

EUIPO: third-party second-hand sale of Testarossa automobiles does not constitute genuine trademark use

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06 October 2023



EUROPEAN UNION

Legal updates: case law analysis and intelligence

- The Fifth Board of Appeal has revoked Ferrari SpA's TESTAROSSA mark for "automobiles"
- The sale of used Testarossa cars or parts thereof by third parties does not constitute genuine use
- A reputation, by itself, does not prove genuine use

These cancellation proceedings based on non-use were directed against the International Registration (IR) for TESTAROSSA designating the European Union, owned by Ferrari SpA. The proceedings were first filed in 2015 against the Class 12 goods (vehicles, automobiles), and later in 2016 against the Class 28 goods (games, toys motor vehicles). Both revocation requests were filed in response to an opposition filed by the IR holder against TESTA ROSSA (EUTM Application No 13019047) covering, among others, goods in Classes 12 (bicycles and bicycle parts) and 28 (games, model vehicles).

The Cancellation Division of the EUIPO revoked the contested trademark for most goods in Class 12, except for "automobiles". In a decision of 29 August 2023, the Fifth Board of Appeal annulled the Cancellation Division's decision with respect to "automobiles" and revoked the contested IR for these goods as well ([Joined Cases R 334/2017-5 and R 343/2017-5](#)).

Background

In 2015, the cancellation applicant filed a request for revocation of the IR for all Class 12 goods, in particular vehicles and automobiles. The IR holder argued as follows:

- Testarossa was a sports car produced from 1984 to 1996 by the IR holder and was "recognised as one of the most glorious Ferrari cars ever created in history".
- The Testarossa sports car became famous on TV shows such as *Miami Vice*, and well-known actors possessed that car.

- Although no longer in production, the Testarossa cars are still in great demand on the collectors' market, where they are resold as one of the most sought-after sports cars with the greatest values. It is tied to the legend of Ferrari, the IR holder.

This was supported by, among other things, articles on second-hand sales, third-party and authorised dealer invoices, as well as reports involving celebrities and experts from the relevant period (2010 to 2015).

The cancellation applicant contested this evidence and argued that the IR holder itself had not used the mark for more than 30 years. The fact that a few used historical Ferrari Testarossa sports cars still existed and were being traded among collectors was insufficient. The sporadic sale of used historical cars by third-party car dealers did not constitute genuine use of the trademark by, or with the consent of, the IR holder. An independent car dealer is not a licensee. The IR holder was not even entitled to prohibit the use for used cars due to exhaustion of its rights (Article 15 of [Regulation 2017/1001](#)). Further, the alleged 'restauration and maintenance' services and issuance of 'authenticity certificates' in relation to historic cars was, in its view, not use of the trademark for goods in Class 12. The resale of goods which were put on the market a second time could not be regarded as genuine use for those goods, as they were not offered under the trademark TESTAROSSA.

On 16 December 2016 the Cancellation Division revoked the contested trademark for most goods in Class 12, except for "automobiles", arguing that cars under the mark TESTAROSSA were still traded on the market in various member states during the relevant period and recognised by the relevant public as originating from the IR holder.

Upon appeal by both parties, the Board of Appeal first suspended the joined proceedings pending a judgment of the Court of Justice of the European Union (CJEU) concerning parallel civil proceedings in Germany addressing the interpretation of the extent of a genuine use for used cars, spare parts and model cars.

Board of Appeal decision

Following the CJEU decision in [Joined Cases C-720/18 and C-721/18](#), the board granted the cancellation applicant's appeal and rejected the IR holder's appeal. After the decision had already become final for all other goods, the board argued on the merits that the mark was also not put to genuine use for "automobiles" during the relevant period (2010 to 2015). It was undisputed that the IR holder itself did not acquire or sell any second-hand car, and the sale of used Testarossa cars or parts thereof by third parties was not considered genuine use.

The board distinguished genuine use from exhaustion, descriptive use and reputation, and argued that later third-party uses under these principles could not be attributed to the IR holder for genuine use purposes. After the sale to the first distributor, any later uses with the consent of the proprietor had no or little impact on genuine use under Article 18 of the regulation, unless the proprietor was actively involved in such third-party sales of second-hand goods, or received commissions or was even informed of such sales - none of which was sufficiently proven here. This could also be achieved if licensees (re)sold goods for the proprietor, but here the IR holder did not prove such licensing relation, and even a potential subsequent retroactive approval would not be sufficient.

Moreover, a reputation, by itself, does not prove genuine use: a mark may have been extensively used before the relevant period so as to establish genuine use at that time, and may still enjoy an extensive reputation; however, this does not prove ongoing use. Finally, the sale of replacement parts can constitute use for the main product - "automobiles" - if the relevant public believes that they originate from the same company and are an integral part of the goods. However, in the present case, some of the parts were taken from old cars and sold by independent traders, and the reference to Testarossa was merely made in a descriptive way to indicate that spare parts were fit for such cars.

Comment

The decision addresses the fine line between infringing use and statutory exemptions (eg, exhaustion and fair or descriptive use) on the one hand, and the issue of a genuine use by the proprietor on the other. Evidence based on third-party resales and references in magazine articles cannot be asserted for genuine use purposes, if these uses are not directly attributed to the IR holder (and could also not be contested by the IR holder in infringement cases). Depending on the actual use and behaviour of the applicant, registering a sign identical to an old trademark may constitute unfair competition; however, the threshold is quite high. After all, a trademark holder should maintain older marks by actively re-promoting, reselling or re-furbishing the products itself to ensure that the marks are not vulnerable to non-use or re-registration by third parties.

Procedurally, it is worth noting that the IR holder's appeal was rejected as inadmissible, as it failed to formally contest the lower-instance decision for all revoked goods.

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