met. The advertisement must:

- not be misleading;
- compare goods or services meeting the same needs or intended for the same purpose;
- objectively compare one or more material, relevant, verifiable and

representative features of those goods and services, which may include price;

- not create confusion in the marketplace between the advertiser and a competitor or between the advertiser's trademarks, trade names, other distinguishing marks, goods or services and those of a competitor;
- not discredit or denigrate the trademarks, trade names, other distinguishing marks, goods, services, activities or circumstances of a competitor, or products with a designation of origin;
- relate in each case to products with the same designation;
- not take unfair advantage of the reputation of a trademark, trade name or other distinguishing mark of a competitor or of the designation of origin of competing products; and
- not present goods or services as imitations or replicas of goods or services bearing a protected trademark or trade name.

In the authors' opinion, the directive replaces the rules provided for under Benelux trademark law and prevents the national courts from applying standards stricter than those it sets out.

## ECJ advice

The ECJ has given further guidance on the application of the directive in a series of decisions. In the *Veuve Clicquot Ponsardin Case* (C-381/05), the ECJ held that if an advertiser refers to a type of product (instead of to a specific company or product), this can constitute comparative advertising if, by means of that reference, it is possible to identify the specific company or branded product to which the advertising actually refers. The fact that there are competitors on

the market other than those indirectly referred to in the advertising is of no relevance when it comes to determining whether the advertising is comparative. (Dutch courts looking at this issue have ruled that comparative advertising is unlawful only if it is possible to trace the comparison back to the competitor's mark: *Peteri v AB Power Selling* (The Hague District Court, BIE 2007, 109) and *Reckitt Benckiser v Unilever* (Haarlem District Court, IER 2007, 238).)

Other important decisions of the ECJ include the *Toshiba Europe Case* (C-112/99), *Siemens v VIPA* (C-59/05) and *Gillette v LA Laboratories* (C-228/03). In the *LA Laboratories Case* the ECJ clarified the test for third-party use of a trademark in connection with spare parts or accessories for a product. It held that the use of a third party's trademark does not necessarily mean that the advertiser is representing that the product is of the same quality or has equivalent properties to the products of the third-party trademark owner. However, it is for the national court to determine whether the use is honest.

## Benelux angle

The ECJ's approach in the *LA Laboratories Case* is less restrictive than that applied by the Dutch Supreme Court in an earlier case involving *Gillette (A&P v Gillette)* (NJ 2001/582)). The Supreme Court granted *Gillette* an injunction preventing a manufacturer of spare parts for *Gillette* products from using *Gillette's* marks on its goods. The court held that the use of the marks misleadingly implied that the products were of a similar quality to those of *Gillette*.

Perhaps the most important recent decision of the Dutch courts in this area is *KPN v UPC* (IER 2006/81). *KPN* objected to *UPC's* use of its marks in advertisements

comparing the two parties' internet services. KPN disputed that UPC had a valid reason to use its mark. The Arnhem District Court examined the case under Benelux trademark law and the Comparative Advertising Directive.

Pursuant to the *LA Laboratories Case*, it first assessed whether the use UPC made of KPN's mark was necessary and in accordance with honest practices in industrial and commercial matters. The court concluded that this was not the case due to the negative tone of the comparative advertising. Second, it applied the test under the directive and held that, again due to the negative tone, the comparison did not highlight objectively the differences between the two parties' services.

The decision was upheld on appeal (Case IER 2007/54). The appellate court held that although comparative advertising is acceptable *per se*, UPC's advertising was infringing as it did not compare objectively one or more material, relevant, verifiable and representative features of the two parties' services.

The Haarlem District Court came to a similar conclusion in another case involving KPN (*KPN v Pretium* (LJN: AU 8231)). The court concluded that the comparative advertising at issue was prohibited as it discredited KPN's marks.

In *Schuitema v Steengoed* (IER 2007/10), the Utrecht District Court deemed the defendant's comparative advertising unlawful because it did not include an objective evaluation of the prices of the goods compared. Additionally, the court noted that the defendant had altered the font type and colour of the plaintiff's mark, which, it concluded, constituted denigrating and damaging use.

### Conclusion

The implementation of the directive has had an important impact on Benelux law in relation to comparative advertising – for one thing, it has legalized comparative advertising featuring another's marks. However, as recent case law indicates, Benelux courts have taken a strict approach to the interpretation of the directive and the slightest hint of any misleading or denigrating implications will lead to an injunction. [WTR](#)



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