



## 31 Mar 2021 Supreme Court: no additional circumstances required in the assessment of descriptive trade names

Netherlands - [Hoogenraad & Haak, Advertising + IP Advocaten](#)

- The dispute involved British cheese manufacturer Dairy Partners and Dutch dairy company DOC Dairy Partners
- DOC claimed that the use of a descriptive trade name can be prohibited only if there is a likelihood of confusion *and* additional circumstances
- The Supreme Court put an end to years of uncertainty by ruling that no additional circumstances are required

On 19 February 2021 the Dutch Supreme Court issued a long-anticipated [decision](#) regarding the assessment of descriptive trade names. With this ruling, the Supreme Court has put an end to longstanding uncertainty: a likelihood of confusion is sufficient for the protection of descriptive trade names - no additional circumstances are required.

### Background

The claimant, British cheese manufacturer Dairy Partners, and the defendant, Dutch dairy products company DOC (trading as DOC Dairy Partners), were at the centre of a dispute over descriptive trade names. In order to force DOC to change its trade name (and domain name), Dairy Partners commenced proceedings, arguing that DOC's use of the trade name Dairy Partners would lead to a likelihood of confusion. DOC defended itself by arguing that its trade name is descriptive of a company that sells dairy products and that the descriptive nature of the trade name could be prohibited only if there was a likelihood of confusion *and* additional circumstances.

The Appeal Court Arnhem-Leeuwarden referred preliminary questions to the Supreme Court seeking to ascertain which criteria should be applied when assessing descriptive trade names. The Dutch IP community has longed for an answer to this question as, in the past few years, different interpretations have been adopted as a result of a ruling in a dispute about domain names (known as the *Artiestenverloning* case). In said ruling, the Supreme Court concluded that the use of a purely descriptive indication, even if confusing, would be deemed unlawful only if additional circumstances would lead to such conclusion.

Two years later, in the *Parfumwinkel* case, the Court of Appeal of The Hague concluded that *Artiestenverloning* would also apply to the use of descriptive trade names - even though this conclusion did not follow unambiguously from the case law up until then. The big difference between (descriptive) domain names and trade names is that the latter are regulated by a specific legal framework. Adding to the need for answers was that, during all those years, it had remained unclear whether *Artiestenverloning* would also apply to trade names that are not purely descriptive, but partly descriptive.

Before the Supreme Court had the chance to answer the preliminary questions, Dairy Partners and DOC came to settlement. In the public interest, the Supreme Court decided to answer the preliminary questions nonetheless.

### Supreme Court decision

The preliminary questions demanded an opinion on the general interest in allowing everyone to use indications which are descriptive of the nature of a company or its goods/services. The Supreme Court concluded that this general interest was not explicitly regulated under the Trade Name Act, but noted that, due to the advent of the Internet, companies nowadays have a nationwide operating area. As a result, the "establishment of the companies concerned" as a relevant factor in the assessment of trade names was no longer relevant. The advent of the Internet also contributed to the growth of descriptive indications, as this improved the ability to find such companies on the Internet.

As the use of descriptive indications had increased, the Supreme Court found that it might be assumed that the public was now used to seeing companies with descriptive trade names - and, as a result, the public would less likely be confused if more parties use the same, or a slightly different, descriptive trade name. If there was a risk of confusion, this could easily be eliminated by introducing a small variation on the trade name. Conversely, the more distinctive the trade name, the more there would be a likelihood of confusion. It was likely that the public, when confronted with the same or a slightly different name, would more readily associate the trade name with the company using the older name.

In light of the above, the Supreme Court's answered the preliminary questions by concluding that, besides a likelihood of confusion, no additional circumstances were required. The Supreme Court also noted that the general interest in keeping descriptive indications free to use was sufficiently met in the assessment of the likelihood of confusion. As part of such assessment, all circumstances must be taken into account, including the degree of distinctiveness - inherent or acquired - of the earlier trade name.

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