

**European Court of Justice, 6 October 2009, Pago v Tirolmilch**



**TRADEMARK LAW**

**Trade mark with a reputation**

- [The territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community](#)

As the present case concerns a Community trade mark with a reputation throughout the territory of a Member State, namely Austria, the view may be taken, regard being had to the circumstances of the main proceedings, that the territorial requirement imposed by Article 9(1)(c) of the regulation is satisfied.

The answer to the first question referred is therefore that Article 9(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.

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**European Court of Justice, 6 October 2009**

(C.W.A. Timmermans, J.-C. Bonichot, K. Schiemann, J. Makarczyk and L. Bay Larsen)

JUDGMENT OF THE COURT (Second Chamber)

6 October 2009 (\*)

*(Trade marks – Regulation (EC) No 40/94 – Article 9(1)(c) – Trade mark with a reputation in the Community – Geographical extent of the reputation)*

In Case C-301/07,

REFERENCE for a preliminary ruling under Article 234 EC from the Oberster Gerichtshof (Austria), made by decision of 12 June 2007, received at the Court on 26 June 2007, in the proceedings

PAGO International GmbH

v

Tirolmilch registrierte Genossenschaft mbH,  
THE COURT (Second Chamber),

composed of C.W.A. Timmermans, President of the Chamber, J.-C. Bonichot, K. Schiemann, J. Makarczyk and L. Bay Larsen (Rapporteur), Judges,  
Advocate General: E. Sharpston,  
Registrar: B. Fülöp, Administrator,  
having regard to the written procedure and further to the hearing on 5 June 2008,  
after considering the observations submitted on behalf of:

- PAGO International GmbH, by C. Hauer, Rechtsanwalt,
  - Tirolmilch registrierte Genossenschaft mbH, by G. Schönherr, Rechtsanwalt,
  - the Commission of the European Communities, by W. Wils and H. Krämer, acting as Agents,
- after hearing the [Opinion of the Advocate General](#) at the sitting on 30 April 2009,  
gives the following

**Judgment**

1 This reference for a preliminary ruling concerns the interpretation of Article 9(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) ('the regulation').

2 The reference has been made in proceedings between PAGO International GmbH ('PAGO') and Tirolmilch registrierte Genossenschaft mbH ('Tirolmilch') concerning the Community trade mark which is held by PAGO.

**Legal context**

3 Article 1(2) of the regulation provides:

'A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered ... or be the subject of a decision ... declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation.'

4 Article 9(1)(c) of the regulation sets out:

'1. A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

...

(c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.'

5 Article 5(2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) ('the directive') is worded as follows:

'Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not

similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.'

#### **The dispute in the main proceedings and the questions referred for a preliminary ruling**

6 Since 2001, PAGO has been the proprietor of a Community figurative mark for, inter alia, fruit drinks and fruit juices. The essential element of the mark is the representation of a green glass bottle with a distinctive label and lid. PAGO markets in Austria a fruit juice called 'Pago' in such bottles. The Community trade mark held by PAGO is widely known in that Member State.

7 Tirolmilch markets, also in Austria, a fruit and whey drink called 'Lattella'. That drink was initially sold in cartons. Subsequently, it has also been packaged in glass bottles. Two bottle designs resemble in several respects the Community trade mark held by PAGO. In its advertising, Tirolmilch uses a representation which, like the Community trade mark held by PAGO, shows a bottle next to a full glass.

8 PAGO initiated interlocutory proceedings before the Handelsgericht Wien (Commercial Court, Vienna) seeking to prohibit Tirolmilch from promoting, offering for sale, marketing or otherwise using its drink in the bottles at issue and from advertising by means of a representation of the bottles together with a full glass of fruit juice.

9 The Handelsgericht Wien granted the application. On appeal against the order made, PAGO's application was dismissed by the Oberlandesgericht Wien (Higher Regional Court, Vienna). PAGO thereupon lodged an appeal on a point of law with the Oberster Gerichtshof (Austrian Supreme Court).

10 The Oberster Gerichtshof takes the view that there is no likelihood of confusion between the bottles used by Tirolmilch and PAGO's Community trade mark, even on the basis of an overall examination, in so far as the labels affixed to the bottles at issue bear, respectively, the names 'Pago' and 'Lattella', both of which are widely known in Austria.

11 Nevertheless, as PAGO claims that, for the purposes of Article 9(1)(c) of the regulation, Tirolmilch is, without due cause, taking unfair advantage of the reputation, in Austria, of the Community trade mark held by PAGO, the Oberster Gerichtshof expressed uncertainty as to the meaning of the words 'has a reputation in the Community' used in that provision of the regulation.

12 It presumes that, by analogy with the judgment of the Court in [Case C-375/97 General Motors \[1999\] ECR I-5421](#) concerning the expression 'reputation in the Member State' featuring in Article 5(2) of the directive, it suffices that the Community trade mark has a reputation in a 'substantial part' of the Community.

13 However, as PAGO applied for an injunction restraining use throughout the entire Community and as its mark has a reputation only in Austria, the Oberster Gerichtshof is unsure whether a comprehensive prohibition can be issued even though the Community trade

mark has a reputation in only one Member State or whether, where a reputation exists in only one Member State, a 'prohibition' for the purposes of Article 9(1)(c) of the regulation may be issued which is limited to that State.

14 In those circumstances, the Oberster Gerichtshof decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

'1. Is a Community trade mark protected in the whole Community as a "trade mark with a reputation" for the purposes of Article 9(1)(c) of [the regulation] if it has a "reputation" only in one Member State?

2. If the answer to the first question is in the negative: is a mark which has a "reputation" only in one Member State protected in that Member State under Article 9(1)(c) of [the regulation], so that a prohibition limited to that Member State may be issued?'

#### **The questions referred for a preliminary ruling**

15 First of all, it must be noted that, in the main proceedings, the Community trade mark of which PAGO is the proprietor covers fruit drinks and fruit juices and that the product marketed by Tirolmilch is a fruit and whey drink.

16 It is not apparent from the order for reference that the national court has already assessed whether the goods at issue are similar or not.

17 In order to provide that court with an answer which will in any event be useful, it should be noted that, according to its terms, Article 9(1)(c) of the regulation does indeed benefit a Community trade mark in respect of goods or services which are not similar to those for which that mark is registered.

18 However, notwithstanding its wording and in the light of the overall scheme and objectives of the system of which Article 9(1)(c) of the regulation is part, the protection accorded to Community trade marks with a reputation cannot be less where a sign is used for identical goods and services than where a sign is used for non-similar goods or services (see, by way of analogy, [Case C-292/00 Davidoff \[2003\] ECR I-389, paragraphs 24 and 25](#) with regard, in particular, to Article 5(2) of the directive).

19 It must for that reason be accepted that Article 9(1)(c) of the regulation also benefits a Community trade mark with a reputation in respect of goods or services similar to those for which that mark is registered (Davidoff, by way of analogy, paragraph 30).

#### **The first question**

20 By its first question, the national court in essence asks the Court, first, to clarify the meaning of the expression 'has a reputation in the Community', by means of which, in Article 9(1)(c) of the regulation, one of the conditions is laid down which a Community trade mark must fulfil in order to benefit from the protection accorded by that provision and, second, to state whether that condition, from a geographical point of view, is satisfied in a case where the Community trade mark has a reputation in only one Member State.

21 The concept of 'reputation' assumes a certain degree of knowledge amongst the relevant public.

22 The relevant public is that concerned by the Community trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector (see, by way of analogy, *General Motors*, paragraph 24, with regard to Article 5(2) of the directive).

23 It cannot be required that the Community trade mark be known by a given percentage of the public so defined (*General Motors*, by way of analogy, paragraph 25).

24 The degree of knowledge required must be considered to be reached when the Community trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (*General Motors*, by way of analogy, paragraph 26).

25 In examining this condition, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it (*General Motors*, by way of analogy, paragraph 27).

26 In view of the elements of the main proceedings, it is thus for the national court to determine whether the Community trade mark at issue is known by a significant part of the public concerned by the goods which that trade mark covers.

27 Territorially, the condition as to reputation must be considered to be fulfilled when the Community trade mark has a reputation in a substantial part of the territory of the Community (see, by way of analogy, *General Motors*, paragraph 28).

28 It should be noted that the Court has already ruled that, with regard to a Benelux trade mark, it is sufficient, for the purposes of Article 5(2) of the directive, that it has a reputation in a substantial part of the Benelux territory, which part may consist of a part of one of the Benelux countries (*General Motors*, paragraph 29).

29 As the present case concerns a Community trade mark with a reputation throughout the territory of a Member State, namely Austria, the view may be taken, regard being had to the circumstances of the main proceedings, that the territorial requirement imposed by Article 9(1)(c) of the regulation is satisfied.

30 The answer to the first question referred is therefore that Article 9(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.

#### **The second question**

31 In view of the answer to the first question referred and of the circumstances of the main

proceedings, there is no need to reply to the second question.

#### **Costs**

32 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

#### **On those grounds,**

the Court (Second Chamber) hereby rules:

Article 9(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the European Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.

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#### OPINION OF ADVOCATE GENERAL SHARPSTON

delivered on 30 April 2009 (1)

Case C-301/07

PAGO International GmbH

v

Tirol Milch registrierte Genossenschaft mbH

(Reference for a preliminary ruling from the Oberster Gerichtshof (Austria))

(Community trade marks – A ‘reputation in the Community’)

1. Article 9(1)(c) of Council Regulation (EC) No 40/94 (‘the Regulation’) (2) allows the proprietor of a Community trade mark which has a ‘reputation in the Community’ to prevent the use of certain signs, identical or similar to that mark, for goods or services which are not similar to those for which it is registered. In this case the Oberster Gerichtshof (Supreme Court), Austria, asks first, whether a Community trade mark enjoys a ‘reputation in the Community’ where it has a reputation in only one Member State. Secondly, if the answer to that question is in the negative, the referring court wonders whether a trade mark which has a ‘reputation’ in only one Member State is protected in that Member State under Article 9(1)(c) of the Regulation, so that a prohibition against infringement limited to that Member State may be issued.

Relevant Community legislation

2. The Regulation and First Council Directive 89/104/EEC (‘the Directive’) (3) were conceived as measures to remove obstacles to the free movement of goods and services and competition within the internal market. (4) The two instruments introduce complementary rather than competing regimes. (5) The Court has therefore tended to interpret parallel provisions of the Regulation and the Directive in the same way. (6)

### The Regulation

3. Article 1 of the Regulation introduces the concept of the Community trade mark. It provides, in Article 1(2), that 'A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community ... nor shall its use be prohibited, save in respect of the whole Community'.

4. Article 9(1) provides:

'A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

(b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.'

### The Directive

5. The Directive seeks to approximate 'those national trade mark provisions of law which most directly affect the functioning of the internal market'. (7)

6. Article 5(2) of the Directive, which echoes Article 9(1)(c) of the Regulation, states that:

'Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar [(8)] to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.'

### Facts and main proceedings

7. PAGO International GmbH ('Pago') is the proprietor of a Community trade mark for, inter alia, fruit drinks and fruit juices. Important elements of Pago's trade mark are the representation of a green glass bottle (used by Pago for a number of years in marketing) with a distinctive label and cap next to a full glass of fruit drink identified in large characters, known as 'PAGO'.

8. Tirol Milch registrierte Genossenschaft mbH ('Tirol Milch') markets in Austria a fruit and whey drink called 'Lattella', packaged in glass bottles whose design resembles in several respects (shape, colour, label, cap) that depicted in Pago's Community trade mark. In the advertising for its drink Tirol Milch uses a

representation which, like Pago's Community trade mark, shows a bottle next to a full glass.

9. It is common ground that there is no likelihood of confusion, since the bottle labels used by Pago and Tirol Milch bear the names 'Pago' and 'Latella' respectively and both names are widely known in Austria. It appears from the summary of the facts set out in the order for reference that the parties to the main action have proceeded on the basis that the conditions of Article 9(1)(c) have been met in as much as, first, the sign in dispute is similar or identical to that for which Pago owns the Community trade mark, and second, the drink marketed by Tirol Milch is not considered to be similar to that marketed by Pago.

10. Pago sought an injunction before the Handelsgericht Wien (Commercial Court, Vienna) prohibiting Tirol Milch from infringing its trade mark by (i) promoting, offering for sale, marketing or otherwise using its drink in the bottles at issue, and (ii) advertising a representation of the bottles together with a full glass. That court granted the injunction but its decision was reversed by the Landesgericht Wien (Higher Regional Court, Vienna). Pago appealed to the Oberster Gerichtshof.

11. The Oberster Gerichtshof takes the view that the question whether there has been an infringement of Pago's Community trade mark is to be assessed solely in accordance with the Regulation. However, since Pago's trade mark is widely known in Austria but not necessarily in other Member States, the Oberster Gerichtshof considers that it requires guidance as to how the phrase '[has] a reputation in the Community' in Article 9(1)(c) of the Regulation should be construed. It has accordingly referred the following questions for a preliminary ruling:

'(1) Is a Community trade mark protected in the whole of the Community as a "trade mark with a reputation" for the purposes of Article 9(1)(c) of the Regulation if it has a "reputation" only in one Member State?

(2) If the answer to the first question is in the negative: is a mark which has a "reputation" only in one Member State protected in that Member State under Article 9(1)(c) of the Regulation, so that a prohibition limited to that Member State may be issued?'

12. Written observations were submitted by Pago, Tirol Milch and the Commission, all of which were represented at the hearing.

### The first question

#### Preliminary observations

13. The first question is put in a way which suggests that the answer should be either 'yes' or 'no', implying that whichever answer is given will be equally applicable in every case in which the trade mark at issue has a reputation in only one Member State. In my view, it is necessary to take a more flexible approach.

14. Pago contends that the first question should be answered in the affirmative. Tirol Milch argues that it should be answered negatively. The Commission takes a more nuanced approach, but concludes that in excep-



tional cases a trade mark with a reputation in only one Member State could fall within Article 9(1)(c).

15. All three parties agree that General Motors (9) provides the starting point for the analysis.

#### **General Motors**

16. In General Motors the Court was interpreting Article 5(2) of the Directive (the parallel provision to Article 9(1)(c) of the Regulation). The issue was whether a trade mark had a 'reputation in [a] Member State', the 'Member State' in question being the three Benelux countries which are regarded as a single territory for trade mark purposes.

17. In both Article 5(2) of the Directive and Article 9(1)(c) of the Regulation, there are two aspects to the 'reputation condition', both of which must be satisfied before a trade mark can enjoy protection. First, the trade mark must have a reputation. (10) Second, that reputation must exist in a specified geographical area. (11) In General Motors the Court analysed those conditions as follows. First, the public amongst whom the earlier trade mark must have acquired a reputation can be the public at large or a more specialised public. (12) Second, it cannot be inferred from the legislation that the trade mark must be known by a given percentage of the public. (13) Third, the trade mark in respect of which protection is sought must be known by a significant part of the public concerned by the product or services covered by that trade mark. (14) Finally, the national court must consider all of the relevant facts of the case, in particular, the market share held by the trade mark, the intensity, the geographical extent and duration of its use and the size of the investment made by the proprietor in promoting it. (15)

18. The Court held that in order to enjoy protection extending to non-similar products or services, a trade mark must be known by a significant part of the public concerned by the products or services it covered; and that it was sufficient for a Benelux trade mark to have a reputation in a substantial part of the Benelux territory, which might consist of a part of one of the Benelux countries. (16)

#### **Should the Court apply General Motors by analogy?**

19. As I have indicated, Article 5(2) of the Directive and Article 9(1)(c) of the Regulation are parallel provisions; and the Court normally interprets parallel provisions of those two instruments in the same way. (17) I therefore agree with all of the parties that General Motors should be applied by analogy. It follows that it is not necessary for a trade mark owner to demonstrate that his trade mark enjoys a reputation throughout the Community in order to trigger the protection afforded by Article 9(1)(c) of the Regulation. A 'substantial part' of the territory will suffice. But is one Member State a 'substantial part'? Is that indeed, the right way of approaching the question?

#### **Arguments of the parties**

20. Pago submits that General Motors should apply and that its trade mark does not have to be known throughout the Community. It has been established as a fact in the main proceedings that the trade mark in dis-

pute has a reputation throughout Austria. Nothing prevents Austria from being regarded as a substantial part of the Community. Pago argues that, accordingly, its trade mark merits protection under Article 9(1)(c). Furthermore, Pago seeks to derive support from the scheme of the legislation and introduces an argument based upon the interpretation of Article 50(1)(a) of the Regulation, where the expression 'in the Community' is also used. I propose to deal with this last argument after considering the implications of General Motors. (18)

21. Tirol Milch agrees that General Motors should apply by analogy, but observes that the first question is framed in a way that makes no distinction between the different Member States. However, Member States vary enormously in size and population. An affirmative response to the first question would mean that a Community trade mark with a reputation only in Malta, representing 0.08% of the population of the EU and 0.04% of its economy, would be protected throughout the Community as a mark with a reputation. Tirol Milch argues that it is necessary to establish whether the territory in question is substantial as explained by the Court in General Motors. For the purpose of Article 9(1)(c) Member States' borders are irrelevant. The decisive question is whether the territory on which the mark has a reputation is a significant territory from the economic point of view for the Community as a whole, which would justify protection throughout the Community on the basis of a reputation in that territory. Thus the territory of a single Member State could suffice if (economically speaking) it were a sufficiently large Member State, such as Germany, but not if it were one of the smaller Member States.

22. The Commission, also applying General Motors, contends that a Community trade mark has a 'reputation in the Community' within the meaning of Article 9(1)(c) where it is known to a significant proportion of all the persons to whom it is addressed in the Community territory as potential purchasers of the goods and services that it covers. When considering whether a mark has a 'reputation', a distinction must be drawn between determining the relevant public and determining the degree of reputation required.

23. The Commission considers that Article 9(1)(c) affords protection where the trade mark is known to a significant proportion of the relevant public. The relevant public should be identified within the Community territory without reference to national borders, not by looking at the public in only one Member State.

24. In the Commission's view, a reputation 'in the Community' does not presuppose that the trade mark is known in all Member States. In certain exceptional cases, reputation in a single Member State would suffice where the relevant public is exclusively to be found in that State.

25. Thus, the Commission links the concepts of relevant public and relevant territory.

#### **Analysis**

26. I do not find the arguments of the principal parties of particular assistance in approaching the first

question. Thus, Pago's claim that its trade mark is well known in Austria, although acknowledged by the referring court, takes the argument no further. It does not explain how one determines what constitutes a substantial part of the Community in general, nor why Austria in particular should be regarded as a substantial part of the Community. Since Tirol Milch argues that national borders are irrelevant, its subsequent analysis (based precisely on such borders) seems to me to be a non sequitur. It leads, moreover, to the (deeply invidious) question of what is a sufficiently important Member State to be considered to be 'substantial'.

27. In broad terms, I find the Commission's analysis a useful starting point.

28. The objective of Article 9(1)(c) is to enable the proprietor of a Community trade mark to protect the exclusive rights conferred thereby against third parties, provided that he can show that his Community trade mark has a reputation in the Community and that the other conditions in Article 9(1)(c) are fulfilled.

29. The Regulation is based on the premiss that the Community trade mark is unitary in character. (19) Indeed, the Community trade mark was created in order to place at the disposal of undertakings 'trade marks enabling the products and services of undertakings to be distinguished by identical means throughout the entire Community, regardless of frontiers'. (20) Against that background, it seems to me that an approach which focuses on Member State boundaries when seeking to establish the extent of a Community trade mark's reputation is fundamentally misconceived. Rather, the starting point must be to consider the territory of the Community regardless of frontiers, as a single and indivisible whole. As a corollary, it is irrelevant whether a reputation exists in one Member State, or any given number of Member States. It is likewise irrelevant whether those Member States are 'big', 'medium-sized' or 'small' (on whatever basis those terms are defined).

#### **Application of General Motors**

30. It is first necessary to establish whether the trade mark has a 'reputation'. In order to do so, the national court must identify the public concerned by the trade mark in the context of the Community as a whole, without regard to Member States' borders. Having identified the relevant public, (21) the national court should proceed to determine whether the reputation exists amongst a significant part of the public concerned by the goods or services covered by the trade mark.

31. The national court must then determine whether the trade mark has a reputation 'in the Community'. It should begin by accepting that the trade mark proprietor need not demonstrate that the trade mark has a reputation throughout the Community. It is sufficient, for Article 9(1)(c) to apply, if the trade mark has a reputation in a 'substantial part' of the Community. (22) General Motors does not provide further guidance as to how a 'substantial part' of the relevant territory is to be construed.

32. The Court's case-law does, however, indicate what is not a 'substantial part'. In Nieto Nuño (23) it was established in relation to the kindred concept of

whether a trade mark is 'well known' under Article 4(2)(d) of the Directive that the city of Tarragona and its surrounding area within Spain is not a substantial part of that Member State. Applying the same reasoning by analogy to the concept of a 'substantial part of the Community', it follows that where the 'part' is, viewed objectively by reference to its size and economic weight, paltry in comparison with the Community as a whole and where the relevant public is more widely spread throughout the Community, (24) that part cannot be deemed to constitute a 'substantial part' of the Community. That conclusion follows from the ordinary meaning of the term 'substantial'. It also accords with common sense.

33. The scenarios that may be envisaged are many and various. At one end of the spectrum, a trade mark covering a generic product marketed to the general public which enjoyed a significant reputation amongst that public would be expected to be known throughout a wide geographical area before it could be said to enjoy a 'reputation in the Community'. At the other extreme, a trade mark for a particular product marketed to a specialised regional public would be expected to be known over a much smaller area. A product that is marketed to a professional public might well cover a wide area (depending on how widespread membership of that profession was) but would probably be known to a smaller number of people, in absolute terms, than a product marketed to the general public.

34. As with the concept of relevant public, the territorial aspect of 'reputation' cannot be defined by reference to an abstract figure or a particular number of Member States. The national court will have to evaluate a number of factors to determine whether a particular trade mark enjoys a reputation in a substantial part of the Community. Such factors will include, but not be limited to, the economic significance of the territory within the Community, the geographical extent of the area where the trade mark has a reputation and the demographics of the public concerned.

35. In order to determine whether an earlier trade mark enjoys a reputation in a substantial part of the Community for the purposes of Article 9(1)(c) of the Regulation, the national court must therefore make an overall assessment of the case in conjunction with establishing the public amongst whom that earlier trade mark is known. Any such test must necessarily be flexible.

36. Finally, I must deal briefly with Pago's argument concerning the scheme of the Regulation. Pago refers to the fact that the term 'in the Community' also appears in Article 50(1)(a) of the Regulation. (25) Pago submits that it is settled case-law that use of the trade mark in one Member State only suffices for the purposes of Article 50(1)(a). If use in one Member State is sufficient to preserve the rights relating to a Community trade mark, Pago argues, reputation in one Member State should, by analogy, be sufficient to trigger the protection under Article 9(1)(c).

37. I am not convinced by that argument.

38. First, the only ‘settled case-law’ cited by Pago is the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (‘OHIM’) in *Reno Schuhcentrum v Payless ShoeSource Worldwide*, (26) which deals with the circumstances in which affixing a trade mark to goods for export purposes constitutes ‘use in the Community’. That case, which is of merely persuasive authority for the Court, is therefore on a completely different point. It does not state that use in one Member State is sufficient, merely that it is not necessary for the trade mark to be used ‘everywhere in the Community’. The decision is also under appeal before the Court of First Instance. (27)

39. Secondly, Article 50 deals with grounds for revocation of a trade mark that has hitherto enjoyed protection. Article 9 establishes what rights are conferred by a Community trade mark, under what conditions. The subject matter of the two provisions is quite different; and I do not accept that a (tenuous) argument based on Article 50(1)(a) assists in determining the correct interpretation of Article 9(1)(c).

40. To summarise: it is not possible to establish whether a Community trade mark has a reputation in the Community on the basis of whether that trade mark has a reputation in any one Member State. It follows from the unitary character of the Community trade mark that one should consider the Community territory as a whole. *General Motors* should be applied by analogy to establish what constitutes a substantial part of the Community. This must be determined in any particular case by taking account of the public concerned by the products or services covered by the trade mark and the importance of the area where the reputation exists, as defined by factors such as its geographical extent, population and economic significance in the context of the Community territory as a whole.

41. I therefore suggest that the first question referred should be answered as follows: a Community trade mark is protected in the whole of the Community on the ground that it has a ‘reputation in the Community’ within the meaning of Article 9(1)(c) of Regulation No 40/94 if it has a reputation in a substantial part of the Community. What constitutes a substantial part of the Community for that purpose is not dependent on national boundaries but must be determined by an assessment of all the relevant circumstances of the case, taking account, in particular, of (i) the public concerned by the products or services covered by the trade mark and the proportion of that public which knows of the mark and (ii) the importance of the area in which the reputation exists, as defined by factors such as its geographical extent, population and economic significance.

#### **The second question**

42. By its second question, the referring court asks essentially whether, in the context of Article 9(1)(c) of the Regulation, a Community trade mark which has a reputation only in one Member State, if it is not protected in the whole of the Community, is none the less protected in that Member State, so that a prohibition

against infringement limited to that Member State may be issued.

43. It is implicit in the answer which I propose to the first question that a trade mark which has a reputation in only one Member State does not qualify as a trade mark with a ‘reputation in the Community’ within the meaning of Article 9(1)(c). Given that the existence of a ‘reputation in the Community’ is the specific condition required to trigger Article 9(1)(c) of the Regulation, it might be thought that the answer to the second question is obvious. If that condition is not satisfied, no right to protection arises. The answer to the second question then (automatically) becomes that a national court should not grant relief to enforce a legal right that does not exist.

44. It seems to me that the second question should therefore be understood as being whether a Community trade mark which has a reputation in an area which is not a substantial part of the Community for the purposes of Article 9(1)(c) of Regulation No 40/94 is none the less protected in that area (which may coincide with the territory of one or more Member States), so that a prohibition against infringement limited to the area may be issued.

45. Pago argues that, if such limited protection did not exist, the Community trade mark would not be a viable alternative to a national trade mark – a result inconsistent with the Community legislator’s objective in introducing the Community trade mark – because the proprietor of a Community trade mark having a reputation confined to a single Member State would be unable to protect his trade mark even in that Member State without owning a national trade mark also. In addition, Pago argues that it is rare for trade marks to be infringed in the manner envisaged by Article 9(1)(c) of the Regulation – namely by taking undue advantage of, or causing detriment to, the distinctive character of the mark, which is a type of unfair competition – on a Community-wide scale. It is therefore important for a trade mark proprietor to be able to obtain relief limited to the Member State in which the infringement is threatened or has taken place.

46. I do not accept those arguments.

47. First, it is true that the Community trade mark and the national trade mark have a similar purpose, (28) in as much as the objective of both Article 9(1)(c) of the Regulation and Article 5(2) of the Directive (the parallel provision) is to provide protection against damage caused to a trade mark’s reputation. However, they reach that objective by different routes (29) and operate in different contexts.

48. Where a national trade mark enjoys a ‘reputation in the Member State’, the proprietor may obtain protection in accordance with Article 5(2) of the Directive extending to the whole territory of the Member State (see *General Motors*). Where a Community trade mark enjoys a ‘reputation in the Community’, the unitary nature of the Community trade mark (30) means that it is likewise protected throughout the whole territory of the Community (and not merely in the ‘substantial part’ of the Community territory which formed the basis for

deciding that the trademark in question was indeed a trademark with a 'reputation in the Community' for the purposes of Article 9(1)(c) of the Regulation). (31)

49. It seems to me that it is precisely because the protection afforded to a Community trademark is so extensive that the conditions laid down in the Regulation must be satisfied in full before it is triggered. There is an obvious link between the requirement to demonstrate that the trade mark's reputation exists in a substantial part of the Community and the justification for granting protection that extends throughout the Community.

50. Secondly, where an undertaking wishes to register a trade mark for use in (progressively) more than one Member State, it seems reasonable to suppose that it will tend to apply for a Community trade mark, rather than for multiple trade mark registrations in different Member States, unless there is some specific reason why it should proceed otherwise. I accept that, where such a mark has a reputation in (a substantial part of) a Member State but not in a substantial part of the Community, national registration in that Member State will be necessary in order to protect the reputation of the mark in that Member State, (32) because such protection will not be available from the Community trade mark under Article 9(1)(c) of the Regulation. (33) This is consistent with the concept that the Community trade mark and national trade marks operate at different levels, but in parallel.

51. Pago's final argument may be dealt with very shortly. The scale of the infringement may affect the manner in which the proprietor seeks relief, but that is a procedural rather than a substantive matter. It is not an issue that is relevant to the question whether protection is afforded under Article 9(1)(c) in the first place.

52. Accordingly, I suggest that the second question referred should be answered to the effect that a Community trade mark which has a reputation in an area which is not a substantial part of the Community does not enjoy, under Article 9(1)(c) of Regulation No 40/94, protection limited to that area. Consequently, a prohibition against infringement limited to that area may not be issued.

**Postscript: an alternative reading of the second question?**

53. It is possible, given the emphasis placed in the second question on whether a prohibition may be issued limited to just one Member State, that the national court is in fact asking whether, where a trade mark is held to enjoy protection under Article 9(1)(c) of the Regulation, a national court may issue a prohibition against infringement of that trade mark limited in its scope to a single Member State. Although, as I have indicated in my analysis of the first question, a trade mark with a 'reputation in the Community' will normally be well known by the relevant public over an area that is not co-extensive with, and generally extends beyond, the frontiers of a single Member State, the trade mark proprietor may face a threat of infringement to his trade mark primarily – perhaps

exclusively – in one particular Member State. That indeed appears to be precisely the case here.

54. On the view that I have taken of the answer that should be given to the first question, the second question (as here rephrased) is likely to be purely theoretical. However, should the Court in its judgment (or the referring court when the matter returns before it) rule in a way that means that protection under Article 9(1)(c) of the Regulation is triggered, the rephrased question might conceivably become pertinent. I shall therefore state very briefly how I would answer it.

55. Title X of the Regulation contains detailed rules dealing with jurisdiction and procedure in legal actions relating to Community trade marks. These are conceived in a way that is clearly intended to operate in conjunction with other pertinent Community rules on jurisdiction and enforcement of judgments. (34) In keeping with the unitary nature of the Community trade mark, provision is made for the Community trade mark courts in each Member State, (35) when seised in accordance with the jurisdiction rules in Article 93(1) to (4), to have jurisdiction in respect of acts of infringement committed or threatened within the territory of any of the Member States. (36) That is because a Community trade mark court so seised may need to exercise extra-territorial jurisdiction in order to grant effective protection to the trade mark proprietor. (37)

56. That said, the Regulation also clearly envisages the possibility that the trade mark proprietor may wish to seise the courts of the specific Member State in which the act of infringement has been committed or threatened (38) and, in such circumstances, those courts' jurisdiction is expressly limited to 'acts committed or threatened within the territory of the Member State in which that court is situated'. (39)

57. It is seldom if ever appropriate for a court to make an order in wider terms than are necessary. Where the infringement of the trade mark is confined to a single Member State (here, Austria), it will normally be sufficient for the order prohibiting such an infringement likewise to be confined to that single Member State. I see nothing in the Regulation that would preclude a competent court from making an order limited in that way.

58. I reiterate, however, that the analysis that I have just set out applies only if protection under the Regulation is, in fact, triggered.

**Conclusion**

59. I therefore suggest that the questions referred by the Oberster Gerichtshof, Austria, should be answered as follows:

(1) A Community trade mark is protected in the whole of the Community on the ground that it has a 'reputation in the Community' within the meaning of Article 9(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark if it has a reputation in a substantial part of the Community. What constitutes a substantial part of the Community for that purpose is not dependent on national boundaries but must be determined by an assessment of all the relevant circumstances of the case, taking account, in



particular, of (i) the public concerned by the products or services covered by the trade mark and the proportion of that public which knows of the mark and (ii) the importance of the area in which the reputation exists, as defined by factors such as its geographical extent, population and economic significance.

(2) A Community trade mark which has a reputation in an area which is not a substantial part of the Community in that sense does not enjoy, under Article 9(1)(c) of Regulation No 40/94, protection limited to that area. Consequently, a prohibition against infringement limited to that area may not be issued.

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1 – Original language: English.

2 – Regulation of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

3 – Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), recently replaced (though not substantively amended) by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version) (OJ 2008 L 299, p. 25).

4 – See the first recitals of each measure.

5 – See proposal for a Council Regulation on Community Trade Marks, COM (80) 635, p. 23, first paragraph.

6 – See for example, Case C-304/06P Eurohypo v OHIM [2008] ECR I-3297, paragraph 54, concerning the scope of the absolute grounds for refusal to register a trade mark in Article 7(1)(b) to (d) of the Regulation and Article 3(1) of the Directive, and Case C-108/05 Bovemij Verzekeringen [2006] ECR I-7605, paragraph 22, where Article 3(3) of the Directive and Article 7(3) of the Regulation are considered.

7 – See the third recital.

8 – In Case C-292/00 Davidoff [2003] ECR I-389, paragraph 30, the Court interpreted Article 5(2) as applying also where the goods or services covered by the two marks are similar or identical.

9 – Case C-375/97 [1999] ECR I-5421.

10 – The rationale for this aspect of the condition is set out in paragraph 23 of the judgment, where the Court explains that it is necessary to demonstrate a certain degree of knowledge by the public in relation to the earlier trade mark for which the proprietor is seeking to protect his rights, in order to show that the public may possibly make an association between the trade mark for which protection is sought and the later trade mark which the proprietor alleges infringes his rights.

11 – A ‘Member State’ in Article 5(2) of the Directive; ‘the Community’ in Article 9(1)(c) of the Regulation.

12 – Paragraph 24.

13 – Paragraph 25.

14 – Paragraph 26.

15 – Paragraph 27.

16 – Paragraphs 29 and 31.

17 – See point 3 above and the case-law cited in footnote 6 above.

18 – See point 36 below.

19 – See the first and second recitals to, and Article 1(2) of, the Regulation.

20 – See the first recital (emphasis added).

21 – See General Motors, cited at footnote 9 above, paragraphs 24 and 25, for the criteria to apply.

22 – Paragraph 28.

23 – Case C-328/06 [2007] ECR I-10093.

24 – It is not impossible to conceive of a situation in which, after examining the relevant public, a national court might properly conclude that a reputation within a limited geographical area did nevertheless constitute a ‘reputation in the Community’, if the relevant public were (exceptionally) confined to that area. Thus, presumably, a trade mark covering products aimed at kilt-makers could have a reputation amongst the target public in the Community which would (probably) be confined to (part of) a single Member State. However, I suspect that such instances are likely to be rare.

25 – Article 50(1)(a) provides, essentially, for revocation of a Community trade mark if it has not been put to genuine use in the Community within a continuous period of five years.

26 – Case R 1209/2005-1, decision of 28 February 2007.

27 – Case T-173/07 Reno Schuhcentrum v OHIM, pending.

28 – See footnote 4 above.

29 – See the Proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks (COM (80) 635, p. 1), third paragraph: ‘The proposal for a Regulation seeks the same ends as the Directive but by a different route ...’.

30 – See points 3 and 29 above and footnotes 19 and 20.

31 – See the analysis of the first question.

32 – It seems that Pago does, in fact, hold a national trade mark for its product. One of the unsolved mysteries of the present reference – into which I shall not, however, delve – is why the proceedings before the national courts were based on Pago’s Community trade mark rather than on its national trade mark.

33 – Protection of the rights conferred by Article 9(1)(a) and (b) is not dependent on being able to demonstrate that the mark enjoys a ‘reputation in the Community’.

34 – See section 1 of Title X, whose sole provision (Article 90) refers immediately to the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial matters signed in Brussels on 27 September 1968 (‘the Brussels Convention’). A consolidated version of the Brussels Convention as amended by the four subsequent Accession Conventions is published in OJ 1998 C 27, p. 1. The Brussels Convention has now been superseded by Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (‘the Brussels Regulation’) (OJ 2001 L 12, p. 1). Denmark and certain specific territories are excluded from the scope of the Brussels Regulation pursuant to Article 299 EC.

35 – Designated in accordance with Article 91 of the Regulation.

36 – See Article 94(1) and (in respect of provisional and protective measures) Article 99(2) of the Regulation.

37 – See the 15th recital in the preamble to the Regulation, which states that decisions on the validity and infringement of Community trade marks must have effect and cover the entire Community. See also Case C-316/05 Nokia [2006] ECR I-12083, paragraphs 25 and 33, which emphasise that the protection of Community trade marks must be uniform throughout the entire area of the Community.

38 – See Article 93(5) of the Regulation.

39 – Article 94(2) of the Regulation.

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