DECISION
of the Cancellation Division
of 28/10/2009:

IN THE PROCEEDINGS FOR A DECLARATION OF REVOCATION

OHIM reference number:	**2846C**
Community trade mark:	**250 977** **ANDERSEN CONSULTING**
Language of the proceedings:	English
APPLICANT	**PAW International N.V.** Carawaraweg 88 Curaçao Netherlands Antilles
REPRESENTATIVE	**MERKENBUREAU KOOPS** Siriusdreef 17-27 2132 WT Hoofddorp Netherlands
COMMUNITY TRADE MARK PROPRIETOR	**SAW IP NA NV** Pletterijweg Oost Ara Hill Top Unit A-6 Curaçao Netherlands Antilles
REPRESENTATIVE	**PHILLIPS & LEIGH** 5 Pemberton Row London EC4A 3BA United Kingdom

THE CANCELLATION DIVISION

composed of: Alexandra Apostolakis, Stephan Hanne and Magnus Ahlgren has taken the following decision on 28/10/2009:

1. **The registration of Community trademark No 250 977 is revoked in its entirety as of 28/04/2008.**

2. **The Community trade mark proprietor bears the costs incurred by the applicant for cancellation.**

3. **The amount of the costs to be paid by the Community trade mark proprietor to the applicant shall be: EUR 1 150 (EUR 450 - representation costs - and EUR 700 - invalidity fee -).**

FACTS AND ARGUMENTS

(1) The Community trade mark No 250 977 ANDERSEN CONSULTING (word mark) ("the CTM") was filed on 03/05/1996 and registered on 17/06/1998 for *computer software* in class 9, *business consulting services, namely strategy consulting and change management* in class 35 and *information technology consulting and systems integration services* in class 42.

(2) On 28/04/2008, the applicant filed a request for revocation in respect of all the goods and services covered by the CTM.

(3) The grounds for the request are those of Article 51(1)(a) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark ("CTMR"), i.e. the CTM has not been put to genuine use in the Community in connection with the goods and services within a continuous period of five years.

(4) In the reasoned statement filed with the request for revocation, the applicant retained the right to request an earlier date on which the ground for revocation occurred pursuant to Article 55(1) CTMR.

(5) During the revocation proceedings the parties filed observations within the time limits set.

(6) In its observation, the CTM proprietor relies on proper reasons for non-use according to Article 51(1)(a) CTMR. The CTM was formerly owned by Arthur Andersen LLP, which was part of the Arthur Andersen network worldwide, one of the so called "Big Five" accounting and professional service organisations active worldwide. The entities of the Arthur Andersen network were linked through equity in the "Andersen" name, particularly Arthur Andersen (the accounting network), Andersen Consulting and Andersen Legal. The various firms were coordinated by a Swiss entity called Andersen Worldwide. Andersen Consulting, responsible for consulting services, separated from the Andersen network and changed its name in 2001 to Accenture. After the exit of Andersen Consulting, the other firms within the Arthur Andersen network continued to provide consulting services.

(7) The CTM proprietor moreover sets forth that Arthur Andersen LLP was convicted on 15/06/2002 in the United States on the basis of its conduct in relation to an audit. Due to this conviction, Arthur Andersen LLP had to surrender its US licence as a certified public accountant on 31/08/2002, effectively putting it out of business as it could no longer audit or provide related services to the vast majority of its clients. This had a direct consequence on the operation of the Andersen network across the European Union, which could not function without input, support and services from the United States. In addition, many of the clients of the Andersen network were multi-national entities, which needed a firm that could audit and advise them on a multinational basis. With the "loss" of such an important market as the United States, it was not possible for those clients' needs to be fulfilled. After the conviction, the Andersen network in Europe continued only for a short period but eventually all Andersen companies had to trade under different names. The close interdependence of the various companies of the Andersen Network, including those of the United States and the European Union, was confirmed in anti-competition rulings of the European Commission concerning the merger of European Andersen companies with third companies. If one brick in this network structure were to be taken away, the structure would not function until the brick could be put back in its place. Conformity with centralised policies, practices and standards, a single insurance structure and the systematic sharing of a global client base are indications of the global nature of the Andersen network.

(8) The CTM proprietor states that this conviction was overturned on appeal on 31/05/2005. The use of the CTM was therefore effectively not feasible as of 2002 and it could possibly not have recommenced until May 2005. Legally, the CTM proprietor refers to the interpretation of proper reasons of non-use by the European Court of Justice (see judgment of the Court of 14 June 2007 in Case C-246/05 *Armin Häupl* v *Lidl Stiftung & Co. KG* ('Le Chef de Cuisine') [2007] ECR I-4673). It claims that the circumstances are unprecedented, in particular as the CTM was used extensively for an extended period of time until its conviction in June 2002. Even six years thereafter, a considerable reputation and goodwill is attached to the various trade marks of the network of the worldwide Andersen network. The existence of such residual goodwill is also shown by various trade mark applications of third parties consisting *inter alia* of the term ANDERSEN which have been refused registration on account of earlier rights of the CTM proprietor. The revocation of the CTM would effectively enable other parties to use such trade marks and to take advantage of the goodwill. The revocation of the CTM would be contrary to the nature and purpose of the trade mark protection as follows from the eighth recital in the preamble to the CTMR. Moreover, it would constitute a deception as to the perceived origin of the services provided by third parties. Hence, to protect the goodwill and reputation of the Andersen trade marks, and to protect the public from being misled, the CTM proprietor should be given significant time to regain the confidence of its customers and to re-commence its business.

(9) In support of its assertions, the CTM proprietor filed copies of three decisions of the Commission of the European Communities concerning mergers of companies as mentioned in the following case specifications: Case No COMP/M.2816 of 05/09/2002 – Ernst & Young / Andersen France; Case No COMP/M.2824 of 27/08/2002 – Ernst & Young / Andersen Germany; Case No COMP/M.2810 of 01/07/2002 – DELOITTE & TOUCHE / Andersen UK.

(10) The applicant replies that the conviction of Arthur Andersen LLP in the United States did not extend to the European Union. The European companies of the Andersen network were not legally prohibited from continuing their auditing business. Moreover, the conviction did not have any effect on business activities such as consulting or legal affairs services except for auditing services. This is confirmed by the continuation of business of the European companies of the Andersen network. Moreover, in contradiction to the CTM proprietor's assertions, even after August 2002 the CTM proprietor submitted proof of use in opposition proceedings against a Community trade mark application of a third party. Therefore, the termination of the business in Europe was merely a commercial decision.

(11) With regard to the submission of the CTM proprietor, the applicant requested a revocation of the CTM as of 31/08/2007, i.e. five years after Arthur Andersen LLP surrendered its US licence as a certified public accountant.

GROUNDS FOR THE DECISION

On the admissibility

(12) The request for revocation was filed on 28/04/2008. The CTM was registered on 17/06/1998. Thus the CTM had been registered for more than five years at the date of the filing of the request.

(13) The request also complies with the other requirements for its admissibility pursuant to the CTMR and the Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing the CTMR ("CTMIR") and is therefore admissible.

On the substance

(14) Pursuant to Article 51(1)(a) CTMR the rights of the proprietor of the Community trade mark shall be declared revoked on application to the Office, if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietors rights in a Community trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application which began at the earliest on expiry of the continuous period of five years of non-use shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application may be filed.

On the burden of proof

(15) In revocation proceedings on the grounds of non-use the burden of proof lies with the proprietor because the applicant cannot be expected to prove a negative fact, namely that the mark has not been used during a continuous period of five years. It is thus the CTM proprietor who must prove actual and

genuine use within the European Union, or present proper reasons for non use.

(16) Moreover, it should be noted that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (see judgment of the European Court of First Instance of 27 September 2007 in Case T-418/03 *La Mer Technology, Inc.* v *OHIM* ('La Mer') [2007] ECR II-125*, at paragraph 59). The same applies, if not even more, to the evidence to prove "proper reasons of non-use" (see Decision of the Boards of Appeal of 15 December 2008 in Case R 982/2007-2 – METABOLIFE / METABOLITES, at paragraph 23).

On the time of use

(17) Since the request for revocation was filed on 28/04/2008, the CTM proprietor needs to prove genuine use for the goods and services at issue during the five year period preceding that date, i.e. from 28/04/2003 until 27/04/2008 (see the Office's Manual for the time period to be considered, Part D, Section2: Cancellation Proceedings, Substantive Provisions).

On proper reasons for non-use

(18) The CTM proprietor did not file any evidence showing actual use of the CTM in the Community in relation to the goods and services in question for the time period mentioned before. As to the time starting from the registration of the CTM in June 1998 until the conviction of Arthur Andersen LLP in June 2002, it should be noted that the CTM proprietor claims to have used the CTM extensively for an extended period of time. However, the only material concerning this time period, which is supposed to prove the interdependency of the European entities of the Andersen network from those in the United States, consists of the three decisions of the Commission of the European Communities concerning mergers of European Andersen entities. The decisions indicate in particular the scope of business activities of these entities as far as relevant for the purpose of these rulings. However, the use of the CTM within the Community market is not subject matter thereof.

(19) The CTM proprietor exclusively relies on proper reasons for non-use pursuant to Article 51(1)(a) CTMR on account of the conviction of Arthur Andersen LLP in the United States in 2002 and it claims that use of the CTM possibly could not have recommenced until this conviction was overturned in May 2005.

(20) In interpreting the meaning of proper reasons for non-use account must be taken of the tenth recital in the preamble to the CTMR according to which there is no justification for protecting Community trade marks except where they are actually used. For this reason, revocation proceedings as foreseen in the CTMR serve to revoke Community trade marks which have not been put to actual use at all, or which have had their use interrupted for more than five years. Contrary to the observations of the CTM proprietor, the eighth recital has no relevant bearing in the present case as it only relates to the protection of a Community trade mark in relation to other marks.

(21) According to case law, only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise

independently of the will of the proprietor of that mark, may be described as proper reasons for non-use of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable (see ‘Le Chef de Cuisine’, at paragraph 54).

(22) Furthermore, as to the time period, it should be recalled that, as far as in other cases an actual use is at stake, it follows from Article 15(1) CTMR that only trade marks of which genuine use has been suspended during an uninterrupted period of five years are subject to the sanctions provided for by the CTMR. Accordingly, it is sufficient in such cases that a trade mark should have been put to genuine use during a part of the relevant period for it not to be subject to the sanctions (see judgment of the Court of First Instance of 8 July 2004 in Case T-203/02 *The Sunrider Corporation* v *OHIM* (‘Vitafruit’) [2004] ECR II-2811, at paragraph 45). However, no such equivalent provision exists in relation to invoked proper reasons for non-use. Such reasons only form an exception to the required genuine use of a Community trade mark and as such are to be interpreted more strictly as to their required length in time in order to release the proprietor from his obligation of use. Accordingly, as laid down in the Office guidelines, if reasons for non-use existed only during a part of the five-year-period, this may not always be considered as justifiable for setting the proof of use requirement aside (see Opposition Guidelines, Part 6, Proof of Use, chapter II - 10. Justification of non-use). In fact, in the Cancellation Division’s view, in order to maintain the registration of a Community trade mark which has not been put to actual use at all during the five-year period, proper reasons for non-use should apply for a substantial part thereof, if not for all of it.

(23) In the present case, the obstacle invoked by the CTM proprietor was removed in principle as of May 2005. The CTM proprietor did not explicitly assert that it was impossible or unreasonable to use the CTM thereafter. It might be conceivable that, from an economical point of view, the European entities of the Andersen network were not in a position to continue rendering their services after the conviction in 2002 by reason of the high interdependency of the European entities from those in the United States. The subsequent merger of the European companies of the Andersen network with other companies, however, does not justify the lack of any use of the CTM thereafter for a time period of almost three years. With regard to the CTM proprietor claims that it should be given significant time to regain the confidence of its customers and to re-commence its business, it should be recalled that the transitional existence of proper reasons for non-use do not give rise to a new five year period to recommence genuine use. In any case, the CTM proprietor did not file any evidence showing an actual intent and/or preparatory steps to recommence the use of the CTM in question.

(24) The arguments put forward by the CTM against the revocation of the CTM despite its non-use for such a time period, in particular the residual goodwill asserted, do not have a relevant bearing in applying the provisions concerning genuine use. Nothing in the CTMR or in other provisions suggests that an actual use is not required for Community trade marks enjoying goodwill, thereby circumventing the legal consequence of non-use during a period of five years as foreseen in the CTMR. It might only give rise to the continued existence of non-registered trade mark rights according to national rules.

(25) Neither is the question of genuine use in any way related to a potential deception of the public by way of the registration of similar or identical trade marks by third parties after the CTM is revoked. Such consequences as described by the CTM proprietor cannot exempt the CTM proprietor from putting its CTM to genuine use, as required by the law to maintain the trade mark right and as laid down in said tenth recital in the preamble of the CTMR.

(26) It follows from above, that even if proper reasons for non-use existed up until or shortly after May 2005 when the conviction of Arthur Andersen LLP in the United States was overturned; the lack of any use in the following years thereafter is not justified.

(27) In any case, the Cancellation Division notes that in particular the goods in class 9 and the services in class 42 at issue are not in any way related to auditing services which Arthur Andersen LLP was prohibited from rendering in the United States. Proper reasons for non-use if accepted would not extend to such goods and services (see decision of the Cancellation Division of 28 May 2008 in Case 1345 C – Red Bull, at paragraphs 20-25).

Conclusion

(28) Therefore, the CTM shall be declared revoked pursuant to Article 51(1)(a) CTMR and deemed not to have had any effects pursuant to Article 55(1) CTMR as from the date of the application for revocation, i.e. as of 28/04/2008.

(29) As to the applicant's request to declare the CTM revoked beforehand, as of 31/08/2007, it should be noted that according to the practice of the Cancellation Division the applicant has to show a legitimate interest in support of such a request in order to depart from the general rule as contained in Article 55(1) CTMR. In the present case, such interest has not been asserted by the applicant. This supplementary request is therefore to be rejected.

COSTS

(30) Pursuant to Article 85(1) CTMR and Rule 94 IR, the party losing revocation proceedings shall bear the fees and costs of the other party. The CTM proprietor, as the party losing the revocation proceedings, shall therefore bear the fees and costs of the applicant for revocation.

(31) The amount of the costs to be paid by the CTM proprietor to the applicant pursuant to Article 81(6) CTMR in conjunction with Rule 94(3) CTMIR shall be: EUR 1 150 (EUR 450 - representation costs - and EUR 700 - invalidity fee-).

THE CANCELLATION DIVISION

Alexandra Apostolakis	Stephan Hanne	Magnus Ahlgren

Notice on the availability of an appeal:

Under Article 59 CTMR any party adversely affected by this decision has a right to appeal against this decision. Under Article 60 CTMR notice of appeal must be filed in writing at the Office within two months from the date of notification of this decision and within four months from the same date a written statement of the grounds of appeal must be filed. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 800 has been paid.

Notice on the review of the fixation of costs:

The amount determined in the fixation of the costs may only be reviewed by a decision of the Cancellation Division on request. Under Rule 94(4) CTMIR such a request must be filed within one month from the date of notification of this fixation of costs and shall be deemed to be filed only when the review fee of EUR 100 (Article 2 point 30 of the Fees Regulation) has been paid.