

Court of Justice EU, 29 March 2011, Anheuser-Busch v Budějovický Budvar



## TRADEMARK LAW

Opposition on ground of a sign used in the course of trade of more than mere local significance

General Court erred in holding:

- first, that the significance of the sign concerned, which cannot be merely local, must be evaluated exclusively by reference to the extent of the territory in which the sign is protected, without taking account of its use in that territory,
- second, that the relevant territory for the purpose of evaluating the use of that sign is not necessarily the territory in which the sign is protected and,
- finally, that the use of the sign does not necessarily have to occur before the date of the application for registration of the Community trade mark.

Possible validity prior rights

- that the Board of Appeal ought to have taken into account the claimed earlier rights without calling in question the actual classification of those rights.
- In those circumstances, although it is for OHIM, when it decides upon an opposition based on Article 8(4) of Regulation No 40/94, to take into account decisions of the courts of the relevant Member States concerning the validity or classification of the earlier rights claimed to ensure that those rights continue to produce the effects required by that provision, it is not for it to substitute its assessment for that of the competent national courts – a power which, in any event, Regulation No 40/94 does not confer on it.

“Used in the course of trade”

- the words ‘used in the course of trade’ are to be understood either as referring to use of an earlier right in a commercial activity with a view to economic advantage and not as a private matter, or as referring to genuine use

Function : use as a trade mark

- As regards the function to be performed by use of the sign, the latter must be used as a distinctive element in that it must serve to identify an economic

activity engaged in by its proprietor, a matter which, in this instance, is not in dispute.

150 In particular, the General Court added at paragraph 175 that it had not been clearly specified before it how the sign ‘BUD’ had been used ‘as a trade mark’ and that there was no evidence that the word ‘bud’, displayed on the goods in question, referred any more to the commercial origin of the product than to its geographical origin.

**Opposition: signs which actually have a real presence**

- A right of opposition reserved to signs which actually have a real presence on their relevant market.
- It follows that, in order to be capable of preventing registration of a new sign, the sign relied on in opposition must actually be used in a sufficiently significant manner in the course of trade and its geographical extent must not be merely local, which implies, where the territory in which that sign is protected may be regarded as other than local, that the sign must be used in a substantial part of that territory.

Use of sign in each territory for which protection is claimed

- an error of law in holding, at paragraph 167 of the judgment under appeal, that Article 8(4) of Regulation No 40/94 does not require that the sign concerned be used in the territory in which it is protected and that use in a territory other than that in which it is protected may suffice, even where there is no use at all in the territory of protection.

162 It is in fact only in the territory in which the sign is protected, whether the whole or only part of it is concerned, that the applicable law confers on the sign exclusive rights which may enter into conflict with a Community trade mark.

163 Furthermore, the condition relating to use in the course of trade must be assessed separately for each of the territories in which the right relied on in support of the opposition is protected.

- The significance of the sign cannot therefore, in this case, be inferred from a cumulative assessment of the use of the sign in the two relevant territories, namely Austria so far as protection under the relevant bilateral treaties is concerned and France as regards protection under the Lisbon Agreement.

Use of sign prior to date of application for registration

- Necessary to apply to the requirement for use in the course of trade of the sign relied on in opposition the same temporal condition as that expressly laid down in Article 8(4)(a) of Regulation No 40/94 with regard to acquisition of the right to the sign, that is to say, that of the date of application for registration of the Community trade mark

### Right to prohibit use of trade mark

• It follows that the General Court was correct in holding, at paragraph 195 of the judgment under appeal, that the opponent must establish only that he has available to him a right to prohibit use of a subsequent trade mark and that he cannot be required to establish that that right has been used, in other words that the opponent has actually been able to prohibit such use.

### Determination of national law

• Noting that those decisions had not acquired the authority of res judicata, the General Court held, also at paragraph 192, that the Board of Appeal could not rely solely on those decisions as the basis for its conclusion and should also have taken account of the provisions of national law relied on by Budvar in the opposition proceedings in order to assess whether, under those provisions, Budvar had the right to prohibit a subsequent trade mark on the basis of the sign it relied on.

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### Court of Justice EU, 29 March 2011

(V. Skouris, A. Tizzano, J.N. Cunha Rodrigues, K. Lenaerts, J.-C. Bonichot (Rapporteur), K. Schiemann and D. Šváby, Presidents of Chambers, A. Rosas, R. Silva de Lapuerta, E. Levits, U. Löhmus, M. Safjan and M. Berger)

Judgment of the Court (Grand Chamber)  
29 March 2011 (\*)

*(Appeal – Community trade mark – Regulation (EC) No 40/94 – Article 8(4) – Application for registration of the word and figurative mark BUD – Opposition – Indication of geographical origin ‘bud’ – Protection under the Lisbon Agreement and bilateral treaties between two Member States – Use in the course of trade – Sign of more than mere local significance)*

In Case C-96/09 P,

APPEAL under Article 56 of the Statute of the Court of Justice, brought on 4 March 2009,

Anheuser-Busch Inc., established in Saint Louis (United States), represented by V. von Bomhard and B. Goebel, Rechtsanwälte, appellant,

the other parties to the proceedings being:

Budějovický Budvar, národní podnik, established in České Budějovice (Czech Republic),

represented by F. Fajgenbaum, T. Lachacinski, C. Petsch and S. Sculy-Logotheti, avocats, applicant at first instance,

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM),

represented by A. Folliard-Monguiral, acting as Agent, defendant at first instance,

The Court (Grand Chamber),

composed of V. Skouris, President, A. Tizzano, J.N. Cunha Rodrigues, K. Lenaerts, J.-C. Bonichot (Rapporteur), K. Schiemann and D. Šváby, Presidents of

Chambers, A. Rosas, R. Silva de Lapuerta, E. Levits, U. Löhmus, M. Safjan and M. Berger, Judges, Advocate General: P. Cruz Villalón, Registrar: C. Strömholm, Administrator, having regard to the written procedure and further to the hearing on 2 June 2010, after hearing the Opinion of the Advocate General at the sitting on 14 September 2010, gives the following

### Judgment

1 By its appeal, Anheuser-Busch Inc. (‘Anheuser-Busch’) seeks to have set aside the judgment of the Court of First Instance of the European Communities (now ‘the General Court’) of 16 December 2008 in Joined Cases T-225/06, T-255/06, T-257/06 and T-309/06 Budějovický Budvar v OHIM – Anheuser-Busch (BUD) [2008] ECR II-3555, ‘the judgment under appeal’), by which the General Court upheld the actions brought by Budějovický Budvar, národní podnik (‘Budvar’) against the decisions of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 14 June 2006 (Case R 234/2005-2), 28 June 2006 (Cases R 241/2005-2 and R 802/2004-2) and 1 September 2006 (Case R 305/2005-2) (‘the contested decisions’), concerning opposition proceedings in respect of Anheuser-Busch’s applications for registration as a Community trade mark of the sign ‘BUD’.

### Legal context

#### International law

2 Articles 1 to 5 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 31 October 1958, as revised at Stockholm on 14 July 1967 and as amended on 28 September 1979 (United Nations Treaty Series, vol. 828, No 13172, p. 205) (‘the Lisbon Agreement’), provide:

#### ‘Article 1

(1) *The countries to which this Agreement applies constitute a Special Union within the framework of the Union for the Protection of Industrial Property.*

(2) *They undertake to protect on their territories, in accordance with the terms of this Agreement, the appellations of origin of products of the other countries of the Special Union, recognised and protected as such in the country of origin and registered at the International Bureau of Intellectual Property ... referred to in the Agreement establishing the World Intellectual Property Organisation [(WIPO)]*

#### Article 2

(1) *In this Agreement “appellation of origin” means the geographical name of a country, region or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.*

(2) *The country of origin is the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its reputation.*

#### Article 3

Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as “kind”, “type”, “make”, “imitation”, or the like.

**Article 4**

The provisions of this Agreement shall in no way exclude the protection already granted to appellations of origin in each of the countries of the Special Union by virtue of other international instruments, such as the Paris Convention of March 20, 1883, for the Protection of Industrial Property and its subsequent revisions, and the Madrid Agreement of April 14, 1891, for the Repression of False or Deceptive Indications of Source on Goods and its subsequent revisions, or by virtue of national legislation or court decisions.

**Article 5**

(1) The registration of appellations of origin shall be effected at the International Bureau, at the request of the Offices of the countries of the Special Union, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations.

(2) The International Bureau shall, without delay, notify the Offices of the various countries of the Special Union of such registrations, and shall publish them in a periodical.

(3) The Office of any country may declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefore, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim under Article 4, above.

...'

3 Rules 9 and 16 of the Regulations under the Lisbon Agreement, as in force on 1 April 2002, provide as follows:

**'Rule 9**

**Declaration of refusal**

A declaration of refusal shall be notified to the International Bureau by the competent authority of the contracting country for which the refusal is issued and shall be signed by that authority.

...

**Rule 16**

**Invalidation**

Where the effects of an international registration are invalidated in a contracting country and the invalidation is no longer subject to appeal, the invalidation shall be notified to the International Bureau by the competent authority of that contracting country. ...

...

4 The appellation of origin 'Bud' was registered with WIPO on 10 March 1975 with the number 598, under the Lisbon Agreement.

**Bilateral treaties**

**The bilateral convention**

5 On 11 June 1976, the Republic of Austria and the Czechoslovak Socialist Republic concluded an Treaty on the protection of indications of source, designations of origin and other designations referring to the source of agricultural and industrial products ('the bilateral convention').

6 Following approval and ratification, the bilateral convention was published in the Bundesgesetzblatt für die Republik Österreich of 19 February 1981 (BGBl. 75/1981). Pursuant to Article 16(2) thereof, the bilateral convention entered into force on 26 February 1981 for an indefinite period.

7 Article 1 of the bilateral convention provides:

'Each of the contracting States undertakes to take all the necessary measures to ensure effective protection against unfair competition in the course of trade for indications of source, designations of origin and other designations referring to the source of the agricultural and industrial products in the categories referred to in Article 5 and listed in the agreement provided for in Article 6, and the names and illustrations referred to in Articles 3, 4 and 8(2).'

8 Under Article 2 of the bilateral convention:

'Indications of source, designations of origin and other designations referring to the source within the meaning of this agreement mean all indications which relate directly or indirectly to the source of a product. Such an indication generally consists of a geographical designation. However, it may also consist of other information, if in the relevant consumer circles of the country of origin this is perceived, in connection with the product thus designated, as a reference to the country of production. In addition to the indication of source from a particular geographical area, the abovementioned designations may also contain information on the quality of the product concerned. These particular features of the product shall be determined solely or predominantly by geographical or human influences.'

9 Article 3(1) of the bilateral convention provides:

'... the Czechoslovak designations listed in the agreement provided for in Article 6 shall in the Republic of Austria be reserved exclusively for Czechoslovak products.'

10 Point 2 of Article 5(1)B of the bilateral convention refers to beers as one of the categories of Czech products concerned by the protection established by that convention.

11 Under Article 6 of the bilateral convention:

'Designations of the individual products meeting the conditions laid down in Articles 2 and 5 which enjoy protection under the agreement and which are therefore not generic names will be listed in an agreement to be concluded between the Governments of the two contracting States.'

**The bilateral agreement**

12 In accordance with Article 6 of the bilateral convention, an agreement on its application ('the bilateral agreement' and, together with the bilateral convention, 'the relevant bilateral treaties') was concluded on 7 June 1979.

13 Annex B to the bilateral agreement states:  
*'Czechoslovak designations for agricultural and industrial products*

[...]

*B Food and agriculture (except wine)*

[...]

*Beer*

*Czech Socialist Republic*

[...]

*Bud*

[...]

#### **European Union law**

14 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1). However, Regulation No 40/94, as amended by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 1994 L 70, p. 1; 'Regulation No 40/94'), continues to apply to this case.

15 Article 8 of Regulation No 40/94, entitled 'Relative grounds for refusal' provides as follows at paragraph 4: *'Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the Community legislation or the law of the Member State governing that sign:*

*(a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;*

*(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.'*

16 Article 43(2) and (3) of that regulation provides:

*'2. If the applicant so requests, the proprietor of an earlier Community trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the Community trade mark application, the earlier Community trade mark has been put to genuine use in the Community in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier Community trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. If the earlier Community trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services.'*

*3. Paragraph 2 shall apply to earlier national trade marks referred to in Article 8(2)(a), by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.'*

17 Article 74(1) of Regulation No 40/94 provides:

*'In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relat-*

*ing to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.'*

#### **Background to the dispute**

18 The background to the dispute before the General Court, as stated in the judgment under appeal, may be summarised as follows.

19 On 1 April 1996, 28 July 1999, 11 April and 4 July 2000, Anheuser-Busch lodged four applications at OHIM for registration of the figurative and word mark BUD as a Community trade mark for certain kinds of goods, including beer, in Classes 16, 21, 25, 32, 33, 35, 38, 41 and 42 of the Nice Agreement Concerning the International Classification of goods and services for the purposes of the Registration of Marks of 15 June 1957, as revised and amended.

20 On 5 March 1999, 1 August 2000, 22 May and 5 June 2001, Budvar filed notices of opposition under Article 42 of Regulation No 40/94 in respect of all the goods specified in the applications for registration.

21 In support of its opposition, Budvar relied, first of all, under Article 8(1)(b) of Regulation No 40/94, on the existence of an earlier trade mark, namely international figurative mark 'Bud' (No 361 566), registered for beer, effective in Austria, Benelux and Italy.

22 Budvar relied, second, under Article 8(4) of Regulation No 40/94, on the existence of the appellation 'Bud', as protected in France, Italy and Portugal under the Lisbon Agreement, and in Austria under the relevant bilateral treaties.

23 By decision of 16 July 2004, the Opposition Division of OHIM upheld the opposition filed against registration of the trade mark applied for in respect of 'restaurant, bar and pub services' (Class 42), covered by the application for registration of 4 July 2000, considering inter alia that Budvar had demonstrated that it had a right to the appellation of origin 'bud' in France, Italy and Portugal.

24 By decisions of 23 December 2004 and 26 January 2005, the Opposition Division dismissed the oppositions filed against the registration of the trade marks covered by the other three trade mark applications; it considered, in essence, that evidence had not been adduced to establish that the appellation of origin 'bud', in the case of France, Italy, Austria and Portugal, was a sign used in the course of trade of more than mere local significance.

25 In reaching that conclusion, the Opposition Division took the view that it was necessary to apply the same criteria as those laid down in Article 43(2) of Regulation No 40/94, read in the light of Rule 22(2) and (3) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1), as amended by Commission Regulation (EC) No 1041/2005 of 29 June 2005 (OJ 2005 L 172, p. 4, 'Regulation No 2868/95'), relating to proof of the 'genuine use' of earlier marks on which an opposition is based.

26 Budvar then brought three appeals against the decisions of the Opposition Division of OHIM of 23 De-

ember 2004 and 26 January 2005 and also against its decision of 16 July 2004, in so far as it dismissed the opposition in respect of the other services in Classes 35, 38, 41 and 42.

27 Anheuser-Busch filed an appeal against the decision of the Opposition Division of OHIM of 16 July 2004, in so far as it partially upheld the opposition filed by Budvar.

28 By its decisions of 14 June, 28 June and 1 September 2006, the Second Board of Appeal of OHIM dismissed the appeals brought by Budvar against the decisions of the Opposition Division of OHIM of 23 December 2004 and 26 January 2005. By decision of 28 June 2006, the Board of Appeal upheld the appeal brought by Anheuser-Busch against the decision of the Opposition Division of OHIM of 16 July 2004 and dismissed the opposition filed by Budvar in its entirety.

29 In the contested decisions, the Board of Appeal, first, stated that Budvar no longer appeared to refer to the international figurative trade mark No 361 566 as the basis of its opposition, but solely to the appellation of origin ‘bud’.

30 Second, the Board of Appeal held, in essence, that it was difficult to see how the sign ‘BUD’ could be considered to be an appellation of origin, or even an indirect indication of geographical origin. It concluded that an opposition could not succeed under Article 8(4) of Regulation No 40/94 on the basis of a right that was presented as an appellation of origin, but was in fact not one at all.

31 Third, the Board of Appeal held, applying by analogy Article 43(2) and (3) of Regulation No 40/94 and Rule 22 of Regulation No 2868/95, that the evidence provided by Budvar to show use of the appellation of origin ‘bud’ in France, Italy, Austria and Portugal was insufficient.

32 Finally, the Board of Appeal held that the opposition had also to be rejected on the ground that Budvar had not demonstrated that the appellation of origin in question gave it the right to prohibit use of the word ‘bud’ as a trade mark in France or Austria.

#### **Proceedings before the General Court and the judgment under appeal**

33 By applications lodged at the Registry of the General Court on 26 August (Case T-225/06), 15 September (Cases T-255/06 and T-257/06) and 14 November 2006 (Case T-309/06), Budvar brought actions against the contested decisions.

34 Budvar put forward, in essence, a single plea in law, alleging infringement of Article 8(4) of Regulation No 40/94, which was divided into two parts.

35 In the first part, Budvar challenged the Board of Appeal’s finding that the sign ‘BUD’ could not be regarded as an appellation of origin. In the second part, Budvar disputed the Board of Appeal’s assessment that the conditions laid down in Article 8(4) of Regulation No 40/94 were not satisfied in the present case.

36 As regards the first part of the plea, the General Court pointed out, first, at paragraph 82 of the judgment under appeal, that when examining the contested decisions it was necessary to make a distinction be-

tween the appellation of origin ‘bud’ registered under the Lisbon Agreement and the appellation ‘bud’ protected under the bilateral convention.

37 As regards the appellation of origin ‘bud’ registered under the Lisbon Agreement, the General Court first of all stated as follows at paragraph 87 of the judgment under appeal: *‘In the present case, the appellation of origin ‘bud’ (No 598) was registered on 10 March 1975. France did not declare, within the period of one year from the date of receipt of notification of the registration, that it could not ensure the protection of that appellation of origin. When the contested decisions were adopted, the effects of the appellation of origin had been declared invalid by a judgment of the Tribunal de grande instance in Strasbourg [France] of 30 June 2004. However, as is clear from the documents placed on the file, Budvar has lodged an appeal, the effect of that appeal being to suspend the effect of that judgment. It follows that, when the contested decisions were adopted, the effects of the appellation of origin at issue had not been declared invalid, in France, by a decision against which there is no appeal.’*

38 At paragraph 88 of the judgment under appeal, the General Court then reviewed its case-law according to which, since European Union law (‘EU law’) relating to trade marks does not replace the laws of the Member States on trade marks, the validity of a national trade mark may not be called in question in proceedings for registration of a Community trade mark.

39 It concluded on that basis, at paragraph 89 of that judgment, that the system set up by Regulation No 40/94 presupposes that OHIM takes into account the existence of earlier rights which are protected at national level.

40 In paragraph 90 of the judgment under appeal, the General Court drew the following conclusion:

*‘Since the effects of the appellation of origin “bud” have not been declared definitively to be invalid in France, the Board of Appeal ought, under Article 8(4) of Regulation No 40/94, to have taken account of the relevant national law and the registration made under the Lisbon Agreement, and did not have the power to call in question the fact that the claimed earlier right was an “appellation of origin”.’*

41 Lastly, at paragraph 91 of the judgment under appeal, the General Court added that if the Board of Appeal had serious doubts as to whether the earlier right could be classified as an ‘appellation of origin’ and therefore as to the protection to be afforded to it under the national law relied on, when that issue was in fact the subject of court proceedings in France, the Board was entitled, under Rule 20(7)(c) of Regulation No 2868/95, to suspend the opposition proceedings until a final judgment on the matter was delivered.

42 Consequently, the General Court held, at paragraph 92 of the judgment under appeal, that the Board of Appeal had infringed Article 8(4) of Regulation No 40/94 by holding, first, that the claimed earlier right registered under the Lisbon Agreement was not an ‘appellation of origin’ and, second, that the question whether the sign ‘BUD’ was treated as a protected appellation

of origin, in France in particular, was of ‘secondary importance’, and by concluding that an opposition based on that right could not succeed.

43 As regards, second, the appellation ‘bud’ protected under the relevant bilateral treaties, the General Court pointed out, at paragraph 93 of the judgment under appeal, that it is not clear from those treaties that the indication ‘bud’ was specifically designated as an ‘appellation of origin’.

44 At paragraph 94 of the judgment under appeal, the General Court held that it followed from Article 2 of the bilateral convention that the convention is based on a wider definition than that adopted by the Board of Appeal since, if the indications or appellations concerned relate directly or indirectly to the source of a product, that is sufficient to permit them to be listed under the bilateral agreement and thereby to enjoy the protection conferred by the bilateral convention.

45 In that regard, the General Court held, at paragraph 95 of the judgment under appeal, that the Board of Appeal had made two errors: first, it held, incorrectly, that the protection of the name BUD was specifically attached to its status as an ‘appellation of origin’ under the relevant bilateral treaties, and, second, it had, in any event, employed a definition of ‘appellation of origin’ which did not correspond to the definition of the indications protected under those treaties.

46 The General Court went on to hold, at paragraph 96 of the judgment under appeal, that the fact that Budvar may have presented the claimed right as an ‘appellation of origin’ did not prevent the Board of Appeal from undertaking a comprehensive assessment of the facts and documents presented, since the restriction of the factual basis of the examination by OHIM does not preclude it from taking into consideration, in addition to the facts expressly put forward by the parties to the opposition proceedings, facts which are well known, that is, which are likely to be known by anyone or which may be learnt from generally accessible sources.

47 The General Court concluded, at paragraph 97 of the judgment under appeal, that the Board of Appeal had infringed Article 8(4) of Regulation No 40/94 by holding, first, that the claimed earlier right, protected under the bilateral convention, was not an ‘appellation of origin’ according to the definition adopted by the Board of Appeal and, second, that whether the sign ‘BUD’ was treated as a protected appellation of origin, *inter alia* in Austria, was of ‘secondary importance’, and, lastly, by concluding that an opposition on that basis could not succeed.

48 At paragraph 98 of that judgment, the General Court stated that, furthermore, the relevant bilateral treaties were still effective in Austria for the purposes of protecting the appellation ‘bud’, on the ground, in particular, that the ongoing proceedings in Austria had not led to the adoption of a final judicial decision. Thus the Court held that the Board of Appeal ought to have taken into account, pursuant to Article 8(4) of Regulation No 40/94, Budvar’s claimed earlier right without calling in question the actual classification of that right.

49 Accordingly, the General Court, at paragraph 99 of the judgment under appeal, upheld the first part of the single plea in law, alleging infringement of Article 8(4) of Regulation No 40/94.

50 As regards the second part of the single plea, concerning application of the conditions set out in Article 8(4) of Regulation No 40/94, the General Court examined the complaint concerning the requirements relating to use in the course of trade of a sign of more than mere local significance.

51 With regard, first, to the requirement relating to use of the sign ‘BUD’ in the course of trade, the General Court started by observing, at paragraph 160 of the judgment under appeal, that, in the contested decisions, the Board of Appeal had applied, by analogy, Article 43(2) and (3) of Regulation No 40/94 and the requirement of proof of ‘genuine’ use of the earlier right provided for therein.

52 At paragraph 163 of the judgment under appeal, the General Court went on to hold that the objectives and requirements associated with proof of genuine use of an earlier trade mark are not the same as those relating to proof of use, in the course of trade, of a sign covered by Article 8(4) of Regulation No 40/94, particularly when, as in the present case, the sign is an appellation of origin registered under the Lisbon Agreement or an appellation protected under the relevant bilateral treaties.

53 In that regard, the General Court found, at paragraphs 164 to 167 of the judgment under appeal, that:

– Article 8(4) of Regulation No 40/94 does not refer to the ‘genuine’ use of the sign relied on in support of the opposition;

– in connection with Article 9(1) of Regulation No 40/94 and Articles 5(1) and 6(1) 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 Court of Justice and the General Court have consistently held that a sign is used in the ‘course of trade’ when that use occurs in a commercial activity with a view to economic advantage and not as a private matter (see *inter alia* [Case C-206/01 Arsenal Football Club \[2002\] ECR I-10273, paragraph 40](#));

– the application by analogy of Article 43(2) and (3) of Regulation No 40/94 would impose on signs covered by Article 8(4) requirements specifically linked to trade marks and the extent of their protection. The latter provision also contains the additional requirement, not laid down Article 8(1)(b) of Regulation No 40/94, concerning proof that the sign confers the right, under the law of the Member State concerned, to prohibit use of a subsequent mark;

– the application by analogy of Article 43(2) and (3) caused the Board of Appeal to undertake separate assessments of use of the sign concerned in only France, Italy, Austria and Portugal, in other words in each of the territories where, according to Budvar, the appellation ‘bud’ is protected and, consequently, to disregard the evidence produced by Budvar relating to the use of the appellations concerned in Benelux, Spain and the

United Kingdom. In the General Court's view, since it does not follow from the wording of Article 8(4) of Regulation No 40/94 that signs such as those at issue must be used in the territory whose law is invoked in support of the protection of that sign, they may enjoy protection in a particular territory, even though they are not used in that territory.

54 Finally, in view of those matters, the General Court held, at paragraph 168 of the judgment under appeal, that the Board of Appeal had made an error of law by deciding to apply, by analogy, the provisions of EU law relating to the 'genuine' use of the earlier trade mark. According to the Court, the Board of Appeal ought to have determined whether the evidence provided by Budvar in the course of the administrative proceedings reflected use of the sign concerned in the context of a commercial activity with a view to economic advantage, and not as a private matter, whatever the territory concerned by that use.

55 However, the General Court added, also at paragraph 168, that, that said, the error in method made by the Board of Appeal could justify the annulment of the contested decisions only if Budvar had established that the signs concerned were used in the course of trade.

56 In that regard, the General Court pointed out, at paragraph 169 of the judgment under appeal, that it does not follow from Article 8(4) of Regulation No 40/94 that the opponent must show that the sign concerned was used prior to the Community trade mark application but that, at most, it may be required, as for earlier trade marks, and to avoid situations where the earlier right is used solely because of opposition proceedings, that the sign concerned has been used before publication of the trade mark application in the Community Trade Marks Bulletin.

57 At paragraphs 170 to 172 of the judgment under appeal, the General Court examined the documents submitted by Budvar and, after finding that they related to use of the sign before the publication of the trade mark application concerned, concluded, at paragraph 173 of that judgment, that those documents were capable of showing, if their probative value were sufficient, that the sign concerned was 'used' in the course of trade.

58 Concerning the substance, the General Court held, at paragraph 175 of the judgment under appeal, that a word which serves to indicate the geographical origin of a product may be used, like a trade mark, in the course of trade, but that does not mean that the appellation concerned is used 'as a trade mark' and consequently loses its primary function.

59 In addition, the General Court held, at paragraph 176 of the judgment under appeal, that the probative value of the documents relating to deliveries made without charge could not be called in question since they could have been made in the context of a commercial activity with a view to economic advantage, namely to acquire new outlets.

60 Consequently, at paragraph 178 of the judgment under appeal, the General Court upheld Budvar's complaint concerning the requirement relating to use in the

course of trade, as laid down in Article 8 (4) of Regulation No 40/94.

61 As regards, second, the requirement relating to the significance of the sign concerned, the General Court observed at paragraph 179 of the judgment under appeal that the Board of Appeal had considered the evidence of use of the sign in France to be insufficient to establish the existence of a right of more than merely local significance.

62 In that regard, the General Court held, at paragraphs 180 and 181 of the judgment under appeal, that the Board of Appeal had also made an error of law, since the requirement in question refers to the significance of the sign concerned, namely the geographical extent of its protection, and not to the significance of its use. In that respect, the Court held that the earlier rights in question have a significance which is not merely local inasmuch as their protection, under the Lisbon Agreement and the relevant bilateral treaties, extends beyond their territory of origin.

63 The General Court thus concluded, at paragraph 182 of the judgment under appeal, that the first complaint in the second part of the single plea in law was well founded.

64 As regards the second complaint in the second part of the single plea in law, concerning whether Budvar had provided proof that the signs concerned gave it the right to prohibit use of a subsequent mark, within the meaning of Article 8(4)(b) of Regulation No 40/94, the General Court held, at paragraph 185 of the judgment under appeal, that, given also the terms of Article 74 of that regulation, the burden of proof lies on the opponent.

65 As regards the provisions of national law relied on by Budvar in support of its opposition in order to establish that it had the right to prohibit use of the word 'BUD' as a trade mark in France or Austria, the General Court, at paragraph 192 of the judgment under appeal, held, first, that the Board of Appeal could not rely solely on certain judicial decisions delivered in those Member States as the basis for its conclusion that Budvar had not provided evidence that the sign concerned conferred on it the right to prohibit use of a subsequent mark, since none of those decisions had acquired the authority of *res judicata*.

66 The General Court, also at paragraph 192, added that, in order to satisfy itself that that requirement had been met, the Board of Appeal should also have taken account of the provisions of national law relied on by Budvar, including the Lisbon Agreement and the bilateral convention and, in particular, as regards France, of a number of provisions of the Rural Code, the Consumer Code and the Intellectual Property Code and, as regards Austria, of the basis in law for the actions brought by Budvar under the national law relied on, that is to say, Article 9 of the bilateral convention and the provisions of the Austrian legislation on trade marks and unfair competition.

67 Secondly, as regards Austria, the General Court pointed out, at paragraph 193 of the judgment under appeal, that the Board of Appeal had stated that the

judgment of the Oberlandesgericht Wien (Austria) of 21 April 2005 held that the word ‘bud’ was not a place name and was not understood by Czech consumers as designating a beer from the town of České Budějovice, and that, according to the Board of Appeal, that judgment was based on findings of fact which a court of last instance would be unlikely to review.

68 However, the General Court stated, also at paragraph 193, that it was clear from the documents in the file that the judgment of the Oberlandesgericht Wien had in fact been set aside by the Oberster Gerichtshof (Austria) in a judgment delivered on 29 November 2005, in other words before the date of adoption of the contested decisions, on the ground that it had been found only that the name ‘BUD’ was not associated in the Czech Republic with any specific region or locality, whereas it should have been determined whether Czech consumers interpret that name, in relation to beer, as indicating a place or a region.

69 In that regard, the General Court held, also at paragraph 193 of the judgment under appeal, that, in view of the fact that, in its reply before the Board of Appeal, Budvar had provided a copy of its appeal to the Oberster Gerichtshof, it was open to the Board of Appeal to inform itself through the parties, or by any other means, of the outcome of the proceedings brought before the Oberster Gerichtshof.

70 In that regard, the General Court observed, also at paragraph 193 of the judgment under appeal, that OHIM must of its own motion acquaint itself, by whatever means appear necessary for that purpose, with the national law of the Member State concerned if that information is required in order to assess whether the conditions for application of a ground for refusal of registration have been met and, in particular, to assess the correctness of the facts pleaded and the probative value of the documents submitted. According to the Court, the restriction of the factual basis of the examination by OHIM does not preclude it from taking into consideration, in addition to the facts expressly relied on by the parties to the opposition proceedings, facts which are well known, that is, facts which are likely to be known by anyone or which may be learnt from generally accessible sources.

71 Thirdly, as regards France, the General Court held, at paragraph 195 of the judgment under appeal, that, contrary to what the Board of Appeal decided, it does not follow from the wording of Article 8(4) of Regulation No 40/94 that the opponent must establish that he has in fact already been able to prohibit use of a subsequent mark, which Budvar has been unable to do, but that he must only establish that he has such a right available to him.

72 At paragraph 196 of the judgment under appeal, the General Court added that, contrary to what was stated by the Board of Appeal, the appellation of origin ‘bud’ registered under the Lisbon Agreement had not been declared invalid by a judgment of 30 June 2004 of the Tribunal de grande instance in Strasbourg, since that judgment clearly states that only the ‘effects’ on French territory of the appellation of origin ‘bud’ were de-

clared to be invalid in accordance with the relevant provisions of the Lisbon Agreement. The Court also pointed out that that judgment was under appeal and that the appeal has suspensory effect.

73 The General Court held, at paragraph 199 of the judgment under appeal, that the Board of Appeal had made an error by not taking into account all the relevant elements of fact and law in determining whether, under Article 8(4)(b) of Regulation No 40/94, the law of the Member State concerned conferred on Budvar the right to prohibit use of a subsequent mark.

74 The General Court concluded, at paragraph 201 of the judgment under appeal, that the second part of the single plea in law thus had to be considered to be well founded and, consequently, it accepted the single plea and upheld the action in its entirety.

75 Accordingly, the General Court, at paragraph 202 of the judgment under appeal, annulled the contested decisions.

#### **Proceedings before the Court of Justice and forms of order sought**

76 By its appeal, Anheuser-Busch claims that the Court should:

- set aside the judgment under appeal, with the exception of point 1 of the operative part thereof;
- give final judgment on the dispute by dismissing the action brought at first instance or, in the alternative, refer the case back to the General Court, and
- order Budvar to pay the costs.

77 Budvar claims that the Court should:

- dismiss the appeal; and
- order Anheuser-Busch to pay the costs.

78 OHIM contends that the Court should:

- set aside the judgment under appeal; and
- order Budvar to pay the costs.

#### **The appeal**

79 Anheuser-Busch puts forward two pleas in law in support of its appeal. The first, which is divided into three parts, alleges infringement of Article 8(4) of Regulation No 40/94. The second alleges infringement of the provisions of Article 8(4) in conjunction with those of Article 74(1) of Regulation No 40/94.

80 OHIM states that it supports the appeal and raises two pleas in law alleging, respectively, infringement of Article 8(4) of Regulation No 40/94 and infringement of Article 74 thereof.

#### **First plea in law, concerning infringement of Article 8(4) of Regulation No 40/94 First part of the first plea – Arguments of the parties**

81 By the first part of its first plea, Anheuser-Busch maintains that the General Court erred in law in holding that the Board of Appeal was not competent to determine whether Budvar had established the validity of the earlier rights that it relied on under Article 8(4) of Regulation No 40/94 when there were serious doubts as to their validity.

82 It submits that, in opposition proceedings based on ‘rights’ within the meaning of Article 8(4) of Regulation No 40/94, OHIM has to determine whether those rights actually exist, whether they are enforceable and whether they may be relied on as against the trade mark

application concerned: the Board of Appeal, correctly, proceeded in that way.

83 The burden of proving that those conditions are met lies with the opponent, as is shown by Articles 43(5) and 45 of Regulation No 40/94.

84 In this case, the Board of Appeal relied on a number of court decisions, final in the case of the Italian Republic and the Portuguese Republic, and not yet final in the case of the French Republic and the Republic of Austria, from which it is apparent, as regards the former, that the appellation at issue was invalid and, as regards the latter, that the earlier right concerned was not enforceable.

85 So far as the decisions given in France and Austria are concerned, Anheuser-Busch submits that it had submitted ample evidence showing that the designation in question could not be regarded as an appellation of origin, or even a geographical indication, thereby reversing the presumption that an earlier right existed as a result of registration. It was then for Budvar to prove that the national rights on which it relied existed. The Board of Appeal, having examined the evidence submitted by Budvar, held that Budvar had not provided such proof.

86 Lastly, Anheuser-Busch criticises the General Court for drawing an analogy between Article 8(4) and Article 8(1) of Regulation No 40/94, the latter of which concerns an opposition based on an earlier trade mark and in connection with which the General Court has consistently held that OHIM does not question the validity of the earlier trade mark.

87 There is no basis for such an analogy. Those two provisions address independent and different relative grounds for refusal. A national trade mark forms a ground for refusal on the basis of its registration alone, since the trade mark laws of the Member States are harmonised by Directive 89/104. However, that is not the case of the ‘rights’ referred to in Article 8(4) of Regulation No 40/94, since they have not been subject to any harmonisation at all.

88 Budvar contends that Regulation No 40/94 does not give OHIM, as a European Union body, the power to register or cancel national trade marks. As is clear from the 11th recital in the preamble to Regulation No 40/94, it cannot be recognised that OHIM has powers unless they are specifically conferred by secondary legislation and provided that such conferment is permitted by the EC Treaty.

89 The General Court was thus correct in refusing to recognise that OHIM was competent to decide upon the validity of a national mark relied on in support of an opposition. That principle, which is also embodied in the fifth recital to Regulation No 40/94, is wholly applicable to the rights relied on by an opponent under Article 8(4) of that regulation.

#### – Findings of the Court

90 Anheuser-Busch maintains, in essence, that the General Court made an error of law in finding that the Board of Appeal had infringed Article 8(4) of Regulation No 40/94 in so far as the Board held that the geographical indication of origin ‘Bud’, as protected under

the Lisbon Agreement and the relevant bilateral treaties, could not be regarded as an appellation of origin, or even an indirect indication of geographical origin, and that an opposition could not succeed, under that provision, on the basis of those earlier rights, which were presented as an appellation of origin but which were in fact not one at all.

91 In that regard, the General Court stated, at paragraphs 87 and 98 of the judgment under appeal, that, on the date of adoption of the contested decisions, the ongoing judicial proceedings in France and Austria concerning the validity of the appellation of origin ‘bud’, as protected in France under the Lisbon Agreement, and the appellation ‘bud’, as protected in Austria by the relevant bilateral treaties, had not led to the adoption of a final decision against which there was no appeal.

92 Having found that the effects of the claimed earlier rights had not been declared definitively to be invalid in those two Member States and that those rights were valid when the contested decisions were adopted, the General Court concluded, at paragraphs 90 and 98 of the judgment under appeal, that the Board of Appeal ought to have taken into account the claimed earlier rights without calling in question the actual classification of those rights.

93 In so deciding, the General Court did not make an error of law such as to vitiate its judgment.

94 If an opponent is to be able, on the basis of Article 8(4) of Regulation No 40/94, to prevent registration of a Community trade mark, it is necessary – and sufficient – that, at the date on which OHIM determines whether all the conditions for opposition are met, an earlier right may be claimed which has not been declared invalid by a judicial decision that has become final.

95 In those circumstances, although it is for OHIM, when it decides upon an opposition based on Article 8(4) of Regulation No 40/94, to take into account decisions of the courts of the relevant Member States concerning the validity or classification of the earlier rights claimed to ensure that those rights continue to produce the effects required by that provision, it is not for it to substitute its assessment for that of the competent national courts – a power which, in any event, Regulation No 40/94 does not confer on it.

96 In this case, as the General Court held, the Board of Appeal, when it adjudicated upon the opposition proceedings brought by Budvar, was in a position to establish that the earlier rights claimed under Article 8(4) of Regulation No 40/94 had not been declared invalid by final judicial decisions.

97 The existence of the earlier rights claimed by Budvar, concerning the designation ‘BUD’ could, moreover, have easily been established by the Board of Appeal at the time when it determined the oppositions concerned, since the fact that those rights existed was shown by the registration of that designation under the Lisbon Agreement with effect, inter alia in France, and by its inclusion in the list of designations having effect in Austria contained in the bilateral agreement. As the

Advocate General has stated at point 58 of his Opinion, the fact that that registration and listing continued to exist at that time was sufficient to establish the validity of those earlier rights for the purposes of proceedings before the Board of Appeal.

98 As to whether the earlier rights thus claimed (those relating to the appellation of origin ‘bud’, as protected under the Lisbon Agreement with effect in France, and to ‘bud’ as protected under the relevant bilateral treaties with effect in Austria) constitute signs which may be relied on in support of an opposition under Article 8(4) of Regulation No 40/94 – in view of the ruling of the [Court of Justice in Case C-478/07 Budějovický Budvar \[2009\] ECR I-7721](#) stating that the system of protection laid down by Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs is exhaustive in nature (OJ 2006 L 93, p. 12) – that question was not the subject of argument before the General Court.

99 Consequently, the first part of the first plea must be rejected.

#### **The second and third parts of the first plea in law – Arguments of the parties**

100 By the second part of its first plea, Anheuser-Busch criticises the General Court, in the first place, in relation to the quantity and quality of use of a sign, for having held that the requirement, laid down in Article 8(4) of Regulation No 40/94, that any ‘other sign’ within the meaning of that provision must be ‘used in the course of trade’, is to be interpreted as referring to any commercial use, however limited, provided that it is not purely a private matter, including use of a geographical indication as a trade mark and even use free of charge.

101 Anheuser-Busch maintains that the Board of Appeal had held, rightly, that it was appropriate, at the least, to regard that requirement as equivalent to the requirement for genuine use contained in Articles 15 and 43(2) and (3) of Regulation No 40/94, understood as requiring actual use of a trade mark on the market for the goods and services for which it is protected, as well as its real commercial exploitation, as opposed to mere internal use or token use made only for the purpose of maintaining the rights to the trade mark, and that this actual use must be made in accordance with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user.

102 If such a requirement did not apply under Article 8(4) of Regulation No 40/94, by reason of the autonomous EU law requirement of ‘[use] in the course of trade’, the regulation would impose more stringent requirements as to use for an earlier Community trade mark to block a trade mark application under Article 8(1) of Regulation No 40/94 than for an earlier right under Article 8(4) of Regulation No 40/94, although, unlike trade marks, such a right has not been subject to any harmonisation.

103 Unlike the Board of Appeal, the General Court did not take into account the purpose of the legal requirement of ‘use’. In Anheuser-Busch’s submission, so far

as use is concerned, less is required for a finding of infringement under Article 9(1) of Regulation No 40/94 than for the maintenance of a trade mark as referred to in Articles 15 and 43(2) and (3) of the regulation. However, the most stringent requirements should apply for constituting a right such as the right of opposition under Article 8(4) of the regulation, since it may provide a ground for refusing a Community trade mark.

104 Anheuser-Busch also complains that the General Court took into account deliveries by Budvar of extremely limited quantities free of charge over a period of four years. Those deliveries cannot be regarded as genuine use in light of the case-law concerning the requirement for use (see [Case C-495/07 Silberquelle \[2009\] ECR I-137](#)).

105 Anheuser-Busch also criticises the General Court for considering that it was not of any relevance whether, for the purposes of Article 8(4) of Regulation No 40/94, the sign was used as a trade mark or as an appellation of origin or even as a geographical indication.

106 Just as the use of a trade mark must be made in accordance with the essential function of a trade mark to qualify as genuine, the use of an appellation of origin or geographical indication relied on as an earlier right under Article 8(4) must be made in accordance with the essential function of those signs, namely, to guarantee to the consumer the geographical origin of the goods and special qualities connected therewith.

107 Budvar maintains, by contrast, that the concept of use in the course of trade within the meaning of Article 8(4) of Regulation No 40/94 does not contain any reference to genuine use and must be regarded as a qualitative, not a quantitative, criterion since that concept, as it also appears in Articles 9 and 12 of that regulation and in Articles 5 and 6 of Directive 89/104, defines the activities for which a trade mark is protected as opposed to those for which it is not.

108 At paragraph 165 of the judgment under appeal, the General Court correctly adopted the interpretation of ‘use’ established in the settled case-law of both the Court of Justice and the General Court, namely, that use of a sign must be located ‘in the context of a commercial activity with a view to economic advantage, and not as a private matter’. For reasons of legal certainty, where the same concept is found in different provisions, it must be interpreted in the same way in each of them.

109 Earlier rights other than trade marks, referred to in Article 8(4) of Regulation No 40/94 and, in very similar terms, in Article 4(4)(b) of Directive 89/104, vary so widely that it is not possible to determine the minimum characteristics these rights must possess in order to oppose a subsequent trade mark. This is the reason why those provisions impose the additional requirement that the proprietor of the non-registered trade mark or sign establish that he is able to prohibit the use of a subsequent trade mark on the basis of the right on which he relies.

110 Furthermore, with regard to deliveries made free of charge in France of beer under the name ‘BUD’,

Budvar maintains that the judgment in *Silberquelle* cannot be applied to circumstances such as those of the present case, since that judgment did not relate to a requirement for use of a sign ‘in the course of trade’ but to a requirement for ‘genuine use’ within the meaning of Articles 10(1) and 12(1) of Directive 89/104.

111 As regards the argument that the General Court should have established whether Budvar had demonstrated use of the sign as an appellation of origin or geographical indication and not as a trade mark, Budvar submits that Article 8(4) of Regulation No 40/94 does not impose that requirement in order for an earlier right to be relied upon and requests, in that regard, that

paragraphs 174 and 175 of the judgment under appeal be confirmed. In any event, the question whether Budvar used the sign in question as an appellation of origin or as a trade mark is a question of fact in respect of which the General Court has exclusive jurisdiction.

112 In the second part of its first plea, Anheuser-Busch maintains, in the second place, with regard to the relevant territory for establishing use in the course of trade, that the General Court infringed the principle of territoriality and misinterpreted Article 8(4) of Regulation No 40/94 when it held, at paragraph 167 of the judgment under appeal, that evidence concerning territories of Member States other than that in which the right is relied on under Article 8(4) could be taken into account for the purpose of determining whether there is use in the course of trade.

113 That requirement can refer only to the use of the sign in the territory in which protection of the sign is claimed.

114 That results *inter alia* from the principle of territoriality which is a fundamental principle of intellectual property law. Accordingly, acts showing use of the earlier sign must relate to the specific jurisdictions in question, in the present case France or Austria, and must be examined separately for each of those jurisdictions.

115 If that were not the case, unharmonised rights under Article 8(4) of Regulation No 40/94 would be treated better than harmonised rights, since there is no doubt that the latter cannot block a Community trade mark registration unless they are put to genuine use in the territory of the Member State in which they are protected, as use in another Member State cannot be taken into account.

116 On that point, OHIM takes the same stance, namely that the relevant territory where use of the sign at issue in the course of trade must be shown for the purposes of that provision is exclusively the territory where protection is claimed, in this case, France and Austria. That is clear from the actual wording of Article 8(4) of Regulation No 40/94, since, in the same sentence, it refers to the ‘sign used in the course of trade’ and to ‘the law of the Member State governing that sign’.

117 The correct approach is that adopted at paragraph 40 of the judgment in *Joined Cases T-318/06 to T-321/06 Moreira da Fonseca v OHIM – General Óptica*

(*GENERAL OPTICA*) [2009] ECR II-649, namely that the relevant territory in respect of an examination of the significance of those exclusive rights is that in which each of the legal rules from which those rights derive applies.

118 Budvar maintains, however, that the General Court was correct in holding, in connection with Article 8(4) of Regulation No 40/94, that it is not necessary to demonstrate actual use of an earlier right in the territory of the Member State where it is protected, given that those rights may be protected in those territories without ever having been used there.

119 Article 8(4) of Regulation No 40/94 requires neither that genuine use of the sign at issue be shown nor that its use on the territory where it is protected be proved.

120 In the second part of its first plea, Anheuser-Busch maintains, in the third place, as regards the period in respect of which use of earlier rights must be proved, that the General Court misinterpreted Article 8(4) of Regulation No 40/94 by rejecting the filing date of the trade mark applications as the relevant date at which use in the course of trade has to be demonstrated and by holding, at paragraph 169 of the judgment under appeal, that it is sufficient that there be proof of use before the date of publication of the trade mark application in the *Community Trade Marks Bulletin*.

121 In that regard, Anheuser-Busch maintains that all the requirements which must be met for an earlier right to be relied on under Article 8 of Regulation No 40/94 must be present at the time of filing of the application that is opposed, including, in the case of Article 8(4), the requirement of use in the course of trade. Accordingly, any evidence submitted for the purpose of showing such use must pre-date the filing of the application at issue or the priority date thereof.

122 Such an interpretation is confirmed, in a similar context, by the case-law according to which the reputation of an earlier trade mark relied upon by the opponent under Article 8(5) of Regulation No 40/94 must have existed at the filing date of the Community trade mark application which is opposed or at the date of priority claimed (see, in particular, *Case C-108/07 P Ferrero Deutschland v OHIM* [2008] ECR I-61, paragraph 35), even though Article 8(5) refers only to the trade mark being earlier and does not expressly require that the reputation also be earlier.

123 That case-law is based on the priority rule, a fundamental principle of intellectual property law which is recognised around the world, including in the fundamental treaties concerning intellectual property, which enshrines the primacy of the prior exclusive right towards rights which emerge later and establishes that a trade mark application can be challenged only on the basis of prior rights.

124 Anheuser-Busch criticises the General Court for having incorrectly applied, by analogy, Article 43(2) and (3) of Regulation No 40/94, linking anteriority to the date of publication of the trade-mark application in the *Community Trade Marks Bulletin*. That is also at variance with paragraph 166 of the judgment under

appeal, in which the General Court rejected such application by analogy.

125 Furthermore, Article 43(2) and (3) of Regulation No 40/94 includes a rule as to priority, which is an exception and specific to maintenance of an earlier trade mark and which cannot be applied in any other context such as that of Article 8(4) of Regulation No 40/94.

126 Finally, the notion of use of a sign of ‘more than mere local significance’ is an autonomous requirement of EU law which must be satisfied, as must the other requirements laid down in Article 8(4)(a) and (b) of Regulation No 40/94 and, more generally, all the requirements laid down in Article 8, ‘prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark’.

127 Similarly, according to OHIM, the filing date of trade mark applications is the relevant date in respect of which use in the course of trade must be established. That principle was correctly applied in paragraph 44 of the judgment in *Moreira da Fonseca v OHIM – General Óptica (GENERAL OPTICA)*.

128 Budvar contends, however, that the General Court’s analysis must be upheld.

129 First, the case-law of the Court of Justice concerning Article 8(5) of Regulation No 40/94 cannot be applied to Article 8(4). That case-law is justified in view of the specific nature of trade marks with a reputation, since it is highly likely that an applicant will have been aware, when he filed a subsequent trade mark application, of that reputation. In contrast, for the other types of opposition referred to in Article 8, it is only publication of an application which renders it public and ‘makes it opposable to third parties’.

130 Second, on this point the judgment under appeal is not contrary to the priority principle. That principle, expressed in Article 8(4)(a) of Regulation No 40/94, imposes on the opponent the additional requirement of proving that the earlier right relied on in support of the opposition existed prior to the filing date of the trade mark application. However, it does not require the opponent to prove that it was used before that date in the course of trade.

131 By the third part of its first plea, Anheuser-Busch claims that the General Court also infringed Article 8(4) of Regulation No 40/94 by interpreting incorrectly, at paragraphs 179 to 183 of the judgment under appeal, the words ‘of more than mere local significance’ contained in that provision.

132 Anheuser-Busch maintains, in particular, that the ‘significance’ of a sign within the meaning of Article 8(4) of Regulation No 40/94 must be assessed in relation to the territory in which it is protected, in this case France and Austria.

133 Moreover, a sign can have significance within the meaning of that provision only if it is used in the markets of the Member States under whose laws it is protected. Such significance cannot stem from the mere fact that the sign is protected under the law of two or more Member States.

134 Anheuser-Busch concludes that the words ‘more than mere local significance’ are to be interpreted as constituting an autonomous EU law requirement which cannot be subject to national law but which must result from use of the sign in question in the markets of the Member States in whose territory it is protected.

135 OHIM maintains that, by linking, at paragraph 180 of the judgment under appeal, the ‘significance’ of the sign to the territorial scope of the protection recognised by the national law relied on, the General Court overlooked the fact that the requirement laid down in Article 8(4) of Regulation No 40/94 that the sign be of more than mere local significance is an EU law requirement that cannot be assessed by reference to national law.

136 The General Court erred in law by holding, at paragraph 181 of the judgment under appeal, that the earlier rights are of more than mere local significance, within the meaning of Article 8(4) of Regulation No 40/94, solely because their protection extends beyond their territory of origin.

137 According to OHIM, the ‘significance’ criterion is meant to put an effective limit on all the potential signs, other than trade marks, which could be relied on in order to challenge the registrability of a Community trade mark. Accordingly, this notion must relate to the economic importance and the geographical ambit of the ‘[use] in the course of trade’.

138 In that regard, OHIM refers to paragraphs 36 to 39 of *Moreira da Fonseca v OHIM – General Óptica (GENERAL OPTICA)*, in which the latter interpretation was endorsed.

139 Budvar maintains, by contrast, that the expression ‘more than mere local significance’, within the meaning of Article 8(4) of Regulation No 40/94, refers to the geographical extent of the protection of the sign at issue, namely the territory in which the opponent may assert its earlier right, in the present case all French and Austrian territories in which the rights relied on are protected by the Lisbon Agreement and the relevant bilateral treaties respectively.

140 That expression therefore refers to the territory in which the sign is protected, not that in which it is used. A contrary interpretation would conflict with the very wording of Article 8(4) of Regulation No 40/94 and, in addition, would amount to imposing on the opponent an additional requirement which, moreover, would not be consistent with Article 107 of Regulation No 40/94, which makes the territory in which the prior right is protected, and not the territory in which it is used, a criterion for implementation of an earlier right.

#### – Findings of the Court

141 By the second and third parts of its first plea in law, which it is appropriate to consider together, Anheuser-Busch complains that the General Court infringed Article 8(4) of Regulation No 40/94 in that it misinterpreted the condition by virtue of which the earlier right relied on in support of the opposition must concern a ‘sign used in the course of trade of more than mere local significance’.

142 As regards the first point, which concerns whether the words ‘used in the course of trade’ are to be understood either as referring – as was held by the General Court – to use of an earlier right in a commercial activity with a view to economic advantage and not as a private matter, or as referring to genuine use, by analogy with the provision made in Article 43(2) and (3) of Regulation No 40/94 in relation to earlier trade marks relied on in support of an opposition, the judgment under appeal does not make an error of law.

143 Article 8(4) of Regulation No 40/94 does not concern the ‘genuine’ use of a sign relied on in support of an opposition and there is nothing in the wording of Article 43(2) and (3) of the regulation to suggest that the requirement for proof of genuine use applies to such a sign.

144 Furthermore, whilst it is true that the words ‘used in the course of trade’ in Article 8(4) of Regulation No 40/94 do not necessarily have to be interpreted in the same way as they are in relation to Article 9(1) of that regulation or Articles 5(1) and 6(1) of Directive 89/104, since account must be taken of the purpose of each of those provisions, the fact remains that if those words are interpreted as meaning, in essence, that the sign need only be put to some commercial use, such an interpretation is consistent with their usual meaning.

145 The General Court was also correct when it held, at paragraph 166 of the judgment under appeal, that, if the requirement for genuine use were imposed on the signs covered by Article 8(4) of Regulation No 40/94 on the same conditions as those set out in Article 43(2) and (3) of the regulation, such an interpretation would impose on those signs requirements specific to oppositions based on earlier trade marks, and that, by contrast with those oppositions, in oppositions under Article 8(4) of Regulation No 40/94 the opponent must also show that the sign concerned gives him the right, according to the law of the Member State concerned, to prohibit use of a subsequent trade mark.

146 Moreover, if the requirement for genuine use laid down for earlier trade marks were applied by analogy to the earlier rights referred to in Article 8(4) of Regulation No 40/94, that would also be contrary to the, in principle, autonomous nature of that relative ground for refusal, which, as the Advocate General has stated at points 69 to 71 of his Opinion, is made apparent by conditions specific to that ground and which must also be interpreted in the light of the very wide variety of earlier rights that may be covered by that ground.

147 Nor did the General Court make an error of law with regard, in the second place, to the question whether the words ‘used in the course of trade’ mean that use of a geographical indication relied on under Article 8(4) of Regulation No 40/94 must be made in accordance with the essential function of such a sign, namely to guarantee to consumers the geographical origin of the goods and the special qualities inherent in them, when, in the present case, the sign relied on was used as a trade mark.

148 The General Court, at paragraph 175 of the judgment under appeal, held that, for Article 8(4) of Regu-

lation No 40/94 to apply, it is sufficient to find that the sign relied on in support of the opposition is used in the course of trade and that the fact that that sign is identical to a trade mark does not mean that it is not used in the course of trade.

149 As regards the function to be performed by use of the sign, the latter must be used as a distinctive element in that it must serve to identify an economic activity engaged in by its proprietor, a matter which, in this instance, is not in dispute.

150 In particular, the General Court added at paragraph 175 that it had not been clearly specified before it how the sign ‘BUD’ had been used ‘as a trade mark’ and that there was no evidence that the word ‘bud’, displayed on the goods in question, referred any more to the commercial origin of the product than to its geographical origin.

151 It follows that the complaint must be rejected since the General Court did not, in this respect, make an error of law such as to vitiate its judgment and since, furthermore, it is not for the Court of Justice, at the appeal stage, to review the assessment of the facts made by the General Court, given that Anheuser-Busch has not claimed before this Court that the clear sense of the facts has been distorted.

152 In the third place, contrary to the contention of Anheuser-Busch, the General Court was correct in holding, at paragraph 176 of the judgment under appeal, that deliveries made without charge could be taken into account in order to ascertain whether the requirement for use of the earlier right in the course of trade was met, since those deliveries could have been made in the context of a commercial activity with a view to economic advantage, namely to acquire new outlets.

153 Before considering the other complaints raised by Anheuser-Busch in the second part of its first plea and by OHIM in its first plea, concerning the period and territory that are relevant for the purpose of an assessment of the requirement for use in the course of trade, it is appropriate first to analyse the third part of Anheuser-Busch’s first plea and the first plea advanced by OHIM in so far as they concern the requirement that the sign be of more than mere local significance, another condition set out in Article 8(4) of Regulation No 40/94.

154 At paragraph 180 of the judgment under appeal, the General Court held, first, that it can be inferred from the actual wording of Article 8(4) of Regulation No 40/94 that the provision refers to the significance of the sign concerned and not to the significance of its use and, second, that the significance of the sign must be understood as the geographical extent of its protection, which must not be merely local.

155 On that point, the judgment under appeal contains an error of law.

156 Where the geographical extent of the protection of a sign is merely local, the sign must indeed be regarded as of mere local significance. However, it does not follow that the condition laid down in Article 8(4) of Regulation No 40/94 is met in every case simply because

the sign in question is protected in a territory which cannot be regarded as merely local, in the present case because the territory of protection extends beyond the territory of origin.

157 The common purpose of the two conditions laid down in Article 8(4) of Regulation No 40/94 is to limit conflicts between signs by preventing an earlier right which is not sufficiently definite – that is to say, important and significant in the course of trade – from preventing registration of a new Community trade mark. A right of opposition of that kind must be reserved to signs which actually have a real presence on their relevant market.

158 Accordingly, the significance of a sign cannot be a function of the mere geographical extent of its protection, since, if that were the case, a sign whose protection is not merely local could, by virtue of that fact alone, prevent registration of a Community trade mark – and could do so even though the sign is used only to a very limited extent in the course of trade.

159 It follows that, in order to be capable of preventing registration of a new sign, the sign relied on in opposition must actually be used in a sufficiently significant manner in the course of trade and its geographical extent must not be merely local, which implies, where the territory in which that sign is protected may be regarded as other than local, that the sign must be used in a substantial part of that territory.

160 In order to ascertain whether that is the case, account must be taken of the duration and intensity of the use of that sign as a distinctive element vis-à-vis its addressees, namely purchasers and consumers as well as suppliers and competitors. In that regard, the use made of the sign in advertising and commercial correspondence is of particular relevance.

161 Since, as has been stated at paragraph 159 of this judgment, it is necessary to examine the use of the sign concerned in the course of trade in a part – not merely local – of the territory of protection, the General Court also made an error of law – as is maintained both by Anheuser-Busch in the second part of its first plea and by OHIM in its first plea – in holding, at paragraph 167 of the judgment under appeal, that Article 8(4) of Regulation No 40/94 does not require that the sign concerned be used in the territory in which it is protected and that use in a territory other than that in which it is protected may suffice, even where there is no use at all in the territory of protection.

162 It is in fact only in the territory in which the sign is protected, whether the whole or only part of it is concerned, that the applicable law confers on the sign exclusive rights which may enter into conflict with a Community trade mark.

163 Furthermore, the condition relating to use in the course of trade must be assessed separately for each of the territories in which the right relied on in support of the opposition is protected. The significance of the sign cannot therefore, in this case, be inferred from a cumulative assessment of the use of the sign in the two relevant territories, namely Austria so far as protection under the relevant bilateral treaties is concerned and

France as regards protection under the Lisbon Agreement.

164 Similarly, as is argued by Anheuser-Busch and OHIM, in holding, at paragraph 169 of the judgment under appeal, that it had to be shown only that the sign concerned was used in the course of trade before publication of the trade mark application and not, at the latest, as at the date of that application, the General Court made a further error of law in its judgment.

165 In that regard, the judgment under appeal is at the very least inconsistent, since, at paragraph 169 thereof, the General Court referred, by analogy, to what is required for earlier trade marks relied on in support of an opposition, whilst, at paragraph 166 of that judgment, it rejected – and was correct in doing so, as stated at paragraph 142 of this judgment – an application by analogy of the requirement for genuine use imposed on earlier trade marks to earlier rights relied on under Article 8(4) of Regulation No 40/94.

166 Furthermore, it is necessary, as the Advocate General has stated at point 120 of his Opinion, to apply to the requirement for use in the course of trade of the sign relied on in opposition the same temporal condition as that expressly laid down in Article 8(4)(a) of Regulation No 40/94 with regard to acquisition of the right to the sign, that is to say, that of the date of application for registration of the Community trade mark.

167 In view, in particular, of the considerable period of time which may elapse between the filing of an application for registration and its publication, applying that temporal condition provides a better guarantee that the use claimed for the sign concerned is real and not an exercise whose sole aim has been to prevent registration of a new trade mark.

168 Furthermore, as a general rule, where the sign concerned is used exclusively or to a large extent during the period between filing of the application for a Community trade mark and publication of the application, that will not be sufficient to establish that the use of the sign in the course of trade has been such as to prove that the sign is of sufficient significance.

169 It follows from the foregoing that, although Anheuser-Busch's complaints relating to the concepts of genuine use, use in the course of trade and deliveries made without charge must be rejected, the second and third parts of its first plea and the first plea advanced by OHIM are well founded, since the judgment under appeal contains errors of law in its assessment of the conditions set out in Article 8(4) of Regulation No 40/94. The General Court erred in holding, first, that the significance of the sign concerned, which cannot be merely local, must be evaluated exclusively by reference to the extent of the territory in which the sign is protected, without taking account of its use in that territory, second, that the relevant territory for the purpose of evaluating the use of that sign is not necessarily the territory in which the sign is protected and, finally, that the use of the sign does not necessarily have to occur before the date of the application for registration of the Community trade mark.

**Second plea in law, concerning infringement of Article 8(4) of Regulation No 40/94 in conjunction with Article 74(1) thereof****– Arguments of the parties**

170 By its second plea in law, Anheuser-Busch alleges that the General Court infringed Article 8(4) in conjunction with Article 74(1) of Regulation No 40/94 by holding, at paragraph 199 of the judgment under appeal, that the Board of Appeal had made an error by not taking into account all the relevant elements of fact and law in determining whether the law of the Member State concerned, relied on pursuant to Article 8(4), conferred on Budvar the right to prohibit use of a subsequent mark.

171 Anheuser-Busch complains that the General Court infringed Article 74(1) of Regulation No 40/94 by holding, at paragraph 193 of the judgment under appeal, that the Board of Appeal had an obligation to acquaint itself, by whatever means it deemed necessary for that purpose, with the national law, including the case-law, of the Member State concerned, since that law may be regarded as a fact which is well known or likely to be known by anyone, and that, in addition to the evidence adduced in that regard by the parties, it should have informed itself through the parties, or by any other means, about the outcome of proceedings pending before the national courts.

172 In so holding, the General Court undermined the principle of equality of arms in opposition proceedings, inasmuch as the consequence of the position it adopted is that an applicant for a Community trade mark must, upon a mere allegation by the opponent relying on a national right pursuant to Article 8(4) of Regulation No 40/94, investigate the national law and case-law.

173 In particular, the judgment under appeal conflicts, in that regard, with the rule, set out in Article 74 of Regulation No 40/94, that the burden of proof lies with the opponent in opposition proceedings based on Article 8(4) of that regulation, including the burden of proving that the sign concerned confers on the opponent the right to prohibit the use of a subsequent mark.

174 In Anheuser-Busch's submission, it follows from Article 74(1) of Regulation No 40/94 that, in opposition proceedings, OHIM's examination is limited to the facts presented by the parties and that OHIM therefore does not examine the facts of its own motion.

175 National law, including case-law of the courts of the Member State concerned, in the present case case-law concerning whether a geographical indication may be legally protected, constitutes facts, as such facts cannot be qualified as well-known facts which OHIM has an obligation to investigate of its own motion.

176 Anheuser-Busch maintains that the General Court, at paragraph 195 of the judgment under appeal, established an incorrect standard for assessing whether the opponent has sufficiently demonstrated that the sign relied on confers on its proprietor the right to prohibit the use of a subsequent trade mark, namely proof of the abstract existence of provisions of national law that may form the basis for a right to prevent the use of a later sign.

177 In a situation such as that at issue here, the Board of Appeal was, according to Anheuser-Busch, competent to give a decision, on the basis of ample evidence presented by Anheuser-Busch showing that the sign concerned was not legally protected in France or in Austria and that, contrary to the principle that the burden of proof lies with the opponent, Budvar had not proved that it had the right to prohibit the use of a subsequent mark. Such a decision does not, moreover, ultimately prejudice the opponent, since it may still challenge the trade mark at the time of its registration in cancellation proceedings.

178 By its second plea, OHIM claims that the General Court infringed Article 74(1) of Regulation No 40/94. In that regard, paragraph 193 of the judgment under appeal contains an error of law.

179 OHIM submits that, in its case-law prior to the judgment under appeal, the General Court held that judgments of national courts are not 'well-known facts' which OHIM is entitled to examine of its own motion.

180 OHIM considers that, in the specific context of Article 8(4) of Regulation No 40/94, decisions of national courts are elements that may help to prove the 'scope of protection of that right' within the meaning of Rule 19(2)(d) of Regulation No 2868/95, proof which the opponent must adduce, in accordance with that rule.

181 At the very least, where the applicant for a Community trade mark provides (as Anheuser-Busch did) decisions of national courts showing that oppositions to a subsequent trade mark on the basis of rights relied on under Article 8(4) of Regulation No 40/94 have not been successful, it is then for the opponent to submit evidence in rebuttal showing that those decisions have been quashed in order to establish the actual extent of the protection afforded by those rights.

182 OHIM maintains that, in such a situation, the General Court could not require OHIM to examine that evidence of its own motion, as it did at paragraph 193 of the judgment under appeal, without upsetting the balance between the parties' procedural rights and duties as established by Article 76 (1) of Regulation No 40/94.

183 Budvar contends that the General Court did not infringe Articles 8(4) and 74(1) of Regulation No 40/94 by imposing an obligation on OHIM to acquaint itself, of its own motion, with the national law of the Member State concerned.

184 Such an obligation is reasonable and is also consistent with Article 76(1) of Regulation No 40/94, which enables OHIM to take certain measures relating to the giving or obtaining of evidence.

185 Budvar also submits that the analysis put forward by Anheuser-Busch in the context of its second plea is in fact linked to its first plea, according to which OHIM is competent to assess the validity of earlier rights relied on in opposition. On the same grounds as those put forward in response to the first plea, Budvar considers that the second plea must be rejected.

**– Findings of the Court**

186 By their second plea in law, which concerns paragraphs 184 to 199 of the judgment under appeal, An-

heuser-Busch and OHIM maintain that the General Court was wrong in holding that the Board of Appeal had made an error by not taking into account all the relevant elements of fact and law in determining whether, under Article 8(4) of Regulation No 40/94, the law of the Member State concerned conferred on Budvar the right to prohibit use of a subsequent trade mark.

187 That plea is directed in particular against paragraph 193 of the judgment under appeal, in so far as the General Court allegedly made an error there in holding that, in the present case, the Board of Appeal was required to acquaint itself of its own motion with the outcome of proceedings brought by Budvar before the Oberster Gerichtshof, the court of last instance in Austria, against a judgment whose consequence was that Budvar had not been able to prohibit use of a subsequent trade mark on the basis of the appellation ‘Bud’ as protected under the relevant bilateral treaties.

188 In that regard, it should be observed that Article 8(4)(b) of Regulation No 40/94 lays down the condition that, pursuant to the law of the Member State governing the sign relied on under Article 8 (4), that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.

189 Furthermore, in accordance with Article 74(1) of Regulation No 40/94, the burden of proving that that condition is met lies with the opponent before OHIM.

190 In that context and in relation to the earlier rights relied on in the present case, the General Court correctly held, at paragraph 187 of the judgment under appeal, that regard must be had, in particular, to the national rules advanced in support of the opposition and to the judicial decisions delivered in the Member State concerned and that, on that basis, the opponent must establish that the sign concerned falls within the scope of the law of the Member State relied on and that it allows use of a subsequent mark to be prohibited.

191 It follows that, contrary to Anheuser-Busch’s contention in its second plea, the General Court was correct in holding, at paragraph 195 of the judgment under appeal, that the opponent must establish only that he has available to him a right to prohibit use of a subsequent trade mark and that he cannot be required to establish that that right has been used, in other words that the opponent has actually been able to prohibit such use.

192 In that respect, the second plea put forward by Anheuser-Busch in support of its appeal is thus unfounded.

193 It also follows that the General Court was correct in holding at paragraph 195 of the judgment under appeal, with regard to the protection in France of the appellation of origin ‘bud’ registered under the Lisbon Agreement, that the Board of Appeal could not rely on the fact that a judicial decision delivered in France showed that Budvar had not hitherto been able to prevent Anheuser-Busch’s distributor from selling beer in France under the BUD trade mark in order to conclude that Budvar had not established fulfilment of the condi-

tion relating to the right to prohibit use of a subsequent trade mark by virtue of the sign relied on.

194 That ground of the judgment under appeal was sufficient, on its own, for a finding that, in that respect, the contested decisions are – with regard to the earlier right concerned (protection under the Lisbon Agreement) – invalid.

195 Furthermore, at paragraph 192 of the judgment under appeal, the General Court stated that the Board of Appeal had referred solely to the judicial decisions delivered in France and Austria in order to conclude that Budvar had not provided evidence that the sign concerned conferred on it the right to prohibit use of a subsequent trade mark.

196 Noting that those decisions had not acquired the authority of *res judicata*, the General Court held, also at paragraph 192, that the Board of Appeal could not rely solely on those decisions as the basis for its conclusion and should also have taken account of the provisions of national law relied on by Budvar in the opposition proceedings in order to assess whether, under those provisions, Budvar had the right to prohibit a subsequent trade mark on the basis of the sign it relied on.

197 On that point, the General Court was correct in finding that the contested decisions erred in law.

198 In that regard, it is to be noted that, as the General Court stated at paragraphs 192 and 193 of the judgment under appeal, although the Board of Appeal was aware of the fact that the judicial decisions referred to by Anheuser-Busch were not final, since they were subject to appeal before a higher national court, the Board of Appeal none the less relied exclusively on those decisions in concluding that the condition laid down in Article 8(4)(b) of Regulation No 40/94 was not met, on the ground, first, that the Austrian judgment was based on findings of fact which a court of last instance would be ‘unlikely’ to revisit and, second, that the French court’s judgment showed that Budvar ‘had not hitherto been able to prevent Anheuser-Busch’s distributor from selling beer in France under the BUD trade mark’.

199 It is thus apparent from the contested decisions that the Board of Appeal relied on reasons that were incorrect in deciding that Budvar had not established that the condition laid down in Article 8 (4)(b) of Regulation No 40/94 was met.

200 With regard, first, to the decision handed down by a French court, it has already been stated, at paragraph 193 of this judgment, that the Board of Appeal’s reasoning was based on a requirement which does not derive from that provision and that as a result the contested decisions are unlawful.

201 With regard, second, to the decision handed down by an Austrian court, if the Board of Appeal had considered that decision to be insufficient to support a finding that the condition laid down in Article 8(4)(b) of Regulation No 40/94 was met, it should have noted that inadequacy and concluded from it that, since Budvar had not produced before OHIM the judgment of the Oberster Gerichtshof confirming that it did indeed have the right to prohibit the subsequent trade mark, Budvar had not proved that that condition was

satisfied, contrary to what is required by Article 74(1) of Regulation No 40/94.

202 The fact remains, however, as the General Court stated at paragraphs 192 and 193 of the judgment under appeal, that the Board of Appeal proceeded in a wholly different way.

203 It is not in dispute that the Board of Appeal referred solely to the decision of the Austrian court referred to by Anheuser-Busch in concluding that Budvar did not have the right to prohibit use of the subsequent mark, on the ground that that decision was based on findings of fact which a court of last instance would be 'unlikely' to revisit.

204 However, just as the Board of Appeal could not, in this instance, substitute its own assessment of the validity of the earlier rights invoked under Article 8(4) of Regulation No 40/94 for that of the competent national courts (as has already been stated at paragraph 95 of this judgment), nor could the Board immediately discount the effect of any future judgment of the Oberster Gerichtshof concerning whether the condition laid down in Article 8(4)(b) of the regulation was met – and do so although Budvar had informed it that it had appealed to the Oberster Gerichtshof against the decision, any such effect having been discounted on the basis of the Board's own assessment of the likelihood of that decision being subject to review.

205 Since it is established that, as has been stated at paragraph 96 of this judgment in the examination of Anheuser-Busch's first plea (which is, as Budvar has rightly maintained, closely linked to its second plea), the earlier right claimed by Budvar under the relevant bilateral treaties with effect in Austria had not, at the date on which the Board of Appeal adopted the contested decisions, been declared invalid by a final judicial decision against which there was no appeal, the Board of Appeal could not rely exclusively on a judicial decision which was not yet final and against which an appeal had been lodged in order to conclude that Budvar did not have the right to prohibit use of the trade mark Bud on the basis of that earlier right.

206 The only conclusion which could be drawn from such a judicial decision was that the earlier right, although undoubtedly the subject of challenge, existed none the less.

207 Since that earlier right continued to exist, the question whether it conferred on the opponent the right to prohibit a subsequent trade mark under Article 8(4)(b) of Regulation No 40/94 should have prompted consideration of whether, as stated at paragraph 190 of this judgment, the opponent had established that the sign concerned fell within the scope of the law of the Member State relied on and whether it would allow use of a subsequent trade mark to be prohibited.

208 On that point, the General Court stated, at paragraph 192 of the judgment under appeal, that Budvar had relied before the Board of Appeal not only on the provisions of the relevant bilateral treaties but also on provisions of Austrian law which, in Budvar's submission, could form a basis for its right to prohibit the subsequent trade mark Bud. However, the Board of Appeal

did not – as the General Court also stated at paragraph 192 – take account of those provisions or refer to any matters serving to cast doubt on the applicability of those provisions in the present case.

209 Considerations such as those set out at paragraphs 192 and 195 of the judgment under appeal justify the conclusion reached by the General Court at paragraph 199 of the judgment under appeal,

namely that the Board of Appeal made an error by not taking into account all the relevant elements of fact and law in determining whether, under Article 8(4) of Regulation No 40/94, the law of the Member State concerned confers on Budvar the right to prohibit use of a subsequent mark.

210 Accordingly, although it is the case that the General Court, at paragraph 193 of the judgment under appeal, added, in essence, that OHIM's obligation to acquaint itself, of its own motion, with facts which are well known, including the domestic law of the Member State concerned, meant that it was 'open' to the Board of Appeal to inform itself through the parties, or by any other means, of the outcome of the proceedings brought before the Oberster Gerichtshof, that ground – even supposing that it entails a real obligation on the Board of Appeal to inform itself of its own motion about such proceedings and is thus wrong in law, as claimed by Anheuser-Busch and OHIM – is not capable of invalidating the General Court's conclusion regarding the unlawfulness of the contested decisions in so far as they relate to the assessment of the condition laid down in Article 8(4)(b) of Regulation No 40/94.

211 It is settled case-law that complaints directed against grounds included in a judgment of the General Court purely for the sake of completeness cannot lead to the judgment being set aside and are therefore ineffective (see, in particular, Joined Cases C-189/02 P, C-202/02 P, C-205/02 P to C-208/02 P and C-213/02 P *Dansk Rørindustri and Others v Commission* [2005] ECR I-5425, paragraph 148).

212 The question whether the Board of Appeal was obliged or entitled to inform itself of its own motion of the outcome of the judicial proceedings in question was examined by the General Court for the sake of completeness, since, in the present case, as has been observed at paragraph 204 of this judgment, it stated that the Board of Appeal had held, on the basis of its own assessment of the likelihood of the judicial decision in question being reviewed, that it was not necessary for it to inform itself of that outcome and that it had available all the information necessary to determine whether the condition laid down in Article 8(4)(b) of Regulation No 40/94 was met and to conclude, in this instance, that that was not the case.

213 Accordingly, the second plea in law put forward by Anheuser-Busch and OHIM, in so far as it concerns paragraph 193 of the judgment under appeal, is directed against a ground included in that judgment for the sake of completeness and accordingly, even supposing the plea to be well founded, it is not such as to lead to the judgment being set aside.

214 Consequently, the second plea in law put forward by Anheuser-Busch in support of its appeal must be rejected as, in part, unfounded and, in part, ineffective.

215 In those circumstances, the judgment under appeal must be set aside in so far as the General Court, with regard to the interpretation of Article 8(4) of Regulation No 40/94, erred in holding, first, that the significance of the sign concerned, which cannot be merely local, must be evaluated exclusively by reference to the extent of the territory in which the sign is protected, without taking account of its use in that territory, second, that the relevant territory for the purpose of evaluating the use of that sign is not necessarily the territory in which the sign is protected and, finally, that the use of the sign does not necessarily have to occur before the date of the application for registration of the Community trade mark.

#### **The action before the General Court**

216 Under the first paragraph of Article 61 of the Statute of the Court of Justice of the European Union, if the appeal is well founded, the Court of Justice may itself give final judgment in the matter, where the state of the proceedings so permits, or refer the case back to the General Court for judgment.

217 In this case, the General Court upheld the complaint, forming part of the second limb of Budvar's single plea in law, by which Budvar challenged the way in which the Board of Appeal had applied the condition laid down in Article 8(4) of Regulation No 40/94 relating to use in the course of trade of a sign of more than mere local significance.

218 It has been found at paragraph 215 of this judgment that, with regard to the way in which that condition was applied, the judgment under appeal contains three errors of law.

219 In order to evaluate Budvar's plea in law concerning the way in which the Board of Appeal applied the condition relating to use in the course of trade of a sign of more than mere local significance, it is necessary to undertake an assessment of the probative value of the factual elements that may establish that in the present case that condition is satisfied on the basis of the explanation of that condition given in this judgment – factual elements which include, in particular, the documents produced by Budvar that are mentioned at paragraphs 171 and 172 of the judgment under appeal.

220 It follows that the state of the proceedings does not permit the Court of Justice to give final judgment, with the result that Budvar's action must be referred back to the General Court for judgment on that plea.

#### **Costs**

221 Since the cases are being referred back to the General Court, it is appropriate to reserve the costs relating to the present appeal proceedings.

On those grounds, the Court (Grand Chamber) hereby:

1. Sets aside the judgment of the Court of First Instance of the European Communities of 16 December 2008 in Joined Cases T-225/06, T-255/06, T-257/06 and T-309/06 *Budějovický Budvar v OHIM – Anheuser-Busch (BUD)* in so far as the Court, with regard to the interpretation of Article 8(4) of Council Regulation

(EC) No 40/94 of 20 December 1993 on the Community trade mark, as amended by Council Regulation (EC) No 422/2004 of 19 February 2004, erred in holding, first, that the significance of the sign concerned, which cannot be merely local, must be evaluated exclusively by reference to the extent of the territory in which the sign is protected, without taking account of its use in that territory, second, that the relevant territory for the purpose of evaluating the use of that sign is not necessarily the territory in which the sign is protected and, finally, that the use of the sign does not necessarily have to occur before the date of the application for registration of the Community trade mark;

2. Dismisses the remainder of the appeal;

3. Refers Joined Cases T-225/06, T-255/06, T-257/06 and T-309/06 back to the General Court of the European Union;

4. Reserves the costs.

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#### **Opinion of Advocate General Cruz Vallalón**

delivered on 14 September 2010 (1)

Case C-96/09 P

Anheuser-Busch, Inc.

v

Budějovický Budvar

*(Appeal – Community trade mark – Article 8(4) of Regulation No 40/94 – Opposition by the proprietor of the appellation of origin Bud – Use in the course of trade – Sign of more than mere local significance)*

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#### **Table of contents**

I – Introduction

II – Legal framework

A – The Lisbon Agreement

B – The bilateral convention

C – European Union law

III – The facts before the Court of First Instance and the judgment under appeal

A – Facts and procedure before OHIM

B – Summary of the judgment under appeal

IV – Proceedings before the Court of Justice and the forms of order sought by the parties

V – Some preliminary considerations concerning Article 8 of Regulation No 40/94

A – Opposition based on an earlier registered trade mark: Article 8(1) and (2)

B – Opposition based on other signs: Article 8(4)

1. Article 8(4) covers a very wide variety of signs

2. The requirements laid down in Article 8(4) are designed to ensure the soundness of signs relied on thereunder

C – Whether it is appropriate to apply by analogy the requirements of Article 8(1) to (4)

VI – Analysis of the appeal

A – First ground of appeal: infringement of Article 8(4) of Regulation No 40/94

1. First part of the first ground of appeal: the competence of OHIM to assess the validity of the right claimed under Article 8(4)

a) Definition of positions

b) Assessment

2. Second part of the first ground of appeal: the requirement of 'use in the course of trade'

a) Quantity and quality of use

i) Definition of positions

ii) Assessment

b) Relevant territory for the establishment of 'use in the course of trade'

i) Definition of positions

ii) Assessment

c) Relevant period for the purposes of assessing 'use in the

course of trade'

i) Definition of positions

ii) Assessment

d) Corollary

3. Third part of the first ground of appeal: the requirement 'of more than mere local significance'

a) Definition of positions

b) Assessment

4. Conclusion

B – Second ground of appeal: infringement of Articles 8(4) and 74(1) of Regulation

No 40/94

1. Definition of positions

2. Assessment

C – Upholding of the appeal and referral of the case back to the General Court

VII – Costs

VIII – Conclusion

## **I – Introduction**

1. The present appeal forms another chapter in the long history of proceedings between the North American brewery Anheuser-Busch and the Czech brewery Budějovický Budvar, národní podnik ('Budvar'), which already includes a number of judgments of the Court of Justice. (2) Although those earlier judgments may have some influence on certain aspects of the instant case, this dispute raises a legal issue which has hitherto not been addressed in the case-law of the Court.

2. In *Budějovický Budvar v Anheuser-Busch (BUD)*, (3) against which this appeal has been lodged, the Court of First Instance (now the General Court) upheld the actions for annulment brought by Budvar against a number of decisions of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM') dismissing the opposition proceedings brought by Budvar against the application for registration of Bud as a Community trade mark, filed by Anheuser-Busch.

3. The distinctive feature of this case lies in the fact that Budvar filed its opposition to the registration of Bud as a Community trade mark under Article 8(4) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, (4) claiming the existence of an earlier right to the name Bud consisting in an appel-

lation of origin which was protected in Austria and in France by means of two international instruments.

4. The Court of Justice is therefore required to interpret Article 8(4) of Regulation No 40/94 for the first time, and to do so in a case which does not appear to be the most typical of the kind involving the application of that article. The internal logic of Article 8(4) adapts more readily to rights which are created by the simple use of a particular sign (non-registered marks, for example, but also, depending on the national law concerned, certain company names, establishment or store names and other distinctive signs) than to rights whose protection is derived from formal registration, as occurs in the instant case.

5. The latter factor may have shaped the general tenor of the decision of the Court of First Instance but, to my mind, it should not influence the manner in which the appeal is disposed of. The interpretation of Article 8(4) should certainly be flexible enough to adapt to the wide variety of signs which are covered by the provision. However, this interpretation must also seek to take a unified approach. Otherwise, the requirements laid down in the provision would be unable to fulfil their basic function of ensuring the reliability and real substance of the signs concerned, which is the function assigned to them by the Community legislature.

6. Those requirements are situated on a predominantly factual plane and it is from that perspective that the determination of whether they have been satisfied must be made. That also holds, in my opinion, for cases such as this, in which the existence of formal international legal protection might perhaps suggest that it is necessary to modify the requirements relating to the 'use' and 'significance' of the sign.

## **II – Legal framework**

### **A – The Lisbon Agreement**

7. Article 1(2) of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (5) provides that the countries which are contracting parties to the agreement (6) undertake to protect on their territories the appellations of origin of products of the other countries of the 'Special Union', recognised and protected as such in the country of origin and registered at the international office referred to in the Convention establishing the World Intellectual Property Organisation ('WIPO').

8. In accordance with Article 5 of the agreement, the registration of appellations of origin is to be effected at the request of the Offices of the contracting countries, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations. In that context, an Office of a contracting country may declare, stating grounds and within a period of one year from the receipt of the notification of registration, that it cannot ensure the protection of an appellation of origin.

9. Pursuant to Articles 6 and 7(1), an appellation of origin registered under the Lisbon Agreement cannot be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin.

10. Further, according to Rule 16 of the Regulations under the Lisbon Agreement, where the effects of an international registration are invalidated in a contracting country and the invalidation is no longer subject to appeal, that invalidation must be notified to the International Bureau by the competent authority of that contracting country.

11. The appellation of origin 'Bud' was registered with WIPO on 10 March 1975 with the number 598, under the Lisbon Agreement.

#### **B – The bilateral convention**

12. On 11 June 1976, the Republic of Austria and the Czechoslovak Socialist Republic concluded a treaty on the protection of indications of source, appellations of origin and other designations referring to the source of agricultural and industrial products ('the bilateral convention'). (7)

13. According to Article 2 of the convention, the terms 'indications of source', 'appellations of origin' and other designations referring to source are used, for the purposes of the bilateral convention, for all indications which relate directly or indirectly to the source of a product.

14. Under Article 3(1), 'the Czechoslovak designations listed in the agreement to be concluded under Article 6 shall, in the Republic of Austria, be reserved exclusively for Czechoslovak products'. Point 2 of Article 5(1)B refers to beers as one of the categories of Czech products covered by the protection afforded by the bilateral convention, and Annex B to the agreement, to which Article 6 of the convention refers, includes 'Bud' as one of the Czechoslovak designations relating to agricultural and industrial products (under the heading 'beer').

#### **C – European Union law**

15. Since 13 April 2009, the Community trade mark has been governed by the new Regulation (EC) No 207/2009. (8) However, for the purposes of disposing of this appeal, the provisions of Regulation No 40/94 are applicable *ratione temporis*.

16. Article 8(4) of Regulation No 40/94, the interpretation of which is at issue in the instant case, provides as follows:

'Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the law of the Member State governing that sign,

(a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;

(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.'

17. Article 43(2) and (3) of Regulation No 40/94 provide as follows:

'2. If the applicant so requests, the proprietor of an earlier Community trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the

Community trade mark application, the earlier Community trade mark has been put to genuine use in the Community in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier Community trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. If the earlier Community trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services.

3. Paragraph 2 shall apply to earlier national trade marks referred to in Article 8(2)(a), by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.'

18. In accordance with Article 74(1) of Regulation No 40/94, '[i]n proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, [OHIM] shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.'

#### **III – The facts before the Court of First Instance and the judgment under appeal**

##### **A – Facts and procedure before OHIM**

19. On 1 April 1996, 28 July 1999, 11 April and 4 July 2000, Anheuser-Busch, Inc., filed four applications with OHIM for registration of the (figurative and word) mark Bud as a Community trade mark.

20. On 5 March 1999, 1 August 2000, 22 May and 5 June 2001, Budvar filed notices of opposition under Article 42 of Regulation No 40/94, relying, first of all, under Article 8(1)(b) of Regulation No 40/94, on the international figurative mark No 361 566, effective in Austria, Benelux and Italy, and, second, under Article 8(4) of the regulation, on the appellation of origin 'Bud', registered with WIPO on 10 March 1975, under the Lisbon Agreement, effective in France, Italy and Portugal, and an appellation of origin with the same name protected in Austria under the bilateral convention.

21. By decision of 16 July 2004 (No 2326/2004), the Opposition Division partially upheld the opposition filed against registration of one of the trade marks applied for. However, by decisions of 23 December 2004 (Nos 4474/2004 and 4475/2004) and of 26 January 2005 (No 117/2005), the Opposition Division rejected the oppositions filed by Budvar against registration of the three remaining marks. Budvar appealed against the latter three decisions of the Opposition Division rejecting the oppositions, while Anheuser-Busch also contested the decision of 16 July 2004 partially upholding the opposition concerned.

22. By decisions of 14 June (Case R 234/2005-2), 28 June (Case R 241/2005-2) and 1 September 2006 (Case R 305/2005-2), the Second Board of Appeal of OHIM dismissed the appeals brought by Budvar. By decision of 28 June 2006 (Case R 802/2004-2), the Board of

Appeal upheld the appeal brought by Anheuser-Busch and dismissed the opposition filed by Budvar in its entirety.

23. In those four decisions, the Board of Appeal of OHIM stated, first of all, that Budvar no longer appeared to refer to the international figurative mark No 361 566 as the basis of its opposition, but solely to the appellation of origin ‘Bud’.

24. Second, the Board of Appeal held that it was difficult to see how the sign BUD could be considered to be an appellation (or designation) of origin, or even an indirect indication of geographical origin, from which it concluded that an opposition could not succeed under Article 8(4) of Regulation No 40/94 on the basis of a right that was presented as an appellation of origin, but was in fact not one at all.

25. Third, the Board of Appeal held, applying by analogy Article 43(2) and (3) of Regulation No 40/94 and Rule 22 of Regulation (EC) No 2868/95, (9) that the evidence provided by Budvar to show use of the appellation of origin ‘bud’ in Austria, France, Italy and Portugal was insufficient.

26. Fourth and finally, the Board of Appeal held that the opposition had also to be rejected on the ground that Budvar had not demonstrated that the appellation of origin in question gave it the right to prohibit use of the word Bud as a trade mark in Austria or France.

#### **B – Summary of the judgment under appeal**

27. On 26 August, (10) 15 September (11) and 14 November 2006, (12) Budvar brought before the Court of First Instance actions against those decisions of the Board of Appeal. In support of its action, the applicant put forward a single plea in law claiming infringement of Article 8(4) of Regulation No 40/94. That single plea in law was structured in two parts: the first concerned the validity of the appellation of origin ‘bud’ (the Board of Appeal had refused to accept that the sign BUD constituted an appellation of origin), while the second concerned the applicability of the requirements laid down in Article 8(4) of Regulation No 40/94 (which the Board of Appeal did not accept and which Budvar claimed).

28. In its judgment of 16 December 2008, which is the subject of this appeal, the Court of First Instance upheld Budvar’s action, accepting the first and the second parts of the single plea in law.

29. The Court of First Instance accepted the first part of the single plea in law, drawing a distinction for the purposes of its analysis between the appellation of origin ‘bud’ registered under the Lisbon Agreement and the appellation of origin ‘bud’ protected under the bilateral convention.

30. With regard to the former, the Court of First Instance recalled that, in accordance with its case-law, ‘the validity of a national trade mark may not be called in question in proceedings for registration of a Community trade mark’ (paragraph 88), from which it concluded that ‘the system set up by Regulation No 40/94 presupposes that OHIM takes into account the existence of earlier rights which are protected at national level’ (paragraph 89). Since the effects of the appella-

tion of origin ‘bud’ had not been declared definitively to be invalid in France, the Court of First Instance held that the Board of Appeal ought to have taken account of the relevant national law and the registration made under the Lisbon Agreement, and did not have the power to call into question the fact that the claimed earlier right was an ‘appellation of origin’ (paragraph 90).

31. With regard to the latter appellation of origin, the Court of First Instance pointed out that, under Article 2 of the bilateral convention, ‘if the indications or appellations concerned relate directly or indirectly to the source of a product, that is sufficient to permit it to be listed under the bilateral convention and thereby to enjoy the protection conferred by the bilateral convention’ (paragraph 94). In the light of those matters, the Court of First Instance found that the Board of Appeal held, wrongly, that the protection of the name ‘Bud’ was specifically attached to its status as an ‘appellation of origin’ under the bilateral convention (paragraph 95). In addition, the Court of First Instance stated that the bilateral convention is still effective in Austria for the purposes of protecting the appellation ‘bud’, since there is no indication that Austria or the Czech Republic have denounced that convention and the ongoing proceedings in Austria have not led to the adoption of a final judicial decision (paragraph 98).

32. In the light of the foregoing, the Court of First Instance held that the Board of Appeal infringed Article 8(4) of Regulation No 40/94 by holding, first, that the claimed earlier right was not an ‘appellation of origin’ and, second, that the question whether the sign Bud was treated as a protected appellation of origin, in France in particular, was of ‘secondary importance’, and by concluding that an opposition based on that right could not succeed (paragraphs 92 and 97 of the judgment under appeal).

33. The Court of First Instance also upheld the second part of the single plea of annulment, concerning the application of the requirements laid down in Article 8(4) of Regulation No 40/94. Within that second part, Budvar had in turn put forward two complaints.

34. The first complaint concerned the requirement of use of the sign in the course of trade and the requirement that it must be ‘of more than mere local significance’.

35. With regard to verification of the requirement relating to use of the signs concerned in the course of trade, the Court of First Instance held that the Board of Appeal made an error of law by deciding to apply, by analogy, the provisions of Community law relating to the ‘genuine’ use of an earlier trade mark (Article 43(2) and (3) of Regulation No 40/94). First of all, Article 8(4) of Regulation No 40/94 does not refer to the ‘genuine’ use of the sign relied on in support of the opposition (paragraph 164 of the judgment under appeal). Secondly, in connection with Article 9(1) of Regulation No 40/94 and Articles 5(1) and 6(1) of Directive 89/104/EEC, (13) the Court of Justice and the Court of First Instance have consistently held that ‘a sign is used in the “course of trade” when that use occurs in a

commercial activity with a view to economic advantage and not as a private matter' (paragraph 165). Thirdly, under Article 8(4) of Regulation No 40/94, 'it is possible for certain signs not to lose the rights attached to them, notwithstanding the fact that no "genuine" use is made of them' (paragraph 166). Fourthly, the Court of First Instance pointed out that, by applying by analogy Article 43(2) and (3) of Regulation No 40/94 and Rule 22 of Regulation No 2868/95 to the case before it, the Board of Appeal analysed, inter alia, use of the sign concerned in each of Austria, France, Italy and Portugal separately, in other words, in each of the territories where, according to Budvar, the appellation 'bud' is protected, notwithstanding the fact that the signs referred to in Article 8(4) of Regulation No 40/94 'may enjoy protection in a particular territory, even though they are not used in that particular territory, but only in another territory' (paragraph 167).

36. The Court of First Instance also held that 'an indication which serves to indicate the geographical origin of a product may be used, like a trade mark, in the course of trade', without it meaning that the appellation concerned is used 'as a trade mark' and consequently loses its primary function (paragraph 175 of the judgment under appeal).

37. As concerns the requirement of significance, the Court of First Instance held that Article 8(4) of Regulation No 40/94 refers to the significance of the sign concerned and not to the significance of its use. The significance of the sign concerned covers the geographical extent of its protection, which must not be merely local. Accordingly, the Court of First Instance found that the Board of Appeal also made an error of law when, as regards France, it linked proof of use of the sign concerned to the requirement that the right concerned must have a significance which is not merely local (paragraphs 180 and 181).

38. In the light of the foregoing, the Court of First Instance concluded that it was appropriate to uphold as well founded the first complaint in the second part of the single plea in law.

39. The second complaint in the second part of the single plea in law concerned the right arising from the sign relied on in support of the opposition. In that connection, the Board of Appeal had referred to the judicial decisions delivered in Austria and France in order to conclude that Budvar had not provided evidence that the sign concerned conferred on it the right to prohibit use of a subsequent mark. The Court of First Instance observed, however, that none of the judicial decisions relied on had acquired the authority of *res judicata*, from which it followed that the Board of Appeal could not rely solely on those decisions as the basis for its conclusion and should also have taken account of the provisions of national law relied on by Budvar, including the Lisbon Agreement and the bilateral convention (paragraph 192). In that regard, the Court of First Instance pointed out that OHIM must of its own motion acquaint itself, by whatever means appear necessary for that purpose, with the national law of the Member State concerned (paragraph 193). The Court concluded as a

result that the Board of Appeal made an error by not taking into account all the relevant elements of fact and law in determining whether, under Article 8(4) of Regulation No 40/94, the law of the Member State concerned confers on Budvar the right to prohibit use of a subsequent mark (paragraph 199).

#### **IV – Proceedings before the Court of Justice and the forms of order sought by the parties**

40. Anheuser-Busch's appeal was received at the Court Registry on 10 March 2009, while the responses of Budvar and OHIM were received on 22 and 25 May 2009 respectively. No reply or rejoinder was lodged.

41. Anheuser-Busch asks the Court to set aside the judgment under appeal (with the exception of the first point of the operative part concerning the joinder of the cases), to give final judgment on the dispute by dismissing the action brought at first instance or, in the alternative, to refer the case back to the General Court, and to order Budvar to pay the costs.

42. OHIM seeks identical forms of order, while Budvar contends that the judgment under appeal should be upheld and that the appellant should pay the costs.

43. At the hearing, held on 2 June 2010, the representatives of Anheuser-Busch, Budvar and OHIM presented oral argument and replied to the questions raised by members of the Grand Chamber and the Advocate General.

#### **V – Some preliminary considerations concerning Article 8 of Regulation No 40/94**

44. Before turning to the analysis of the present appeal, it is appropriate to carry out a general appraisal of Article 8(4) of Regulation No 40/94, since the interpretation of that provision, which has yet to be examined in the case-law of the Court, is at the centre of the dispute. A proper understanding of the provision also calls for an examination of the other paragraphs of Article 8.

#### **A – Opposition based on an earlier registered trade mark: Article 8(1) and (2)**

45. Article 8(1) and (2) of Regulation No 40/94 govern opposition to the registration of a Community trade mark based on an earlier trade mark. In particular, paragraph 2 provides that an opposition may be based on an earlier registered trade mark (Community, national or international) and affords the same treatment to national marks which, even though they have not been registered, (14) have become well known in a Member State as a result of particularly intensive use. (15)

46. For an opposition based on such an earlier mark to succeed, Regulation No 40/94 lays down a number of requirements.

47. First of all, in accordance with Article 43(2) and (3) of Regulation No 40/94, the earlier trade mark relied on must have been put to 'genuine use' in the European Union or in the Member State concerned in connection with the goods or services in respect of which it is registered, during the period of five years preceding the date of publication of the Community trade mark application.

48. Second, under Article 8(1) of the regulation, the proprietor of such an earlier trade mark must also prove that the mark whose registration he opposes is identical

or similar to his and that there is a likelihood of confusion in the territory in which the earlier trade mark is protected because of the identity or similarity of the goods or services covered by the two trade marks. (16) 49. The third requirement is, therefore, the so-called principle of speciality, according to which an opposition may be filed only where registration is applied for in respect of identical or similar goods or services to those protected by the earlier trade mark. There is, however, an exception to the application of the principle of speciality in the case of trade marks which have a reputation in the Community or in a Member State. In such cases, an opposition will succeed even if the goods or services are not similar, where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark (Article 8(5)).

#### **B – Opposition based on other signs: Article 8(4)**

50. Irrespective of the foregoing, Article 8 of Regulation No 40/94 also provides for other signs which are not registered or well-known trade marks to be relied on in opposition to the registration of a Community trade mark.

51. More specifically, under Article 8(4), an opposition may be filed by ‘the proprietor of a nonregistered trade mark or of another sign used in the course of trade of more than mere local significance’. The provision thus leads to a relatively undefined category of signs (1), while requiring that they must satisfy certain requirements designed to ensure their soundness (2).

##### **1. Article 8(4) covers a very wide variety of signs**

52. The lack of precision regarding the nature of the signs which may be relied on under it means that paragraph 4 operates in practice as a kind of ‘catch-all’ provision or as a heteroclitic group of signs to which must belong not only non-registered trade marks which do not satisfy the requirement of being well known (17) but also any other signs used in the course of trade of more than mere local significance.

53. That initial lack of a precise definition of the material scope of the provision is largely due to the fact that non-registered trade marks and the other signs covered by paragraph 4 are created, recognised and protected by the laws of the Member States and may, therefore, be of a highly disparate nature. An account of that disparate nature is provided by the Opposition Guidelines, published by OHIM, (18) which contain an approximate inventory of signs capable of constituting, in the Member States, ‘earlier rights’ within the meaning of Article 8(4) of Regulation No 40/94. In addition to non-registered marks, the Guidelines include among such signs trade names, corporate names, establishment or store names, titles of publications and geographical indications. Broadly speaking, therefore, the provision can be said to cover both diverse signs which fulfil the function of distinguishing or identifying the business activities to which they refer and other signs which indicate the origin of the goods or services for which they are used.

54. The majority of those signs (whether or not they are trade marks) are not suited to the typical registration model, since the right to use them exclusively is acquired or consolidated by use without the need for formal registration. (19) However, Article 8(4) also covers signs which have been the subject of prior registration, including, although this is not the most typical situation to which the provision applies, geographical indications protected in a Member State because they have been registered under the Lisbon Agreement or another international instrument.

55. At this juncture, it would perhaps be appropriate to digress in order to establish which specific geographical indications may or may not be relied on under Article 8(4).

56. First of all, geographical indications which have been registered at Community level must be excluded, since although Regulation No 40/94 is silent in that regard, Article 14 of Regulation (EC) No 510/2006 (20) provides: ‘Where a designation of origin or a geographical indication is registered under this Regulation, the application for registration of a trade mark corresponding to one of the situations referred to in Article 13 and relating to the same class of product shall be refused if the application for registration of the trade mark is submitted after the date of submission of the registration application to the Commission.’ In line with the foregoing, Article 7(1)(k) of the new regulation on the Community trade mark (21) has included Community designations of origin and geographical indications among the absolute grounds for refusal of registration of a Community trade mark.

57. Consequently, Article 8(4) will be effective only for geographical indications which are not registered at Community level but which benefit from protection at national level. These may include geographical indications which have been registered under the Lisbon Agreement or another international instrument. (22)

58. This type of sign has more formal protection, involving prior registration. To my mind, in so far as such registration creates rights, its continued existence will be the only factor to take into account for the purposes of determining the validity of the geographical indication concerned. That does not mean, however, that registration alone is sufficient to enable recourse to Article 8(4): the requirements relating to the use, significance and characteristics of the right provided for in that provision must also be satisfied in the case of non-Community geographical indications, which may only be invoked in opposition to an application for registration of a Community trade mark under Article 8(4).

59. Consequently, contrary to Budvar’s assertion at the hearing, (23) it is my view that the specific nature of this type of sign and the protection to which it is entitled as a result of registration at international level does not exempt it from compliance with the conditions laid down in Article 8 (4). Only compliance with those conditions will make it possible to ensure that, despite being a simple geographical indication (and therefore excluded from the right to Community protection), such a sign has a substance and soundness which mean that it

warrants this special protection. Otherwise, the sign would be treated in the same way as Community designations of origin and geographical indications.

## **2. The requirements laid down in Article 8(4) are designed to ensure the soundness of signs relied on thereunder**

60. The initial broad scope of Article 8(4), which is generous with regard to the type of signs giving rise to the right to file an opposition thereunder, is immediately restricted by a number of conditions which signs must satisfy if they are to serve as the basis for refusal to register a Community trade mark.

61. The main purpose of those conditions is specifically to limit the scope of this ground of opposition, so that it may be relied on only by the proprietors of particularly strong, important signs. Thus, Article 8(4) lays down:

– On the one hand, two conditions aimed at ensuring that the sign concerned is specially protected at national level (in particular, that it ‘confers on its proprietor the right to prohibit the use of a subsequent trade mark’), and that its proprietor acquired the right to use it prior to the Community trade mark application or the date of the priority claimed. These two conditions, set out in points (a) and (b) of Article 8(4) must, logically, be examined under ‘the law of the Member State governing that sign’.

– On the other hand, two conditions (use ‘in the course of trade’ and ‘more than mere local significance’) designed to ensure that, in addition to being protected at national level, the signs concerned have a certain commercial presence and importance.

62. The Community legislature thus took as its starting point the need to protect signs recognised nationally but created two levels of protection: the first, for signs which have special importance because they are ‘used in the course of trade’ and are ‘of more than mere local significance’ and may block the registration of a Community trade mark under Article 8(4) of Regulation No 40/94; and the second, for rights of local significance which are not permitted to preclude the registration of a Community trade mark but may preclude its use in the territory where the right is protected, in accordance with Article 107 of the regulation.

63. As regards national signs, it is those having certain characteristics which justify blocking the registration of a trade mark at Community level which are selected and given special protection using the double test of ‘use’ and ‘significance’. As the appellant rightly points out, if it were possible for any national sign whatsoever to prevent the registration of a Community trade mark, it would be virtually impossible to achieve a unified trade mark for the whole of the European Union. Once registered, a Community trade mark is valid and is protected throughout the territory of the European Union (Article 1 of Regulation No 40/94). Accordingly, for a national sign, or one which is protected in a number of Member States, to be able to hinder the registration process, it must have special force, that is certain characteristics which enable it to block the registration of a trade mark, with effect throughout the European Union.

64. In my view, those characteristics do not immediately arise as a result of any registration that may have occurred. The terms used by the legislature appear to indicate the need to carry out an assessment which is rather more factual and linked to the importance of the trade mark in the course of trade. In short, the conditions in question are ones which the legislature consciously placed on a factual level and which are more closely related to the facts than to the abstract matter of legal protection.

65. In the case of most signs which are covered by Article 8, both elements occur in parallel. When that is not the case – as in this instance – Article 8(4) requires additional checks of factual information concerning where, when and in what conditions the sign concerned has been used. Even where its legal protection at national level is independent of those facts and exists even without the need for any use, a sign may be relied on in opposition proceedings only if it satisfies these conditions which are designed to ensure it has a minimum of soundness.

66. Lastly, I believe that it is necessary to point out, in this preliminary outline, that those conditions or characteristics laid down in Article 8(4) constitute a framework which was created for a particular situation by the legislature and that they are not comparable to the conditions laid down for other grounds of opposition to the registration of a Community trade mark.

## **C – Whether it is appropriate to apply by analogy the requirements of Article 8(1) to (4)**

67. The judgment under appeal and the appeal itself repeatedly put forward arguments concerning whether it is appropriate or inappropriate, as the case may be, to apply to the context of Article 8(4) the requirements for an opposition based on an earlier trade mark, laid down in Article 8 (1) and other related provisions such as Article 43. Resorting in part to such application by analogy has, as will be seen below, led to inconsistent results. The main argument used in support of the application by analogy of Articles 8(1) and 43(2) and (3) is that trade marks warrant more favourable treatment than other signs because both (harmonised) national trade marks and the Community trade mark are governed by homogeneous standards which are acceptable throughout the European Union and therefore provide greater guarantees than a non-registered trade mark or any of the other signs referred to in Article 8(4).

68. In my view, there are insufficient grounds for the above arguments in their entirety. Regulation No 40/94 has divided the grounds for opposition to registration of a Community trade mark into various groups and has assigned different requirements to each one, and it would simplify matters excessively to grade them at a higher or lower level by reference to how much confidence the Community legislature may have in the sign concerned. A closer inspection of the abovementioned requirements reveals that this approach cannot be sound.

69. Registration and Community harmonisation are certainly factors which the legislature took into account, but in conjunction with the nature of the sign

concerned; that alone explains why no requirement of use is attached to Community designations of origin (24) but, by contrast, registered trade marks must have been put to genuine use for a period of five years. With regard to signs covered by Article 8(4), the legislature wished to create a different set of requirements, strict enough to ensure that the scope of the provision does not extend beyond what is appropriate but also flexible enough to adapt to the many kinds of signs to which the provision may apply.

70. That diversity is, to my mind, the only factor which can explain the fact that Article 8(4) does not lay down the principle of speciality for oppositions filed under it. Unlike an opposition based on an earlier registered trade mark, which is only possible where that trade mark covers goods or services identical or similar to the ones covered by the trade mark whose registration is opposed, where a non-registered trade mark or any other sign is invoked the requirement that the goods or services must be identical or similar is not necessary (unless it is required by national law in order to confer on the proprietor of the sign ‘the right to prohibit the use of a subsequent trade mark’). That may appear all the more surprising in view of the fact that the principle of speciality is required in order to rely successfully on a Community designation of origin or geographical indication as an absolute ground for refusal to register a subsequent Community trade mark. (25)

71. In my opinion, all the foregoing is proof that the greater ‘guarantees’ afforded, at least in theory, by Community or harmonised trade marks are not the only factor to be taken into account when interpreting the conditions necessary for relying on a particular sign in opposition to a subsequent Community trade mark. In particular, the conditions laid down in Article 8(4) must be treated as a whole and may not be compared with the remedies provided for by the legislature for different situations.

## **VI – Analysis of the appeal**

72. The appellant puts forward two grounds of appeal, the first claiming infringement of Article 8 (4) of Regulation No 40/94, and the second claiming infringement of Articles 8(4) and 74(1) of the regulation.

### **A – First ground of appeal: infringement of Article 8(4) of Regulation No 40/94**

73. The first ground of appeal, concerning infringement of Article 8(4) of Regulation No 40/94, is divided into three parts.

#### **1. First part of the first ground of appeal: the competence of OHIM to assess the validity of the right claimed under Article 8(4)**

##### **a) Definition of positions**

74. Anheuser-Busch submits that the Court of First Instance erred in law when it held, in paragraphs 79 to 100 of the judgment under appeal, that the Board of Appeal was not competent to determine whether Budvar had established the validity of the earlier rights claimed under Article 8 (4) of Regulation No 40/94.

75. In its appeal, Anheuser-Busch maintains that OHIM should determine whether the rights on which the opposition is based actually exist as claimed, whether

they are applicable and whether they may be invoked against the Community trade mark application. Merely referring to the registration of the right at national level is not, the appellant submits, sufficient to establish the existence of that right, since registration creates only a simple legal presumption.

76. In support of its view, Anheuser-Busch also complains that the Court of First Instance relied on its case-law concerning Article 8(1) of Regulation No 40/94, (26) asserting that it should be applied by analogy. In accordance with that case-law, the validity of a national trade mark cannot be called into question in a procedure for registration of a Community trade mark. The appellant submits that there is no legal basis for drawing that analogy with Article 8(1), since the existence of harmonisation in the field of trade marks guarantees that the same criteria and standards are applied to registered trade marks throughout the territory of the European Union, whereas signs covered by Article 8(4) are not harmonised.

##### **b) Assessment**

77. In my opinion, it is not correct to assert that the Court of First Instance applied Article 8(1) of Regulation No 40/94 by analogy. In fact, the judgment under appeal merely extends the reasoning developed by the case-law in relation to national registered trade marks to signs covered by Article 8(4), concluding that OHIM is not competent to give a ruling on the validity of such signs, since, like the trade marks referred to, they are governed by the national law of the Member State concerned and their validity may be determined only in that context.

78. To my mind, the fact that national trade marks are harmonised and other signs are not is not a decisive factor for these purposes.

79. By creating the ground for opposition under Article 8(4), the Community legislature also gave a vote of confidence to the laws of the Member States referred to therein, subject solely to the requirement to check that the conditions designed to restrict the scope of the provision are satisfied (the temporal priority of the right, the requirement that the sign must be specially protected at national level, that it must be used in the course of trade and that it must be of more than mere local significance). The European Union authorities are entitled only to verify that those conditions have been satisfied but not to call into question the validity of the national law concerned or whether the protection it provides is effective in the Member State. If that were not the case, it would be tantamount to granting OHIM the power to interpret and apply national rules, something which is wholly outside its jurisdiction and which could lead to serious interference in the existence and protection of the sign at national level.

80. Accordingly, in my view, only if the protection of the sign had been definitively annulled in the Member State concerned (by judicial decision or by the appropriate procedure) could and should OHIM have taken that factor into consideration and rejected the opposition based on that sign.

81. The foregoing is particularly clear when, as is the case here, protection of the sign is derived from a formal act such as registration. In those circumstances, it is normal that the validity of the registration cannot be called into question in a procedure to register a Community trade mark but only in the appropriate proceedings for a declaration of invalidity in accordance with the provisions governing that registration.

82. Under the Lisbon Agreement, only an administrative authority of one of the contracting countries may declare invalid the effects of a registered appellation of origin, either by declaring, within a period of one year from receipt of the notification of registration, that it cannot ensure the protection of an appellation of origin (Article 5 of the Lisbon Agreement) or by declaring that its protection in the country of origin is invalid (Articles 6 and 7 of the Lisbon Agreement). Apart from those two methods, the validity of an international registration and the effectiveness of the protection which it ensures in the contracting countries may not be called into question.

83. As regards protection under the bilateral convention, it is my view that only the denunciation or amendment of the convention, or a final judicial decision declaring that protection in the country concerned no longer exists, would make it possible to exclude the existence of a sign which is viable for the purposes of an opposition based on Article 8(4) of Regulation No 40/94.

84. In the instant case, the Board of Appeal regarded as 'of secondary importance' the question whether the sign Bud was treated as a protected appellation of origin in France, Italy and Portugal pursuant to the Lisbon Agreement, and in Austria pursuant to the bilateral convention concluded between that Member State and the Czech Republic, since 'an opposition cannot succeed ... on the basis of a right that is presented as an appellation of origin but is not in fact an appellation of origin at all'. In that connection, OHIM relied on the characteristics which case-law and Community legislation (27) lay down for the classification of a sign as a 'designation of origin', concluding that the sign relied on did not satisfy those characteristics. In the light of the points set out above, those considerations are far from conclusive. In so far as the rights claimed have not been definitively declared invalid in accordance with the procedures laid down in the legal system which affords them protection, the Board of Appeal could not call into question their validity or whether they constituted an 'appellation of origin'.

85. Accordingly, in my view, it is appropriate to reject the first part of the first ground of appeal.

## **2. Second part of the first ground of appeal: the requirement of 'use in the course of trade'**

86. The appellant maintains that the Court of First Instance misconstrued the requirement of 'use in the course of trade', laid down in Article 8(4), from a threefold perspective: first of all, with regard to the quantity and quality of use, by not assimilating it to the 'genuine use' required for registered trade marks; second, with regard to the place of use, by stating that ac-

count may be taken of evidence from the territory of Member States other than those where the right claimed is protected; and third, with regard to the relevant period for proving use, by rejecting the date of application for registration as the material date and replacing it with the date of publication of that application.

87. In that way, the appellant submits, the Court of First Instance interpreted the requirement of 'use in the course of trade' in the least stringent manner possible, thereby committing an error of law.

### **a) Quantity and quality of use**

#### **i) Definition of positions**

88. The first of these three complaints concerns paragraphs 160 to 178 of the judgment under appeal. In those paragraphs, the Court of First Instance stated that the requirement of 'use in the course of trade', laid down in Article 8(4) of Regulation No 40/94, must not be interpreted in the same way as the requirement of 'genuine use' laid down in Article 43(2) and (3) of the regulation for oppositions based on an earlier trade mark – which was how the Board of Appeal proceeded with its interpretation.

89. The appellant criticises that choice of interpretation, arguing that if the condition of 'genuine use' were not applied in the context of Article 8(4), registered trade marks would be made subject to more rigorous requirements than signs covered by paragraph 4 for the purposes of their use in opposition to the registration of a subsequent Community trade mark. Just as the requirements for a finding of infringement of a trade mark (Article 9(1) of Regulation No 40/94) are less stringent than those pertaining to the continued use of a trade mark (Articles 15 and 43(2) and (3) of the regulation), Anheuser-Busch submits that the greatest rigour should apply where, as with Article 8(4), the right concerned '[constitutes] a right that is allowed to interfere with other traders' commercial activities'.

90. Thus, in the view of Anheuser-Busch, the application of the criterion of 'genuine use' means, on the one hand, that it is not possible to take into account, as evidence of such use, the handing out of free samples, which, according to the appellant, are excluded from the definition by the judgment in *Silberquelle*. (28) In addition, the appellant submits that, to be classified as genuine, the use of an appellation of origin or a geographical indication relied on under Article 8(4) must be effected in accordance with the essential function of such a sign, which is simply to guarantee to consumers the geographical origin of the goods and their inherent qualities.

#### **ii) Assessment**

91. Budvar has adopted the same approach in its interpretation of the phrase 'use in the course of trade' as the judgment under appeal. Basically, that approach involves deciding between (i) assimilating the phrase to the concept of 'genuine use' in Article 43(2) of Regulation No 40/94 and (ii) interpreting it in the same way as case-law has interpreted the identical terms 'using in the course of trade' in Article 9(1) of Regulation No 40/94 and Articles 5(1) and 6(1) of Directive 89/104.

92. There are, in fact, important differences between these two degrees of use. First of all, according to case-law, there is ‘genuine use’ of a trade mark, within the meaning of Article 43 of Regulation No 40/94, where ‘the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark’. (29) As regards the concept of ‘use in the course of trade’, the Court has so far only had the opportunity to interpret this term in relation to Article 9(1) of Regulation No 40/94 and Articles 5(1) and 6(1) of Directive 89/104, holding that a sign is used in the course of trade where that use occurs ‘in the context of commercial activity with a view to economic advantage and not as a private matter’.

93. In my opinion, however, this dual approach disregards the ratio legis of Article 8(4). First, that provision lays down a special set of conditions which must be interpreted independently of those laid down for the other grounds of opposition; second, the provision has its own underlying rationale which differs from that of Article 43(2) and, above all, from that of Article 9(1) of the regulation.

94. The argument relating to legal certainty put forward by Budvar (the requirement must be interpreted identically in respect of all the provisions of the regulation in which it appears) should certainly not be overlooked but it is not sufficient to support the view of the Court of First Instance. As a general rule, that principle requires that the interpretation of an indeterminate legal concept must be uniform, particularly when two provisions in the same set of rules, or sets of rules with related subject-matter, use the same terminology (as certainly occurs in the instant case with Articles 8(4) and 9(1) of Regulation No 40/94 and Articles 5(1) and 6(1) of Directive 89/104). However, this criterion for interpretation, according to which a single definition must be applied to identical terms, may not be so rigid that it completely ignores the context in which the concept in question is used. In this case, the requirement carries out entirely different functions according to which provision it is used in.

95. Article 8(4) of Regulation No 40/94 requires a sign to be ‘used in the course of trade’ as a condition for relying on that sign in opposition to an application to register a new Community trade mark; it therefore seeks to create a ground of opposition against an attempt to register a Community trade mark. Article 9(1) of the regulation, however, uses the term to describe the use of a sign identical or similar to a Community trade mark, which the proprietor of the Community mark may prohibit; in this latter case, therefore, the aim is to guarantee, in terms that, logically, are as broad as possible, the scope of the exclusive right of use vested in the proprietor of a Community trade mark. (30)

96. In those circumstances, Article 8(4) uses the term in a positive sense, requiring a minimum ‘threshold of use’ for the purposes of opposing the registration of a

Community trade mark. Article 9 (1), on the other hand, uses the term in a negative sense, for the purposes of prohibiting types of conduct which are ‘hostile’ to a registered trade mark in the broadest terms possible.

97. However, that does not mean that it is correct to interpret Article 8(4) by reference to Article 43(2), as the Court of First Instance did in the judgment under appeal. What I am saying is that the concept of use in the course of trade requires its own interpretation, namely that an opposition brought on the basis of one of these signs must establish a ‘use’ worthy of being called such.

98. Accordingly, in my opinion, the requirement of ‘use in the course of trade’ in Article 8(4) of Regulation No 40/94 is, like the other requirements in that provision, an independent concept (31) which warrants its own interpretation.

99. First of all, it is my view that, although it is not essential that a sign be used in order to ‘create or preserve an outlet’, there must be specific use in a commercial context, which does not include use as a private matter, and the distribution of free samples, for example, will not suffice.

100. Second, it also appears reasonable to require use which accords with the essential function of the sign concerned. In the case of geographical indications, that function consists in guaranteeing that the public is able to identify the geographical origin and/or certain inherent characteristics of the product concerned.

101. An interpretation of that kind (which, in my view, has the virtue of being adaptable to the numerous different signs which are caught by Article 8(4)) could, provided that evidence is produced, render relevant the arguments of Anheuser-Busch to the effect that Budvar has used the sign BUD as a trade mark rather than for the purpose of indicating the geographical origin of the product.

#### **b) Relevant territory for the establishment of ‘use in the course of trade’**

##### **i) Definition of positions**

102. The second complaint concerns the relevant territory for the establishment of the requirement of ‘use in the course of trade’.

103. The appellant submits that the Court of First Instance infringed the principle of territoriality and misconstrued Article 8(4) of Regulation No 40/94 by stating, in paragraphs 167 and 168 of the judgment under appeal, that ‘it does not follow from the wording of [that provision] that the sign concerned must be used in the territory whose law is invoked in support of the protection of that sign’. In particular, the Court of First Instance referred to the need to take into account the evidence produced by Budvar on the use of Bud in Benelux, Spain and the United Kingdom, even though the opposition was based on exclusive rights existing only in Austria and France.

104. According to Anheuser-Busch, the requirement of ‘use in the course of trade’ refers only to the use to which the sign is put in the territory where it benefits from the protection invoked. Anheuser-Busch submits that this is required by the principle of territoriality,

which is applicable to intellectual property rights in general and designations of origin in particular. Lastly, the appellant again puts forward the argument relating to a comparison with the rules on trade marks: if account were taken of use in those other territories, unharmonised signs covered by Article 8(4) would receive more favourable treatment than trade marks under Article 8(1) and (2), since, in the case of the latter, the article requires genuine use in the territory concerned.

## ii) Assessment

105. In connection with the second complaint, I agree with the appellant's arguments based on the principle of territoriality, although not with the argument based on a comparison with the trade mark rules for the reasons given earlier.

106. In my view, a territorial assessment of the requirement of use is essential whatever the sign relied on. In the case of trade marks, Article 43(2) and (3) of Regulation No 40/94 explicitly stipulate that proof must be provided of genuine use 'in the Community' (where a Community trade mark is invoked) or 'in the Member State in which the earlier national trade mark is protected'. However, the silence of Article 8(4) on this point may not be interpreted as an intention to exclude a requirement resulting naturally from the effect of the principle of territoriality, which is generally applicable to all intellectual property rights. (32)

107. Community legislation and case-law provide numerous examples of the application of that principle.

108. It follows from Article 8(1)(b) of Regulation No 40/94, for example, that the existence of a likelihood of confusion resulting from the similarity between the trade mark whose registration is sought and an earlier trade mark and between the goods or services covered by the trade marks must be assessed in relation to the public in the territory in which the earlier trade mark is protected. (33)

109. Article 3(3) of Directive 89/104, which excludes the application of the grounds for invalidity or refusal to register a trade mark where it has acquired a distinctive character 'following the use which has been made of it', does not specify where such use must be verified. However, the Court has held that, for those purposes, 'only the situation prevailing in the part of the territory of the Member State concerned (or, as the case may be, in the part of the Benelux territory) where the grounds for refusal have been noted is relevant'. (34)

110. Likewise, Article 7(3) of Regulation No 40/94 excludes the application of the grounds for absolute refusal to register a Community trade mark where it has 'become distinctive ... in consequence of the use which has been made of it', while the Court has stated that a trade mark can be registered under that provision only if evidence is provided 'that it has acquired, through the use which has been made of it, distinctive character in the part of the Community in which it did not, ab initio, have such character for the purposes of Article 7(1)(b). The part of the Community

referred to in Article 7(2) may be comprised of a single Member State.' (35) It suffices, therefore, for the purposes of blocking registration at Community level, if a trade mark lacks distinctive character in a single Member State; however, as soon as the mark for which Community registration is sought acquires distinctive character in the territory where it lacked such character, the ground for refusal is no longer applicable.

111. Finally, I consider that only if the principle of territoriality is strictly applied can the purpose of Article 8(4) be fulfilled. If, through the requirement of 'use in the course of trade', the objective is to ensure that a sign relied on thereunder is of some significance to the public, it is logical that such significance, acquired through use, should be proved in relation to the territory where the sign is protected, and that it is not sufficient that the sign has been used in a different territory (which might even be outside the European Union) where it has no protection.

## c) Relevant period for the purposes of assessing 'use in the course of trade'

### i) Definition of positions

112. The third complaint concerns the relevant period of time for assessing the requirement of 'use in the course of trade' and, in particular, its dies ad quem.

113. In the opinion of Anheuser-Busch, the Court of First Instance misconstrued Article 8(4) of Regulation No 40/94 by stating, in paragraph 169 of the judgment under appeal, that it does not follow from that provision 'that the opposing party must show that the sign concerned was used prior to the Community trade mark application', and that instead, '[a]t most it may be required, as for earlier trade marks, and to avoid situations where the earlier right is used solely because of opposition proceedings, that the sign concerned was used before publication of the trade mark application in the Community Trade Marks Bulletin'.

114. The appellant submits, on the contrary, that all the conditions for opposing the registration of a trade mark must be satisfied at the time the application for the subsequent mark is filed and that it is not appropriate to allow the opposing party a longer time-limit to use in the course of trade the sign opposing the trade mark applied for.

### ii) Assessment

115. In this connection, I consider to be correct the appellant's assessment to the effect that use of the sign must, where appropriate, be proved before the date of filing, rather than at any time up to the date of publication of the application for registration.

116. First, for the reasons already stated in Section V of this Opinion, the silence of the legislature means that, in connection with this point also, an autonomous interpretation must be effected with regard to the ground of opposition under Article 8(4) of Regulation No 40/94.

117. On the one hand, it is necessary to reject the application by analogy of Article 43 of Regulation No 40/94 proposed by the Court of First Instance in the judgment

under appeal. (36) That reasoning of the Court of First Instance entails a serious internal contradiction, since only a few paragraphs earlier it ruled out the application by analogy of Article 43 in connection with the concept of ‘use in the course of trade’. For the sake of consistency, if ‘use in the course of trade’ is interpreted as being different from ‘genuine use’ under Article 43(2), the interpretation of the temporal requirement in the judgment under appeal must be rejected. Nor does that mean, on the other hand, that that conclusion may be reached by simply applying by analogy the case-law on Article 8(5), (37) which was devised for a totally different situation (an opposition based on an earlier trade mark which has a reputation). The judgments cited by the appellant involve clear applications of the principle of priority, which governs industrial property rights and which must also be taken into account in the context of Article 8(4).

118. In my opinion, the reference point for the principle of priority must be the date of the application for registration of the new Community trade mark, and not the date on which the application is published in the Community Trade Marks Bulletin. If the aim is to ensure that the use in the course of trade of the sign relied on in opposition consolidates that sign and gives it the necessary weight so that it may legitimately be relied on in opposition to the registration of a new Community trade mark, then it seems reasonable to require the sign to have been used before the date of application for registration in question.

119. Any other solution might encourage fraud, by allowing the proprietor of an earlier right to ‘improvise’ an artificial use of his sign in the transitional period between the date of filing of the application (which, as was confirmed at the hearing, may be ascertained through informal channels) and the date of its publication in the Community Trade Marks Bulletin, merely so that he could then claim that use in opposition. (38)

120. In its statement in intervention, Budvar claims that Article 8(4)(a) specifically requires that the right to use the sign must have been acquired prior to the date of filing of the Community trade mark application or, where applicable, prior to the date of the priority claimed in support of the Community trade mark application, but that that same temporal condition does not apply to the requirement of use in the course of trade. In Budvar’s view, it would therefore suffice for the right on which the opposition is based to have been acquired prior to the date of filing of the trade mark application, even though use of that right only took place afterwards during the period leading up to the official publication of the application. I disagree with that interpretation of the provision. In my opinion, the wording of the provision does not prevent the same temporal condition being extended to the requirement of use; moreover, it would be more logical if all the requirements laid down in Article 8(4) were coordinated in terms of time. Otherwise, as I have indicated, the system could readily lend itself to fraud; if, as the judgment under appeal itself states, the aim is to ‘to avoid situations where the earlier right is used solely

because of opposition proceedings’, there must be a guarantee that use of the sign concerned would have taken place whether or not the Community trade mark was applied for and that is something which it is only possible to ensure by requiring use to have occurred before the application was filed.

121. Lastly, Budvar also claims that an application for registration may be relied on vis-à-vis third parties only when it has been published. In my opinion, that argument is ineffective because, in this case, it is not a question of determining the fact giving rise to a possible right of opposition but rather of proving that the sign relied on has a degree of commercial substance.

#### **d) Corollary**

122. In view of the fact that the three complaints are well founded, I consider that it is appropriate to allow the second part of the first ground of appeal.

### **3. Third part of the first ground of appeal: the requirement ‘of more than mere local significance’**

#### **a) Definition of positions**

123. In the third part of the first ground of appeal, Anheuser-Busch contends that the Court of First Instance in paragraphs 179 to 183 of the judgment under appeal misconstrued the expression ‘of more than mere local significance’.

124. Even accepting that, according to Article 8(4), it is the sign (rather than its use) which must have ‘more than mere local significance’, the appellant submits that the term ‘significance’ must necessarily be linked to the market of the country where that sign is protected and that a sign may have ‘significance’ in trade only if it is used in that market. The mere fact that the laws of two or more States grant exclusive rights to an individual in respect of a specific sign does not mean that, for that reason alone, the sign already has ‘significance’ in trade in those States.

125. Further, Anheuser-Busch contends that the geographical scope of the protection provided under national law is not an appropriate criterion for these purposes since, otherwise, the requirement would be made subject to the national law of the Member States, which would be contrary to the case-law according to which Community trade mark law is autonomous and is not subject to national law (Case C-238/06 P Develey v OHIM [2007] ECR I-9375, paragraphs 65 and 66).

#### **b) Assessment**

126. In my view, the judgment under appeal supplies an interpretation which is excessively literal and sticks too closely to the wording of Article 8(4).

127. First, as the judgment under appeal states, (39) it is true that the expression ‘more than mere local significance’ describes the sign concerned rather than its use in the course of trade; in short, it refers to the significance of the sign concerned and not to the significance of its use. That is confirmed by an analysis of a number of the different language versions of the provision. The Italian version is one of the clearest, since it includes the conjunction ‘and’ (‘contrassegno utilizzato nella normale prassi commerciale e di portata non puramente

locale'), but the French ('signe utilisé dans la vie des affaires dont la portée n'est pas seulement locale'), Portuguese ('sinal utilizado na vida comercial cujo alcance não seja apenas local') and German ('eingetragenen Marke oder eines sonstigen im geschäftlichen Verkehr benutzten Kennzeichenrechts von mehr als lediglich örtlicher Bedeutung') versions do not leave any room for uncertainty either, and it is difficult to opt for another interpretation even where the wording could sow some seeds of doubt, such as the Spanish ('signo utilizado en el tráfico económico de alcance no únicamente local') and English ('sign used in the course of trade of more than mere local significance') versions.

128. Notwithstanding the assertion of the Court of First Instance in the judgment under appeal, the foregoing cannot mean that the significance of the sign is equivalent to the geographical extent of its legal protection or that a sign is of more than local significance merely because it is legally protected in more than one country.

129. As I have already pointed out, the requirements laid down in Article 8(4) are not confined to the strictly legal sphere. The terms used by the Community legislature and the actual purpose of the provision call for an interpretation which is linked to the facts and to the importance of the sign in trade. (40)

130. First of all, the term 'significance', and the equivalent terms used in the other language versions, appears to be concerned with factual matters rather than with the territorial scope of a protective provision. (41) That view is consistent with the fact, to which I have already drawn attention, that Article 8(4) covers a heteroclitic group of signs, some of which are protected simply by use and others as a result of registration.

131. Second, that conclusion is reached as a result of an analysis of all the requirements which Regulation No 40/94 lays down in order for a sign to be relied on as a relative ground for refusal under Article 8(4). As I indicated above, these requirements can be classified into two main groups: first, two national law requirements (the ones set out in Article 8(4)(a) and (b)), which are intended to ensure that the sign is, and was beforehand, specially protected at national level; and, second, two requirements ('use in the course of trade' and 'more than mere local significance') which the appellant rightly regards as autonomous conditions 'of Community law', aimed at restricting this ground of opposition to signs which, in addition to being protected at national level, have a certain commercial presence and importance.

132. The fact is that it is difficult to separate the term 'significance' from the market in which the sign is present and from the use of the sign. It is not by chance that the requirement of use of the sign 'in the course of trade' is mentioned first; although that requirement refers to the sign, the interpretation of it is inextricably linked to the context. The article must be interpreted as a whole.

133. Consequently, non-registered trade marks and the other signs covered by Article 8(4) may act as a relative ground for refusal only when, in the course of trade, they have more than mere local significance. (42) The

territorial area by reference to which that significance must be assessed is the territory in which the sign benefits from legal protection, (43) but the mere existence of such protection throughout the territory of a Member State, or even in a number of them, does not ensure that the requirement of significance is met.

134. Third, the foregoing is also confirmed by a teleological interpretation. As I have repeatedly stated, the inclusion of the requirement of significance reflects the intention of the legislature to prohibit access to Article 8(4) for signs which do not 'deserve' to have the capacity to prevent the registration of a similar trade mark at Community level. (44)

135. Under Article 1 of Regulation No 40/94, once registered, a Community trade mark is valid and is protected throughout the European Union. As a result, for an earlier non-registered right to be able to prevent the registration of a Community trade mark intended to cover the territory of the 27 Member States, it must have an importance capable of justifying its taking precedence over that subsequent Community trade mark. Its 'significance' must be such that it is potentially able to block, with effect throughout the European Union, the registration of a trade mark, and that significance may not refer solely to the territorial scope of protection of the right claimed.

136. The interpretation provided by the Court of First Instance in the judgment under appeal is readily adaptable to signs which, like Bud, have international protection that is formalised through registration. However, most of the signs covered by Article 8(4) do not have those characteristics. 137. On the one hand, Article 8(4) appears to be intended essentially for signs protected in only one Member State, (45) and not for the less numerous cases in which there is transnational protection. Interpreting the requirement of 'significance' as being synonymous with the territorial scope of legal protection would lead to the exclusion without prior analysis of the right to invoke under Article 8(4) signs which are protected in the whole territory of a Member State but not beyond its borders, since such signs would never have more than local significance. (46) In order to include those signs, it is necessary to construe the term 'significance' in a more factual sense, by requiring that the sign must be known in a territory larger than a city or region, for example.

138. On the other hand, nor is the solution proposed by the judgment under appeal adaptable to signs which, like non-registered trade marks, are created and earn protection through use without the need for prior registration. In such cases, which constitute the majority of those covered by the provision under scrutiny, significance of use and significance of legal protection are not easily distinguishable.

139. Lastly, and contrary to the assertion made in paragraph 180 of the judgment under appeal, I am of the view that Article 107 of Regulation No 40/94 does not preclude the interpretation I have put forward in this Opinion.

140. Article 8(4) operates in parallel with Article 107, which permits the 'coexistence' of a new Community

trade mark and an earlier sign of merely local significance by providing that the proprietor of that earlier right of local significance (which, therefore, may not be relied on as the basis of an opposition to the registration of a trade mark, but which is protected in a Member State) ‘may oppose the use of the Community trade mark in the territory where his right is protected’. It follows from the provision that where a sign has local significance its protection is limited to the territory of the Member State concerned, while where a sign has more than local significance it is protected throughout the European Union; (47) however, it does not follow that protection at Community level (as a result of a successful opposition to the registration of a subsequent trade mark) must be granted only where legal protection exists in more than one Member State. In my view, Article 107 is not sufficient for the purposes of establishing an indissoluble link between significance and the territorial extent of protection in the sense proposed by the judgment under appeal.

141. In the light of all the foregoing, it is my view that, even where a geographical indication like Bud is protected in more than one State under an international agreement, it would not satisfy the requirement of ‘more than mere local significance’ if (as appears to occur in the instant case) it could be proved only that that geographical indication is known and used in one of the States where it benefits from protection.

142. I am therefore of the opinion that the third part of the first ground of appeal must be allowed.

#### **4. Conclusion**

In the light of all the foregoing, I propose that the Court should allow the second and third parts of the first ground of appeal but dismiss the first part.

### **B – Second ground of appeal: infringement of Articles 8(4) and 74(1) of Regulation No 40/94**

#### **1. Definition of positions**

143. In the second ground of appeal, concerning the infringement of Articles 8(4) and 74(1) of Regulation No 40/94, the appellant maintains that the Court of First Instance erred in law in paragraph 199 of the judgment under appeal by holding that the Board of Appeal of OHIM should of its own motion investigate the applicable national law, including the case-law relating to the right of Budvar to prohibit use of a subsequent mark by invoking a geographical indication. By holding that the outcome of the national proceedings could be learnt from generally accessible sources and that, as a result, it was a well-known fact that was excluded from the burden of proof which, under Article 74 of the regulation, rests on the opponent, the appellant submits that the Court of First Instance infringed that provision, in accordance with which, in opposition proceedings, the examination carried out by OHIM must be restricted to the facts, evidence and arguments provided by the parties and the relief sought.

#### **2. Assessment**

144. The second ground of appeal in fact raises two separate issues.

145. First of all, consideration must be given to whether or not Article 74(1) of Regulation No 40/94 requires

OHIM to examine of its own motion the status and the outcomes of court proceedings brought in the Member State concerned and, consequently, whether the decisions of national courts are, for those purposes, matters of common knowledge.

146. In the annulled decisions, the Board of Appeal of OHIM only took into account a number of French and German judicial decisions which refused to allow the proprietors of Bud to prohibit use of the sign by Anheuser-Busch in the national territories concerned. At that time, those national judgments were not final but the Board of Appeal did not take account of that matter which had not been raised by Budvar.

147. In my opinion, the Board of Appeal of OHIM complied fully with the rules governing opposition proceedings, and, in particular, with the general rules on the burden of proof set out in Article 74(1) of Regulation No 40/94. After laying down as a general rule the obligation of OHIM to examine the facts of its own motion, Article 74(1) provides: ‘however, in proceedings relating to relative grounds for refusal of registration, [OHIM] shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.’

148. The burden of proof therefore rests squarely on the opponent and OHIM may not be accused of having failed to take into account the existence of judicial decisions which, notwithstanding the assertion of the Court of First Instance, were not ‘facts which are well known’. Although the sources which might have provided that information were ‘accessible’ to the Board of Appeal, it was not the Board’s responsibility but rather that of the interested party to verify all the information put forward in the proceedings and, in particular, to check whether or not a judgment given in national proceedings is final.

149. Second, within that main line of reasoning underpinning the second ground of appeal, the appellant indirectly advances, from an evidential point of view, a second complaint. In particular, Anheuser-Busch contends that ‘the Board of Appeal had evidence before it that Budvar had unsuccessfully tried to enforce the very rights in national courts that it was now relying on against Anheuser-Busch’s Community trade mark applications. ... Budvar has not submitted one single decision allowing it to enforce its alleged Article 8(4) rights’. It might be concluded from the wording of the appeal that Anheuser-Busch submits that Article 8(4)(b) of the regulation must be construed as meaning that the opponent has to prove that it has succeeded in prohibiting the use of a subsequent trade mark and that it is not sufficient to hold an abstract right to prohibit the use of a more recent trade mark.

150. If that is the interpretation put forward by the appellant, I disagree with it. To my mind, it is clear that Article 8(4)(b) requires only that the opponent hold that abstract right in order to be able to protect its sign at national level. An opposition will be possible provided that the right is held, even if it has not been exercised or explicitly recognised by a court.

151. It could be argued that, by requiring there to be merely an abstract right, all the arguments concerning the status of national proceedings are rendered irrelevant (the question whether national judicial decisions recognising the right are final). However, the existence of national judgments (whether or not they are final) which, as in the present case, negate the right to prohibit the use of a subsequent mark may constitute evidence that that right does not exist.

152. Without prejudice to that last statement, it is my view that the second ground of appeal must be upheld.

### **C – Upholding of the appeal and referral of the case back to the General Court**

153. In the light of the foregoing, it is my view that the appeal should be upheld, the second ground of appeal and the second and third parts of the first ground of appeal being allowed, and that the judgment under appeal should be set aside.

154. Since it appears that the errors identified may be corrected only by means of factual assessments, I am of the opinion that the case is not in a state such that the Court of Justice may give final judgment in the matter within the meaning of Article 61(1) of its Statute, and I therefore recommend that the case be referred back to the General Court so that it may carry out those assessments and give judgment afresh on that basis.

155. In particular, it will be for the General Court to determine whether Budvar has established use of the sign Bud ‘in the course of trade’ prior to the date on which Anheuser-Busch filed the first application to register Bud as a Community trade mark. For those purposes, the General Court will have to use an autonomous interpretation of the requirement of ‘use in the course of trade’, in other words, one which does not merely reflect the interpretation established by case-law in respect of that expression in the context of Article 9(1) of Regulation No 40/94.

### **VII – Costs**

156. Since I propose that the case be referred back to the General Court, the costs relating to the present appeal should be reserved.

### **VIII – Conclusion**

157. In the light of the foregoing considerations, I propose that the Court should:

(1) uphold the appeal brought by Anheuser-Busch against the judgment given on 16 December 2008 by the First Chamber of the Court of First Instance in Joined Cases T- 225/06, T-255/06, T-257/06 and T-309/06;

(2) refer the case back to the General Court of the European Union;

(3) reserve the costs.

1 – Original language: Spanish.

2 – The latest is the judgment of 29 July 2010 in Case C-214/09 P Anheuser-Busch, Inc. v OHIM and Budějovický Budvar [2010] ECR I-0000. For more information about the historical roots of the dispute and its most recent judicial chapters, see the Opinion of

Advocate General Ruiz-Jarabo Colomer in Case C-478/07 Budějovický Budvar [2009] ECR I-7721.

3 – Joined Cases T-225/06, T-255/06, T-257/06 and T-309/06 Budějovický Budvar v OHIM [2008] ECR II-3555.

4 – OJ 1994 L 11, p. 1.

5 – Adopted on 31 October 1958, revised in Stockholm on 14 July 1967 and amended on 28 September 1979 (United Nations Treaty Series, Vol. 828, No 13172, p. 205).

6 – The ‘Lisbon Union’ (<http://www.wipo.int/treaties/en>) currently comprises 26 countries, which include the Czech Republic.

7 – As far as Austria is concerned, it was published in the Bundesgesetzblatt für die Republik Österreich of 19 February 1981 (BGBl. No 75/1981) and entered into force on 26 February 1981 for an indefinite period.

8 – Council regulation of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1).

9 – Commission regulation of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1).

10 – Case T-225/06.

11 – Cases T-255/06 and T-257/06.

12 – Case T-309/06.

13 – Council directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

14 – Article 8(2)(c) is silent in that regard.

15 – Article 6 bis of the Paris Convention for the Protection of Industrial Property of 20 March 1883 (United Nations Treaty Series, Vol. 828, No 11847, p. 108), to which Regulation No 40/94 refers in that connection, requires the protection of well-known marks belonging to persons entitled to the benefits of the convention.

16 – However, where the trade marks are identical and the goods or services are identical, the likelihood of confusion is presumed; that appears to follow from Article 8(1)(a) of the regulation.

17 – Otherwise an opposition would have to be based on paragraph 2(c).

18 – Guidelines concerning Proceedings before the Office for Harmonisation in the Internal Market (Trade Marks and Designs). Part C: Opposition Guidelines (pp. 312 to 339).

19 – Information taken from the list of signs contained in the Opposition Guidelines.

20 – Council regulation of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 2006 L 93, p. 12).

21 – Regulation No 207/2009.

22 – It is my view that, in the light of the ruling of the Court of Justice of 8 September 2009 in Budějovický Budvar, the survival of this type of geographical indications is possible provided that they are simple indications which do not fall within the scope of Regulation No 510/2006. However, it may be inferred from that judgment that eligible designations of origin and geographical indications which could have been registered at Community level – but have not been – cannot con-

tinue to receive protection at national level, in particular, under a bilateral convention between two Member States. According to the case-file, the sign BUD was expressly relied on by Budvar in its capacity as an ‘appellation of origin’. In addition to the uncertainties which may exist concerning its true nature, the mere fact that the sign was presented as an appellation of origin which has not been registered at Community level could lead, in accordance with the case-law cited on the exhaustive nature of Regulation No 510/2006, to it being held to be invalid for the purposes of the opposition. The fact is, however, that the foregoing considerations have no effect at all on the present proceedings, since Anheuser-Busch has not raised that possible defect of the sign relied on and it is not a ground which the Court may or must consider of its own motion, particularly in the context of an appeal.

In relation to grounds of ‘public interest’, see the Opinion of Advocate General Jacobs in Case C-210/98 P *Salzgitter v Commission* [2000] ECR I-5843, points 141 to 143, and the Opinion of Advocate General Mengozzi in Case C-443/05 P *Common Market Fertilizers v Commission* [2007] ECR I-7209, points 102 and 103. Reference may also be made to *Vesterdorf, B.*, ‘Le relevé d’office par le juge communautaire’, *Une Communauté de droit: Festschrift für G.C. Rodríguez Iglesias, Nomos*, 2003, p. 551 et seq.

23 – Budvar adopted the same position before OHIM in the opposition proceedings, as is clear from point 13(b) of the decision of the Board of Appeal of 14 June 2006.

24 – Article 14 of Regulation No 510/2006 and Article 7(1)(k) of the new regulation on the Community trade mark (Regulation No 207/2009).

25 – See the provisions cited in the previous footnote.

26 – Case T-6/01 *Matratzen Concord v OHIM – Hukla Germany(MATRATZEN)* [2002] ECR II-4335, paragraph 55; Case T-186/02 *BMI Bertollo v OHIM – Diesel(DIESELIT)* [2004] ECR II-1887, paragraph 71; Case T-269/02 *PepsiCo v OHIM – Intersnack Knabber-Gebäck(RUFFLES)* [2005] ECR II-1341, paragraph 26; and Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa(PAM PLUVIAL)* [2007] ECR II-757, paragraph 88.

27 – Regulation No 510/2006.

28 – Case C-495/07 [2009] ECR I-137, paragraphs 21 and 22.

29 – Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237, paragraph 70, and Case C- 234/06 P *Il Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraph 72. See also, in connection with Article 10(1) of Directive 89/104, Case C-40/01 *Ansul* [2003] ECR I- 2439, paragraph 43, and the order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 27.

30 – Articles 5(1) and 6(1) of Directive 89/104 serve the same purpose. I agree with the assertion of my colleague Advocate General Sharpston that the interpretation of Directive 89/104 must be coherent with that of Regulation No 40/94 (Opinion in Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* [2009] ECR I-4893, point 16), but I do not believe that it is possible to conclude from that, as Budvar appears to, that such

‘coherence’ must be sought without taking account of the function which each article carries out. In the present case, coherence would be required between Articles 5(1) and 6(1) of the directive and Article 9(1) of the regulation, which are the articles containing comparable subject-matter (and to which the case-law refers at the moment). In my view, the extension to Article 8(4) of the definition given to them by case-law is not as clear.

31 – In fact, in addition to satisfying this Community requirement of use in the course of trade, a sign must satisfy the level of use which, where appropriate, is required of it in the provisions of the Member State concerned in order to confer on its proprietor ‘the right to prohibit the use of a subsequent trade mark’ (Article 8(4)(b) of Regulation No 40/94).

32 – Among the first to recognise this principle was Hagens who, as early as 1927, disputed the traditional view concerning the universality of trade marks held by German academic writers, stating that that view was untenable because its application would entail interference in the legal sphere of foreign sovereign States (Hagens, A., *Warenzeichenrecht*, Berlin and Leipzig, 1927). The German Supreme Court adopted the view of Hagens in a judgment of 20 September 1927 and today it is commonly accepted as a principle of trade mark law, while, in my view, the international treaties, which are mainly founded on the principle of reciprocity, do not lessen its importance.

33 – To that effect, see Case C-412/05 P *Alcon v OHIM* [2007] ECR I-3569, paragraph 51, and *Il Ponte Finanziaria v OHIM*, paragraph 60.

34 – Case C-108/05 *Bovemij Verzekeringen* [2006] ECR I-7605, paragraph 22. In addition, in her Opinion in that case, Advocate General Sharpston takes as a starting point the necessary territorial assessment of these requirements and states that, unlike what may be required for national trade marks, in the case of Community trade marks it is reasonable to require the mark’s owner to demonstrate ‘distinctive character acquired through use over a greater geographical area’ (point 45).

35 – Case C-25/05 P *Storck v OHIM* [2006] ECR I-5719, paragraph 83.

36 – Although it does not specifically cite Article 43 of the regulation for those purposes, paragraph 169 of the judgment under appeal states that the criterion of the publication date is required ‘as for earlier trade marks’ in a clear reference to the requirements laid down in that article.

37 – See footnote 36.

38 – It was also confirmed at the hearing that this period may last several months or even more than a year, as in the case of a number of the applications with which the present proceedings are concerned. In such cases, there is clearly a greater likelihood that certain circles will learn of the filing of the application before it is published. It can only be a cause for concern if the only proved usage of the sign relied on has taken place in the period between the date of the trade mark application and its publication.

39 – Paragraph 180.

40 – I refer to a kind of interpretation which is closer, although not necessarily identical in all respects, to the one set out by OHIM in its Opposition Guidelines. According to OHIM, the assessment of the significance of a sign for the purposes of Article 8(4) cannot be carried out from a geographical perspective alone and must also be based on the ‘economic dimension of the use of the sign’, having regard to the intensity of use, the length of use, the spread of the goods or services for which it is used, and the advertising carried out under that sign. The Court of First Instance itself accepted, point for point, that interpretation of OHIM in another judgment dated only shortly after the judgment under appeal in *Joined Cases T-318/06 to T-321/06 Moreira da Fonseca v OHIM – General Óptica* (GENERAL OPTICA) [2009] ECR II-649. At the request of the Court of Justice, the differences between the two judgments of the Court of First Instance were the focus of many of the submissions at the hearing. Anheuser-Busch and OHIM, while acknowledging that the judgments are based on different facts and rights, stated that the different natures of the signs relied on (a geographical indication in *Budějovický Budvar* and an establishment name in *General Óptica*) were immaterial and did not justify the difference in the decisions. *Budvar*, on the other hand, asserted that *General Óptica* concerned a sign protected only through use, a factor which, it submitted, is immaterial for appellations of origin, which exist and are protected merely by registration, from which *Budvar* concluded that the judgments do not contradict one another and that the requirements of Article 8(4) must be assessed case by case, having regard to the nature of the sign relied on. I do not share *Budvar*’s view.

41 – The dictionary of the Real Academia Española defines the word ‘alcance’ as ‘capacidad de alcanzar o cubrir una distancia’; the Académie française defines the term ‘portée’ as, inter alia, ‘distance maximale à laquelle une chose peut exercer son effet, étendue, champ d’action d’un phénomène’. Particularly expressive is the term ‘significance’ which the English version uses and which the Cambridge Advanced Learner’s Dictionary regards as synonymous with ‘importance’ and ‘special meaning’.

42 – In that connection, see Fernández Novoa, C., *El sistema comunitario de marcas*, Montecorvo, Madrid, 1995, p. 167, and von Mühlendahl, A., Ohlgart, D. and Bomhard, V., *Die Gemeinschaftsmarke*, Bech, Munich, 1998, p. 38.

43 – That follows from the principle of territoriality, examined above.

44 – In that regard, see Kitchin, D., Llewelyn, D., Mellor, J., Meade, R., Moody-Stuart, T. and Keeling, D., *Kerly’s Law of Trade Marks and Trade Names*, Sweet & Maxwell, London, 2005, p. 274.

45 – That is why it refers to ‘the law of the Member State governing that sign’.

46 – It could be inferred from the interpretation of the Court of First Instance that only international protection guarantees such significance (in that connection,

see paragraph 181 of the judgment under appeal: ‘the earlier rights relied on have a significance which is not merely local inasmuch as their protection, under Article 1(2) of the Lisbon Agreement and Article 1 of the bilateral convention, extends beyond their territory of origin’).

47 – Taking that view as a starting point, Fleckenstein considers that the two articles constitute a ‘system’; Fleckenstein, J., *Der Schutz territorial beschränkter Kennzeichen*, Peter Lang – Europäische Hochschulschriften, Frankfurt am Main, 1999, p. 104.