

§ 32:45 Infringement actions—Action for damages

For a trade mark infringement, a trade mark owner can submit a claim for damages in substantive proceedings to the civil court pursuant to article 2.21(1) of the Benelux Convention on Intellectual Property. Article 2.21(2) of the Benelux Convention on Intellectual Property stipulates that the court must, when calculating damages a party has suffered, take into account all appropriate aspects, such as the negative economic consequences, including lost profits of the injured party, unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as moral prejudice caused to the trade mark owner.

As an alternative, the court may set damages as a lump sum based on elements such as the royalties or fees that would have been due if the infringer had requested permission to use the trade mark. According to article 45 of the TRIPs Treaty and article 13 of the EU Enforcement Directive, damages can only be claimed if the infringing party knew or had reasonable grounds to know that he was committing an infringement.

Article 2.21(3) of the Benelux Convention on Intellectual Property states that the court may, as a way of compensation for damages and at the request of the trade mark owner, order that ownership of infringing goods be transferred to the trade mark owner. The same order can be given regarding the materials and instruments mainly used in the manufacture of those goods.

Pursuant to article 2.21(4) of the Benelux Convention on Intellectual Property, a trade mark owner may, in addition to or instead of an action for compensation for damages, claim surrender of the profits that the infringing party has made with the infringing activities. Article 2.21(4) of the Benelux Convention on Intellectual Property explicitly states that such a claim is only possible against infringers in bad faith.¹ The Benelux Court of Justice has ruled, in *Ondeo/Michel Company*, that a party is in bad faith when an infringement is committed deliberately. According to the Benelux Court of Justice, deliberate infringement exists if the party whose conduct is qualified as

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¹Trade mark owners have argued that the requirement of bad faith is not in line with article 13 of the EU Enforcement Directive pursuant to the Nikolajeva judgment of the European Court of Justice, 22 June 2016, C- 280/15. The Court of The Hague rejected this argument; Court of The Hague, 22 September 2021, ECLI:NL:RBHA:2021:10375 (Bacardi/JMN), paragraph 5.60.

trade mark infringement was, at the time of the conduct, aware of the infringing nature thereof.

In the same judgement, the Benelux Court of Justice considered that an infringement has not been committed deliberately if the aforementioned party has raised a defence against the infringement that, in advance, cannot reasonably be considered as certain to fail.² Therefore, if a defence can reasonably be followed in a procedure, bad faith cannot be assumed.³ Article 2.21(4) also mentions that a court must reject a claim for surrender of profits if circumstances of the case do not justify this order. Furthermore, a claim for surrender of profits cannot cumulate with an action for compensation of damages consisting of loss of profits.

A trade mark owner also can submit a claim for compensation for damages or surrender of profits on behalf of licensees (article 2.21(5) of the Benelux Convention on Intellectual Property). Licensees can in principle only claim compensation for their own damages or surrender of profits by submitting a joinder of claims in proceedings initiated by the trade mark owner. A licensee cannot bring independent actions for damages or surrender of profits before the court unless he has obtained the right from the trade mark owner to do so (article 2.32(5) and (6) of the Benelux Convention on Intellectual Property). The owner of a collective mark has the right to claim on behalf of the users of the collective mark compensation for damages or surrender of profits for an infringement (article 2.34 *septies* (2) of the Benelux Convention on Intellectual Property). Pursuant to article 2.23 *septies* (1) of the Benelux Convention on Intellectual Property, rightful users of a collective mark can only submit claims for compensation for damages they have suffered or surrender of profits by submitting a joinder of claims in proceedings initiated by the owner of the collective mark.

As to certification marks, only the owner of the certification mark can claim compensation for damages, also on behalf of the rightful users of the mark who have suffered damages due to an infringement (article 2.35 *octies* (2) of the Benelux Convention on Intellectual Property).

§ 32:46 Infringement actions—Injunctions

Injunctions can be claimed in substantive proceedings and in preliminary relief proceedings. Pursuant to article 2.22(3) of the Benelux Convention on Intellectual Property, the trade mark owner may, insofar as not provided by national law, claim an interlocutory injunction against the alleged infringer to prevent a threatening infringe-

²Benelux Court of Justice 11 February 2008, A/2006/4/9, NJ 2008/535 (Ondeo/Michel Company).

³Court of The Hague, 22 September 2021, ECLI:NL:RBDHA:2021:10375 (Bacardi/JMN), paragraph 5.62.

ment or to temporarily cease an alleged trade mark infringement. Pursuant to the article, it also is possible for the trade mark owner to claim a provision of security for continuation of an alleged trade mark infringement to ensure compensation for his damages. In urgent cases, injunctions can be ordered *ex parte* pursuant to article 1019e of the Civil Code of Procedure. An injunction issued by the court applies in principle to the whole Benelux-territory, even if this has not been explicitly requested. The court may, if it considers that there are grounds to do so, expressly limit the prohibition to a particular territory.

A trade mark owner may seek an injunction against a party who infringes or threatens to infringe its trade mark rights. The trade mark owner need not demonstrate that the infringement was attributable to the infringing party. Injunctions, whether interlocutory or not, also can be directed at intermediaries whose services are being used by third parties to infringe the rights of the trade mark owner (article 2.22(3) and (6) of the Benelux Convention on Intellectual Property).

The owner of a collective mark has the right to enforce the collective mark against infringers. Rightful users of a collective mark cannot submit a claim for an injunction unless they have received permission from the trade mark owner to do so or if the trade mark owner has not submitted such claim itself within a reasonable time after being summoned (article 2.34 *septies* (1) in conjunction with article 2.32(4) of the Benelux Convention on Intellectual Property). For certification marks, only the trade mark owner or a person specifically authorized by him has the right to file for an injunction (article 2.35(1) of the Benelux Convention on Intellectual Property).

Licensees can only file for an injunction with the permission of the trade mark owner. However, the holder of an exclusive license can file for an injunction if the trade mark owner has not submitted such claim itself within a reasonable time after being notified (article 2.34(2) of the Benelux Convention on Intellectual Property).