

Court of Justice EU, 3 September 2015, Iron Smith v Unilever



v



#### TRADEMARK LAW

Mark with reputation of earlier Community mark: must have reputation in substantial part of the EU, may coincide with territory of single Member State

- Having regard to all the foregoing considerations, the answer to the first three questions is that Article 4(3) of Directive 2008/95 must be interpreted as meaning that, if the reputation of an earlier Community mark is established in a substantial part of the territory of the European Union, which may, in some circumstances, coincide with the territory of a single Member State, which does not have to be the State in which the application for the later national mark was filed, it must be held that that mark has a reputation in the European Union.

Criteria concerning genuine use are not relevant in order to establish the existence of a 'reputation'

- The criteria laid down by the case-law concerning the genuine use of the Community trade mark are not relevant, as such, in order to establish the existence of a 'reputation' within the meaning of Article 4(3) thereof.

Proprietor of the earlier Community trade mark who already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, can oppose against a later national mark.

Having regard to all the foregoing considerations, the answer to the fourth question is that, if the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95

(1) when commercially significant part of public is familiar with the older mark and makes a connection with the later mark and there is an actual and present injury

where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision

(2) or a serious risk that such injury may occur in the future

or, failing that, a serious risk that such injury may occur in the future.

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Court of Justice EU, 3 September 2015

(L. Bay Larsen (rapporteur), K. Jürimäe, J. Malenovský, M. Safjan, and A. Prechal)

JUDGMENT OF THE COURT (Fourth Chamber)

3 September 2015 (\*)

*(Reference for a preliminary ruling — Trade marks — Registration of a national trade mark identical with, or similar to, an earlier Community trade mark — Community trade mark having a reputation in the European Union — Geographical extent of the reputation)*

In Case C-125/14,

REQUEST for a preliminary ruling under Article 267 TFEU from the Fővárosi Törvényszék (Budapest Municipal Court, Hungary), made by decision of 10 March 2014, received at the Court on 18 March 2014, in the proceedings

Iron & Smith kft

v

Unilever NV,

THE COURT (Fourth Chamber),

composed of L. Bay Larsen (Rapporteur), President of the Chamber, K. Jürimäe, J. Malenovský, M. Safjan, and A. Prechal, Judges,

Advocate General: N. Wahl,

Registrar: I. Illéssy, Administrator,

having regard to the written procedure and further to the hearing on 4 February 2015,

after considering the observations submitted on behalf of:

– Iron & Smith kft, by A. Krajnyák and N. Kovács, ügyvédek,  
 – Unilever NV, by P. Lukácsi and B. Bozóki, ügyvédek,  
 – the Hungarian Government, by M. Fehér and M. Ficsor, acting as Agents,  
 – the Danish Government, by C. Thorning, M. Wolff and M. Lyshøj, acting as Agents,  
 – the French Government, by D. Colas, F.-X. Bréchet and D. Segoin, acting as Agents,  
 – the Italian Government, by G. Palmieri, acting as Agent, and by S. Fiorentino, avvocato dello Stato,  
 – the United Kingdom Government, by J. Beeko, acting as Agent, and N. Saunders, Barrister,  
 – the European Commission, by B. Béres and F.W. Bulst, acting as Agents,  
 after hearing the [Opinion of the Advocate General](#) at the sitting on 24 March 2015,  
 gives the following

### Judgment

1. This request for a preliminary ruling concerns the interpretation of Article 4(3) of 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).

2. The request has been made in proceedings between Iron & Smith kft ('Iron & Smith') and Unilever NV ('Unilever') concerning the variation of the decision of the Szellemi Tulajdon Nemzeti Hivatala (the Hungarian Intellectual Property Office, 'the Office') refusing registration of a mark applied for by Iron & Smith.

### Legal context

#### EU law

3. Article 1 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), provides:

*'1. A trade mark for goods or services which is registered in accordance with the conditions contained in this Regulation and in the manner herein provided is hereinafter referred to as a "Community trade mark".*

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

4. Under Article 9(1)(c) of that regulation:

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

...

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

*detrimental to, the distinctive character or the repute of the Community trade mark.'*

5. According to Article 15(1) of that regulation:

*'If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.'*

6. Article 51(1)(a) of Regulation No 207/2009 provides:

*'The rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office [for Harmonisation in the Internal Market (Trade Marks & Designs) (OHIM)] or on the basis of a counterclaim in infringement proceedings:*

*(a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; ...'*

7. Article 4 of Directive 2008/95 is worded as follows:

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

...

*(b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trade mark.*

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;*

...

*3. A trade mark shall furthermore not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier Community 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 Community trade mark is registered, where the earlier Community trade mark has a reputation in the Community 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 Community trade mark.*

...

#### Hungarian law

8. It is clear from Paragraph 4(1)(c) of Law No XI of 1997 on the protection of trade marks and geographical indications (a védjegyek és a földrajzi árujelzők oltalmáról szóló 1997. évi XI. törvény; 'the Law on trade marks'), that a trade mark must be refused

registration if it is identical with, or similar to, an earlier mark having a reputation in the country and is to be registered for goods or services different from those for which the earlier mark is registered, where its use could be detrimental to, or enable unfair advantage to be taken of, the distinctive character or the repute of the mark with a reputation.

9. Under Paragraph 76/C(2) of the Law on trade marks, when Paragraph 4(1)(c) thereof is applied, an earlier Community trade mark having a reputation in the European Union must be taken into consideration in accordance with Article 9(1)(c) of Regulation No 207/2009.

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

10. By application filed on 13 April 2012, Iron & Smith requested the Office to register as a national trade mark the colour figurative sign ‘be impulsive’. Unilever opposed that application. In that regard, it relied, on the basis of Paragraph 4(1)(c) of the Law on trade marks, on its earlier Community and international word marks, Impulse.

11. Unilever having failed to prove that its trade marks were widely known in Hungary, their reputation as international trade marks could not be established. However, as regards the Community trade mark relied on in support of the opposition, the Office found that, given that Unilever had advertised and sold large quantities of the goods protected by the mark at issue in the United Kingdom and Italy, the reputation of the Community trade mark had been proved with respect to a substantial part of the European Union. Taking account of the circumstances of the case, the Office found that it was likely that use, without due cause, would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark. The figurative sign for which registration as a trade mark is sought might evoke the Unilever mark on the part of averagely/normally well-informed consumers.

12. Iron & Smith then filed an application for variation of the decision refusing registration, in which it complained principally that the Office had relied on the fact that Unilever’s products represented 5% of the market in the United Kingdom and 0.2% in Italy in order to hold that the reputation of the Community trade mark was established.

13. Examining Paragraphs 4(1)(c) and 76/C(2) of the Law on trade marks, Article 9(1)(c) of Regulation No 207/2009 and Article 4(3) of Directive 2008/95, the referring court concluded that those provisions do not offer any indication as to what is the relevant geographical territory within the European Union in order to establish that a Community trade mark has a reputation. Furthermore, it is unclear, even if the trade mark has such a reputation, whether it is possible that, where such a mark is unknown in the Member State concerned, the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark.

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

*‘(1) Is it sufficient, for the purposes of proving that a Community trade mark has a reputation within the meaning of Article 4(3) of Directive 2008/95 for that mark to have a reputation in one Member State, including where the national trade mark application which has been opposed on the basis of such a reputation has been lodged in a country other than that Member State?*

*(2) May the principles laid down by the Court of Justice of the European Union regarding the genuine use of a Community trade mark be applied in the context of the territorial criteria used when examining the reputation of such a mark?*

*(3) If the proprietor of an earlier Community trade mark has proved that that mark has a reputation in countries other than the Member State in which the national trade mark application has been lodged — which cover a substantial part of the territory of the European Union — may he also be required, notwithstanding that fact, to adduce conclusive proof in relation to that Member State?*

*(4) If the answer to the previous question is no, bearing in mind the specific features of the internal market, may a mark used intensively in a substantial part of the European Union be unknown to the relevant national consumer and therefore the other condition for the ground precluding registration in accordance with Article 4(3) of Directive 2008/95 not be met, since there is no risk of detriment to, or unfair advantage being taken of, a mark’s repute or distinctive character? If so, what facts must the Community trade mark proprietor prove in order for that second condition to be met?’*

#### **Consideration of the questions referred for a preliminary ruling**

##### **The first three questions**

15. By its first three questions, which it is appropriate to examine together, the referring court asks essentially, what conditions, in circumstances such as those at issue in the main proceedings, are to be met in order for a Community mark to be regarded as having a reputation in the European Union, pursuant to Article 4(3) of Directive 2008/95.

16. It must be observed that the expression ‘has a reputation in the Community’, in Article 4(3) of Directive 2008/95, has the same meaning as the identical expression in Article 9(1)(c) of Regulation No 207/2009, which is identical to Article 9(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

17. In that connection, as regards Article 9(1)(c) of Regulation No 40/94, the Court held that the concept of ‘reputation’ assumes a certain degree of knowledge amongst the relevant public, which must be considered to be reached when the Community trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (see

judgment in [PAGO International](#), C-301/07, EU:C:2009:611, paragraphs 21 and 24).

18. In examining this condition, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it (judgment in [PAGO International](#), C-301/07, EU:C:2009:611, paragraph 25).

19. Territorially, the condition as to reputation must be considered to be fulfilled when the Community trade mark has a reputation in a substantial part of the territory of the Community and such a part may, in some circumstances, correspond to the territory of a single Member State (see, to that effect, [PAGO International](#), C-301/07, EU:C:2009:611, paragraphs 27 and 29).

20. Thus, if the reputation of an earlier Community trade mark is established in a substantial part of the territory of the European Union which may, in some circumstances, coincide with the territory of a single Member State, it must be held that that mark has a 'reputation in the [European Union]', within the meaning of Article 4(3) of Directive 2008/95, and the proprietor of that mark is not required to produce evidence of that reputation in the Member State in which the application for registration of the later national mark, which is the subject of an opposition, has been filed.

21. As regards the provisions concerning the requirement for genuine use of the Community mark in the European Union, such as Articles 15(1) and 51 of Regulation No 207/2009, those provisions pursue a different objective from that pursued by the provisions relating to the extended protection conferred on trade marks that have a reputation in the European Union, such as Article 9(1)(c) thereof (see, to that effect, judgment in [Leno Merken](#), C-149/11, EU:C:2012:816, paragraph 53). While the latter provision concerns conditions governing protection extended beyond the categories of goods and services for which a Community trade mark has been registered, the notion of 'genuine use' in Articles 15(1) and 51 of Regulation No 207/2009 expresses the minimum condition for use that all the marks must satisfy in order to be protected.

22. Furthermore, it should be noted that it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not (see judgment in [Leno Merken](#), C-149/11, EU:C:2012:816, paragraph 55).

23. It follows that the provisions concerning the requirement of genuine use of the Community mark and, in particular, the criteria laid down by the case-law, in order to prove genuine use, are to be distinguished from the provisions and criteria relating to the reputation of such a mark in the European Union.

24. Consequently, the criteria laid down by the case-law concerning genuine use of a Community mark are

not relevant as such for the purpose of establishing a 'reputation' within the meaning of Article 4(3) of Directive 2008/95.

25. Having regard to all the foregoing considerations, the answer to the first three questions is that Article 4(3) of Directive 2008/95 must be interpreted as meaning that, if the reputation of an earlier Community mark is established in a substantial part of the territory of the European Union, which may, in some circumstances, coincide with the territory of a single Member State, which does not have to be the State in which the application for the later national mark was filed, it must be held that that mark has a reputation in the European Union. The criteria laid down by the case-law concerning the genuine use of the Community trade mark are not relevant, as such, in order to establish the existence of a 'reputation' within the meaning of Article 4(3) thereof.

#### The fourth question

26. By its fourth question, the referring court asks essentially in what circumstances Article 4(3) of Directive 2008/95 is applicable if the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which the registration of the later national mark concerned by the opposition has been applied for.

27. Pursuant to Article 4(3) of Directive 2008/95, where the earlier Community trade mark has a '*reputation in the Community*' and the use without due cause of the later mark, which is similar to the Community mark and is intended to be registered for goods or services which are not comparable to those covered by the Community mark, would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark, registration of the later national mark must be refused.

28. Where the public concerned does not make a connection between the earlier Community mark and the later national mark, that is to say, does not establish a link between them, the use of the later mark does not, under Article 4(3) of Directive 2008/95, enable unfair advantage to be taken of, and is not detrimental to, the distinctive character or the repute of the earlier mark (see, by analogy, judgment in [Intel Corporation](#), C-252/07, EU:C:2008:655, paragraphs 30 and 31).

29. Also, even assuming that the earlier Community trade mark is unknown to the relevant public in the Member State in which the registration of the later national mark is applied for, which it is for the referring court to ascertain, the use of the national mark does not, in principle, enable unfair advantage to be taken of it or of the distinctive character or reputation of the earlier mark and is not detrimental to them.

30. However, even if the earlier Community trade mark is not known to a significant part of the relevant public in the Member State in which registration of the later national mark has been applied for, it is conceivable that a commercially significant part of the latter may be

familiar with it and make a connection between that mark and the later national mark.

31. It is true that the existence of such a link, which must be assessed globally taking into account all factors relevant to the circumstances of the case (see judgment in [Intel Corporation](#), C-252/07, EU:C:2008:655, paragraph 41), is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(3) of Directive 2008/95 (see, by analogy, [Intel Corporation](#), C-252/07, EU:C:2008:655, paragraph 32). In order to benefit from the protection introduced by that provision, the proprietor of the earlier mark must adduce proof that the use of the later mark ‘*would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark*’ and therefore show that there is either actual and present injury to its mark for the purposes of Article 4(3) of Directive 2008/95 or, failing that, a serious risk that such injury may occur in the future. In such a case, it is for the proprietor of the later mark to establish that there is due cause for the use of that mark (see, by analogy, judgment in [Intel Corporation](#), C-252/07, EU:C:2008:655, paragraphs 37 and 39).

32. The existence of one of the types of injury referred to in Article 4(3) of Directive 2008/95, or a serious risk that such an injury will occur in the future, must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, by analogy, judgment in [Intel Corporation](#), C-252/07, EU:C:2008:655, paragraph 68).

33. In that connection, it may be noted, in particular, that the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that the current or future use of the later mark is taking unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark (see, judgment in [Intel Corporation](#), C-252/07, EU:C:2008:655, paragraph 67).

34. Having regard to all the foregoing considerations, the answer to the fourth question is that, if the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future.

#### Costs

35. 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 (Fourth Chamber) hereby rules:

1. Article 4(3) of 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 must be interpreted as meaning that, if the reputation of an earlier Community mark is established in a substantial part of the territory of the European Union, which may, in some circumstances, coincide with the territory of a single Member State, which does not have to be the State in which the application for the later national mark was filed, it must be held that that mark has a reputation in the European Union. The criteria laid down by the case-law concerning the genuine use of the Community trade mark are not relevant, as such, in order to establish the existence of a ‘reputation’ within the meaning of Article 4(3) thereof.

2. If the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future.

[Signatures]

\* Language of the case: Hungarian

#### OPINION OF ADVOCATE GENERAL WAHL

delivered on 24 March 2015 (1)

Case C-125/14

Iron & Smith Kft

v

Unilever NV

(Request for a preliminary ruling from the Fővárosi Törvényszék (Hungary))

(Trade mark — Registration of a national trade mark identical or similar to an earlier Community trade mark — Community trade mark with a reputation — Geographical and economic scope of reputation)

1. The present case concerns the proper construction of Article 4(3) of Directive 2008/95/EC (‘the Directive’). (2) At issue is the interrelationship between national trade marks, on the one hand, and Community trade marks, on the other, and the scope of the protection that ought to be afforded to earlier Community trade marks with a reputation.

2. In that context, two questions arise: (i) how ought ‘a reputation in the Community’ for the purposes of

Article 4(3) be construed? and (ii) may the registration of a later national trade mark in a Member State be refused where a Community trade mark — which enjoys a reputation in other parts of the European Union — is not widely known in that Member State?

#### **I – Legal framework**

3. Recital 10 in the preamble to the Directive emphasises the fundamental importance of ensuring that registered trade marks enjoy the same level of protection in all the Member States. It is specified, however, that that ought not to prevent Member States from optionally granting extensive protection to trade marks which have a reputation.

4. Article 4(3) of the Directive lays down a relative ground for refusing to register a mark, or declaring it invalid, in the case of conflict with an earlier Community trade mark with a reputation. That provision states that a trade mark must not be registered (or, if registered, is liable to be declared invalid) if it is identical with, or similar to, an earlier Community trade mark within the meaning of Article 4(2) of the Directive and is to be (or has been) registered for goods or services which are not similar to those for which the earlier Community trade mark is registered, where the earlier Community trade mark has a reputation in the Community 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 Community trade mark.

5. Article 4(4)(a) of the Directive provides a similar, albeit optional, ground for refusal in respect of national trade marks with a reputation in the Member State concerned.

#### **II – Facts, procedure and the questions referred**

6. It transpires from the order for reference that, on the basis of its earlier Community word mark IMPULSE, Unilever NV opposed an application by Iron & Smith Kft. for registration of the colour figurative sign ‘be impulsive’ as a Hungarian trade mark. The Hungarian Intellectual Property Office (Szellemi Tulajdon Nemzeti Hivatal; ‘the Hungarian Office’) made a finding that Unilever had sold large quantities of and publicised the goods designated by its Community word mark IMPULSE in the United Kingdom and Italy, with that mark enjoying a 5% market share in the United Kingdom and a 0.2% market share in Italy. On the basis of that market share finding — which did not relate to Hungary — the Hungarian Office found that the reputation of the Community mark had been proved in a substantial part of the European Union. (3) It also found that a risk of the later mark taking unfair advantage could not be ruled out.

7. Given that the Hungarian Office thus refused registration of its trade mark, Iron & Smith applied to the Fővárosi Törvényszék (Budapest Municipal Court; or ‘the referring court’) for annulment of the decision refusing the application for registration. Entertaining doubts as to the correct interpretation of Article 4(3) of the Directive, the referring court has now requested a preliminary ruling on the following questions:

*‘(1) Is it sufficient, for the purposes of proving that a Community trade mark has a reputation within the meaning of Article 4(3) of [the Directive] ..., for that mark to have a reputation in one Member State, including where the national trade mark application which has been opposed on the basis of such a reputation has been lodged in a country other than that Member State?’*

*(2) May the principles laid down by [the Court] regarding the genuine use of a Community trade mark be applied in the context of the territorial criteria used when examining the reputation of such a mark?’*

*(3) If the proprietor of an earlier Community trade mark has proved that that mark has a reputation in countries other than the Member State in which the national trade mark application has been lodged — which cover a substantial part of the territory of the European Union — may he also be required, notwithstanding that fact, to adduce conclusive proof in relation to that Member State?’*

*(4) If the answer to [Question 3] is no, bearing in mind the specific features of the internal market, may a mark used intensively in a substantial part of the European Union be unknown to the relevant national consumer and therefore the other condition for the ground precluding registration in accordance with Article 4(3) of the Directive not be met, since there is no likelihood of detriment to, or unfair advantage being taken of, a mark’s repute or distinctive character? If so, what facts must the Community trade mark proprietor prove in order for that second condition to be met?’*

8. Written observations in the present proceedings have been submitted by Iron & Smith, Unilever, the Hungarian, Danish, French, Italian and UK Governments, as well as by the Commission. With the exception of the Italian Government, all those parties presented oral argument at the hearing held on 4 February 2015.

#### **III – Analysis**

##### **A – Setting**

9. Article 4(3) of the Directive only falls to be applied where the following two cumulative conditions are met: (i) the earlier Community trade mark must enjoy a reputation in a substantial part of the European Union (‘the first condition’) and (ii) the use of the later (national) trade mark must take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark (‘the second condition’). The proprietor of the earlier Community trade mark is not, however, required to prove a likelihood of confusion between his mark and the later national trade mark. (4)

10. Bearing this in mind, it is clear that Questions 1, 2 and 3 are intimately linked. These three questions all concern the first condition, namely, the yardsticks to be employed in order to determine whether an earlier Community trade mark enjoys a reputation in a substantial part of the European Union. In that context, the referring court is, in particular, unsure about what importance (if any) ought to be attributed to geographical borders in conducting that analysis. That

being so, I will first deal with Questions 1 to 3 together, before addressing Question 4, which deals with the second condition. None the less, before moving on to consider those issues, some brief remarks are called for, concerning the underlying rationale of the relative ground for refusal relating to reputation.

11. The ground for refusal (and invalidity) set out in Article 4(3) of the Directive (and the corresponding Article 8(5) of the Regulation) reflects the idea that the value of a trade mark may go far beyond its ability to indicate origin: the value of trade marks may, amongst other things, lie in the image that the trade mark conveys. This has been termed the ‘advertising function’ of trade marks. (5) In that sense, what is protected is not so much the indication of origin but rather the economic success of certain trade marks. Keeping in mind those aspects, it obviously cannot be ruled out that the image of a given trade mark could be impaired if the use of an identical or similar trade mark were allowed. That is a possibility even (and in particular) where the goods and services designated by that later mark are not in the same category as those covered by the earlier trade mark. Arguably, that is why it is necessary to extend the protection of Community trade marks beyond the categories of goods and services for which the trade mark has been registered. Given the particularly far-reaching nature of the protection afforded to a trade mark on the basis of Article 4(3) of the Directive, it is not surprising that this ground for refusal can only be invoked where the trade mark enjoys a reputation in the European Union.

#### **B – The first condition**

12. As already mentioned, the problem that underlies Questions 1, 2 and 3 stems from the fact that both the Directive and the Regulation are completely silent as to the geographical territory within the European Union that must be covered, or other criteria that must be met, in order to establish that a Community trade mark has a reputation for the purposes of Article 4(3) of the Directive. As it is, given the fact that Article 4(3) of the Directive and Article 8(5) of the Regulation are worded identically, it stands to reason that those provisions ought to be interpreted in a coherent manner. (6)

13. However, it seems to me that the question of reputation is a matter already settled by the Court, despite the fact that the referring court is unsure about the applicability of that earlier case-law to the case pending before it. To illustrate, I will briefly describe the basic tenets underpinning that line of authority.

14. In *General Motors*, (7) a case concerning reputation in the context of national trade marks (in that instance, Benelux trade marks), the Court stated that it is sufficient for the mark to have a reputation in a ‘substantial part’ of the territory of a Member State. (8) Of particular interest here is the fact that the Court further considered that a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. In the case of the Benelux, this meant that where the trade mark was known by a significant part of the public concerned in a substantial part of that territory, this was sufficient for the mark to have a

reputation. ‘A substantial part of the territory’ in that instance could also consist of only a part of one of the countries composing that territory. (9)

15. That dictum of the Court was transposed to the context of the Community trade mark in *Pago International*. (10) In that judgment, the Court considered the question whether a Community trade mark (the form of a juice bottle) could be said to enjoy a reputation within a substantial part of the European Union in circumstances where it had been found to have a reputation in one Member State only. In that context, the Court held that to reach the required threshold, a Community trade mark must be known by a significant part of the public concerned by the goods or services covered by the trade mark, in a substantial part of the territory of the European Union. In addition, the Court held that, ‘*in view of the facts of the main proceedings*’, the territory of the Member State in question (Austria) could be regarded as a substantial part of the territory of the European Union. (11)

16. Notwithstanding the qualification made by the Court concerning that latter statement (‘*in view of the facts of the main proceedings*’), I believe that it can be inferred from that judgment that, even generally speaking, reputation in one Member State may — provided that a significant part of the public concerned by the goods and services covered by the trade mark coincides with the relevant public in that same Member State — be sufficient for the purposes of establishing that the trade mark concerned does indeed enjoy a reputation in the European Union for the purposes of Article 4(3) of the Directive. (12)

17. Indeed, in the final analysis, the question of reputation depends on the relevant market for the goods and services under consideration. The answer to the question of what constitutes a substantial part of the European Union requires, therefore, a circumstantial analysis that only the national court dealing with the case can undertake. As the Court has noted, the market share held by the earlier trade mark, the intensity, geographical extent and duration of its use as well as the size of the investment made by the undertaking in promoting the mark are all factors to be taken into account in that analysis. (13) In other words, reputation constitutes a knowledge threshold requirement, which must be assessed on the basis of quantitative criteria. To determine whether a specific trade mark has a reputation in a substantial part of the European Union thus requires a combination of geographical and economic criteria. The significance of the relevant market for given goods or services therefore ought to assume a paramount role in the analysis.

18. More specifically, as can be inferred from *Pago International*, the question of what constitutes a substantial part of the European Union is necessarily — and this is a point that cannot be over-emphasised — dependent on the specific mark which is described as enjoying a reputation and accordingly, the public concerned. Given that it is proportion rather than absolute numbers that matters in this context, the fact that the relevant market may be of a limited overall size

does not, as such, prevent a mark from acquiring reputation. While in my view the territory of a Member State (large or small alike) may indeed, as the case may be, constitute a substantial part of the European Union, the analysis leading to that conclusion must nevertheless be conducted without consideration of geographical borders. (14)

19. True, one could argue that the judgment in [Pago International](#) does not constitute a helpful authority given that, in that case (unlike the case currently under consideration), reputation was established in the Member State in which the proprietor of the Community trade mark relied on the reputation of his mark. However, a point that must be emphasised is that the Community trade mark rests on the principle of uniformity. In other words, once a proprietor obtains a Community trade mark, the trade mark is to produce effects throughout the entire area of the European Union (barring certain exceptions listed in the Regulation). (15) Accordingly, I would not attach any importance to whether or not reputation is established in the territory of the Member State in which the later national trade mark is applied for. (16) Indeed, uniform protection throughout the European Union would be compromised if a Community trade mark with a reputation could only enjoy protection in the geographical area in which reputation has been established. (17) However, that is not to say — as will be explained in more detail below — that a proprietor of a Community trade mark could automatically rely on that reputation anywhere in the European Union in order, for example, to oppose registration of a national trade mark.

20. This brings me to a final point, namely the relevance of the Court's statement with regard to the concept of 'genuine use'. In [Leno Merken](#), (18) the Court was asked to rule on whether or not use of a Community trade mark in one Member State could constitute genuine use within the Community. In that judgment, the Court clearly rejected the idea of employing the statement made by the Court in [Pago International](#), concerning the issue of reputation, as a yardstick for establishing whether genuine use in the Community has actually taken place. This was essentially because Article 8(5) of the Regulation (reputation) and Article 15 thereof (genuine use) pursue wholly different objectives. Whereas the former relates to the conditions governing extended protection beyond the categories of goods and services for which a Community trade mark has been registered, the term 'genuine use' denotes the minimum requirement of use that all trade marks must fulfil in order to be protected: in accordance with Article 15 of the Regulation, to avoid misuse of registration, a Community trade mark must be put to '*genuine use in the Community*' within five years. If not, the trade mark may be subject to revocation. (19)

21. Admittedly, as a number of parties who submitted observations have remarked, it can certainly be said that the Court's statement in [Leno Merken](#) regarding the absence of relevance concerning geographical

borders (when looking at whether the trade mark has been put to genuine use) has some peripheral significance in the present case, too. This is because that statement reflects the idea of unitary protection afforded by the Community trade mark in an internal market. Notwithstanding that fact, it does not appear desirable to apply to the present context, even by analogy, this particular strand of case-law concerning the criteria to be applied for determining whether a trade mark has been put to genuine use. Indeed, as the Court itself remarked, the criteria for determining whether there is genuine use must be distinguished clearly from those applicable in relation to reputation. (20)

22. Bearing in mind that a Community trade mark can enjoy a reputation in a substantial part of the European Union even in circumstances where reputation is established with regard to only one Member State — which does not necessarily have to be the same as the one in which opposition has been filed — it is now for the referring court to establish whether the Unilever mark enjoys a reputation in a substantial part of the European Union, account being taken, in particular, of the public concerned by the goods or services covered by that trade mark. Even supposing that the prerequisite pertaining to established reputation is fulfilled (as the referring court seems to believe), the referring court will still need to determine whether the second condition laid down in Article 4(3) of the Directive is met before allowing the opposition filed by Unilever in the main proceedings.

#### **C – The second condition**

23. Question 4 concerns the second condition laid down in Article 4(3) of the Directive. In order to decide whether that second condition is met, it must be determined whether the later national trade mark takes (or will take) without due cause advantage of, or is (or will be) detrimental to, the distinctive character or the repute of the earlier Community trade mark.

24. Two issues arise here. First, what are the criteria to be employed for the purposes of determining whether there is detriment through blurring (21) or tarnishment (22) or, indeed, free-riding (23) in such circumstances? And secondly, in that context, what relevance (if any) must be attributed to the fact that the earlier trade mark with a reputation is not widely known (or is completely unknown) in the Member State in which registration of the national trade mark is sought? Although both of those questions can only with some difficulty be dealt with in the abstract, I will try to provide the referring court with some guidance as to the factors it ought to take into account when dealing with those issues.

##### **1. The relevant public**

25. The particularity of the present case lies in the fact that, according to the referring court, the earlier Community trade mark might, in actual fact, be completely unknown to the relevant public in Hungary. For obvious reasons, it is a matter for the referring court to determine whether the Unilever mark used in the United Kingdom and Italy is (un)known to relevant Hungarian consumers. On this point, I would simply



note that even though the earlier mark may not enjoy a reputation (or be widely known) in Hungary, that does not automatically imply that the mark is totally unknown to the relevant public in that Member State. (24)

26. That said, it is entirely conceivable that an earlier Community trade mark fulfils the first condition laid down in Article 4(3) of the Directive, but not the second. As a number of parties who submitted observations suggest, in order to determine whether the earlier Community trade mark with a reputation is to be afforded extended protection in a particular Member State, the situation in the Member State in which the exclusive right afforded by the Community trade mark is relied upon needs to be considered. In the case before the referring court, that Member State is Hungary.

27. In that regard, the Court has already observed in *General Motors* that the registration of a later mark can only be detrimental for the earlier trade mark with a reputation where there is a sufficient degree of knowledge of that mark. Only then would it be possible for the public, when confronted with the later trade mark, to make an association between the two trade marks, even if they are used for dissimilar goods or services. (25) Indeed, where the essential functions of the earlier trade mark are in no way affected, it seems doubtful that damage to that mark could occur.

28. As the UK Government observes, this suggests that, notwithstanding a reputation having been established (in a substantial part of the European Union, but not necessarily, as I have explained above, in the Member State in which Article 4(3) is relied upon), the knowledge of the relevant public in the Member State of the later trade mark is of paramount significance in determining whether that later national trade mark is capable of causing injury to the earlier mark. Admittedly, it could be argued that that position is problematic, particularly in the light of the principle of uniform protection: an earlier Community trade mark of reputation might enjoy increased protection, extending to dissimilar goods and services, in 27 Member States, but not in the 28th.

29. However, as the Court accepted in [DHL Express France](#), the exclusive right of a Community trade mark proprietor must be understood in context. That right is conferred in order to enable the proprietor to protect his specific interests in order to ensure that the trade mark is able to fulfil its functions. Consequently, the exclusive right of a Community trade mark proprietor and, accordingly, the territorial scope of that right, are not to be extended beyond what that right allows its proprietor to do in order to protect his trade mark, in other words, merely to prohibit uses which are liable to affect the functions of the trade mark. (26) Admittedly, that statement was made in the context of determining the territorial scope of a prohibition against further infringement or threatened infringement of a Community trade mark. However, if that statement were not equally applicable in the context of registration, a proprietor of an earlier Community trade mark would, as the Commission observes, be able to

oppose registration of a later mark, but not prohibit its use.

30. At this point, it is also important to emphasise that national trade marks must be allowed to exist in parallel with Community trade marks. (27) If the knowledge of the relevant public in the Member State in which registration for the later mark is sought were not attributed due importance in the context of the second condition laid down in Article 4(3) of the Directive, the parallel existence of the two trade mark systems would be a hollow concept. Such an approach would also undoubtedly entail not inconsiderable costs for those seeking registration solely on the basis of national trade mark law (given the costs involved in ensuring that no similar Community trade mark already exists for any possible category of goods or services).

31. In fact, to protect the interests of the proprietors of earlier Community trade marks, Article 4(3) of the Directive may also fall to be applied after registration. At a given point in time, the proprietor of an earlier trade mark with a reputation may be unsuccessful in opposing the registration of a national trade mark for (dis)similar goods or services. However, if the first condition is met from the start, that would not mean that a declaration of invalidity in respect of the later national trade mark could not be envisaged at a later stage, in accordance with Article 4(3) of the Directive, provided that the second condition is then also met.

## **2. A link must be established**

32. Overall, it can be said that the issue of injury requires a global assessment of all the relevant factors, including, but not limited to, the strength of the earlier mark, the relevant public and the categories of goods and services designated by the earlier and the later mark. In that regard, a number of further lessons can also be drawn from the case-law.

33. In particular, it transpires from *Intel Corporation*, (28) a case dealing with the optional ground for refusal in Article 4(4) of the Directive, that the more immediately and strongly the mark with a reputation is brought to mind by the later mark, the greater the likelihood that the current or future use of the sign is taking unfair advantage of, or is detrimental to, the distinctive character or the repute of that mark. (29) Where no link between the earlier and later marks is established in the mind of the relevant public, (30) the use of the later mark is not likely to be detrimental to or take unfair advantage of the earlier mark. (31)

34. A further point to be made on the basis of the Court's judgment in [Intel Corporation](#) is that, depending on the circumstances of each case, the possibility cannot be discounted that the relevant section of the public as regards the goods or services for which the earlier mark was registered does not converge with the relevant section of the public as regards the goods or services for which the later mark was registered. In that sense, the nature of the goods or services for which the conflicting marks are registered must be taken into consideration for the purposes of assessing whether association occurs. Of course, this will be easier where the earlier mark is known by the

public at large or where the consumers of the relevant goods and services largely overlap. (32)

35. More specifically, it follows from the line of authority devolving from [Intel Corporation](#) that a link between the two marks cannot exist where the earlier mark is not brought to mind by the later mark as regards the relevant public in the Member State in which registration of the later mark is sought. Indeed, where no such link can be established, it would seem counterintuitive to claim that the use of the later trade mark would free-ride on, or could have a detrimental effect on, the reputation or distinctive character of the earlier mark. (33)

36. Nevertheless, I would like to emphasise one important difference between the present case and [Intel Corporation](#): in the present case, the starting-point is that the earlier Unilever trade mark is not particularly widely known (if at all) in Hungary. In [Intel Corporation](#), on the other hand, the Court seemed to predicate its findings on the assumption that the earlier mark with a reputation was widely known throughout the Member State in question (the United Kingdom). That is why that judgment does not provide clear guidance as to what proportion of the relevant public for the trade marks in question — that is to say, how important a section of that public — must establish the required link.

37. In my view, the consumers who establish that link must account for such a weighty proportion of the relevant public in the Member State concerned that the commercial implications will be considerable (*'a commercially pertinent proportion'*). Otherwise, the second condition laid down in Article 4(3) of the Directive would be devoid of any real content. Indeed, only those familiar with the earlier mark will be able to make such a link in the first place. Why is it then necessary to require that a commercially pertinent proportion of that public have been confronted with the earlier Community trade mark and thus be able to make the required link?

38. A point of undoubted importance here is that the second condition laid down in Article 4(3) of the Directive turns on actual or potential damage to the earlier mark as a result of the registration of the later national trade mark. Obviously, for damage to occur, the proportion of the public to know about the mark need not be as high as that required for reputation. But there must be noticeable consequences. To my mind — and, again, depending on the type of goods and services involved — such injury can only occur if a commercially pertinent portion of the relevant public in the Member State concerned will make the link. It is only within that group that users may be influenced by the association that they make.

39. In any event, on no account can the mere fact that the party seeking registration of the later trade mark is aware of the existence of the earlier Community trade mark with a reputation be relevant for determining that free-riding is taking place. Indeed, the applicant's knowledge regarding the earlier trade mark in no way

extends to the possibility that average users will associate the trade marks in question.

40. I can only stress again that, whereas the relevant public of the Member State in which the later trade mark has been applied for is not decisive in determining whether the earlier Community trade mark enjoys a reputation in the European Union for the purposes of Article 4(3) of the Directive, that public is — conversely — of paramount importance in determining whether the later national trade mark would take unfair advantage of, or be detrimental to, the earlier Community trade mark with a reputation. It must be borne in mind that the protection afforded to a national trade mark is circumscribed, as a matter of principle, by the territory of the Member State in which the mark is applied for. That is why, when dealing with grounds of refusal as regards national trade marks, it stands to reason that the relevant public for the purposes of determining the existence of detriment or unfair advantage must be that in that Member State.

41. Indeed, especially in the free-riding situation, which is of particular relevance in the present case, it seems difficult to argue that free-riding could take place where the local public is unaware of the earlier trade mark with a reputation (subject to verification by the referring court). In any event, as the Danish Government in particular remarks, even if the referring court considers that the relevant public might establish a link between the Unilever trade mark and the later national trade mark, the risk of detrimental effect or free-riding cannot remain a simple assumption. (34) With regard to opposition actions, it will often be the case (as seems to be the situation in the case before the referring court, too) that the purported injury has not yet occurred.

3. The strength of the earlier mark

42. By its fourth question, the referring court specifically seeks guidance on the kind of evidence that the proprietor of the earlier trade mark is to produce concerning the risk of injury to his mark. This issue is only relevant, however, if the referring court is able to determine that such a weighty proportion of the relevant public in the Member State concerned makes the required link between the trade marks that there will be considerable commercial implications, that is to say, if it finds that a commercially pertinent proportion of the relevant public in the Member State concerned makes the required link.

43. In that regard, the Court has stated that the existence of a link between the conflicting marks in the mind of the relevant section of the public does not suffice to establish that injury to the earlier trade mark has occurred or will occur. That is why the proprietor of the earlier trade mark must prove either actual and present injury to his mark, or a serious likelihood that such an injury will occur in the future. (35) While proving the risk of tarnishment appears to be independent of the category of goods and services involved, it seems to me that the more similar the goods and services at issue are, the easier it is to show that blurring (especially through 'genericide' (36) of an

indication of origin, as was the case in Interflora and Interflora British Unit (37)) may occur.

44. Be that as it may, the Court has set the standard of proof regarding detriment (through blurring and tarnishment) rather high. In order for that standard to be met, evidence is required of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered as a result of the use of the later mark, or a serious likelihood that such a change will occur in the future. As I have already mentioned, that statement seems to specifically concern heads of injury pertaining to blurring and tarnishment. (38)

45. To my mind, it is doubtful whether that test can be transposed directly to the context of free-riding. In the case of free-riding, the perspective is different to the extent that the focus is on average users of the later trade mark and on the advantage that the later mark may be expected to derive from the earlier. What is more, the case-law does not seem to require that the benefit thus acquired needs to be expressed, for example, in terms of increased sales.

46. Rather, as the Court stated in L'Oréal and Others, (39) unfair advantage is taken where a person attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort made by the proprietor of that mark in order to create and maintain the image of that mark, and the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark. (40) From this it emerges that the advantage taken must be somehow unfair. However, according to my reading of the case-law, the added value of 'unfairness' is limited — if not non-existent — where the party seeking registration of the later national trade mark is intentionally riding on the coat-tails of the reputation of the earlier mark.

47. On a general note, it seems to me that where, in particular, the goods and services are (very) dissimilar, the analysis that the referring court must undertake must focus on the distinctiveness of the earlier Community trade mark with a reputation: the stronger the reputation and the more immediately and strongly the earlier trade mark is brought to mind by the sign for which registration is sought at national level, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental (in particular through blurring) to them. (41)

48. Although the order for reference contains only a limited amount of information that would enable me to make more detailed observations pertaining to the case pending before the referring court, I would not rule out, at the outset, the possibility that the marketing of goods and services designated by the later national trade mark

may be easier on account of the earlier Unilever trade mark. In assessing whether a serious risk of unfair advantage exists, the referring court thus ought to look, in particular, at how widely the Unilever mark is known and the image it conveys, (42) and whether any advantage has been (or will be) transferred to the later mark. Indeed, in the case of identical or similar goods, the transfer of advantage would appear almost self-evident. (43) Conversely, in the case of dissimilar goods and services, that type of 'cross-pollination' (44) might, generally speaking, be more difficult to establish.

49. Thus, in conducting its analysis with regard to the second condition laid down in Article 4(3) of the Directive, the referring court ought to attach particular importance to the knowledge of the relevant public in Hungary. In that regard, the stronger the reputation and the more immediately and strongly the Unilever mark is brought to mind by the sign for which registration is now sought, the greater the likelihood that the current or future use of the sign is taking, or will take unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them.

#### **IV – Conclusion**

50. In the light of the foregoing, I propose that the Court answer the questions referred by the Fővárosi Törvényszék as follows:

*(1) For the purposes of Article 4(3) of 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, it may — depending on the specific mark which is described as enjoying a reputation and, accordingly, on the public concerned — be sufficient that a Community trade mark enjoys a reputation in one Member State, which does not need to be the State in which that provision is relied upon. In that regard, for the purposes of determining whether a reputation exists within the meaning of Article 4(3), the principles laid down in case-law in respect of the requirement to show genuine use of a trade mark are not relevant.*

*(2) Where the earlier Community trade mark does not enjoy a reputation in the Member State in which Article 4(3) of the Directive is relied upon, in order to prove that, without due cause, unfair advantage is taken of, or detriment is caused to, the distinctive character or repute of the Community trade mark for the purposes of that provision, it is necessary to show that a commercially pertinent proportion of the relevant public in that Member State will make a link with the earlier trade mark. In that regard, the strength of the earlier mark constitutes an important factor for the purposes of proving such association.*

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1 – Original language: English.

2 – Directive 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).

3 – The goods in respect of which the Unilever mark is registered are not specified; nor is it made clear to which goods the market share findings relate.

4 – For example, judgments in *Adidas-Salomon and Adidas Benelux*, C-408/01, EU:C:2003:582, paragraphs 27 to 31, and *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 57, 58 and 66 and case-law cited. Where there is no likelihood of confusion, the grounds for refusal laid down in Article 4(1)(b) of the Directive cannot be relied upon. However, no such requirement is set out in Article 4(3) of the Directive. That is why the proprietor of the earlier trade mark may have a particular interest in relying on Article 4(3) of the Directive to protect himself against harm to the distinctive character or repute of the mark. See also, recently, judgment in *Intra-Press v OHIM*, C-581/13 P and C-582/13 P, EU:C:2014:2387, paragraph 72 and case-law cited, as regards what is now Article 8(5) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1) ('the Regulation').

5 – See Opinion of Advocate General Jääskinen in *Interflora and Others*, C-323/09, EU:C:2011:173, point 50.

6 – Generally speaking, and so far as this particular context is concerned, parallel provisions are to be interpreted in the same way; see judgment in *PAGO International*, C-301/07, EU:C:2009:611, paragraph 22 et seq.

7 – Judgment in *General Motors*, C-375/97, EU:C:1999:408.

8 – *Ibid.*, paragraph 28.

9 – *Ibid.*, paragraph 31.

10 – Judgment in *PAGO International*, C-301/07, EU:C:2009:611.

11 – *Ibid.*, paragraph 30.

12 – Although the *General Motors* and *PAGO International* cases admittedly concerned 'reputation' in relation to a possible infringement, the same principles must in my view apply to Article 4(3) of the Directive. Indeed, I see no way how a distinction could be drawn between the reputation required for objections to registration on the basis of conflict with earlier trade marks, on the one hand, and infringement, on the other. Both forms of redress provide protection for the proprietor of the earlier trade mark.

13 – See judgment in *General Motors*, C-375/97, EU:C:1999:408, paragraphs 23, 24 and 27.

14 – See, similarly, Opinion of Advocate General Sharpston in *PAGO International*, C-301/07, EU:C:2009:274, point 30 et seq.

15 – See recital 3 in the preamble to the Regulation.

16 – See also recital 10 in the preamble to the Directive.

17 – See, to that effect, judgment in *DHL Express France*, C-235/09, EU:C:2011:238, paragraph 44.

18 – Judgment in *Leno Merken*, C-149/11, EU:C:2012:816.

19 – See recital 10 in the preamble to the Regulation. For case-law see, for example, judgments in *Ansul*, C-

40/01, EU:C:2003:145, and *Construcción, Promociones e Instalaciones v OHIM — Copisa Proyectos y Mantenimientos Industriales(CPI COPISA INDUSTRIAL)*, T-345/13, EU:T:2014:614.

20 – See judgment in *Leno Merken*, C-149/11, EU:C:2012:816, paragraphs 52 to 54.

21 – This type of injury refers to detriment to the distinctive character of the mark, also referred to as 'dilution' and 'whittling away'. In the words of the Court, 'such detriment is caused when that mark's ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so' (judgment in *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 39).

22 – This is detriment to the repute of the mark, also referred to as 'degradation'. This type of injury is caused, in the words of the Court, 'when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark's power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark' (judgment in *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 40).

23 – As regards this third type of injury, which is also referred to as 'parasitism' or 'free-riding', that term denotes the advantage taken by the third party as a result of the use of the identical or similar sign. It applies, in particular, in situations where, due to a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, clear exploitation on the coat-tails of the mark with a reputation exists. See judgment in *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 41.

24 – It emerges from the order for reference, as well as from the submissions made at the hearing before the Court, that Unilever appears to have marketed its products in Hungary at an earlier point in time. That suggests to my mind (subject to verification by the referring court) that the Unilever trade mark cannot, in actual fact, be wholly unknown to the relevant public in Hungary.

25 – Judgment in *General Motors*, C-375/97, EU:C:1999:408, paragraph 23. See also judgment in *Adidas-Salomon and Adidas Benelux*, C-408/01, EU:C:2003:582, paragraph 29.

26 – Judgment in *DHL Express France*, C-235/09, EU:C:2011:238, paragraphs 47 and 48. See also, to that effect, judgment in *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604, paragraph 37.

27 – See recital 6 in the preamble to the Regulation.

28 – Judgment in *Intel Corporation*, C-252/07, EU:C:2008:655.

29 – *Ibid.*, paragraph 67. For the relevant factors to be taken into consideration in determining whether such a link exists, see, in particular, judgments in *Adidas-Salomon and Adidas Benelux*, C-408/01, EU:C:2003:582, paragraph 30, and *adidas and adidas Benelux*, C-102/07, EU:C:2008:217, paragraph 42.

30 – It is to be noted that the relevant public depends on the head of injury in question: while existence of injury on account of detriment is to be assessed by reference to the consumers of the goods and services for which the earlier trade mark with a reputation is registered, existence of injury resulting from free-riding (although it could be argued that the loss is less evident here) is to be assessed in relation to the consumers of the goods or services for which the later mark is registered. In both cases, the starting point for the analysis is the average consumer who is well informed and reasonably observant and circumspect. See judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 35 and 36.

31 – *Ibid.*, paragraph 31.

32 – However, this is not necessarily the case and it can often be assumed that a trade mark may have acquired so wide a reputation that it goes beyond the relevant public as regards the goods or services for which that mark was registered. See on these issues judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 48 to 51.

33 – In that sense, there would be no need for the Community trade mark proprietor to oppose registration in order to safeguard his interest. See, in that regard, *DHL Express France*, C-235/09, EU:C:2011:238, paragraphs 46 and 47.

34 – See amongst many, for example, orders in *Aktieselskabet af 21. november 2001 v OHIM*, C-197/07 P, EU:C:2008:721, paragraph 21 and case-law cited, and *Japan Tobacco v OHIM*, C-136/08 P, EU:C:2009:282, paragraph 42 and case-law cited.

35 – See judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 38. At the very least, the risk is not to be purely hypothetical. See also judgment in *Rubinstein and L'Oréal v OHIM*, C-100/11 P, EU:C:2012:285, paragraph 95.

36 – Bently, L., and Sherman, B., *Intellectual Property Law*, 4th edition, Oxford University Press, 2014, p. 1004.

37 – Judgment in *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604.

38 – See judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 77. See also judgment in *Environmental Manufacturing v OHIM*, C-383/12 P, EU:C:2013:741, paragraphs 36 and 37.

39 – Judgment in *L'Oréal and Others*, C-487/07, EU:C:2009:378.

40 – *Ibid.*, paragraph 49.

41 – *Ibid.*, paragraph 44.

42 – See, for example, judgments in *Sigla v OHIM – Elleni Holding (VIPS)*, T-215/03, EU:T:2007:93, paragraph 35, and *Antartica v OHIM – Nasdaq Stock Market (nasdaq)*, T-47/06, EU:T:2007:131, paragraph 60.

43 – Already in the judgment in *Davidoff*, C-292/00, EU:C:2003:9, the Court accepted that, although the wording of what is now Article 4(3) of the Directive would seem to suggest otherwise, that provision may be relied upon, not only against identical or similar signs used in relation to dissimilar goods and services, but also in relation to goods and services identical or similar to those covered by the trade mark with a reputation. See, in particular, paragraphs 24, 25 and 30 of the judgment.

44 – Bently and Sherman, *op. cit.*, p. 1007.