

Court of Justice EU, 22 September 2011, Budvar v Anheuser-Busch



TRADEMARK LAW

Acquiescence: required that proprietor was in a position to oppose use

- that acquiescence, within the meaning of Article 9(1) of Directive 89/104, is a concept of European Union law and that the proprietor of an earlier trade mark cannot be held to have acquiesced in the long and well-established honest use, of which he has long been aware, by a third party of a later trade mark identical with that of the proprietor if that proprietor was not in any position to oppose that use.

Acquiescence: registration or earlier mark not required, but registration in good faith of later mark and knowledge thereof are requirements

- Consequently, the answer to part (c) of the first question and the second question is that registration of the earlier trade mark in the Member State concerned does not constitute a prerequisite for the running of the period of limitation in consequence of acquiescence prescribed in Article 9(1) of Directive 89/104. The prerequisites for the running of that period of limitation, which it is for the national court to determine, are, first, registration of the later trade mark in the Member State concerned, second, the application for registration of that mark being made in good faith, third, use of the later trade mark by its proprietor in the Member State where it has been registered and, fourth, knowledge by the proprietor of the earlier trade mark that the later trade mark has been registered and used after its registration.

Cancellation of later trade mark not possible in case of long period of honest concurrent use in circum-

stances that does not have adverse effect on the guarantee of the origin of the goods

- In the light of the foregoing, the answer to the third question is that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that the proprietor of an earlier trade mark cannot obtain the cancellation of an identical later trade mark designating identical goods where there has been a long period of honest concurrent use of those two trade marks where, in circumstances such as those in the main proceedings, that use neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.

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Court of Justice EU, 22 September 2011

(A. Tizzano, M. Ilešič, E. Levits, M. Safjan, M. Berger)
JUDGMENT OF THE COURT (First Chamber)

22 September 2011 (*)

(Trade marks – Directive 89/104/EEC – Article 9(1) – Concept of acquiescence – Limitation in consequence of acquiescence – Starting point for limitation period – Prerequisites for the limitation period to run – Article 4(1)(a) – Registration of two identical marks designating identical goods – Functions of the trade mark – Honest concurrent use)

In Case C-482/09,

REFERENCE for a preliminary ruling under Article 234 EC from the Court of Appeal (England & Wales) (Civil Division) (United Kingdom), made by decision of 12 November 2009, received at the Court on 30 November 2009, in the proceedings
Budějovický Budvar, národní podnik,

v

Anheuser-Busch Inc.,

THE COURT (First Chamber),

composed of A. Tizzano, President of the Chamber, M. Ilešič, E. Levits, M. Safjan (Rapporteur) and M. Berger, Judges,

Advocate General: V. Trstenjak,

Registrar: L. Hewlett, Principal Administrator,

having regard to the written procedure and further to the hearing on 24 November 2010,

after considering the observations submitted on behalf of:

– Budějovický Budvar, národní podnik, by J. Mellor and S. Malynicz, Barristers, instructed by M. Blair, Solicitor,

– Anheuser-Busch Inc., by B. Goebel, Rechtsanwalt,

– the United Kingdom Government, by S. Ossowski, acting as Agent,

– the Czech Government, by M. Smolek, acting as Agent,

– the Italian Government, by G. Palmieri, acting as Agent, and by S. Fiorentino, avvocato dello Stato,

– the Portuguese Government, by L. Inez Fernandes, acting as Agent,

– the Slovak Government, by B. Ricziová, acting as Agent,

– the European Commission, by J. Samnadda, acting as Agent, after hearing the Opinion of the Advocate General at the sitting on 3 February 2011, gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Articles 4(1)(a) and 9(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).

2 The reference was made in the course of proceedings between Budějovický Budvar, národní podnik (‘Budvar’), a brewer established in the town of České Budějovice (Czech Republic), and Anheuser-Busch Inc. (‘Anheuser-Busch’), a brewer established in Saint Louis (United States), concerning the Budweiser trade mark of which they have both been proprietors in the United Kingdom since 19 May 2000.

Legal context

European Union legislation

3 Article 4 of Directive 89/104, headed ‘Further grounds for refusal or invalidity concerning conflicts with earlier rights’, provided:

‘1. A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:

(a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;

...

2. “Earlier trade marks” within the meaning of paragraph 1 means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks;

(i) Community trade marks;

(ii) trade marks registered in the Member State or, in the case of Belgium, Luxembourg or the Netherlands, at the Benelux Trade Mark Office;

(iii) trade marks registered under international arrangements which have effect in the Member State;

(b) Community trade marks which validly claim seniority, in accordance with the Regulation on the Community trade mark, from a trade mark referred to in (a)(ii) and (iii), even when the latter trade mark has been surrendered or allowed to lapse;

(c) applications for the trade marks referred to in (a) and (b), subject to their registration;

(d) trade marks which, on the date of application for registration of the trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the trade mark, are well known in a Member State, in the sense in which the words “well known” are used in Article 6 bis of the Paris Convention.

...

4 Article 5(1) of Directive 89/104, headed ‘Rights conferred by a trade mark’, stated:

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

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

...

5 Under Article 9 of Directive 89/104, headed ‘Limitation in consequence of acquiescence’:

‘1. Where, in a Member State, the proprietor of an earlier trade mark as referred to in Article 4 (2) has acquiesced, for a period of five successive years, in the use of a later trade mark registered in that Member State while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later trade mark was applied for in bad faith.

2. Any Member State may provide that paragraph 1 shall apply mutatis mutandis to the proprietor of an earlier trade mark referred to in Article 4(4)(a) or an other earlier right referred to in Article 4(4)(b) or (c).

3. In the cases referred to in paragraphs 1 and 2, the proprietor of a later registered trade mark shall not be entitled to oppose the use of the earlier right, even though that right may no longer be invoked against the later trade mark.’

6 Directive 89/104 was repealed and replaced by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25), which came into force on 28 November 2008. Nonetheless, given the material time in the main proceedings, the applicable legislation remains Directive 89/104.

National legislation

7 The provisions of Directive 89/104 were transposed into United Kingdom domestic law by the Trade Marks Act 1994, which came into force on 31 October 1994.

8 In order to implement Directive 89/104, the Trade Marks Act 1994 replaced the Trade Marks Act 1938.

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

9 According to the order for reference, since Budvar and Anheuser-Busch entered the United Kingdom market, in 1973 and 1974 respectively, they have each marketed their beers using the word sign ‘Budweiser’ or expressions including that sign.

10 The order for reference also states that, although their names are the same, the Budvar and Anheuser-Busch beers are not the same. Their tastes, prices and get-ups have always been different and, in markets where Budvar and Anheuser-Busch co-exist, consumers are well aware of the difference, though there will always be some small level of confusion between them.

11 In November 1976 Budvar applied for registration of the trade mark ‘Bud’. Anheuser-Busch filed an opposition to that registration.

12 In 1979 Anheuser-Busch sued Budvar for passing off and sought an injunction to prevent Budvar from using the word ‘Budweiser’. Budvar counterclaimed for an injunction to restrain Anheuser-Busch from passing off by using the word ‘Budweiser’.

13 Whilst awaiting the outcome of these passing off actions, the opposition procedure relating to registration of the word ‘Bud’ was stayed.

14 On 11 December 1979 Anheuser-Busch applied to register the word ‘Budweiser’ as a trade mark for the goods ‘beer, ale and porter’. Budvar opposed that application.

15 The original claim and counterclaim for passing off were dismissed both at first instance and on appeal, the courts concerned deciding that neither party was making a false representation and that the word sign ‘Budweiser’ had a dual reputation.

16 The word ‘Bud’ was thereafter duly registered as a trade mark on behalf of Budvar, after the opposition filed by Anheuser-Busch was rejected.

17 On 28 June 1989 Budvar submitted a cross-application for the registration as a trade mark of the word ‘Budweiser’, an application which Anheuser-Busch opposed.

18 In February 2000 the Court of Appeal (England & Wales) (Civil Division) dismissed both oppositions to registration of the word ‘Budweiser’ and held that Budvar and Anheuser-Busch could each have that word registered as a trade mark. Under the Trade Marks Act 1994, that court based its decision on the Trade Marks Act 1938, which expressly allowed concurrent registration of the same or confusingly similar marks, in circumstances where there was honest concurrent use or other special circumstances.

19 Following that judgment, each party was entered in the United Kingdom Trade Marks Register, on 19 May 2000, as a proprietor of the Budweiser word mark for the goods ‘beer, ale and porter’.

20 It follows that Budvar has acquired in the United Kingdom two trade mark registrations, one for Bud (an application submitted in November 1976) and the other for Budweiser (an application made in June 1989). Anheuser-Busch is the proprietor of a registered trade mark for Budweiser (application made in December 1979).

21 On 18 May 2005, that is four years and 364 days after Budvar and Anheuser-Busch registered the Budweiser trade mark, Anheuser-Busch lodged at the United Kingdom Trade Marks Registry an application for a declaration that Budvar’s registration of that mark was invalid.

22 In its application for a declaration of invalidity, Anheuser-Busch claimed, first, that, even though the Budweiser marks of the two companies concerned were registered on the same day, the mark owned by Anheuser-Busch is an earlier trade mark, within the meaning of Article 4(2) of Directive 89/104, given that its application for registration was made earlier than Budvar’s application. Second, since the marks and goods are identical within the meaning of Article 4(1)(a) of that directive, Anheuser-Busch, as the pro-

prietor of an earlier trade mark, is entitled to obtain a declaration that Budvar’s mark is invalid. Third, there was no limitation in consequence of acquiescence because the period of five years prescribed in Article 9(1) of that directive had not expired.

23 The United Kingdom Trade Marks Registry granted the application made by Anheuser-Busch for a declaration that the registration was invalid.

24 On 19 February 2008 the High Court of Justice (England & Wales) (Chancery Division) dismissed the action brought before it by Budvar in relation to the goods ‘beer, ale and porter’.

25 Budvar brought an appeal against that judgment before the Court of Appeal (England & Wales) (Civil Division) which court states that it is uncertain of the interpretation of Article 9 of Directive 89/104, in particular as regards the meaning of ‘acquiescence’ and ‘period’ as referred to in that article. The referring court also raises the question of how Article 4(1)(a) of that directive is to be interpreted. In that regard, the referring court states that Budvar maintained before it that, notwithstanding the apparently absolute protection enjoyed by the earlier trade mark where an identical later trade mark designates identical goods, an exception to that protection might be admitted in the event of long-established, honest concurrent use of those two trade marks. In such circumstances, the use of identical trade marks by the two parties does not have an adverse effect on the guarantee provided by the trade mark of the origin of the goods, since those trade marks are not confined to designating the goods of a single company, but designate the goods of one or the other.

26 In those circumstances the Court of Appeal (England & Wales) (Civil Division) decided to stay the proceedings and to refer to the Court the following questions for a preliminary ruling:

‘(1) What is meant by “acquiesced” in Article 9(1) of Directive 89/104 and in particular:

(a) is “acquiesced” a Community law concept or is it open to the national court to apply national rules as to acquiescence (including delay or long-established honest concurrent use)?

(b) if “acquiesced” is a Community law concept can the proprietor of a trade mark be held to have acquiesced in a long and well-established honest use of an identical mark by another when he has long known of that use but has been unable to prevent it?

(c) in any case, is it necessary that the proprietor of a trade mark should have his trade mark registered before he can begin to “acquiesce” in the use by another of (i) an identical or (ii) a confusingly similar mark?

(2) When does the period of “five successive years” commence and in particular, can it commence (and if so can it expire) before the proprietor of the earlier trade mark obtains actual registration of his mark; and if so what conditions are necessary to set time running?

(3) Does Article 4(1)(a) of Directive 89/104 apply so as to enable the proprietor of an earlier mark to prevail even where there has been a long period of honest concurrent use of two identical trade marks for identical goods so that the guarantee of origin of the earlier

mark does not mean the mark signifies the goods of the proprietor of the earlier and none other but instead signifies his goods or the goods of the other user?'

Consideration of the questions referred

Parts (a) and (b) of the first question

27 By parts (a) and (b) of its first question, the referring court seeks to ascertain, in essence, whether 'acquiescence', within the meaning of Article 9(1) of Directive 89/104, is a concept of European Union law and, if it is, whether the proprietor of a trade mark can be held to have acquiesced, within the meaning of that provision, in the long and well-established honest use by a third party of a trade mark identical with that of the proprietor where that proprietor has long known of that use, but has been unable to prevent it.

28 It must be noted at the outset that Article 9(1) of Directive 89/104 contains no definition of the concept of 'acquiescence'; nor is that concept defined in the other articles of that directive. Further, the directive contains no express reference to the law of the Member States in respect of that concept.

29 In accordance with settled case-law, the need for a uniform application of European Union law and the principle of equality require that the terms of a provision of European Union law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an independent and uniform interpretation throughout the European Union; that interpretation must take into account the context of the provision and the objective of the relevant legislation (see, inter alia, Case 327/82 Ekro [1984] ECR 107, paragraph 11; Case C-287/98 Linster [2000] ECR I-6917, paragraph 43, and [Case C-467/08 Padawan \[2010\] ECR I-0000, paragraph 32](#)).

30 Although the third recital in the preamble to Directive 89/104 states that 'it does not appear to be necessary at present to undertake full-scale approximation of the trade mark laws of the Member States', the directive none the less provides for harmonisation in relation to substantive rules of central importance in this sphere, that is to say, according to the same recital, the rules concerning the provisions of national law which most directly affect the functioning of the internal market, and that recital does not preclude the harmonisation relating to those rules from being complete ([Case C-355/96 Silhouette International Schmied \[1998\] ECR I-4799, paragraph 23](#), and [Case C-40/01 Anslu \[2003\] ECR I-2439, paragraph 27](#)).

31 Further, it is stated, in the seventh recital in the preamble to Directive 89/104, that the 'attainment of the objectives at which this approximation [of the legislation of Member States] is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States'. The ninth recital of the same directive states that 'it is fundamental, in order to facilitate the free circulation of goods and services, to ensure that henceforth registered trade marks enjoy the same protection under the legal systems of all the Member States'. Lastly, the eleventh recital of that directive further states

that 'it is important, for reasons of legal certainty and without inequitably prejudicing the interests of a proprietor of an earlier trade mark, to provide that the latter may no longer request a declaration of invalidity nor may he oppose the use of a trade mark subsequent to his own of which he has knowingly tolerated the use for a substantial length of time, unless the application for the subsequent trade mark was made in bad faith'.

32 In the light of the recitals in the preamble to Directive 89/104, the Court has held that Articles 5 to 7 of that directive effect a complete harmonisation of the rules relating to the rights conferred by a trade mark and accordingly define the rights of proprietors of trade marks in the European Union ([Silhouette International Schmied, paragraph 25](#); [Joined Cases C-414/99 to C-416/99 Zino Davidoff and Levi Strauss \[2001\] ECR I-8691, paragraph 39](#), and [Case C-127/09 Coty Prestige Lancaster Group \[2010\] ECR I-0000, paragraph 27](#)).

33 Similarly, it must be inferred from those recitals that Article 9 of Directive 89/104 effects a complete harmonisation of the conditions under which the proprietor of a later registered trade mark may, through the limitation in consequence of acquiescence, maintain his rights to that mark where the proprietor of an identical earlier trade mark seeks a declaration that the later trade mark is invalid or opposes its use.

34 In that regard, it should be borne in mind that, according to the Court's case-law, the provisions of Directive 89/104, and in particular Article 9 thereof, indicate that the purpose of the directive is generally to strike a balance between the interest of the proprietor of a trade mark to safeguard its essential function, on the one hand, and the interests of other economic operators in having signs capable of denoting their goods and services, on the other ([Case C-145/05 Levi Strauss \[2006\] ECR I-3703, paragraphs 28 and 29](#)).

35 Moreover, it must be observed that the same concept of 'acquiescence' is used in Article 54(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1) with the same meaning as in Article 9(1) of Directive 89/104.

36 The Community trade mark regime is an autonomous system with its own set of objectives and rules peculiar to it, and it applies independently of any national system (see [Case C-238/06 P Develuy v OHIM \[2007\] ECR I-9375, paragraph 65](#), and [Joined Cases C-202/08 P and C-208/08 P American Clothing Associates v OHIM and OHIM v American Clothing Associates \[2009\] ECR I-6933, paragraph 58](#)).

37 Consequently, 'acquiescence', within the meaning of Article 9(1) of Directive 89/104, constitutes a concept of European Union law, the meaning and scope of which must be identical in all Member States. Accordingly, it is for the Court to provide an autonomous and uniform interpretation of that concept within the European Union legal order.

38 As regards part (b) of the first question, the referring court observes that, while the concept of 'acquiescence', within the meaning of Article 9(1) of Directive

89/104, includes situations where the proprietor of a trade mark cannot prevent the use by another party of an identical trade mark, in the context of the main proceedings Anheuser-Busch and Budvar had, perforce, each acquiesced in the use by the other of the word sign 'Budweiser' in the United Kingdom for more than 30 years.

39 In accordance with the Court's settled case-law, the meaning and scope of terms for which European Union law provides no definition must be determined by considering their usual meaning in everyday language, while also taking into account the context in which they occur and the purposes of the rules of which they form part (see, inter alia, Case C-336/03 *easyCar* [2005] ECR I-1947, paragraph 21; Case C-549/07 *Wallentin-Hermann* [2008] ECR I-11061, paragraph 17, and Case C-151/09 *UGT-FSP* [2010] ECR I-0000, paragraph 39).

40 Further, the preamble of a European Union measure may explain its content (see Case C-344/04 *IATA and ELFAA* [2006] ECR I-403, paragraph 76, and *Wallentin-Hermann*, paragraph 17).

41 First, it is clear that, in the majority of language versions of Directive 89/104, the same word is used both in the eleventh recital and in Article 9(1) of the directive to designate 'acquiescence'. The fact that the English language version uses the words 'tolerated' in the eleventh recital and 'acquiesced in' in Article 9(1) is immaterial since, as pointed out by the United Kingdom Government in its written observations, the use of the word 'tolerated' does not imply that a less restrictive interpretation of Article 9(1) should be adopted.

42 Next, it must be observed that the verb 'acquiesce' has several usual meanings in everyday language, one of those signifying 'allow to continue' or 'not prevent'.

43 'Acquiescence' is therefore not the same as 'consent', as referred to in Article 7(1) of Directive 89/104, which must be so expressed that an intention to renounce a right is unequivocally demonstrated (see [Zino Davidoff and Levi Strauss, paragraph 45](#)).

44 As observed by the Advocate General in point 70 of her Opinion, referring in particular to the Danish and Swedish language versions of Article 9 of Directive 89/104, the characteristic of a person who acquiesces is that he is passive and declines to take measures open to him to remedy a situation of which he is aware and which is not necessarily as he wishes. To put that another way, the concept of 'acquiescence' implies that the person who acquiesces remains inactive when faced with a situation which he would be in a position to oppose.

45 For the purposes of Article 9(1) of Directive 89/104, that concept of 'acquiescence' must therefore be interpreted as meaning that the proprietor of an earlier trade mark cannot be held to have acquiesced in the long and well-established honest use, of which he has long been aware, by a third party of a later trade mark which is identical with that of the proprietor if that proprietor was not in any position to oppose that use.

46 That interpretation is supported by the context of Article 9(1) of Directive 89/104 and by the objectives of the directive.

47 First, the eleventh recital of that directive states that the proprietor of the earlier trade mark must have 'knowingly tolerated' the use of a trade mark subsequent to his own for a substantial length of time, in other words 'intentionally', 'in full knowledge of the facts'. The eleventh recital also states that the interests of the proprietor of an earlier trade mark must not be 'inequitably' prejudiced. As observed by the Advocate General in point 72 of her Opinion, it would be inequitable if the proprietor of the earlier trade mark were to be excluded by limitation from seeking a declaration of invalidity or opposing the use of an identical later trade mark, in circumstances even where he was not in a position to do so.

48 Second, as stated above in paragraph 34 of this judgment, the objective of Directive 89/104 is to strike a balance between the interest of the proprietor of a trade mark to safeguard its essential function and the interests of other economic operators in having signs capable of denoting their goods and services. That objective implies that, in order to safeguard that essential function, the proprietor of an earlier trade mark must be capable, in the context of the application of Article 9(1) of that directive, of opposing the use of a later trade mark identical with his own.

49 It must be added that, as stated by the European Commission, the effect of any administrative action or court action initiated by the proprietor of the earlier trade mark within the period prescribed in Article 9(1) of Directive 89/104 is to interrupt the period of limitation in consequence of acquiescence.

50 In the light of the foregoing, the answer to parts (a) and (b) of the first question is that acquiescence, within the meaning of Article 9(1) of Directive 89/104, is a concept of European Union law and that the proprietor of an earlier trade mark cannot be held to have acquiesced in the long and well-established honest use, of which he has long been aware, by a third party of a later trade mark identical with that of the proprietor if that proprietor was not in any position to oppose that use.

Part (c) of the first question and the second question

51 By part (c) of the first question and the second question, which should be examined together, the referring court seeks to ascertain, in essence, whether the period of limitation in consequence of acquiescence prescribed in Article 9(1) of Directive 89/104 can start running before the proprietor of the earlier trade mark has had his trade mark registered and, if so, what are the prerequisites for the running of that limitation period.

52 As a preliminary point, it should be borne in mind that, as follows from the eleventh recital of Directive 89/104, the rule governing limitation in consequence of acquiescence provided for in Article 9 of that directive was established for reasons of legal certainty.

53 It is apparent from the wording of Article 9(1) of Directive 89/104 that four conditions must be satisfied before the period of limitation in consequence of acquiescence starts running if there is use of a later trade

mark which is identical with the earlier trade mark or confusingly similar.

54 First, since Article 9(1) refers to a 'later registered trade mark', registration of that mark in the Member State concerned constitutes a necessary condition. The period of limitation in consequence of acquiescence cannot therefore start to run from the date of mere use of a later trade mark, even if the proprietor of that mark subsequently has it registered.

55 As regards the registration of the later trade mark in the Member State concerned, it must be observed that the fifth recital of Directive 89/104 states that '... Member States ... remain free to fix the provisions of procedure concerning the registration, the revocation and the invalidity of trade marks acquired by registration; ... they can, for example, determine the form of trade mark registration and invalidity procedures, decide whether earlier rights should be invoked either in the registration procedure or in the invalidity procedure or in both and, if they allow earlier rights to be invoked in the registration procedure, have an opposition procedure or an ex officio examination procedure or both; ... Member States remain free to determine the effects of revocation or invalidity of trade marks'.

56 Second, the application for registration of the later trade mark must have been made by its proprietor in good faith.

57 Third, the proprietor of the later trade mark must use his trade mark in the Member State where it is registered.

58 Fourth, the proprietor of the earlier trade mark must be aware of the registration of the later trade mark and of the use of that trade mark after its registration.

59 It is for the referring court to determine whether those four prerequisites for the running of the period of limitation in consequence of acquiescence are satisfied in the main proceedings.

60 That said, it should be added that registration of the earlier trade mark in the Member State concerned does not constitute a prerequisite for the period of limitation in consequence of acquiescence to commence.

61 Article 9(1) of Directive 89/104 states that the 'earlier trade mark' is 'as referred to in Article 4(2)' of that directive. Within the meaning of Article 4(2) a trade mark can be considered to be earlier without having been registered, as in the case of 'applications for trade marks ... subject to their registration' and trade marks which are 'well known', referred to in Article 4(2)(c) and (d) respectively of that directive.

62 Consequently, the answer to part (c) of the first question and the second question is that registration of the earlier trade mark in the Member State concerned does not constitute a prerequisite for the running of the period of limitation in consequence of acquiescence prescribed in Article 9(1) of Directive 89/104. The prerequisites for the running of that period of limitation, which it is for the national court to determine, are, first, registration of the later trade mark in the Member State concerned, second, the application for registration of that mark being made in good faith, third, use of the later trade mark by its proprietor in the Member State

where it has been registered and, fourth, knowledge by the proprietor of the earlier trade mark that the later trade mark has been registered and used after its registration.

The third question

63 By its third question, the referring court asks, in essence, whether Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that the proprietor of an earlier trade mark can obtain the cancellation of an identical later trade mark designating identical goods if there has been a long period of honest concurrent use of those two marks.

64 As a preliminary point, it must be observed that Anheuser-Busch contests the admissibility of that question in that it rests on the erroneous assumption that the Budweiser trade mark designates both its goods and those of Budvar. Moreover, Anheuser-Busch uses the Budweiser trade mark, as such, on the United Kingdom market whereas Budvar markets its goods under the words 'Budweiser Budvar'.

65 However, in accordance with the Court's settled case-law, questions on the interpretation of European Union law referred by a national court in the factual and legislative context which that court is responsible for defining, and the accuracy of which is not a matter for the Court to determine, enjoy a presumption of relevance (see Case C-210/06 *Cartesio* [2008] ECR I-9641, paragraph 67; Case C-515/08 *dos Santos Palhota and Others* [2010] ECR I-0000, paragraph 20, and Case C-119/09 *Société fiduciaire nationale d'expertise comptable* [2011] ECR I-0000, paragraph 21).

66 It follows that the third question is admissible.

67 In order to answer that question, it should be recalled that Article 4 of Directive 89/104 defines further grounds for refusal or invalidity in cases of conflict concerning earlier rights. Article 4(1)(a) thus provides that a registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark and the goods or services for which the trade mark was registered are identical with those for which the earlier trade mark is protected.

68 In that regard, the tenth recital in the preamble to Directive 89/104 states that the protection conferred by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and between the goods or services.

69 According to the Court's case-law, the conditions of application of Article 4(1)(a) of Directive 89/104 correspond essentially to those of Article 5(1)(a) of that directive, which determines the circumstances in which the proprietor of a trade mark is entitled to prevent third parties from using signs which are identical with his trade mark for goods or services identical with those for which that trade mark is registered ([Case C-291/00 *LTJ Diffusion* \[2003\] ECR I-2799, paragraph 41](#)).

70 Consequently, the Court's interpretation of Article 5(1)(a) of Directive 89/104 is also applicable to Article 4(1)(a) thereof, since that interpretation is transposable, *mutatis mutandis*, to the latter provision ([see *LTJ Diffusion*, paragraph 43](#)).

71 It follows from the Court's case-law that the exclusive right under Article 5(1)(a) of Directive 89/104 was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which another party's use of the sign affects or is liable to affect the functions of the trade mark. Those functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising (see, *inter alia*, [Case C-487/07 L'Oréal and Others \[2009\] ECR I-5185, paragraph 58](#), and [Joined Cases C-236/08 to C-238/08 Google France and Google \[2010\] ECR I-2417, paragraph 77](#)).

72 It should be added that Article 5(1)(a) of Directive 89/104 does not require evidence that there exists a likelihood of confusion on the part of the public in order to afford absolute protection in the case of identity of the sign and the trade mark and of the goods or services ([LTJ Diffusion, paragraph 49](#)).

73 In the present case, the referring court asks the Court how Article 4(1)(a) of Directive 89/104 should be interpreted in the light of the trade mark's essential function.

74 In that context, it follows from the foregoing that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.

75 In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.

76 In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.

77 First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign 'Budweiser' or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78 Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England & Wales) (Civil Division) in February 2000.

79 Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word 'Budweiser' as a trade mark in the United Kingdom earlier than Budvar, both of those

companies have from the beginning used their Budweiser trade marks in good faith.

80 Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81 Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82 Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.

83 It should be added that, in the event that, in the future, there is any dishonesty associated with the use of the Budweiser trade marks, such a situation could, where necessary, be examined in the light of the rules relating to unfair competition.

84 In the light of the foregoing, the answer to the third question is that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that the proprietor of an earlier trade mark cannot obtain the cancellation of an identical later trade mark designating identical goods where there has been a long period of honest concurrent use of those two trade marks where, in circumstances such as those in the main proceedings, that use neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.

Costs

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

On those grounds, the Court (First Chamber) hereby rules:

1. Acquiescence, within the meaning of Article 9(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, is a concept of European Union law and the proprietor of an earlier trade mark cannot be held to have acquiesced in the long and well-established honest use, of which he has long been aware, by a third party of a later trade mark which is identical with that of the proprietor if that proprietor was not in any position to oppose that use.

2. Registration of the earlier trade mark in the Member State concerned does not constitute a prerequisite for the running of the period of limitation in consequence of acquiescence prescribed in Article 9(1) of Directive

89/104. The prerequisites for the running of that period of limitation, which it is for the national court to determine, are, first, registration of the later trade mark in the Member State concerned, second, the application for registration of that mark being made in good faith, third, use of the later trade mark by its proprietor in the Member State where it has been registered and, fourth, knowledge by the proprietor of the earlier trade mark that the later trade mark has been registered and used after its registration.

3. Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that the proprietor of an earlier trade mark cannot obtain the cancellation of an identical later trade mark designating identical goods where there has been a long period of honest concurrent use of those two trade marks where, in circumstances such as those in the main proceedings, that use neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.

[Signatures]

*Language of the case: English.

OPINION OF ADVOCATE GENERAL

TRSTENJAK

of 3 February 2011 (1)

Case C-482/09

Budějovický Budvar, národní podnik

v

Anheuser-Busch, Inc.

(Reference for a preliminary ruling from the Court of Appeal of England and Wales)

(Directive 89/104/EEC – Approximation of the laws of the Member States on trade marks – Articles 4(1)(a) and 9(1) – Limitation in consequence of acquiescence – Concept of acquiescence – European Union law concept – Possibility of having recourse to national trade mark law, including provisions on the honest concurrent use of two identical marks)

Table of contents

I – Introduction

II – Legal context

A – European Union law

B – National law

III – Facts, main proceedings and questions referred

IV – Procedure before the Court of Justice

V – Main arguments of the parties

A – Question 1

B – Question 2

C – Question 3

VI – Legal assessment

A – Introductory remarks

B – Consideration of the questions referred

1. The European Union law concept of ‘acquiescence’

a) No express reference to the law of the Member States

b) Harmonisation of rights conferred by trade marks and defences to them

c) Need for uniform rules

d) Conclusion

2. The limitation rule in Article 9(1) of Directive 89/104

a) Definition of the concept of ‘acquiescence’

b) Exclusion of the case of ‘imposed passivity’

c) Form of the limitation rule

i) Conditions for the start of the five-year period of acquiescence

ii) Knowledge on the part of the proprietor of the earlier mark as a subjective element

iii) No requirement for registration of the earlier trade mark

iv) Conclusion

3. Compatibility with European Union law of the doctrine of honest concurrent use

C – Other relevant points of law

1. Temporal application of Article 4(1)(a) of the directive

a) General

b) The trade mark registration proceedings

i) Material dates

ii) No retroactive application of Article 4(1)(a) of the directive

iii) No application from the date of entry into force of the directive

c) The proceedings concerning the validity of the registered mark

d) Conclusion

2. The accusation of abuse of rights

VII – Summary

VIII – Conclusion

I – Introduction

1. The present proceedings derive from a reference for a preliminary ruling by the Court of Appeal of England and Wales (Civil Division) under Article 234 EC, (2) putting a number of questions to the Court on the interpretation of Article 4(1)(a) and Article 9(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks. (3)

2. The reference originates in proceedings between Budějovický Budvar, národní podnik (‘BB’), a brewery established in České Budějovice (Czech Republic), and Anheuser-Busch Inc. (‘AB’), a brewery established in St. Louis (Missouri, United States), occasioned by an application by AB to the Patent Office, Trade Marks Registry for a declaration of invalidity of the trade mark ‘Budweiser’ registered for BB, of which AB has also been the proprietor for some years. The application for a declaration of invalidity brought an end to a period of nearly five years in which the two homonymous marks peaceably coexisted in the territory of the United Kingdom.

3. The main point of law arising in the main proceedings is whether BB can oppose AB’s application for a declaration of invalidity by putting forward the objection of limitation of rights under an earlier trade mark. That in turn depends on clarifying whether the five-year period laid down in Article 9(1) of Directive 89/104, on the expiry of which limitation in consequence of acquiescence occurs, has in fact expired. The special feature of the main proceedings is that the ap-

plication for a declaration of invalidity was made, according to the Court of Appeal, precisely one day before the expiry of the five-year period. The details of this still require clarification, however. The order for reference accordingly aims at obtaining information from the Court on the conditions under which limitation of rights occurs, the time from which the five-year period begins to run, and, if necessary, whether the law of the European Union recognises a principle under which the coexistence of an earlier and a later trade mark of the same name but relating to different goods is legally possible.

II – Legal context

A – European Union law (4)

4. As stated in the first and third recitals in its preamble, the purpose of Directive 89/104 is the approximation of the trade mark laws of the Member States. The directive is limited, however, to those provisions of national law which most directly affect the functioning of the internal market, in that they may impede the free movement of goods and the freedom to provide services or distort competition within the common market.

5. The 11th recital in the preamble to the directive states that ‘it is important, for reasons of legal certainty and without inequitably prejudicing the interests of a proprietor of an earlier trade mark, to provide that the latter may no longer request a declaration of invalidity nor may he oppose the use of a trade mark subsequent to his own of which he has knowingly tolerated the use for a substantial length of time, unless the application for the subsequent trade mark was made in bad faith’.

6. Article 4, ‘Further grounds for refusal or invalidity concerning conflicts with earlier rights’, of Directive 89/104 provides:

‘1. A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:

(a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;

...

2. “Earlier trade marks” within the meaning of paragraph 1 means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks;

(i) Community trade marks;

(ii) trade marks registered in the Member State or, in the case of Belgium, Luxembourg or the Netherlands, at the Benelux Trade Mark Office;

(iii) trade marks registered under international arrangements which have effect in the Member State;

...

(d) trade marks which, on the date of application for registration of the trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the trade mark, are well known in a Member State, in the sense in which the words “well

known” are used in Article 6 bis of the Paris Convention.

...

4. Any Member State may furthermore provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:

(a) the trade mark is identical with, or similar to, an earlier national trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier trade mark is registered, where the earlier trade mark has a reputation in the Member State concerned and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark;

(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark;

(c) the use of the trade mark may be prohibited by virtue of an earlier right other than the rights referred to in paragraphs 2 and 4(b) and in particular:

(i) a right to a name;

(ii) a right of personal portrayal;

(iii) a copyright;

(iv) an industrial property right;

...

5. The Member States may permit that in appropriate circumstances registration need not be refused or the trade mark need not be declared invalid where the proprietor of the earlier trade mark or other earlier right consents to the registration of the later trade mark.

6. Any Member State may provide that, by derogation from paragraphs 1 to 5, the grounds for refusal of registration or invalidity in force in that State prior to the date on which the provisions necessary to comply with this Directive enter into force, shall apply to trade marks for which application has been made prior to that date.’

7. Article 5, ‘Rights conferred by a trade mark’, of the directive provides:

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

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

...

8. Article 9, ‘Limitation in consequence of acquiescence’, of the directive reads as follows:

‘1. Where, in a Member State, the proprietor of an earlier trade mark as referred to in Article 4 (2) has acquiesced, for a period of five successive years, in the use of a later trade mark registered in that Member

State while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later trade mark was applied for in bad faith.

2. Any Member State may provide that paragraph 1 shall apply *mutatis mutandis* to the proprietor of an earlier trade mark referred to in Article 4(4)(a) or another earlier right referred to in Article 4(4)(b) or (c).

...

9. Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version), (5) which entered into force on 28 November 2008, replaced Directive 89/104. In view of the fact that the events which gave rise to the main proceedings occurred before the entry into force of Directive 2008/95, it is only Directive 89/104 which need be referred to in the legal assessment of the present case.

B – National law

10. Directive 89/104 was transposed into national law by the Trade Marks Act 1994. The sections which correspond to Articles 4(1)(a) and 9 of the directive are sections 6(1) and 48 respectively of the Trade Marks Act 1994.

11. Section 7 of the Trade Marks Act 1994 (6) contains provisions governing the procedure for registration of a trade mark and referring to the doctrine known to English trade mark law of the honest concurrent use of two identical trade marks:

'Raising of relative grounds in case of honest concurrent use

(1) This section applies where on an application for the registration of a trade mark it appears to the registrar

–

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right.

(3) For the purposes of this section "honest concurrent use" means such use in the United Kingdom, by the applicant or with his consent, as would formerly have amounted to honest concurrent use for the purposes of section 12(2) of the Trade Marks Act 1938.

(4) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).

...

III – Facts, main proceedings and questions referred

12. According to the order for reference, BB and AB first became active in the British market in 1973 and 1974 respectively. They both distribute beer under a trade mark that consists of or includes the word 'Budweiser'.

13. Also according to the order for reference, the names are the same but the beers are not. They have always differed in taste, price and get-up. In markets in which they coexist, consumers are by and large aware of the difference, although there is always a certain risk of confusion.

14. In November 1976 BB applied for the trade mark 'Bud'. AB filed an opposition.

15. In 1979 AB sued BB for passing off, seeking an injunction to prohibit BB from using the word 'Budweiser'. BB counterclaimed for an injunction to prohibit AB from passing off by using the word 'Budweiser'. During those proceedings, the trade mark opposition proceedings were stayed. Both claim and counterclaim failed, however, since the courts decided that neither side had made a false representation: the mark and the name had a dual reputation.

16. On 11 December 1979 AB applied to register the word 'Budweiser' for 'beer, ale and porter'. BB opposed. On 28 June 1989 BB made a cross-application to register 'Budweiser', which AB opposed.

17. In February 2000 the Court of Appeal dismissed both oppositions, so that both sides were able to register 'Budweiser'. The decision was made under the United Kingdom's old Trade Mark Act 1938, which expressly allowed the simultaneous registration of identical or confusingly similar marks in cases of honest concurrent use or other special circumstances. Following that decision, each party was entered in the register of trade marks on 19 May 2000 as proprietor of the word mark 'Budweiser'. The consequence was that BB had two registrations, one for 'Bud' (application date November 1976) and one for 'Budweiser' (application date July 1989). AB had a registration 'Budweiser' (application date December 1979).

18. On 18 May 2005, in other words four years and 364 days after the registration of the parties' 'Budweiser' marks, AB applied to the Trade Marks Registry for a declaration of the invalidity of the 'Budweiser' mark registered for BB. The following grounds were put forward for the application:

– Both sides' trade marks had been put on the register on the same date, but AB's was an 'earlier trade mark' by virtue of Article 4(2): its date of application was earlier, and that was what mattered.

– The marks and the goods were identical, so that by virtue of Article 4(1)(a) BB's mark was liable to be declared invalid.

– There was no question of acquiescence because the five-year period provided for in Article 9 was not over.

19. The Trade Marks Registry took the view that AB was not precluded from making the application for a declaration of invalidity, as the five-year period of acquiescence laid down in Article 9(1) of Directive 89/104 started to run from the date of registration of the later mark. The registry therefore allowed the application for a declaration of invalidity.

20. BB appealed against that decision to the High Court of Justice of England and Wales. That court held in particular that for the purposes of section 48 of the Trade Marks Act 1994 the proprietor of the earlier mark, that is, AB, had to acquiesce in the use of a registered mark, not for example the use of a non-registered mark, registration of which had been applied for but not carried out. Since AB had not acquiesced in the use, the court allowed the application for a declaration of invalidity.

21. BB thereupon appealed to the Court of Appeal. That court expresses doubts as to the meaning of the term ‘acquiescence’ for the purposes of Article 9, with respect in particular to the question of the time from which acquiescence by the proprietor of an earlier mark in the use of a later mark starts. Its doubts as to interpretation also concern, however, the interpretation of Article 4 of Directive 89/104. It has therefore decided to stay the proceedings and refer the following questions to the Court for a preliminary ruling:

‘(1) What is meant by “acquiesced” in Article 9(1) of Directive 89/104 and in particular:

(a) is “acquiesced” a Community law concept or is it open to the national court to apply national rules as to acquiescence (including delay or long-established honest concurrent use)?

(b) if “acquiesced” is a Community law concept can the proprietor of a trade mark be held to have acquiesced in a long and well-established honest use of an identical mark by another when he has long known of that use but has been unable to prevent it?

(c) in any case, is it necessary that the proprietor of a trade mark should have his trade mark registered before he can begin to “acquiesce” in the use by another of (i) an identical or (ii) a confusingly similar mark?

(2) When does the period of “five successive years” commence and in particular, can it commence (and if so can it expire) before the proprietor of the earlier trade mark obtains actual registration of his mark; and if so what conditions are necessary to set time running?

(3) Does Article 4(1)(a) of Directive 89/104 apply so as to enable the proprietor of an earlier mark to prevail even where there has been a long period of honest concurrent use of two identical trade marks for identical goods so that the guarantee of origin of the earlier mark does not mean the mark signifies the goods of the proprietor of the earlier and none other but instead signifies his goods or the goods of the other user?’

IV – Procedure before the Court of Justice

22. The order for reference of 20 October 2008 was received at the Registry of the Court on 30 November 2008.

23. Written observations were submitted by AB, BB, the United Kingdom, Czech, Italian, Slovak and Portu-

guese Governments, and the European Commission within the period prescribed by Article 23 of the Statute of the Court.

24. At the hearing on 24 November 2010 the representatives of AB, BB, the Czech Government and the Commission appeared and presented argument.

V – Main arguments of the parties

A – Question 1

25. BB submits that the concept of ‘acquiescence’ within the meaning of Article 9 of Directive 89/104 is an autonomous concept of European Union law. It includes a failure to prevent the use of the trade mark by another party if it was possible to do so.

26. AB likewise submits that the concept of ‘acquiescence’ is an autonomous concept of European Union law, and that the courts of the Member States are not entitled to apply national rules to define that concept.

27. In view of the definition of that concept, the proprietor of an earlier mark must necessarily have been in a position to prevent the use of a later mark in order to be able to acquiesce in it at all. He cannot be taken to have acquiesced in the long-established honest use of a later mark if he was aware of it but was not in a position to prevent its use. AB further argues that for there to be ‘acquiescence’ within the meaning of Article 9 of Directive 89/104 it is necessary that the proprietor of a mark should have his mark registered before actual acquiescence in the use of an identical or confusingly similar mark begins.

28. The United Kingdom Government submits that the concept of ‘acquiescence’ is an autonomous concept of European Union law. The proprietor of a mark cannot be said to have acquiesced in the long-established honest use of an identical mark by another party if he was aware of the use but had no possibility of preventing it. Further, it is not necessary that the proprietor of a trade mark should have his mark registered before acquiescence in the use of an identical or similar mark begins.

29. The Italian Government submits that the concept of acquiescence within the meaning of Article 9 of Directive 89/104 is a harmonised concept of European Union law and implies that it is legally possible for the proprietor of an earlier mark to oppose the use by another of a later mark that is identical or confusingly similar.

30. Since the concept of an earlier trade mark as defined in Article 4(2) of Directive 89/104 does not require registration, it is not necessary for the proprietor of the earlier mark to have obtained its registration for him to begin to ‘acquiesce’ in the use by another of an identical or similar mark. Article 9(2) of Directive 89/104 does not prevent the Member States from providing that a situation of acquiescence within the meaning of Article 9(1) may exist even before registration of the earlier mark, including in the cases described in Article 4(4)(a), (b) and (c).

31. The Portuguese Government takes the view that in the case of the long-established coexistence of two trade marks in the market, in the interests of good faith and legal certainty, the limitation period laid down in Article 9 of Directive 89/104 must coincide with the

time at which the actual use of the marks begins and the time at which the proprietors of signs with priority already have the means available – for example, the means provided for in the rules on unfair competition – to prevent use which might harm their interests.

32. The Commission submits that the concept of ‘acquiescence’ is an autonomous concept of European Union law which must be given a uniform interpretation.

33. The proprietor of an earlier mark cannot be taken to have acquiesced in the use of a later registered mark before the latter was actually registered, even if he was aware of its use and was unable to take steps to prevent it. Furthermore, under Article 4(2), the earlier mark need not necessarily have been registered before its owner acquiesced in the use of the later mark registered in that Member State.

B – Question 2

34. According to BB, the period of acquiescence laid down in Article 9(1) of Directive 89/104 starts from the time when the person concerned learns of the use by another person. Whether the period starts before or after registration of the earlier mark is immaterial.

35. AB takes the view, however, that the period of ‘five successive years’ starts to run as soon as the following three conditions are satisfied: the earlier mark is registered; the proprietor of the earlier mark is aware of the use of an identical or similar mark; and the later mark is also registered. The period can neither start nor end before the earlier mark is actually registered.

36. The United Kingdom Government observes that the period of ‘five successive years’ starts to run once the later mark has been registered and used and the proprietor has become aware of its use.

37. The Slovak Government starts by considering the second question before turning to the first question referred. In its view, the five-year period starts to run from the date of registration of the later mark, if the proprietor of the earlier mark is aware of the use of the later mark and its registration has been honestly applied for, regardless of whether the earlier mark has already been registered with the trade marks office or applied for.

38. The Italian Government proposes that the answer to this question should be that the period of acquiescence provided for in Article 9(1) of Directive 89/104 starts, and may also end, before the proprietor of the earlier mark has his mark registered, but cannot start before registration of the later mark or before the time at which the proprietor of the earlier mark has actually become aware of the later registered mark.

39. The Commission is of the opinion that the period of acquiescence starts to run from the time at which the proprietor of the earlier mark becomes aware of the use of the registered later mark. The period can thus begin at the earliest on the date of registration of the later mark, if that mark is used from that time and the proprietor of the earlier mark becomes aware of that use from that time. The date of registration of the earlier mark is determined by reference to the applicable rules relating to the registration procedure in each Member

State. Moreover, the period of acquiescence can start to run even before the proprietor of the earlier mark has his mark registered.

C – Question 3

40. BB submits that in the case of the long-established honest concurrent use of two identical marks relating to two identical products, in such a way that the mark does not designate only the products of the proprietor of the earlier mark but also the products of the proprietor of the later mark, and where there is no significant likelihood of confusion, there is then no breach of the principal function of the earlier mark by the later mark, as Article 4(1)(a) of Directive 89/104 presupposes.

41. AB takes the view that Article 4(1)(a) of Directive 89/104 provides absolute protection, and therefore enables the proprietor of an earlier mark to enforce his rights, even in the case of long-established honest concurrent use of two marks relating to identical goods, so that the earlier mark’s guarantee of origin does not mean that the mark signifies only the goods of the proprietor of the earlier mark and none other but rather his goods and those of the other user equally.

42. The United Kingdom Government proposes that the answer to this question should be that, subject to the provisions of Articles 6(2) and 9, Article 4(1)(a) of Directive 89/104 applies, so as to enable the proprietor of the earlier mark to enforce his rights, even in the case of long-established honest concurrent use of two marks relating to identical goods.

43. In the view of the Czech Government, Article 4 of Directive 89/104 does not apply to a situation such as that at issue in the main proceedings, since the directive assumes that, in the case of two well-known identical or at least similar marks, neither of them may attain a formalised level of protection, that is to say, the two marks enjoy the same level of protection, so that they can be used in parallel in accordance with the provisions of national and international law on nonregistered trade marks.

44. The Czech Government submits, in the alternative, that Article 9(1) of Directive 89/104 must be interpreted as meaning that the period laid down for lapse of the right in consequence of acquiescence does not start to run before the date of registration of the contested trade mark.

45. According to the Czech Government, in the case of an abuse of rights, reliance on Article 4 of Directive 89/104 is excluded. An abuse of rights means an attempt to obtain, contrary to the purpose pursued by the provision, an advantage to the detriment of another. The assessment of whether there is an abuse of rights is a matter for the national court.

46. The Slovak Government considers that Directive 89/104 does not allow the proprietor of the earlier mark to enforce his rights within the meaning of Article 4 if enforcement of those rights is abusive.

47. Proof of such an abuse of rights requires, first, that enforcement of the right to a declaration of invalidity would, despite formal compliance with the conditions in the directive and the corresponding national legislation transposing it, lead to a tactical advantage, the pro-

vision of which would be contrary to the aims pursued by the directive. Secondly, an assessment of all the circumstances must show that the principal aim of the application for a declaration of invalidity is to obtain a tactical advantage. However, it must be left to the national court to examine whether there is an abuse of rights in the particular case.

48. The Italian Government notes that Article 4(1)(a) of Directive 89/104 does not give the proprietor of an apparently earlier trade mark the right to prevent the use of an apparently later mark or even have it declared invalid. In a situation of long-established honest concurrent use of identical or confusingly similar marks, it must be concluded that Directive 89/104 does not preclude the decision of a Member State to deny the proprietors of two marks the right to a declaration of invalidity of the other mark or a prohibition of its use, regardless of the order of the registrations or even of any acquiescence.

49. The Commission observes that Article 4(1)(a) of Directive 89/104 does not exclude the coexistence of two identical marks relating to two identical products marketed by different producers as a result of long-established use in good faith, where the earlier mark's main function of indicating the origin of the goods in question is not affected.

VI – Legal assessment

A – Introductory remarks

50. The development of Union-wide standards in the field of the protection of intellectual property has progressed furthest in the field of trade mark law. The harmonisation of laws in this field is based on two different approaches pursued in parallel but interrelating in many ways and supplementing each other. (7) First, there is the system introduced by Regulation (EC) No 40/94 (8) of the Community trade mark as a supranational industrial property right, which, when the regulation entered into force on 15 March 1994, created a uniform trade mark law crossing national frontiers and extending to the entire territory of the European Union. Secondly, there is the approximation of national laws in a process of harmonisation by means of the legal instrument of the directive. This method of harmonisation of laws does not abolish the principle of territoriality, (9) that is to say, the linking of the legal effects of a trade mark to the territory of the particular Member State, which has always been a characteristic feature of trade mark law, but it does contribute to the removal of existing disparities between the national rules and the resulting obstacles to the free movement of goods and the freedom to provide services in the common market. (10)

51. That was also the objective which the European Union legislature pursued in enacting Directive 89/104, as may be seen from the first recital in its preamble. According to the third recital, there was no intention, however, thereby to undertake a complete approximation of national trade mark laws. Instead it was thought to be sufficient if approximation was limited to the provisions of national law which most directly affected the functioning of the internal market. Those included

in particular, as the seventh recital in the preamble indicates, the 'conditions for obtaining and continuing to hold a registered trade mark'. That applied especially to the grounds of refusal or invalidity, which were to be listed in an exhaustive manner. The creation of identical conditions in this field was expressly stated to be a requirement for attaining the objectives pursued. The Member States' power to determine procedural rules concerning the registration, revocation and invalidity of trade marks acquired by registration, on the other hand, was, according to the fifth recital, to remain largely unaffected.

52. In the context of only partial approximation of national trade mark laws, the question arises, material for the present case, of whether and to what extent the concept of 'acquiescence' in Article 9 of the directive is subject to the requirements of European Union law. The Court of Appeal's question 1(a) addresses the fundamental legal classification of that concept in the categories of European Union law, while questions 1(b) to 2 concern the content of that concept and the precise shape of the rule on the limitation of rights under an earlier trade mark as a result of acquiescence. Different again is question 3, which primarily concerns the interpretation of Article 4(1)(a) of the directive and the compatibility with European Union law of the doctrine of 'honest concurrent use' hitherto familiar in English trade mark law. In the interests of clarity, I shall rearrange the Court of Appeal's questions to correspond to the above three thematic subjects, and answer them in that order too. Finally, the aspect of the temporal application of Article 4(1)(a) of the directive in the main proceedings will have to be addressed, as will the accusation raised by the Czech and Slovak Governments in the proceedings before the Court of the abusive assertion of rights on the part of AB.

B – Consideration of the questions referred

1. The European Union law concept of 'acquiescence'

53. The first question to be examined is whether the concept of 'acquiescence' in Article 9 of the directive is a concept of European Union law which must be given an autonomous and uniform interpretation. The directive itself contains no statutory definition of the concept. The question arises of whether that fact precludes classification as a concept of European Union law.

a) No express reference to the law of the Member States 54.

In favour of such a classification one may in any event cite the surely now settled case-law of the Court (11) according to which the uniform application of European Union law and the principle of equality require that the terms of a provision of European Union law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an autonomous and uniform interpretation throughout the European Union, and that interpretation must take into account the context of the provision and the objective of the relevant legislation. If, on the other hand, the European Union legislature implicitly refers in a Union measure to prac-

tices in the individual States, (12) it is not for the Court to give the term used a uniform definition in European Union law.

55. On this point, it must be stated that the directive makes no express reference to the law of the Member States from which it could be deduced that the intention was to leave to those States the power to define this undefined legal concept. (13)

b) Harmonisation of rights conferred by trade marks and defences to them

56. Nor can jurisdiction of the Member States be deduced implicitly from the fact that Directive 89/104, as stated in the third recital in its preamble, provides only for partial harmonisation. As the Court has previously ruled, that fact does not preclude those provisions of national law in particular which most directly affect the functioning of the internal market from being the subject of comprehensive harmonisation. (14) That is the case with the limitation of rights under an earlier trade mark, at issue here, governed by Article 9 of the directive. As previously mentioned, (15) the seventh recital in the preamble makes it clear that the harmonisation of trade mark law aimed at by the directive covers the aspects that concern ‘obtaining’ and ‘continuing to hold’ a registered trade mark in all the Member States. It may be concluded that in particular those aspects which concern both the ‘existence’ (16) and the ‘enforcement’ of the rights conferred by a registered trade mark are the subject of harmonisation.

57. The ‘enforcement’ of the rights conferred by a trade mark is served by Articles 4(1) and 5 (1) of the directive. Those two provisions are the expression of a ‘principle of priority’ applying in trade mark law, which says that action may be taken under an earlier mark against all later conflicting signs. (17) Article 4(1) gives the proprietor of a mark the right to apply for a declaration of invalidity of a later mark which could give rise to confusion because of its identity with or similarity to his own mark. Article 5(1) for its part gives the proprietor of the mark the exclusive right in the mark and the right to prohibit others from using it in the course of trade. (18)

58. The aspects which are subject to harmonisation should, however, necessarily also include any substantive defences available to the proprietor of a later mark who is accused of infringing rights under an earlier mark. The limitation of rights laid down in Article 9 of the directive constitutes such a defence against the right laid down in Article 4(1)(a) of the proprietor of the mark to seek a declaration of invalidity of the other mark.

59. That approach finds confirmation in the Court’s case-law on Article 7 of the directive, which governs the exhaustion of rights conferred by a trade mark and to that extent also constitutes a defence to the right under Article 5. The Court has therefore rightly taken the view that the directive effects a complete harmonisation in this field of trade mark law. (19) No reason can be seen for coming to a different conclusion where the limitation of rights is concerned. (20)

60. From the point of view of legal method, the legal construct of the limitation of rights gives specific form to the principle of good faith, more precisely the legal concept expressed in the maxim *venire contra factum proprium*, namely that where there is contradictory conduct on the part of the holder of a right, he will not be permitted to exercise that right against the person subject to it. (21) Under the laws of the Member States, a right is generally regarded as lost by estoppel if the right-holder has, over a certain period (point in time), failed to assert it (inactivity of the person entitled) and the person subject to it has acted in reliance, and was also on an objective assessment of the conduct of the right-holder entitled to act in reliance (legitimate expectation), on the right-holder not asserting the right in future either. In that case the breach of good faith lies in the unfair delay in asserting the right. What is protected is the confidence in a certain legal situation of the person who is in principle subject to the right, a confidence which the law regards as justified in view of the specific circumstances of the particular case.

61. This legal concept has found its way into the specific field of trade mark law. As the Court held in *Levi Strauss*, (22) Directive 89/104 aims to strike a balance between the interest of the proprietor of a trade mark in safeguarding its essential function and the interests of other economic operators in the availability of signs capable of denoting their products and services. This is expressly stated in the 11th recital in the preamble to the directive, which says that for reasons of legal certainty, and without inequitably prejudicing the interests of a proprietor of an earlier trade mark, it is important to provide that the latter may no longer request a declaration of invalidity or oppose the use of a later mark if he has knowingly tolerated its use for a substantial length of time, unless the application for the later mark was made in bad faith.

c) Need for uniform rules

62. Not least because of the essential function of limitation of rights in creating legal certainty, (23) the European Union legislature enacted uniform rules in Article 9 of the directive. The detailed nature of those rules, particularly in relation to the conditions that must be satisfied for the legal consequence of limitation actually to occur (which I will examine more closely in connection with the second thematic subject), (24) allows the conclusion that the legislature had in mind to introduce rules that were as uniform as possible in all Member States. Neither the aim of harmonisation nor the aim of creating legal certainty in the common market would be served if the Member States were allowed to enact their own – perhaps even divergent – provisions to define the acquiescent conduct of the proprietor of the earlier mark.

63. As regards specifically the definition of ‘acquiescence’, which depends on a certain kind of conduct on the part of the proprietor, I consider that one must bear in mind its significance in the overall context of trade mark law. The principal function of a trade mark is to enable customers to distinguish operators and their goods or services in the market without any risk of con-

fusion. (25) However, it thereby also fulfils a multiplicity of important economic and legal functions (26) in competition between economic operators which are recognised in the Court's case-law. The Court has held (27) that trade mark rights are an essential element in the system of undistorted competition which the Treaty seeks to establish. In such a system, according to the Court, an undertaking must be in a position to keep its customers by virtue of the quality of its goods or services, which is possible only if there are distinctive marks that enable customers to identify them. For a trade mark to be able to fulfil that function, it must offer a guarantee that all the goods bearing it have been manufactured under the control of a single undertaking which is responsible for their quality.

64. As the Court has repeatedly held, (28) the specific subject-matter of a trade mark right is therefore in particular that the proprietor, by means of the exclusive right to use that mark when putting goods on the market for the first time, acquires protection against competitors wishing to take advantage of the status and reputation of the trade mark by selling goods illegally bearing it. From the legal point of view, however, a trade mark is also an expression of the proprietor's intellectual property right, (29) which is ultimately considerably restricted by the recognition in law of the possibility of limitation of rights. The 11th recital in the preamble to the directive expressly speaks of prejudicing the interests of the proprietor of the earlier mark. As a consequence, it appears justified to insist that the exclusive right conferred by the mark can be subject to limitation only exceptionally and under conditions that are precisely defined by law. It would be strange to assume that the European Union legislature, in view of the serious consequences for the legal situation of the trade mark proprietor whose rights are the subject of limitation, decided to define in the directive all the conditions for limitation of rights with the exception of the concept of 'acquiescence'. An interpretation to that effect would not be compatible with the objectives of the directive.

d) Conclusion

65. On the basis of this systematic and teleological interpretation of Directive 89/104, I conclude that 'acquiescence' within the meaning of Article 9(1) is a concept of European Union law which must be given an autonomous and uniform interpretation. (30)

2. The limitation rule in Article 9(1) of Directive 89/104

66. As noted above, the subject of questions 1(b) to 2 is the content of that concept and the precise form of the rule on the limitation of the rights conferred by an earlier trade mark as a result of acquiescence.

a) Definition of the concept of 'acquiescence'

67. Following the logical sequence of the questions, the first point to consider is what is meant as a matter of law by 'acquiescence' within the meaning of this provision. The way in which question 1(b) is formulated indicates that the Court of Appeal is doubtful whether the inability of the proprietor of an earlier mark to prevent the use by another of an identical later mark af-

fects the assessment of whether the particular case is one of 'acquiescence'. The Court of Appeal distinguishes in the order for reference (31) between a 'narrow' interpretation of the concept, according to which a party can only acquiesce in the conduct of another if he is in a position to prevent that conduct, and a 'wider' construction, according to which it is also acquiescence if one cannot do anything about a particular situation. The Court of Appeal explains that if the context of Article 9 requires a wide interpretation of the concept AB and BB have necessarily acquiesced in each other's use of the mark Budweiser for over 30 years.

68. To ascertain the legal meaning of this concept, the interpretation must take into account both the wording and the systematic position and objective of Article 9(1) of the directive. According to traditional principles of construction, the starting-point of any interpretation, and also its boundary, is always the wording of a provision. (32) A literal interpretation investigates and questions the normal use of language. On the basis of the normal use of language, the possible literal meaning and content of a provision is ascertained. (33) European Union law, however, has the particular feature that, not least because of the multiplicity of languages, (34) minor divergences may appear from one language version to another. (35) A legal provision nevertheless remains binding in all the official languages of the Union, so that all the other language versions must be taken into account equally when interpreting it. (36) The exegesis of a rule of European Union law therefore requires a complex approach in cases of doubt which implies that the individual language versions are subjected to a comparative investigation. (37)

69. As regards the concept of 'acquiescence' at issue in the present case, it must be noted that the English language version of the directive uses two different expressions to describe the conduct of the proprietor of the earlier trade mark. This is also pointed out by the Court of Appeal. While in Article 9, both in the heading and in paragraph 1 of the article, the term 'acquiescence' or 'to acquiesce' is employed, the preamble to the directive, which is relevant to its interpretation, uses the verb 'to tolerate'. The latter expression, which is derived from the Latin verb *tolerare*, is also used consistently and uniformly in all the versions in Romance languages. As far as I can see, no other language version has a comparable divergence in its choice of words. (38) Those divergences ultimately have no effect on the result of the interpretation, however, especially as a semantic examination of the various terms used gives a sufficiently clear indication of what the legislature actually intended.

70. The expressions used in the various language versions all describe individual conduct characterised by forbearance and non-objection in response to a situation which is not necessarily desired. A certain passivity may be identified as typical of this conduct, in that the person acquiescing, although aware of the situation, declines to take countermeasures. (39) That aspect is emphasised in particular in the Danish and Swedish language versions. (40) This passivity contrasts with

the active conduct of another person whose behaviour is actually encouraged by the inactivity of the acquiescing party. (41) Acquiescence logically ends only when the person concerned defends himself publicly.

71. All this does not rule out the possibility that in certain circumstances the implicit consent of the acquiescing party may even be deduced from this passive attitude. That also explains why the law attaches to that passivity the consequence of limitation of the right which is formally enjoyed by the acquiescing party. Mere 'acquiescence' must however be clearly distinguished from 'consent', which, as the Court has explained in its case-law, (42) must be expressed in such a way that an intention to renounce that right is unequivocally demonstrated. Such an intention generally follows from an express giving of consent. It is not impossible, however, that in certain cases it follows implicitly from indications and circumstances which, in the national court's assessment, likewise unequivocally demonstrate that the proprietor has waived his right.

b) Exclusion of the case of 'imposed passivity'

72. It would, however, be incompatible with this understanding of the concept if a situation imposed from outside, for example the legal or factual impossibility of taking countermeasures, were to be described as 'acquiescence'. After all, the concept of 'acquiescence' implies that the person acquiescing was theoretically in a position to do something about an undesired situation, but deliberately did not do it. Imposed passivity in my opinion corresponds neither to the natural meaning of the concept nor to the concept of limitation of rights already described. (43) Furthermore, it should be borne in mind that in the 11th recital in the preamble to the directive the European Union legislature expressly allowed the interests of the proprietor of the earlier mark to be prejudiced by limitation of his rights only on condition that this was 'equitable'. In view of the fact that no one can be legally obliged to do the impossible (*impossibilium nulla obligatio est*), (44) it would have to be regarded as inequitable to exclude by limitation the rights of the proprietor of the earlier mark on the ground that he had failed to defend himself against the unlawful use of his mark by another even though he was quite unable to do so.

c) Form of the limitation rule

73. Questions 1(c) and 2 relate to the form taken by the rule in Article 9(1) of Directive 89/104, their aim being essentially to obtain a ruling from the Court on the time from which the five-year period mentioned in that provision starts running and the particular conditions which must be satisfied.

i) Conditions for the start of the five-year period of acquiescence

74. The wording of Article 9(1) of the directive and the spirit and purpose of those provisions clearly show, in my opinion, that the commencement of the five-year period of acquiescence depends on the following three conditions being satisfied. First, it is necessary that the later mark is registered; secondly, the later mark must be used; thirdly, the proprietor of the earlier mark must be aware of the registration and use of the later mark.

The rule is designed in such a way that all three conditions must be satisfied cumulatively.

ii) Knowledge on the part of the proprietor of the earlier mark as a subjective element

75. The third of those conditions is of particular relevance in view of the legal issues involved and therefore requires discussion in more detail.

76. It must be observed to begin with that when deciding the formulation of Article 9(1) the legislature opted in favour of limitation as a result of acquiescence and, no doubt intentionally, against prescription. There are substantial differences between those two legal concepts. Prescription is characterised *inter alia* by the fact that it focuses only on the right-holder's inactivity for a particular period of time (objective element), while limitation as a result of acquiescence has recourse to a subjective element as well. That subjective element is what the present case is concerned with. The trade mark proprietor must have remained inactive for a certain period of time with knowledge of the fact that another person is performing infringing actions. (45) The importance of that feature must not be overlooked in the interpretation of Article 9 of the directive, above all in clarifying the point of when the five-year period starts running. Accordingly, it should be required that the date of knowledge and the start of the acquiescence period coincide in time.

77. That says nothing, on the other hand, about whether the five-year period should start running only from the date of actual knowledge by the proprietor of the earlier mark of the registration and use of the later mark ('actual knowledge'). It is equally conceivable that the relevant time is the time from which he could have been expected to have knowledge of the use ('potential knowledge').

78. It must be stated in this connection, however, that the legislature obviously took the date of registration of the later mark ('the use of a later trade mark registered') as the relevant date, since otherwise it would have regarded the application for registration of the later mark as already sufficient for the granting of protection against the rights of the proprietor of the earlier mark. It must nevertheless be pointed out that the directive itself aims only at the protection of registered trade marks, (46) while leaving to the Member States the right to continue to protect marks acquired through use, as the fourth recital in the preamble shows unmistakably. Registration of the later mark thus constitutes an important temporal caesura. Registration itself is determined, as the fifth recital in the preamble states, by the procedural rules of the Member States.

79. Taking the date of registration for starting the five-year period running also appears appropriate in the interests of legal certainty, as the registration of the later mark constitutes a public act with a publicity effect, which the proprietor of the later mark may rely on at any time in order to raise the defence of limitation of rights under Article 9(1) of the directive against an application by the proprietor of the earlier mark for a declaration of invalidity pursuant to Article 4 (1)(a) of the directive.

80. The proprietor of the later mark's expectation that after five years from the registration of his mark no such application will be made for a declaration of invalidity also appears worthy of protection, especially as it may reasonably be supposed that the proprietor of the earlier mark must necessarily, in the course of a period of that length, have been aware of the use of an identical mark, and yet took no action. The effect is that the period of five years from the date of registration of the later mark proves on closer examination to be a sort of rule of presumption. A statutory presumption is established that from the date of registration of the later mark the proprietor of the earlier mark in any case had the possibility of knowledge. The authorities and the courts, as well as economic operators, are thereby permitted to conclude from an objective course of events that the proprietor of the trade mark has the appropriate knowledge.

81. Such a rule of presumption is not unusual in trade mark law, as the Court rightly stated in *Chocoladefabriken Lindt & Sprüngli*. (47) In that judgment the Court explained that 'a presumption of knowledge, by the applicant, of the use by a third party of an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought may arise inter alia from general knowledge in the economic sector concerned of such use, and that knowledge can be inferred, inter alia, from the duration of such use'. As the Court correctly said, '[t]he more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it'.

82. Such a statutory presumption does not, however, exclude the possibility that the proprietor of the earlier mark may be able to rebut it in the particular case (*praesumptio juris tantum*). To avoid blurring the distinction between the legal concepts of limitation of rights and prescription and allowing the lapse of time to become the sole decisive factor for limitation to occur, it must be required when interpreting Article 9(1) of the directive that in the end it is actual knowledge that matters, (48) if the proprietor of the earlier mark can show that he acquired knowledge at some other time. The requirement of positive knowledge corresponds to the special weight attached to legal certainty which is expressed in the limitation provision in the fixed time framework.

83. For the purposes of the present proceedings there is no need to reach a definitive conclusion on the point of whether actual or even potential knowledge is material, since that question would probably only be relevant in a situation in which the proprietor of the earlier mark did not acquire knowledge of the later mark until some time after its registration. Such a situation is not present in the main proceedings, especially as it can safely be assumed that AB knew of the registration of the mark 'Budweiser' for BB on 19 May 2000. On that date both parties were, after a long-drawn-out legal dispute, registered in the trade marks register as proprietors of that word trade mark. In addition, AB knew that the use by BB of the mark 'Budweiser' went back as far as the

1970s. Accordingly, the date of registration of the later mark and the date of acquisition of knowledge of its registration and use coincide.

iii) No requirement for registration of the earlier trade mark

84. The question whether the five-year period can start to run even before the proprietor of the earlier trade mark has actually had his mark registered, as the Court of Appeal supposes and suggests in its questions 1(c) and 2, must in my opinion, in view of the reference in Article 9(1) to Article 4(2) of the directive, be answered unambiguously in the affirmative. 85. It follows from the wording and the systematic linking of the two provisions ('earlier trade mark as referred to in') that Article 4(2) contains a definition of what is to be understood by an 'earlier mark' within the meaning of the directive. That provision makes it clear that the distinction between an earlier and a later mark depends on the dates on which registration was applied for and not the dates of actual registration. The concept of 'earlier mark' is not thus limited to marks which have been registered before the registration of an identical or confusingly similar mark. It thus follows that, where the three conditions mentioned above are satisfied in the particular case, the fact that registration of the earlier mark may still be pending does not prevent the five-year period from starting to run.

86. The answer to question 1(c) is therefore that the proprietor of a trade mark does not have to have it registered before his 'acquiescence' in the use by another of an identical or confusingly similar mark can begin. The answer to question 2 is consequently also that the five-year period of acquiescence can begin, and theoretically even end, before the proprietor of the earlier mark has actually achieved registration of his mark.

iv) Conclusion

87. The following conclusions may be drawn from the above considerations:

– The five-year period of acquiescence provided for in Article 9(1) of the directive starts running from the time at which the proprietor of the earlier mark becomes aware of the registration and use of the later mark in the Member State in which the later mark has been registered. The period of acquiescence can start running at the earliest from the date of that registration, if the later mark has been used from that date and the proprietor of the earlier mark became aware of that use at that time.

– The date of registration is in turn determined in accordance with the relevant procedural rules of the Member States.

– The five-year period of acquiescence can start running even before the proprietor of the earlier mark has actually had his mark registered.

3. Compatibility with European Union law of the doctrine of honest concurrent use

88. By question 3, the Court of Appeal essentially seeks to know whether it is possible, in a situation such as that in the main proceedings, to apply for a declaration of invalidity of the later trade mark pursuant to Article 4(1)(a) of the directive. The Court of Appeal

specifically raises the question whether European Union law provides for an exception in the case of the long-established honest concurrent use of two identical marks which accords protection to the proprietor of the later mark. From the point of view of legal theory, what is concerned is the extent in European Union law of the trade-mark-law principle of priority, and the legal permissibility of the coexistence of two identical marks.

89. According to the procedural history of the main proceedings summarised in the order for reference, the Court of Appeal's decision of February 2000 to allow registration of the trade mark 'Budweiser' for AB and BB was based in law on a doctrine ('honest concurrent use') long recognised both in the common law and in the codified law of England, which under certain conditions allows such coexistence. That doctrine was codified in section 7 of the Trade Marks Law 1994 as regards its procedural application. (49) Not mentioned in that national provision, on the other hand, are the substantive requirements, which have instead been defined by the case-law. (50)

90. This raises the question whether Article 4(1)(a) of the directive precludes recourse to that doctrine. This would, legally, have to be an exception to the principle of priority laid down in that provision. It must be noted in this connection, however, that such an exception finds no equivalent in the directive itself which could serve as a legal basis.

91. But that does not necessarily mean that European Union law precludes generally such a doctrine of national law, especially as Directive 89/104 provides for only partial harmonisation. (51) So it would be altogether conceivable for that doctrine to belong to a sphere which remains with the competence of the Member States. However, the doctrine takes the form of a defence, in the same way as the rule on limitation of rights in Article 9 of the directive. Section 7 of the Trade Marks Act 1994 (52) enables an applicant for a later mark, in the proceedings before the registrar, to counter earlier rights by pleading honest concurrent use of the trade mark for which registration is sought. (53) Finally, that provision also affects the 'enforcement' of the rights conferred by the trade mark. That means that it relates to a matter which, as already concluded, is the subject of harmonisation. (54)

92. If Directive 89/104 does not permit such a national exception, it would have to be regarded as incompatible with the directive, especially as the wording of Article 4(1) is unambiguous and leaves no room for interpretation. That provision expressly states that a trade mark 'shall not be registered' or 'if registered, shall be liable to be declared invalid' if it conflicts with an earlier mark or an earlier right.

93. A systematic interpretation of the directive supplies weighty arguments against the compatibility of that doctrine with the directive. It may be argued that the exceptions to Article 4 (1) are regulated exhaustively and that none of them covers the situation at issue in the main proceedings.

94. Thus Article 4(5) of the directive, for example, provides that the Member States may permit that in appro-

priate circumstances registration is not to be refused or the trade mark is not to be declared invalid if the proprietor of the earlier mark or earlier right consents to the registration of the later mark. However, the facts of the main proceedings do not correspond to that situation. That two identical trade marks are allowed to coexist on the basis of the doctrine mentioned above derives solely from a decision of the authorities, not from any 'consent' in the sense of a declaration of intent of the proprietor of the earlier mark, as required by the wording of the provision in the directive. Such a decision of the authorities – such as that of the Court of Appeal of February 2000 – cannot therefore be regarded as implementing that exception.

95. Article 4(6) of the directive is also of little relevance, (55) particularly as that provision merely allows a Member State to continue during a transitional period to apply certain grounds for refusal of registration or invalidity under its national law which were in force before the date of entry into force of the provisions necessary to implement the directive. The doctrine of 'honest concurrent use' at issue in the present case, as codified in section 7 of the Trade Marks Act 1994, however, is neither a ground for refusal of registration nor a ground of invalidity within the meaning of Article 4(6) of the directive, but rather a defence which the proprietor of the later mark may raise before the Trade Marks Registry if, in the context of its official examination of the application for registration of the mark, the registry indicates possible grounds for refusing protection such as, for example, the existence of an earlier identical mark within the meaning of section 5(2) of the Trade Marks Act 1994, the provision which transposes Article 4(1)(a) of the directive. That does not fall within the material scope of the exception in the first place, so that the fact that the applications by AB and BB for registration of the mark 'Budweiser' were made during the validity of the Trade Marks Act 1938, that is, before the transposition of Directive 89/104 into English law, is to be regarded in this connection as not relevant to the present case.

96. A further systematic argument that may be put forward is, finally, the rule on limitation of rights in Article 9, examined above, which the legislature created precisely in the interests of legal certainty and whose purpose is essentially the same as the abovementioned doctrine of national law. In view of such a clear provision in the directive, it seems unnecessary to search for a further exception to legitimise the coexistence of two identical marks.

97. Accordingly, Directive 89/104 does not provide for an exception that, in a situation such as that in the main proceedings, would permit the coexistence of two identical marks on the basis of the contested doctrine of 'honest concurrent use'. It must therefore be presumed that that doctrine is incompatible in principle with European Union law. (56) Coexistence of two identical marks can thus in principle, under current European Union law, not be justified by the argument of honest concurrent use over a certain period of time.

98. In summary, it may be concluded that Directive 89/104 does not provide for any exception that would allow the coexistence of two identical trade marks in a situation such as that in the main proceedings. Article 4(1)(a) of the directive – assuming that it is applicable temporally to the main proceedings – consequently precludes in principle the long-established honest concurrent use of two identical marks covering identical goods by two different proprietors of the marks.

C – Other relevant points of law

99. In addition to the three thematic subjects mentioned above, the present case also throws up two further relevant points of law. The first is the question of the temporal application of Article 4(1)(a) of the directive in the main proceedings, while the second is the complaint of the abusive use of the right laid down in that provision of the directive of the proprietor of an earlier mark to apply for a declaration that an identical later mark is invalid.

1. Temporal application of Article 4(1)(a) of the directive

a) General

100. As already described in the introduction to this Opinion, (57) the dispute in the main proceedings arises essentially from the question whether AB can rely on Article 4(1)(a) or the corresponding national transposing provision to claim a declaration of invalidity of the registered ‘Budweiser’ trade mark of the same name. In this connection – although the Court of Appeal says nothing on this point in the order for reference – the question arises of the temporal validity (application *ratione temporis*) of Article 4(1)(a) of Directive 89/104 in relation to the facts of the main proceedings. I consider that it does not apply, as I shall explain below.

101. It should first be pointed out that the Court must provide the referring court with all the elements of interpretation of European Union law which may be of assistance to that court in ruling on the case before it, whether or not it has referred to them in its questions. (58) Clarification of this point is of particular relevance in the present case because the doctrine of ‘honest concurrent use’ is not compatible with Article 4(1)(a), as found above. That in turn would mean, if that provision of the directive were temporally applicable, that the decision of the Court of Appeal of February 2000 to allow the coexistence of two identical marks on the basis of that doctrine would not be compatible with European Union law.

102. That court decision, however, concluded only one of the two sets of national proceedings, which at the same time represent the two relevant periods for the possible temporal application of Article 4(1)(a) of Directive 89/104, namely, first, the proceedings for the registration of the two identical marks ‘Budweiser’, including the opposition proceedings, and, secondly, the proceedings relating to the validity of the trade mark registered for BB which were initiated by AB’s application of 18 May 2005. The latter are the proceedings in which the order for reference was made, and hence also the sole relevant period of time for the pre-

sent proceedings. Since it cannot, however, be ruled out that the possible absence of temporal application of Article 4(1)(a) in the context of the first set of proceedings may have repercussions for the second set of proceedings, the temporal application of that provision of the directive must be examined sequentially for both sets of proceedings or periods of time.

b) The trade mark registration proceedings

i) Material dates

103. Answering the question of the temporal application of Article 4(1)(a) of Directive 89/104 proves to be altogether complex, particularly as the relevant facts occurred at a time when that provision was not yet in force or had not yet been transposed into national law.

104. Directive 89/104 itself entered into force on 27 December 1988. In accordance with Article 16 (1) of the directive, the Member States had to enact the necessary transposing measures by 28 December 1991 at the latest. The Council was authorised by Article 16(2) to defer that date, acting on a proposal from the Commission, to 31 December 1992 at the latest. The United Kingdom was late in any event in complying with the obligation of transposition, doing so on 31 October 1994 when the Trade Marks Act 1994 entered into force.

105. In its decision of February 2000 the Court of Appeal did not, however, apply the Trade Marks Act 1994, the statute which was actually intended to transpose Directive 89/104, but only the Trade Marks Act 1938, the only statute which applied temporally in the relevant period of time, the time of the applications for registration in 1979 and 1989. In this context the question arises of whether, in view of the temporal application of the Trade Marks Act 1938, the Court of Appeal was already obliged to apply Directive 89/104. That in turn presupposes the retroactive application of Directive 89/104 (with respect to the 1979 application for registration) or its application from its entry into force but before its transposition into national law (with respect to the 1989 application for registration).

ii) No retroactive application of Article 4(1)(a) of the directive

106. The Court assumes in its case-law that substantive rules of European Union law are in principle, in order to guarantee the principles of legal certainty and the protection of legitimate expectations, to be interpreted as being applicable only to situations which have arisen after their entry into force. (59) There may be an exception to that basic principle where it follows clearly from the terms, objectives or general scheme of those substantive rules that they apply also to situations existing before their entry into force. (60) It is true that in the latter case, in contrast to the former case, no legal consequences occur before the entry into force of the provision, so that there is no retroactivity in the strict sense. (61) But the principles of legal certainty and the protection of legitimate expectations must be taken into account here too, since legal consequences for the present or the future are attached to facts which are in the past and hence can no longer be changed. (62)

107. There is nothing in Article 4(1)(a) of Directive 89/104 to suggest that it was intended to produce legal effects for the time before its entry into force. It is true that Article 4(6) of the directive, for example, contains an intertemporal rule in so far as it allows certain grounds for refusal of registration and invalidity under national law which applied before the date on which the provisions necessary for the transposition of the directive entered into force to continue for a transitional period. Nevertheless, it is clear from the spirit and purpose of that provision that its legal effects are directed solely to the future. Retroactive application of Article 4(1)(a) of Directive 89/104 to the date of the first application for registration in 1979 is therefore excluded.

iii) No application from the date of entry into force of the directive

108. The answer might be different with respect to the application by BB for registration of the trade mark 'Budweiser', particularly as it took place on 28 June 1989, after Directive 89/104 had entered into force. The question is whether, given that the application was made when the period for transposing the directive had already started, the Court of Appeal was obliged to examine whether the coexistence of the two identical marks on the basis of the doctrine of 'honest concurrent use' was to be excluded because of a possible incompatibility with Article 4(1)(a) of Directive 89/104.

109. It should first be pointed out that, before the expiry of the period for transposition of a directive, the Member States cannot be blamed for not yet having taken measures to transpose it into national law. (63) Even during the transposition period, however, they are bound by the content of a directive, in the sense of an advance effect, so that they may not act in such a way that the subject-matter and purpose of the directive are thwarted in that, because of the Member States' actions, it is not possible for them subsequently to act consistently with the directive. They must refrain from enacting provisions which are liable seriously to compromise the objective prescribed in the directive. (64)

110. As regards the courts of the Member States responsible for applying the law, it must be observed that they too, as organs of public authority, are bound by that duty to refrain, so that, according to the Court's case-law, from the date on which a directive has entered into force, they must refrain as far as possible from interpreting national law in a manner which would seriously compromise, after the expiry of the transposition period, the attainment of the objective pursued by that directive. (65)

111. As the Court has repeatedly explained, that obligation to interpret national law in harmony with a directive is however limited by the general principles of law, particularly the principle of legal certainty, so that the obligation cannot serve as the basis for an interpretation of national law *contra legem*. (66)

112. In view of the fact that an interpretation of national law that was consistent with the directive would ultimately have meant leaving unapplied, *contra legem*, the doctrine of 'honest concurrent use', the Court of Appeal cannot be criticised after the event for having

acted contrary to European Union law in its decision of February 2000, which it based on the national law in force in 1979 and 1989.

c) The proceedings concerning the validity of the registered mark

113. Finally, it must be clarified whether Article 4(1)(a) of Directive 89/104 is temporally applicable in the case in question here concerning the validity of the trade mark registered for BB.

114. In my opinion, the principles of legal certainty and the protection of legitimate expectations militate, in the light of the facts stretching back over the years, in favour of exceptionally permitting the coexistence of the two identical marks and thereby leaving untouched the decision of the Court of Appeal of February 2000 and its legal effects, including its effects for the main proceedings. That would necessarily require a finding that Article 4(1)(a) of Directive 89/104 is temporally not applicable in the main proceedings either. I consider that the conditions for that are satisfied. I shall explain my point of view below.

115. In the context of proceedings for a preliminary ruling the Court is called on to give the referring court a proper answer to its questions which will be of most use to it in disposing of the dispute in the main proceedings. The Court cannot decide without taking sufficient account of the circumstances of the main proceedings, which are characterised by their unusual complexity. In particular, it cannot ignore the fact that the situation of the two undertakings today is primarily attributable to the legal position that existed in the United Kingdom before the entry into force of the directive and permitted the coexistence of identical marks. A subsequent adjustment of that legal position to reflect the requirements of European Union law was not possible after that date either, especially as this would have meant the national court overriding its own law. (67) Nor was a gradual transition to a legal position consistent with European Union law possible after the transposition of Directive 89/104 into national law. That legal position had the result that, despite the identity of the word used in the course of trade ('Budweiser') and the fact of competing in the same sector of the market, the two undertakings have operated alongside each other over a period of several decades and have evidently been able to build up a certain goodwill (68) which gives each of the marks a certain recognition value. (69) In reliance on that legal position, the two undertakings have carried on business in parallel and acquired market shares. That reliance would be upset if an undertaking were compelled by law definitively to abandon the designation to which consumers attribute a certain value. But that is precisely what would happen if the trade mark registered for BB were declared invalid.

116. The contrary view – the unrestricted application of Article 4(1)(a) to the case in the main proceedings – would furthermore have the result of extending the directive's temporal scope back to 1979, the year of AB's application for registration of the mark 'Budweiser'.

The legislature cannot, however, be supposed to have intended to cover a situation which occurred in 1979.

d) Conclusion

117. I conclude, on the above basis, that there is no justification either for the retroactive application of Article 4(1)(a) of Directive 89/104 or for its application from the date of entry into force of the directive. Accordingly, Article 4(1)(a) of the directive must be regarded as temporally inapplicable in the main proceedings. The questions referred for a preliminary ruling must therefore be considered redundant.

2. The accusation of abuse of rights

118. Finally, the additional question must be addressed of whether the exercise by AB in the main proceedings of the right under Article 4(1)(a) of the directive should be classified as an abuse of rights because AB applied for a declaration of invalidity of BB's registered trade mark only one day before the five-year period of acquiescence expired. This point is not specifically raised by the Court of Appeal, but is at least suggested in its observations. (70) By contrast, the Czech and Slovak Governments explicitly accuse AB of an abuse of rights. In this connection it should be noted that the Court is free, in the interests of giving a useful answer to the reference for a preliminary ruling, to extract the elements of European Union law requiring an interpretation having regard to the subject-matter of the dispute. (71) I consider that, precisely in the light of the particular circumstances of the main proceedings and the various suggestions made, an examination of the accusation of an abuse of rights is appropriate.

119. European Union law has a concept of abuse of rights (72) which derives from the case-law of the Court (73) and has by now acquired a relatively clearly defined content. (74) Originally arising in the field of the fundamental freedoms, this concept has been transposed by the Court to other specific fields of European Union law and developed further. It may be understood – putting it simply – as a basic principle prohibiting abusive practices, according to which 'Community law cannot be relied on for abusive or fraudulent ends'. (75) The Court considers that evidence of an abusive practice requires, first, a combination of objective circumstances in the particular case in which, despite formal observance of the conditions laid down by the European Union rules, the purpose of those rules has not been achieved. Secondly, it requires a subjective element consisting in the intention to obtain an advantage from the European Union rules by creating artificially the conditions laid down for obtaining it. (76)

120. It is admittedly for the national court to establish whether action constituting an abusive practice has taken place in the case before it. (77) The Court may, however, when giving a preliminary ruling, provide clarification designed to give the national court guidance in its interpretation. (78)

121. The submissions of the Czech and Slovak Governments must be understood as arguing that, in their opinion, the abuse of the right under Article 4(1)(a) of the directive lies in AB's making the application for a declaration of the invalidity of the trade mark 'Bud-

weiser' registered for BB one day before the expiry of the five-year period of acquiescence, thereby depriving BB of the possibility of defending itself against the application. I find that argument unconvincing, as it rests on the questionable basic assumption that the acquiescing party is to be prevented from making full use of the period specified in Article 9(1), out of consideration for another party who, generally unlawfully, is using an identical mark. But the right-holder must be conceded the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights. (79)

122. Regardless of the question already considered in detail of whether the coexistence of the two marks on the basis of the doctrine of honest concurrent use recognised in national law is permissible under European Union law, this argument must therefore be countered by stating that it must be possible in principle for an action which is necessary for complying with a time-limit to be done up to the end of the last day. That corresponds both to the principles of the procedural laws of the European Union (80) and its Member States (81) and to the objectives of the directive. The expectation of the proprietor of the later mark that he will be able to use it free from objection by the proprietor of the earlier mark is already adequately protected by the fact that European Union law provides for limitation of rights to occur on the expiry of the five-year period of acquiescence. Until that period has expired, the proprietor of the later mark must be prepared for the other proprietor to take countermeasures at any time. The determination of a fixed time-limit of five years, as already explained, promotes legal certainty and effectively protects both parties by creating legal stability. (82) To prevent the proprietor of the earlier mark from asserting his rights under Article 4(1)(a) of the directive one day before expiry of the five-year period of acquiescence would ultimately amount to calling into question the validity of that provision. Blurring the fixed time-limit on considerate grounds, as the Czech and Slovak Governments envisage, would be detrimental to the principle of legal certainty and thus not within the intention of the legislature. Their argument must therefore be rejected.

123. Consequently, no abuse of the right under Article 4(1)(a) of the directive may be seen in the fact that the application by AB for a declaration of invalidity of the later mark was made one day before the expiry of the five-year period of acquiescence.

VII – Summary

124. In summary, it must be concluded that neither the retroactive application of Article 4(1)(a) of Directive 89/104 nor the application of that provision from the date of entry into force of the directive is possible in the main proceedings. It is thus unnecessary to answer the individual questions referred. The Court ought therefore to give the following answer:

– Article 4(1)(a) of the directive is temporally not applicable to a situation such as that at issue in the main proceedings.

– Consequently, in a case such as that at issue in the main proceedings, it must be decided in accordance with national law whether the proprietor of an earlier trade mark may apply for a mark to be refused registration or, if registered, to be declared invalid even where there has been long-established honest concurrent use of those marks for identical goods.

125. Should the Court, contrary to the view put forward here, assume that Article 4(1)(a) of Directive 89/104 is temporally applicable in a situation such as that at issue in the main proceedings, the questions referred would have to be answered as follows:

– The concept of ‘acquiescence’ within the meaning of Article 9(1) of the directive is an independent concept of European Union law which must be given a uniform interpretation in all Member States. It presumes that it is legally possible for the proprietor of an earlier trade mark to oppose the use of a later registered mark which because of its identity with or similarity to the earlier mark and the identity or similarity of the goods or services covered by the two marks entails a risk of confusion on the part of the public.

– The proprietor of an earlier mark does not have to have it registered before his ‘acquiescence’ in the use of a later mark by another person in the same Member State can start. The period of acquiescence laid down in Article 9(1) of the directive starts running from the date on which the proprietor of the earlier mark becomes aware of the use of a later registered mark in that Member State. The period of acquiescence can thus start on the date of registration at the earliest, if the later mark is used from that date and the proprietor is aware of that use. The period of acquiescence can start running, and may also end, before the proprietor of the earlier mark has had his mark registered.

– Article 4(1)(a) of the directive precludes in principle the long-established honest concurrent use of two identical marks covering identical goods by two different proprietors of the marks.

VIII – Conclusion

126. In the light of the foregoing considerations, I propose that the Court should give the following answer to the reference for a preliminary ruling from the Court of Appeal of England and Wales:

(1) *Article 4(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is temporally not applicable to a situation such as that at issue in the main proceedings.*

(2) *Consequently, in a case such as that at issue in the main proceedings, it must be decided in accordance with national law whether the proprietor of an earlier trade mark may apply for a mark to be refused registration or, if registered, to be declared invalid even where there has been long-established honest concurrent use of those marks for identical goods.*

2 – In accordance with the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community of 13 December 2007 (OJ 2007 C 306, p. 1), the procedure for preliminary rulings is now governed by Article 267 of the Treaty on the Functioning of the European Union.

3 – OJ 1989 L 40, p. 1.

4 – Following the terms used in the TEU and TFEU, the concept of ‘European Union law’ is used as an overall term covering Community law and Union law. Where specific provisions of primary law are concerned below, the provisions applicable *ratione temporis* will be cited.

5 – OJ 2008 L 299, p. 25.

6 – The predecessor provision may be found in section 12(2) of the Trade Marks Act 1938, which has essentially the same content.

7 – To that effect, Knaak, R., *Gemeinschaftsmarke und Recht der EU-Mitgliedstaaten* (edited by Eva-Marina Bastian, Roland Knaak and Gerhard Schricke), Munich 2006, p. 71; v. Mühlendahl, A., ‘Territorialität und Einheitlichkeit im europäischen Markenrecht’, *Perspektiven des geistigen Eigentums und Wettbewerbsrechts – Festschrift für Gerhard Schricke zum 70. Geburtstag*, Munich 2005, p. 853.

8 – Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

9 – In accordance with the principle of territoriality in trade mark law, the legal effects of a trade mark are limited to the territory of the particular State of protection. In each State the protection of trade marks is governed by its national law (see Fezer, K.-H., *Markenrecht*, 4th edition, Munich 2009, Part 1, F. I 1, para. 1; Kaiser, G., *Strafrechtliche Nebengesetze* (edited by Georg Erbs, Max Kohlhaas and Friedrich Ambs), supplement 178, Munich 2010, *Markengesetz, Vorbermerkungen*, para. 18).

10 – To that effect, Novak, M., ‘Rechtsprechung der Europäischen Gerichtshöfe zum Markenrecht’, *Europäische Zeitschrift für Wirtschaftsrecht*, 2001, p. 613.

11 – See inter alia Case C-467/08 SGAE [2010] ECR I-0000, paragraph 32; Case C-168/08 Hadadi [2009] ECR I-6871, paragraph 38; Case C-523/07 A [2009] ECR I-2805, paragraph 34; Case C-314/06 Société Pipeline Méditerranée et Rhône [2007] ECR I-12273, paragraph 21; Case C-188/03 Junk [2005] ECR I-885, paragraph 29; Case C-55/02 Commission v Portugal [2004] ECR I-9387, paragraph 45; Case C-103/01 Commission v Germany [2003] ECR I-5369, paragraph 33; Case C-287/98 Linster [2000] ECR I-6917, paragraph 43; Case C-296/95 EMU Tabac and Others [1998] ECR I-1605, paragraph 30; and Case 327/82 Ekro [1984] ECR 107, paragraph 14.

12 – As an example of a reference to the terminology of national law, First Council Directive 68/151/EEC of 9 March 1968 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, with a view to making such safeguards equiva-

1 – Original language: German. Language of the case: English.

lent throughout the Community (OJ, English Special Edition 1968(I), p. 41) may be cited. That directive does not prescribe a uniform concept of companies limited by shares or otherwise having limited liability. It does not prescribe what such a company must be, but confines itself to laying down rules which must be applied to certain types of companies identified by the European Union legislature as companies limited by shares or otherwise having limited liability (see Case C-81/09 *Idrima Tipou* [2010] ECR I-0000, paragraphs 40 and 41, and my Opinion in that case, points 42 and 43). A further example is the term ‘employee’ in Article 2(2) of Council Directive 80/987/EEC of 20 October 1980 on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer (OJ 1980 L 283, p. 23). It is for national law to specify the term and to define it (see Case C-442/00 *Rodríguez Caballero* [2002] ECR I-11915, paragraph 27, and my Opinion in Case C-69/08 *Visciano* [2009] ECR I-6741, point 63).

13 – See Meyer, A., ‘Das deutsche und französische Markenrecht nach der Umsetzung der Ersten Markenrichtlinie (RL 89/104/EWG)’, *Gewerblicher Rechtsschutz und Urheberrecht, Internationaler Teil*, 1996, p. 592, who points out that the trade mark laws of the Member States are to be interpreted consistently with the directive. The trade marks directive uses autonomous terminology without referring to the existing laws of the individual States. Legal concepts which could previously be interpreted independently by the national bodies applying the law are of a Community law nature and possess a specifically European law content.

14 – Case C-355/96 *Silhouette International Schmied* [1998] ECR I-4799, paragraph 23, and Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 27.

15 – See point 51 above.

16 – So evidently also *Novak, M.*, cited in footnote 10, p. 613.

17 – See *Neu, C.*, ‘Die Verwirkung im Wettbewerbs- und Warenzeichenrecht’, *Gewerblicher Rechtsschutz und Urheberrecht*, 1987, p. 683.

18 – See Case C-100/02 *Gerolsteiner Brunnen* [2004] ECR I-691, paragraph 17.

19 – *Silhouette International Schmied*, cited in footnote 14, paragraphs 25 and 29; Joined Cases C-414/99 to C-416/99 *Zino Davidoff and Levi Strauss* [2001] ECR I-8691, paragraph 39; Case C-16/03 *Peak Holding* [2004] ECR I-11313, paragraph 30; Case C-59/08 *Copad* [2009] ECR I-3421, paragraph 40; and Case C-324/08 *Makro Zelfbedieningsgroothandel and Others* [2009] ECR I-10019, paragraphs 20 and 21.

20 – So also *Stuckel, M.*, *Kommentar zum Markenrecht*, 2nd edition, Frankfurt am Main 2007, § 21, p. 468, para. 14, who points out that Article 9(1) of Directive 89/104 aims at a complete harmonisation of the limitation of rights of a mark with earlier priority with respect to acquiescence in the use of a mark with later priority in so far as rights under Article 4(1) are affected. In the author’s opinion, it is not apparent why the position should be any different here from the position in relation to Article 5 of the directive, which concerns

the ‘rights conferred by a trade mark’, and Article 7 of the directive, which governs the ‘exhaustion of the rights conferred by a trade mark’.

21 – *Haft, K., Jonas, K.-U., Nack, R., Schulte, C. and Schweyer, S.*, ‘Duldung (Tolerierung) der Verletzung von Rechten des geistigen Eigentums’, *Gewerblicher Rechtsschutz und Urheberrecht, Internationaler Teil*, 2006, p. 793.

22 – Case C-145/05 *Levi Strauss* [2006] ECR I-3703, paragraph 29.

23 – *Stuckel, M.*, cited in footnote 20, p. 464, para. 1, emphasises the important part played by the defence of limitation of rights in creating legal certainty.

24 – See points 66 to 87 below.

25 – Case C-37/03 *P BioID v OHIM* [2005] ECR I-7975, paragraph 27; Case C-291/00 *LTJ Diffusion* [2003] ERC I-2799, paragraph 44; and Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28.

26 – The functions inherent in or essential or ascribed to a trade mark are manifold. They include, according to legal writing on trade mark law, inter alia the coding, guarantee, origin, identification and individualisation, information and communication, monopolising, naming, quality, distinction, confidence, distribution and advertising functions, without the individual functions always having legal relevance in addition (see *Marx, C.*, *Deutsches, europäisches und internationales Markenrecht*, 2nd edition, Cologne 2007, p. 23, para. 64; *Fezer, K.-H.*, *Markenrecht*, 2nd edition, introduction, p. 68, para. 30; *Phillips, J.*, *Trade Mark Law – A Practical Anatomy*, Oxford 2003, pp. 23-24; *Torremans, P. and Holyoak, J.*, *Intellectual Property Law*, 2nd edition, London 1998, p. 347; *Kucsko, G.*, *Geistiges Eigentum*, Vienna 2003, para. 37; *Novak, M.*, cited in footnote 10, p. 614). In the Court’s view, in addition to the principal function of the trade mark – to guarantee to consumers the origin of the goods or services – there are other functions such as that of guaranteeing the quality of the goods or services and those of communication, investment or advertising (see Case C-487/07 *L’Oréal and Others* [2009] ECR I-5185, paragraph 58).

27 – See inter alia Case C-10/89 *HAG II* [1990] ECR I-3711, paragraph 13; Case C-9/93 *IHT Internationaler Heiztechnik and Danziger* [1994] ECR I-2789, paragraphs 37 and 45; Joined Cases C-427/93, C-429/93 and C-436/93 *Bristol-Myers Squibb and Others* [1996] ECR I-3457, paragraph 43; Case C-232/94 *MPA Pharma* [1996] ECR I-3671, paragraph 16; Joined Cases C-71/94 to C-73/94 *Eurim-Pharm Arzneimittel* [1996] ECR I-3603, paragraph 30; Case C-349/95 *Loendersloot* [1997] ECR I-6227, paragraph 22; *Canon*, cited in footnote 25, paragraph 28; Case C-63/97 *BMW* [1999] ECR I-905, paragraph 52; Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 21; Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 47; *Gerolsteiner Brunnen*, cited in footnote 18, paragraph 17; and Case C-228/03 *Gillette Company* [2005] ECR I-2337, paragraph 25.

28 – See Case 102/77 *Hoffmann-La Roche* [1978] ECR I-1139, paragraph 7; *HAG*, cited in footnote 27, para-

graph 14; Bristol-Myers Squibb and Others, cited in footnote 27, paragraph 44; and Loendersloot, cited in footnote 27, paragraph 22.

29 – The right to property, under which the right to intellectual property falls, is according to the Court’s case-law a fundamental right which is protected in the Community legal order as a general principle of Community law (see, to that effect, Case C-479/04 *Laserdisk* [2006] ECR I-8089, paragraph 65, and Case C-275/06 *Promusicae* [2008] ECR I-271, paragraph 62. Article 17(2) of the Charter of Fundamental Rights, which is an expression of the Union’s commitment to observe fundamental rights and acquired the status of primary law on the entry into force of the Treaty of Lisbon, prescribes the protection of intellectual property. See also my Opinion in Case C-467/08 *SGAE*, cited in footnote 11, point 80.

30 – Thus also *Stuckel, M.*, cited in footnote 20, p. 466, para. 9.

31 – See point 41 of the order for reference.

32 – To that effect, Ehlers, D., *Allgemeines Verwaltungsrecht*, edited by Hans-Uwe Erichsen and others, § 2 I 6, p. 59, para. 14. Advocate General Léger to a certain extent gave priority to literal interpretation in his Opinion in Case C-350/03 *Schulte* [2005] ECR I-9215, point 84 et seq., when he said that purposive interpretation is used only where the provision in question is open to several interpretations or is difficult to interpret from its wording alone, for instance because of its ambiguity.

33 – To that effect, Pechstein, M. and Drechsler, C., ‘Die Auslegung und Fortbildung des Primärrechts’, *Europäische Methodenlehre* (edited by Karl Riesenhuber), Berlin 2006, p. 167, para. 18.

34 – While in 1952 there were 4 official languages, there were 6 by 1973, 7 in 1981, 9 in 1986 and 11 in 1995. The number then rose to 20 in 2004, 21 in 2005 and finally to 23 in 2007 (see Gaudissart, M.-A., ‘Le régime et la pratique linguistiques de la Cour de Justice des Communautés européennes’, *Langues et construction européenne*, Brussels 2010, p. 146).

35 – Baldus, C. and Vogel, F., ‘Gedanken zu einer europäischen Auslegungslehre: grammatikalisches und historisches Element’, *Fiat iustitia – Recht als Aufgabe der Vernunft*, Festschrift für Peter Krause zum 70. Geburtstag, Berlin 2006, pp. 247-248, do not dispute that literal interpretation is the starting-point for the interpretation of any rule of Community law. However, they point out the difficulty of finding a reliable interpretation in view of the many languages within the Community, which makes it necessary to have recourse to other methods of interpretation, such as teleological and historical interpretation.

36 – Case C-361/01 *P Kik v OHIM* [2003] ECR I-8283, paragraph 87. On the language rules in the European Union, see Sibony, A.-L. and De Sadeleer, N., ‘La traduction en droit positif: les régimes linguistiques en droit communautaire’, *Traduction et droits européens: hommage au recteur Michel Van de Kerchove*, 2009, p. 78.

37 – According to settled case-law of the Court, the need for a uniform interpretation of Community law makes it impossible, in the event of doubt, for a version of a provision to be considered in isolation. On the contrary, in the Court’s view, it requires that it should be interpreted in the light of the versions existing in the other official languages (see, in particular, Case 9/79 *Koschniske* [1979] ECR 2717, paragraph 6). The Court has further explained that in principle all the language versions must be recognised as having the same weight, which cannot vary according to the size of the population of the Member States using the language in question (see *EMU Tabac and Others*, cited in footnote 11, paragraph 36).

38 – With the exception of the Slovene, which uses ‘dopuščal’ in the preamble but ‘privolitve’ and ‘privolil’ in Article 9. Compare also the German (‘geduldet’/‘Duldung’), French (‘toléré’/‘tolérance’), Spanish (‘tolerado’/‘tolerancia’), Portuguese (‘tolerado’/‘tolerância’), Italian (‘tollerato’/‘tolleranza’) and Dutch (‘gedoogt’/‘gedogen’) language versions.

39 – In the view of *Stuckel, M.*, cited in footnote 20, p. 464, para. 6, ‘acquiescence’ within the meaning of Article 9 of Regulation 89/104 may be assumed if the proprietor of the trade mark with earlier priority remains inactive and takes no measures against the infringing party.

40 – See the heading of Article 9 in the Danish (‘Retlighedsfortabelse på grund af passivitet’) and Swedish (‘Begränsning till fjöld av passivitet’) language versions.

41 – To that effect, Fernández-Nóvoa, C., ‘Die Verwirkung durch Duldung im System der Gemeinschaftsmarke’, *Gewerblicher Rechtsschutz und Urheberrecht, Internationaler Teil*, 1996, p. 443.

42 – Zino Davidoff and Levi Strauss, cited in footnote 19, paragraph 45.

43 – See point 60 above. See Palandt and Heinrichs, H., *Bürgerliches Gesetzbuch*, 64th edition, Munich 2005, § 242 BGB, p. 257, para. 93, who likewise assume that the right-holder must have had the possibility of asserting the right. Similarly also Ingerl and Rohnke, *Markengesetz*, 3rd edition, Munich 2010, para. 11, in whose opinion there can be acquiescence only if it was at all legally possible for the rightholder to proceed against the infringing party.

44 – This maxim of Roman law is restated in the *Digests*, 50, 17, 185.

45 – On the other hand – in contrast to prescription – limitation of rights as a result of acquiescence presupposes particular conduct on the part of the beneficiary. The proprietor of the later mark must have made serious use of the mark precisely in the period in which the proprietor of the earlier mark has deliberately remained inactive. In addition to these differences, there is another, especially clear aspect: prescription brings about a definitive exclusion of rights, with the consequence that the position of the proprietor of the later mark becomes unimpeachable with effect erga omnes. By contrast, limitation as a result of acquiescence does not bring about unimpeachability erga omnes but merely the pre-

clusion of the claims of the proprietor of the earlier mark who has deliberately tolerated the use of the later mark (see on this point *Ferdnández-Nóvoa, C.*, cited in footnote 41, p. 443).

46 – So also *Knaak, R.*, cited in footnote 7, p. 72, who points out that in trade mark law part only of substantive trade mark law has been harmonised by the trade marks directive, namely the protection of registered trade marks.

47 – Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* [2009] ECR I-4893, paragraph 39.

48 – See *Ingerl and Rohnke*, cited in footnote 43, para. 10, who are likewise of the opinion that what matters must be positive knowledge on the part of the rightholder. In their view, a situation where one ought to know or mere (even gross) negligence does not suffice. To that effect, also *Nordemann, W.*, *Wettbewerbs- und Markenrecht*, 9th edition, Baden-Baden 2003, p. 400, para. 2413.

49 – *Morcom, C.*, *Roughton, A.*, *Graham, J.* and *Malynicz, S.*, *The Modern Law of Trade Marks*, 2nd edition, 2005, p. 221, para. 6.87, point out that section 7 of the Trade Marks Act 1994 is no more than a procedural device which has no effect on the substantive law.

50 – Legal writers generally refer to the case of *Hammerhill Paper Co's Opposition to Application for Registration by Alex Pirie* (1933) 50 RPC 147. In that case Lord Tomlin defined the factors to be taken into account in reaching a decision on the honest concurrent use of two identical trade marks. Those criteria are (1) the extent of use in time and quantity and the area of the trade; (2) the degree of confusion likely to ensue from the resemblance of the marks; (3) the honesty of the concurrent use; (4) whether any instances of confusion have been proved; and (5) the inconvenience which would be caused if the mark were registered.

51 – See point 52 above.

52 – See the predecessor provision of essentially the same content in section 12(2) of the Trade Marks Act 1938.

53 – See the comments of *Pfeiffer, T.*, ‘*Markenanmeldung in Großbritannien – Ein praktischer Leitfaden*’, *Wettbewerb in Recht und Praxis*, 2000, p. 1386; *Mountstephens, A.* and *Ohly, A.*, cited in footnote 7, p. 634; and *Schumann, H.-J.*, *Der Schutz von Unternehmenskennzeichen und Wortmarken in England und Deutschland*, 2000, p. 195.

54 – See point 56 above.

55 – To that effect, *Annand, R.* and *Norman, H.*, *Blackstone's Guide to the Trade Marks Act 1994*, London 1994, p. 110.

56 – This is also the view of many English-speaking legal writers. *Torremans, P.* and *Holyoak, J.*, cited in footnote 26, p. 367, point out that Directive 89/104 does not provide for any such exception. The authors even find a contradiction between the Community and national rules. In the light of that finding, they are of the opinion that it is ‘hard to see any reason why the proprietor of an earlier mark whose interests are harmed by a subsequent registration based on the hon-

est concurrent user exception should not jump on the first plane to Luxembourg and require that the European Court of Justice ... strike out section 7 of the 1994 Act as being wholly incompatible with the Directive that it ostensibly seeks to implement’. *Morcom, C.*, *Roughton, A.*, *Graham, J.* and *Malynicz, S.*, cited in footnote 49, p. 174, para. 6.79, and *Smith, E.*, ‘The approach of the UK-IPO to co-ownership of registered trade marks: nanny leaves the Registry, but not completely’, *Trade Mark Law and Sharing Names – Exploring Use of the Same Mark by Multiple Undertakings* (edited by *Llana Simon Fhina*), Cheltenham 2009, p. 74, merely indicate that such an exception cannot be found in the directive. *Kitchin, D.*, *Kerly's Law of Trade Marks and Trade Names*, 14th edition, London 2005, p. 275, paras 9-150 and 9-153, explains that section 7 of the Trade Marks Act, which codifies the doctrine of ‘honest concurrent use’, has no basis in Directive 89/104. He also notes that its inclusion in the statute was originally opposed by the United Kingdom Government, since it entertained doubts as to the doctrine's compatibility with the mandatory provisions of Article 4 of the directive. He finds section 7 of the Trade Marks Act difficult to reconcile with the mandatory statement in Article 4 of Directive 89/104. In the opinion of *Annand, R.* and *Norman, H.*, cited in footnote 55, pp. 110-111, section 7 of the Trade Marks Act contradicts the mandatory wording of Article 4 of the directive, which expressly states that a trade mark ‘shall not be registered’ if it conflicts with an earlier mark or an earlier right. See also *Schumann, H.-J.*, cited in footnote 53, pp. 46, 47, 195, who also considers that the concept of ‘honest concurrent use’ is incompatible with the directive, as the directive does not provide for such an exception. Rather, Article 4, which provides for the same relative grounds of refusal as Article 5, leaves the Member States no room for the creation of such a rule. In this respect the Trade Marks Act 1994 conflicts with the directive, so that an action for failure to fulfil obligations could be brought against the United Kingdom.

57 – See point 3 above.

58 – See Case C-241/89 *SARPP* [1990] ECR I-4695, paragraph 8; Case C-315/92 *Verband Sozialer Wettbewerb, ‘Clinique’* [1994] ECR I-317, paragraph 7; Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 16; Case C-456/02 *Trojani* [2004] ECR I-7573, paragraph 38; and Case C-215/03 *Oulane* [2005] ECR I-1215, paragraph 47.

59 – Joined Cases 212/80 to 217/80 *Meridionale Industria Salumi and Others* [1981] ECR 2735, paragraphs 9 and 10; Case C-34/92 *GruSa Fleisch* [1993] ECR I-4147, paragraph 22; Joined Cases C-74/00 P and C-75/00 P *Falck and Acciaierie di Bolzano v Commission* [2002] ECR I-7869, paragraph 119; and Case C-293/04 *Beemsterboer Coldstore Services* [2006] ECR I-2263, paragraph 21.

60 – *Meridionale Industria Salumi and Others*, paragraphs 9 and 10, *GruSa Fleisch*, paragraph 22, *Falck and Acciaierie di Bolzano v Commission*, paragraph

119, and Beemsterboer Coldstore Services, paragraph 21, all cited in footnote 59.

61 – Case 278/84 Commission v Germany [1987] ECR I, paragraph 35. See Berger, T., *Zulässigkeitsgrenzen der Rückwirkung von Gesetzen*, 2002, p. 180 and p. 196 et seq., who observes that the Court takes account of structural elements by looking also at the temporal application of the particular rule of law in question. The start of the period of validity of a provision in relation to the date of its publication is a relevant criterion for retroactive effect.

62 – Meridionale Industria Salumi and Others, paragraph 9 and 10, GruSa Fleisch, paragraph 22, Falck and Acciaierie di Bolzano v Commission, paragraph 119, and Beemsterboer Coldstore Services, paragraph 21, all cited in footnote 59.

63 – See Case C-129/96 Inter-Environnement Wallonie [1997] ECR I-7411, paragraph 43, and Case C-212/04 Adeneler and Others [2006] ECR I-6057, paragraph 114.

64 – See Kahl, W., *EUV/EGV Kommentar* (edited by Christian Calliess and Matthias Ruffert), 3rd edition, Munich 2007, p. 459, para. 63. See also Inter-Environnement Wallonie, cited in footnote 63, paragraph 45, and Case C-144/04 Mangold [2005] ECR I-9981, paragraph 67.

65 – Case C-304/08 Plus Warenhandelsgesellschaft [2010] ECR I-0000, paragraph 29; Joined Cases C-261/07 and C-299/07 VTB-VAB and Galatea [2009] ECR I-2949, paragraph 39; and Adeneler and Others, cited in footnote 63, paragraphs 122 and 123. See most recently point 34 of the Opinion of Advocate General Mengozzi of 17 November 2010 in the pending Case C-477/09 Defossez.

66 – See, to that effect, Case 80/86 Kolpinghuis Nijmegen [1987] ECR 3969, paragraph 13; Adeneler and Others, cited in footnote 63, paragraph 110; Case C-268/06 Impact [2008] ECR I-2483, paragraph 100; Case C-387/07 Angelidaki and Others [2009] ECR I-3071, paragraph 199; and Case C-12/08 Mono Car Styling [2009] ECR I-6653, paragraph 61.

67 – See point 112 above.

68 – The term ‘goodwill’ in English trade mark law generally denotes the originidentifying meaning or perception of quality attributed to a sign by a substantial proportion of the relevant customers in England (see Mountstephens, A and Ohly, A., cited in footnote 53, p. 621).

69 – See point 5 of the order for reference. As the Court of Appeal explains, the beers are not the same, even though their names are the same. Their tastes, prices and get-ups have always been different, so that consumers are by and large aware of the difference, although a certain risk of confusion cannot be excluded.

70 – See points 1, 18, 22 and 23 of the order for reference.

71 – See Case 83/78 Pigs Marketing Board v Redmond [1978] ECR 2347, paragraph 26.

72 – See, in connection with the risk of abusive reliance on the right to paid annual leave during periods of

sickness recognised in Community law under Article 7 of Directive 2003/88, my Opinion in Case C-520/06 Stringer and Others [2009] ECR I-179, point 80. In footnote 53 of the Opinion I defined abuse of rights as the inappropriate use of a legal position which limits the possibility of exercising an existing right. This means that the exercise of a formal legal entitlement is restricted by the principle of good faith. Even a person who has a formally enforceable right may not exercise that right abusively. See, to similar effect, Creifelds, *Rechtswörterbuch* (edited by Klaus Weber), 17th edition, Munich 2002, p. 1109, according to which the exercise of a subjective right is abusive where, although it is formally consistent with the law, it is exercised in bad faith by reason of the particular circumstances of the individual case.

73 – See Case 115/78 Knoors [1979] ECR 399, paragraph 25; Case C-61/89 Bouchoucha [1990] ECR I-3551, paragraph 14; Case C-370/90 Singh [1992] ECR I-4265, paragraph 24; Case C-367/96 Kefalas and Others [1998] ECR I-2843, paragraph 20; Case C-212/97 Centros [1999] ECR I-1459, paragraph 24; Case C-373/97 Diamantis [2000] ECR I-1705, paragraph 33; Case C-436/00 X and Y [2002] ECR I-10829, paragraphs 41 and 45; Case C-167/01 Inspire Art [2003] ECR I-10155, paragraph 136; Case C-255/02 Halifax and Others [2006] ECR I-1609, paragraph 68; Case C-196/04 Cadbury Schweppes and Cadbury Schweppes Overseas [2006] ECR I-7995, paragraph 35; Case C-425/06 Part Service [2008] ECR I-897, paragraph 42; and Case C-127/08 Metock and Others [2008] ECR I-6241, paragraph 75.

74 – Thus also Advocate General Poiares Maduro in his Opinion in Case C-311/06 Consiglio Nazionale degli Ingegneri [2009] ECR I-415, point 43 et seq. 75 – See Kefalas and Others, paragraph 20, Diamantis, paragraph 33, Halifax and Others, paragraph 68, and Cadbury Schweppes and Cadbury Schweppes Overseas, paragraph 35, all cited in footnote 73. 76 – See Case C-110/99 Emsland-Stärke [2000] ECR I-11569, paragraphs 52 and 53, and Case C-515/03 Eichsfelder Schlachtbetrieb [2005] ECR I-7355, paragraph 39. See also my Opinions in Case C-569/08 Internetportal [2010] ECR I-0000, point 113, and Case C-118/09 Koller [2010] ECR I-0000, point 81.

77 – See Eichsfelder Schlachtbetrieb, cited in footnote 76, paragraph 40, and Halifax and Others, cited in footnote 73, paragraph 76.

78 – See Case C-79/01 Payroll and Others [2002] ECR I-8923, paragraph 29, and Halifax and Others, cited in footnote 73, paragraphs 76 and 77.

79 – See Drew, J. and Priestley, H., ‘Anheuser-Busch and Budvar march on to the ECJ’, *Journal of Intellectual Property Law & Practice*, 2010, vol. 5, No 2, p. 80, in whose opinion the right-holder must be allowed to apply the rules of substantive and procedural law to his best advantage.

80 – For example, when pleadings are transmitted to the Court by telefax or other technical means of communication available to the Court, under Article 37(6) and (7) of the Rules of Procedure, the whole of the rel-

evant period may be used (see Wägenbaur, B., *EuGH Satzung und Verfahrensordnungen – Kommentar*, Munich 2008, Art. 37, p. 142, para. 8).

81 – Under Paragraph 188(1) of the German Bürgerliches Gesetzbuch, a period which is defined by days ends on the expiry of the last day of the period. As Heinrichs and Palandt, *BGB Kommentar*, Munich 2005, § 188, para. 4, p. 199, correctly explain, the action necessary for complying with the time-limit may in principle be done up to the end of the last day (midnight). Schroeter, U., ‘Die Fristenberechnung im Bürgerlichen Recht’, *Juristische Schulung*, 2007, p. 31, also points out that the person concerned has the last day of the calculated period fully available to him and can therefore perform the action that complies with the time-limit up to midnight on the last day of the period. In accordance with Article 2229 of the French Code Civil, limitation occurs on the expiry of the last day of the limitation period. Article 2228 makes it clear that limitation periods are calculated in days, not in hours. The rules in Articles 2261 and 2260 of the Belgian Code Civil are the same. Under Article 2962 of the Italian Codice Civile, limitation occurs on the expiry of the last day of the limitation period. Under Article 1961 of the Spanish Código Civil, limitation occurs on the expiry of the last day of the statutory period.

82 – Thus also Meyer, A., cited in footnote 13, p. 597, who observes that, as well as the legitimate individual interests in the later trade mark, this rule also meets the general need for legal certainty.