

Court of Justice EU, 3 June 2010, Internetportal v Schlicht



TRADEMARK LAW

Bad faith EU-domain name registration

- that Article 21(3) of Regulation No 874/2004 must be interpreted as meaning that bad faith can be established by circumstances other than those listed in Article 21(3)(a) to (e) of that regulation.
- that, in order to assess whether there is conduct in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(3) thereof, the national court must take into consideration all the relevant factors specific to the particular case and, in particular, the conditions under which registration of the trade mark was obtained and those under which the .eu top level domain name was registered.

With regard to the conditions under which registration of the trade mark was obtained, the national court must take into consideration, in particular:

- the intention not to use the trade mark in the market for which protection was sought;
- the presentation of the trade mark;
- the fact of having registered a large number of other trade marks corresponding to generic terms; and
- the fact of having registered the trade mark shortly before the beginning of phased registration of .eu top level domain names.

With regard to the conditions under which the .eu top level domain name was registered, the national court must take into consideration, in particular:

- the abusive use of special characters or punctuation marks, within the meaning of Article 11 of Regulation No 874/2004, for the purposes of applying the transcription rules laid down in that article;
- registration during the first part of the phased registration provided for in that regulation on the basis of a mark acquired in circumstances such as those in the main proceedings; and

- the fact of having applied for registration of a large number of domain names corresponding to generic terms.

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Court of Justice EU, 3 June 2010

(J.N. Cunha Rodrigues, P. Lindh, A. Rosas, A. Ó Caoimh)

JUDGMENT OF THE COURT (Second Chamber)
3 June 2010 (*)

(Internet – .eu Top Level Domain – Regulation (EC) No 874/2004 – Domain names – Phased registration – Special characters – Speculative and abusive registrations – Concept of ‘bad faith’)

In Case C-569/08,

REFERENCE for a preliminary ruling under Article 234 EC from the Oberster Gerichtshof (Austria), made by decision of 18 November 2008, received at the Court on 22 December 2008, in the proceedings Internetportal und Marketing GmbH

v

[...] Schlicht,

THE COURT (Second Chamber),

composed of J.N. Cunha Rodrigues, President of the Chamber, P. Lindh, A. Rosas, A. Ó Caoimh and A. Arabadjiev (Rapporteur), Judges, Advocate General: V. Trstenjak, Registrar: K. Malacek, Administrator, having regard to the written procedure and further to the hearing on 10 December 2009, after considering the observations submitted on behalf of:

- Internetportal und Marketing GmbH, by T. Höhne and T. Bettinger, Rechtsanwälte,
- R. Schlicht, by J. Pühr, Rechtsanwältin,
- the Czech Government, by M. Smolek, acting as Agent,
- the Italian Government, par G. Palmieri, acting as Agent, assisted by W. Ferrante, avvocato dello Stato,
- the European Commission, by H. Krämer, acting as Agent,

after hearing the Opinion of the Advocate General at the sitting on 10 February 2010,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 21 of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (OJ 2004 L 162, p. 40).

2 The reference has been made in proceedings between Internetportal und Marketing GmbH – a company which is in the business of operating websites and markets products via the internet and which is the proprietor of the Swedish trade mark ‘&R&E&I&F&E&N&’ – and Mr Schlicht, who is the proprietor of the Benelux trade mark ‘Reifen’, concerning the domain name ‘www.reifen.eu’.

Legal context

3 According to Article 1 thereof, Regulation (EC) No 733/2002 of the European Parliament and of the Council of 22 April 2002 on the implementation of the .eu Top Level Domain (OJ 2002 L 113, p. 1) sets out general rules for the implementation of the .eu Top Level Domain, including the designation of a Registry, and establishes the general policy framework within which that Registry is to function.

4 In accordance with recital 16 in the preamble to that regulation, '[t]he adoption of a public policy addressing speculative and abusive registration of domain names should provide that holders of prior rights recognised or established by national and/or Community law and public bodies will benefit from a specific period of time (a "sunrise period") during which the registration of their domain names is exclusively reserved to [those] holders ... and ... public bodies'.

5 Article 5(1)(b) of Regulation No 733/2002 provides that 'the Commission shall adopt ... rules concerning [inter alia] ... public policy on speculative and abusive registration of domain names, including the possibility of registrations of domain names in a phased manner to ensure appropriate temporary opportunities for the holders of prior rights recognised or established by national and/or Community law and for public bodies to register their names'.

6 It was pursuant to that provision that the Commission adopted Regulation No 874/2004.

7 Recital 12 in the preamble to Regulation No 874/2004 is worded as follows:

'In order to safeguard prior rights recognised by Community or national law, a procedure for phased registration should be put in place. Phased registration should take place in two phases, with the aim of ensuring that holders of prior rights have appropriate opportunities to register the names on which they hold prior rights. The Registry should ensure that validation of the rights is performed by appointed validation agents. On the basis of evidence provided by the applicants, validation agents should assess the right which is claimed for a particular name. Allocation of that name should then take place on a first-come, first-served basis if there are two or more applicants for a domain name, each having a prior right.'

8 Article 10 of Regulation No 874/2004, entitled 'Eligible parties and the names they can register', provides:

'1. Holders of prior rights recognised or established by national and/or Community law and public bodies shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts.

"Prior rights" shall be understood to include, inter alia, registered national and Community trademarks, geographical indications or designations of origin, and, in as far as they are protected under national law in the Member State where they are held, unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works.

2. The registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists. ...'

9 Article 11 of Regulation No 874/2004, entitled 'Special characters', provides: '...

Where the name for which prior rights are claimed contains special characters, spaces, or punctuations, these shall be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten.

Special characters and punctuations as referred to in the second paragraph shall include the following:

~ @ # \$ % ^ & * () + = < > { } [] | \ / : ; ' , . ? ...'

10 Article 12(2) of Regulation No 874/2004 provides that the duration of the phased registration period is to be four months and that the general registration of domain names is not to start prior to the completion of the phased registration period.

11 The same provision provides that phased registration is to be comprised of two parts of two months each. During the first part, only registered national and Community trademarks, geographical indications, and the names and acronyms of public bodies may be applied for as domain names.

12 During the second part of phased registration, the names that can be registered in the first part as well as names based on all other prior rights can be applied for as domain names.

13 Article 21 of Regulation No 874/2004, entitled 'Speculative and abusive registrations', is worded as follows:

'1. A registered domain name shall be subject to revocation, using an appropriate extra-judicial or judicial procedure, where that name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law, such as the rights mentioned in Article 10(1), and where it:

(a) has been registered by its holder without rights or legitimate interest in the name; or

(b) has been registered or is being used in bad faith.

3. Bad faith, within the meaning of point (b) of paragraph 1, may be demonstrated where:

(a) circumstances indicate that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the holder of a name in respect of which a right is recognised or established by national and/or Community law or to a public body; or

(b) the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that:

(i) a pattern of such conduct by the registrant can be demonstrated;

(ii) the domain name has not been used in a relevant way for at least two years from the date of registration; or

(iii) in circumstances where, at the time the ADR procedure was initiated, the holder of a domain name in respect of which a right is recognised or established by national and/or Community law or the holder of a domain name of a public body has declared his/its intention to use the domain name in a relevant way but fails to do so within six months of the day on which the ADR procedure was initiated;

(c) the domain name was registered primarily for the purpose of disrupting the professional activities of a competitor; or

(d) the domain name was intentionally used to attract Internet users, for commercial gain, to the holder of a domain name website or other on-line location, by creating a likelihood of confusion with a name on which a right is recognised or established by national and/or Community law or a name of a public body, such likelihood arising as to the source, sponsorship, affiliation or endorsement of the website or location or of a product or service on the website or location of the holder of a domain name; or

(e) the domain name registered is a personal name for which no demonstrable link exists between the domain name holder and the domain name registered....'

14 Article 22 of Regulation No 874/2004, entitled 'Alternative dispute resolution (ADR) procedure' provides as follows:

'1. An ADR procedure may be initiated by any party where:

(a) the registration is speculative or abusive within the meaning of Article 21; or

(b) a decision taken by the Registry conflicts with this Regulation or with Regulation (EC) No 733/2002.

11. In the case of a procedure against a domain name holder, the ADR panel shall decide that the domain name shall be revoked, if it finds that the registration is speculative or abusive as defined in Article 21. The domain name shall be transferred to the complainant if the complainant applies for this domain name and satisfies the general eligibility criteria set out in Article 4(2)(b) of Regulation (EC) No 733/2002.

In the case of a procedure against the Registry, the ADR panel shall decide whether a decision taken by the Registry conflicts with this Regulation or with Regulation (EC) No 733/2002. The ADR panel shall decide that the decision shall be annulled and may decide in appropriate cases that the domain name in question shall be transferred, revoked or attributed, provided that, where necessary, the general eligibility criteria set out in Article 4(2)(b) of Regulation (EC) No 733/2002 are fulfilled.

13. The results of ADR shall be binding on the parties and the Registry unless court proceedings are initiated within 30 calendar days of the notification of the result of the ADR procedure to the parties.'

15 By Decision of 21 May 2003 (OJ 2003 L 128, p. 29), the Commission, in accordance with Article 3(1) of Regulation (EC) No 733/2002, designated the not-for-profit organisation European Registry for Internet Domains (EURid), which is based in Brussels, as the .eu Top Level Domain Registry with responsibility for

the organisation, management and administration of that domain.

16 EURid entrusted the administration of alternative-dispute-resolution proceedings under Article 22 of Regulation (EC) No 874/2004 to the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic ('the Czech Arbitration Court').

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

17 The appellant in the main proceedings, a limited company with its registered office in Salzburg (Austria), is in the business of operating websites and markets products via the Internet. In order to be eligible to apply to register domain names during the first part of phased registration provided for in Regulation No 874/2004, the appellant applied – successfully – to the Swedish trade mark register for registration of a total of 33 generic terms as trade marks, each incorporating the special character '&' before and after each letter. Thus, on 11 August 2005, the appellant lodged an application for registration of the word mark '&R&E&I&F&E&N&' within Class 9 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended ('the Nice Agreement'), corresponding to the description 'safety belts'. That mark was registered on 25 November 2005 under number 376729.

18 However, it is apparent from the case-file that the appellant in the main proceedings never intended to use that trade mark for safety belts.

19 Subsequently, the appellant in the main proceedings registered the domain name 'www.reifen.eu' during the first part of phased registration on the basis of its Swedish mark &R&E&I&F&E&N& by eliminating from it the special character '&' in pursuance of one of the transcription rules set out in Article 11 of Regulation No 874/2004.

20 According to the findings of fact set out in the order for reference, since the word 'Reifen' means 'tyres' in German, the objective of the appellant in the main proceedings in having the domain name 'www.reifen.eu' registered was to operate an internet portal for trading in tyres, but, in view of the proceedings pending before the court making the reference and the prior arbitration procedure, it has not yet taken any significant preparatory steps for the construction of that portal.

21 It is also apparent from the order for reference that, at the time of registration of the domain name at issue in the main proceedings, the appellant in the main proceedings was unaware of the respondent in the main proceedings.

22 In addition, it is also apparent that the appellant in the main proceedings has submitted applications for the registration of 180 domain names, all consisting of generic terms.

23 The respondent in the main proceedings is the proprietor of the word mark 'Reifen', registered on 28 November 2005 at the Benelux Trademark Office for

Classes 3 and 35 within the meaning of the Nice Agreement, corresponding, respectively, to ‘bleaching preparations and other substances for laundry use; cleaning preparations, in particular, cleaning preparations containing nanoparticles for cleaning window surfaces’ and ‘services which facilitate the marketing of such cleaning agents’. On 10 November 2005, the respondent in the main proceedings also applied to register the Community word mark Reifen for the same two classes. Under that trade mark, the spelling of which, according to the file, is based on the first three letters of the German words ‘Reinigung’ (cleaning) and ‘Fenster’ (window), the respondent intends to market on a pan-European basis cleaning products for surfaces akin to window glass. It commissioned the company Bergolin GmbH & Co KG to develop those products. On 10 October 2006, a sample of cleaning solution I (Reifen A) was submitted.

24 The respondent in the main proceedings contested the registration, by the appellant in the main proceedings, of the domain name ‘www.reifen.eu’ before the Arbitration Court. By decision of 24 July 2006 (Case No 00910), the Arbitration Court upheld his complaint, withdrew that domain name from the appellant in the main proceedings and transferred it to the respondent in the main proceedings. In that decision, the Arbitration Court took the view that the character ‘&’ contained within a trade mark was not to be eliminated but had to be rewritten. It was quite clear – so the Arbitration Court held – that the appellant in the main proceedings had sought, in a whole series of cases seeking registration of domain names, to circumvent the transcription rule laid down in the second paragraph of Article 11 of Regulation No 874/2004. It followed that the appellant had acted in bad faith in applying for registration of the domain name at issue in the main proceedings.

25 The appellant in the main proceedings challenged that decision by bringing an action in accordance with Article 22(13) of Regulation No 874/2004. Since that action was dismissed as unfounded at first instance and on appeal, the appellant in the main proceedings brought an appeal on a point of law (‘Revision’) before the court making the reference.

26 As it took the view that resolution of the dispute hinges on the interpretation of European Union law and, in particular, of Article 21 of Regulation No 874/2004, the Oberster Gerichtshof (Austrian Supreme Court) stayed the proceedings and referred the following questions to the Court for a preliminary ruling:

‘1. Is Article 21(1)(a) of Regulation (EC) No 874/2004 to be interpreted as meaning that a right within the meaning of that provision exists:

(a) if, without any intention to use it for goods or services, a trade mark is acquired only for the purpose of being able to register in the first phase of phased registration a domain corresponding to a German-language generic term?

(b) if the trade mark underlying the domain [name] registration and coinciding with a German-language generic term deviates from the domain in so far as the

trade mark contains special characters which were eliminated from the domain name although the special characters were capable of being rewritten and their elimination has the effect that the domain differs from the trade mark in a way which excludes any likelihood of confusion?

2. Is Article 21(1)(a) of Regulation (EC) No 874/2004 to be interpreted as meaning that a legitimate interest exists only in the cases mentioned in Article 21(2)(a) to (c)?

3. [If that question is answered in the negative,] does a legitimate interest within the meaning of Article 21(1)(a) of Regulation (EC) No 874/2004 also exist if the domain holder intends to use the domain – coinciding with a German-language generic term – for a thematic internet portal?...

4. [If Questions 1 and 3 are answered in the affirmative,] is Article 21(3) of Regulation (EC) No 874/2004 to be interpreted as meaning that only the circumstances mentioned in points (a) to (e) of that provision are capable of establishing bad faith within the meaning of Article 21(1)(b) of Regulation (EC) No 874/2004? ...

5. [If the answer to that question is in the negative,] does bad faith within the meaning of Article 21(1)(b) of Regulation (EC) No 874/2004 also exist if a domain was registered in the first phase of phased registration on the basis of a trade mark, coinciding with a German-language generic term, which the domain holder acquired only for the purpose of being able to register the domain in the first phase of phased registration and thereby to pre-empt other interested parties, including the holders of rights to the mark?’

Consideration of the questions referred

Preliminary observation

27 The appellant in the main proceedings argues, from the outset, that it cannot be held responsible for faults which may have been committed by the Registry in regard to registration of the domain name at issue in the main proceedings. Such faults, it argues, ought to have been raised by means of a procedure directed against the Registry under Article 22(1)(b) of Regulation No 874/2004, and not by means of a procedure directed against the holder of the domain name in question.

28 Although the national court has not asked a question on this point, within the context of the procedure laid down by Article 267 TFEU providing for cooperation between national courts and the Court of Justice, and to the extent to which the argument of the appellant in the main proceedings affects the resolution of the dispute in those proceedings, it is for the Court to provide the national court with an answer which will be of use to it and enable it to determine the case before it (see, by way of analogy, Case C-295/97 Piaggio [1999] ECR I-3735, paragraph 25).

29 It must be pointed out in this regard that the first and second subparagraphs of Article 22(11) of Regulation No 874/2004 permit any party to initiate an alternative-dispute-resolution procedure against the domain name holder in a case where the registration is speculative or abusive, or against the Registry in a case

where one of its decisions conflicts with Regulations No 733/2002 or No 874/2004. As the dispute in the main proceedings, which was initiated in accordance with Article 22 of Regulation No 874/2004, concerns an allegedly speculative or abusive registration, the procedure could legitimately be initiated against the domain name holder.

30 In that regard, the argument of the appellant in the main proceedings is therefore without foundation.

The fourth question

31 By its fourth question, which it is appropriate to examine first, the national court asks, in essence, whether the circumstances capable of establishing bad faith are listed exhaustively in Article 21(3)(a) to (e) of Regulation No 874/2004.

32 It must first be observed that there is a degree of disparity between the various language versions of Article 21(3) of Regulation No 874/2004. Thus, the German version of that provision reads as follows: ‘Bösgläubigkeit im Sinne von Absatz 1 Buchstabe b) liegt vor, wenn ...’. That form of words, which may be translated literally as ‘bad faith, within the meaning of point (b) of paragraph 1, exists where ...’, could suggest that the instances of bad faith referred to in Article 21(1)(b) of Regulation No 874/2004 are limited to the cases expressly set out in Article 21(3).

33 It should, however, be pointed out that the provision in question cannot be examined solely on the basis of the German version, as provisions of European Union law must be interpreted and applied uniformly in the light of the versions existing in all European Union languages (see, to that effect, Case C-280/04 *Jyske Finans* [2005] ECR I-10683, paragraph 31, and Case C-187/07 *Endendijk* [2008] ECR I-2115, paragraph 22).

34 It follows from the language versions of Article 21(3) of Regulation No 874/2004, other than the German version, that the list of the circumstances constituting bad faith which is set out in that provision is merely by way of example. Thus, the French version of that provision is worded as follows: ‘La mauvaise foi au sens du paragraphe 1, point b), [of Article 21] peut être démontrée quand ...’. The idea expressed by the verb ‘pouvoir’ is also to be found in other language versions, including the English (‘may’), Italian (‘può’), Spanish (‘podrá’), Polish (‘można’), Portuguese (‘pode’), Dutch (‘kan’) and Bulgarian (‘може’) versions.

35 It must be borne in mind in this regard that, according to settled case-law, the necessity for uniform application and, accordingly, for uniform interpretation of a Community measure makes it impossible to consider one version of the text in isolation, but requires that it be interpreted on the basis of both the real intention of its author and the aim the latter seeks to achieve, in the light, in particular, of the versions in all languages (see, inter alia, Case 29/69 *Stauder* [1969] ECR 419, paragraph 3; Joined Cases C-261/08 and C-348/08 *Zurita García and Choque Cabrera* [2009] ECR I-0000, paragraph 54; and Case C-473/08 *Eulitz* [2010] ECR I-0000, paragraph 22).

36 Furthermore, it must be pointed out in this regard that Regulation No 733/2002 seeks, inter alia, to establish a public policy addressing speculative and abusive registration of domain names which is intended to ensure respect for prior rights recognised or established by national and/or European Union law. That public policy is implemented, more particularly, by Article 21 of Regulation No 874/2004, which provides, essentially, that speculative or abusive registrations of domain names may be revoked.

37 However, the objective of thereby frustrating the registration of speculative or abusive domain names, which, by their very nature, may be marked by a variety of circumstances of fact and law, would be compromised if bad faith, within the meaning of Article 21(1)(b) of Regulation No 874/2004, could be established only in the circumstances exhaustively set out in Article 21(3)(a) to (e).

38 Finally, it follows from recital 16 in the preamble to Regulation No 874/2004 that the Registry must take into account the international best practices in the area in question and, in particular, the relevant World Intellectual Property Organisation (WIPO) recommendations, in order to ensure that speculative and abusive registrations are avoided as far as possible. As the Commission points out, it is clear from the Final Report of the First WIPO Internet Domain Name Process, dated 30 April 1999, and, in particular, from paragraph 2 of Recommendation No 171 concerning the concept of ‘bad faith’, that the list of circumstances constituting bad faith, which, indeed, corresponds largely to the list set out in Article 21(3) of Regulation No 874/2004, is not exhaustive.

39 The answer to the fourth question referred is therefore that Article 21(3) of Regulation No 874/2004 must be interpreted as meaning that bad faith can be established by circumstances other than those listed in Article 21(3)(a) to (e) of that regulation.

The fifth question

40 By its fifth question, which it is appropriate to examine secondly, the national court seeks, in essence, an interpretation by the Court of the concept of bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004.

41 Under that provision, a registered domain name may, where that name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or European Union law, be revoked if it has been registered, or is being used, in bad faith.

42 The issue of whether an applicant is acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case (see, by way of analogy, [Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* \[2009\] ECR I-0000, paragraph 37](#)).

43 With regard, more particularly, to the facts which characterise conduct such as that of the appellant in the main proceedings, the following must be stated in the light of the findings of fact set out in the order for reference.

44 First of all, it is necessary to examine the conditions under which the word mark &R&E&I&F&E&N& was registered.

45 In that regard, consideration must first be given to the intention of the appellant in the main proceedings at the time when it filed the application for registration of that mark as a subjective factor which must be determined by reference to the objective circumstances of the particular case (see, to that effect, [Chocoladefabriken Lindt & Sprüngli](#), paragraphs 41 and 42).

46 The fact of applying for registration of a mark without the intention of using it as such but for the sole purpose of subsequently registering, on the basis of the right to that mark, a .eu top level domain name during the first part of the phased registration provided for in Regulation No 874/2004 may, under certain circumstances, indicate conduct in bad faith within the meaning of Article 21(1)(b) of that regulation.

47 In the present instance, it is apparent from the order for reference that, although the appellant registered the word mark &R&E&I&F&E&N& in Sweden for safety belts, it actually intended to operate an internet portal for trading in tyres, which it intended to register.

48 Consequently, according to the national court's findings, and as the appellant in the main proceedings itself admits, the latter had no intention of using the mark which it had thus registered for the goods covered by that registration.

49 Secondly, the presentation of the mark at issue may also be relevant in determining whether there is bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004 (see, by way of analogy, [Chocoladefabriken Lindt & Sprüngli](#), paragraph 50).

50 In that regard, the national court points out that, leaving aside the special characters which surround each letter, the word mark &R&E&I&F&E&N& corresponds to a generic term in German, namely 'Reifen' ('tyres'). It must also be observed that the presentation of the mark is unusual and linguistically irrational from a semantic and visual point of view. The special character '&', which was inserted before and after every letter, thus appears to be without any semantic meaning whatsoever. Such a presentation may therefore suggest that the special character was introduced only in order to disguise the generic term which is hidden behind the mark.

51 Thirdly, the repetitive nature of conduct may also be taken into account in order to assess whether or not it amounts to bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004. In that regard, the national court points out that the appellant in the main proceedings obtained registration in Sweden of a total of 33 trade marks corresponding to generic terms in German, using in each of them the special character '&' before and after all the letters in the signs for which registration was sought.

52 Fourthly, the chronology of events may also constitute a relevant factor of assessment. In this instance, the fact that the appellant in the main proceedings registered the word mark &R&E&I&F&E&N& only a

short time before the start of the first part of the phased registration of .eu top level domain names also warrants special attention for the purpose of determining whether there may have been bad faith. It is apparent in that regard from the order for reference that the appellant in the main proceedings applied to the competent Swedish authorities for registration of the abovementioned trade mark on 11 August 2005 and that registration was granted on 25 November 2005, while EURid had announced that registration of .eu top level domain names would begin on 7 December 2005.

53 In that context, although it is true that the Swedish word mark &R&E&I&F&E&N& remains valid inasmuch as it has not been revoked or declared invalid, the conditions under which that mark was registered could point to conduct in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004.

54 With regard, secondly, to the conditions under which the domain name 'www.reifen.eu' was registered, it must be noted, first, that the misuse of a special character or punctuation mark in the name in respect of which a right has been invoked may, having regard to the transcription rules laid down in Article 11 of Regulation No 874/2004, be a relevant factor for the purpose of assessing whether there has been conduct in bad faith on the part of the holder of a domain name.

55 The second paragraph of Article 11 of Regulation No 874/2004 provides that, where the name in respect of which prior rights are claimed contains special characters, such as the character '&', these 'shall to be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten'. However, it is clear from the order for reference that, on the basis of the first of those possibilities, the appellant was able to obtain the elimination of all of the '&' characters from its word mark &R&E&I&F&E&N& and thereby have the domain name 'www.reifen.eu' registered.

56 In that connection, the Commission's argument that the three transcription rules set out in the second paragraph of Article 11 of Regulation No 874/2004 should be applied in a hierarchical fashion cannot be accepted. According to the Commission, special characters which have a semantic value should be rewritten, those which serve as separators should be replaced by hyphens, and only those which neither have a semantic value nor serve as separators should be eliminated.

57 However, as the appellant in the main proceedings and the Czech Government point out, there is nothing in the wording of the second paragraph of Article 11 of Regulation No 874/2004 to suggest any form of hierarchy as between the three transcription rules.

58 The fact that the second paragraph of Article 11 provides that special characters are to be rewritten 'if possible' changes nothing in that regard. That expression must be understood, not as establishing any form of hierarchy as between the different transcription possibilities, but as referring to the impossibility of rewriting certain special characters.

59 In addition, the consequence of the Commission's argument would be, in cases of speculative or abusive registration, to favour the use of special characters which could still be eliminated, whereas, in the case of registrations in good faith, applicants would have no choice in regard to the transcription of special characters, with the result that they could be forced to accept a .eu top level domain name which did not correspond, in their eyes, to the name in respect of which they had invoked a prior right.

60 It must be pointed out in that regard that it follows from Article 10(2) of Regulation No 874/2004 that the registration of a .eu top level domain name on the basis of a prior right consists of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists.

61 However, since certain special characters which may appear in a name in respect of which a prior right is held cannot appear in a domain name by reason of technical constraints, the legislature has laid down transcription rules for such special characters in the second paragraph of Article 11 of Regulation No 874/2004.

62 It thus follows from a joint reading of Articles 10(2) and 11 of Regulation No 874/2004 that application of the transcription rules set out in the second paragraph of Article 11 is subordinate to the objective of ensuring that the domain name which it is sought to register and the name in respect of which a prior right is invoked are identical or as close as possible to each other.

63 Both the presence of special characters in the name in respect of which a prior right is invoked and an applicant's choice in regard to the three rules for the transcription of such characters laid down in the second paragraph of Article 11 of Regulation No 874/2004, namely elimination, replacement by a hyphen or rewriting, may thus point to the existence of conduct in bad faith within the meaning of Article 21(1)(b) of that regulation, particularly in the case where the domain name which it is sought to register does not concord with the name in respect of which a prior right is invoked.

64 It follows in that regard from the order for reference that special characters inserted in a linguistically illogical fashion in the name in respect of which a prior right was invoked were eliminated from the domain name which it was sought to register, rather than being replaced by hyphens or rewritten, with the result that the concordance between that domain name and the name subject to a prior right is compromised.

65 Secondly, it must be borne in mind that, in order to ensure that holders of prior rights have appropriate means of ensuring registration of the names in respect of which they hold those rights, Regulation No 874/2004 established, as can be seen from recital 12 in the preamble thereto, a procedure for phased registration.

66 Pursuant to Article 12 of Regulation No 874/2004, that procedure consists of two parts. During the first part, only registered national and Community trade marks, geographical indications, and the names

and acronyms of public bodies, may be applied for as domain names. The second part relates to the names that can be registered in the first part as well as names based on all other prior rights.

67 Consequently, the general opening of registration of .eu top level domain names could not commence until after the end of the period provided for phased registration.

68 It thus appears that a domain name such as that at issue in the main proceedings, which corresponds to a generic term sought as such, could have been registered during the first part of the phased registration only by means of the stratagem of a trade mark created and registered for that purpose.

9 If it had not had a word mark registered, the appellant in the main proceedings would have had to wait until the general opening of registration of .eu top level domain names in order to submit its application, thereby running the risk, in the same way as any other person interested in the same domain name, of being pre-empted, in accordance with the first-come first-served principle, by another application for registration introduced prior to its own application.

70 Conduct which is manifestly intended to circumvent the procedure for phased registration established by Regulation No 874/2004 must therefore be taken into account in the assessment as to whether there is conduct in bad faith within the meaning of Article 21(1)(b) of that regulation.

71 Thirdly, the fact of having lodged a large number of applications for registration of domain names corresponding to generic terms may also constitute relevant evidence on which to determine whether there is conduct in bad faith in the light of the objective of Regulation No 874/2004 to prevent or avoid speculative or abusive registrations or uses of domain names. In that regard, it is apparent from the order for reference that the appellant in the main proceedings lodged 180 such applications.

72 By contrast, no relevance attaches to the fact, mentioned in the order for reference, that the appellant in the main proceedings was unaware of the respondent in the main proceedings at the time when it submitted its application for registration of the domain name at issue in the main proceedings.

73 The appellant contends in that regard that the main proceedings concern the registration of a domain name consisting of a generic term, which cannot, under any circumstances, adversely affect the rights of third parties since nobody has exclusive rights over generic terms. The speculative or abusive conduct which the cases of bad faith set out in Article 21(3) of Regulation No 874/2004 are designed to combat is, it submits, therefore excluded, by definition, in the case of registration of domain names consisting of generic terms. Consequently, the appellant in the main proceedings claims that it did not act in bad faith within the meaning of Article 21(3).

74 That argument is misplaced on two grounds. First, it rests on the premise, rejected in paragraphs 31

to 39 of the present judgment, that the list of cases of bad faith in Article 21(3) of Regulation No 874/2004 is exhaustive. Second, it fails to take account of the fact that prior rights can legitimately exist in respect of generic terms. As the Court has already held, European Union law, and, in particular, Article 3(1)(b) and (c) 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), does not preclude the registration in a Member State, as a national trade mark, of a term borrowed from the language of another Member State in which it is devoid of distinctive character or is descriptive of the goods or services in respect of which registration is sought, unless the relevant parties in the Member State in which registration is sought are capable of identifying the meaning of the term (**Case C-421/04 Matratzen Concord [2006] ECR I-2303**, paragraphs 26 and 32 and the operative part).

75 Since the existence of prior rights in respect of a name corresponding to a generic term cannot therefore be excluded, conduct such as that engaged in by the appellant in the main proceedings could adversely affect holders of such rights.

76 In addition, the adoption of a course of conduct of the kind outlined in paragraph 70 of the present judgment is tantamount to seeking to obtain an unfair advantage to the detriment of any other person interested in the same domain name who cannot rely on a prior right and must therefore await the general opening of registration for .eu top level domain names in order to be able to apply for registration.

77 The answer to the fifth question referred must therefore be that, in order to assess whether there is conduct in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(3) thereof, the national court must take into consideration all the relevant factors specific to the particular case and, in particular, the conditions under which registration of the trade mark was obtained and those under which the .eu top level domain name was registered.

With regard to the conditions under which registration of the trade mark was obtained, the national court must take into consideration, in particular:

- the intention not to use the trade mark in the market for which protection was sought;
- the presentation of the trade mark;
- the fact of having registered a large number of other trade marks corresponding to generic terms; and
- the fact of having registered the trade mark shortly before the beginning of phased registration of .eu top level domain names.

With regard to the conditions under which the .eu top level domain name was registered, the national court must take into consideration, in particular:

- the abusive use of special characters or punctuation marks, within the meaning of Article 11 of Regulation No 874/2004, for the purposes of applying the transcription rules laid down in that article;

– registration during the first part of the phased registration provided for in that regulation on the basis of a mark acquired in circumstances such as those in the main proceedings; and

– the fact of having applied for registration of a large number of domain names corresponding to generic terms.

The first, second and third questions

78 Having regard to the answers given to the fourth and fifth questions referred and to the circumstances of the case in the main proceedings, there is no need to answer the first three questions.

Costs

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

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

1. Article 21(3) of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration must be interpreted as meaning that bad faith can be established by circumstances other than those listed in Article 21(3)(a) to (e) of that regulation.

2. In order to assess whether there is conduct in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(3) thereof, the national court must take into consideration all the relevant factors specific to the particular case and, in particular, the conditions under which registration of the trade mark was obtained and those under which the .eu top level domain name was registered.

With regard to the conditions under which registration of the trade mark was obtained, the national court must take into consideration, in particular:

- the intention not to use the trade mark in the market for which protection was sought;
- the presentation of the trade mark;
- the fact of having registered a large number of other trade marks corresponding to generic terms; and

- the fact of having registered the trade mark shortly before the beginning of phased registration of .eu top level domain names.

With regard to the conditions under which the .eu top level domain name was registered, the national court must take into consideration, in particular:

- the abusive use of special characters or punctuation marks, within the meaning of Article 11 of Regulation No 874/2004, for the purposes of applying the transcription rules laid down in that article;
- registration during the first part of the phased registration provided for in that regulation on the basis of a mark acquired in circumstances such as those in the main proceedings; and

– the fact of having applied for registration of a large number of domain names corresponding to generic terms.

[Signatures]

OPINION OF ADVOCATE GENERAL TRSTENJAK

delivered on 10 February 2010 I(1)

Case C-569/08

Internetportal und Marketing GmbH

v

Richard Schlicht

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

(Internet – .eu Top Level Domain – Regulation (EC) No 874/2004 – Article 21 – Registration of a domain by the proprietor of a national trade mark acquired for the sole purpose of enabling that registration to take place during the first phase of phased registration – Notion of ‘right’ – Notion of ‘legitimate interest’ – Notion of ‘bad faith’ – Article 11 – Rules for the transcription of special characters – National trade mark registered in bad faith)

I – Introduction

1. This case is based on an order for reference from the Oberster Gerichtshof (Austria) under Article 234 EC, by which five questions have been referred to the Court concerning the interpretation of Article 21 of Regulation (EC) No 874/2004. (2)

2. Those questions were raised in proceedings, concerning the domain name ‘reifen.eu’, between Internetportal und Marketing GmbH (‘the claimant’) – a company which is in the business of operating websites and markets products via the Internet – and Mr Richard Schlicht (‘the defendant’), the proprietor of the Benelux trade mark ‘Reifen’ which he intends to use for new cleaning agents, in particular, for window-cleaning products. (3)

3. The questions relate in essence to the criteria for establishing the existence of a ‘right’, a ‘legitimate interest’ and ‘bad faith’, within the meaning of Article 21 of Regulation No 874/2004.

II – Legal context

4. According to Article 1 of Regulation (EC) No 733/2002 of the European Parliament and of the Council of 22 April 2002 on the implementation of the .eu Top Level Domain, (4) that regulation sets out the general rules for the implementation of the .eu Top Level Domain, including the designation of a registry, and establishes the general policy framework within which the registry is to function.

5. The 16th recital in the preamble to that regulation states that that general policy should provide that holders of prior rights recognised or established by national and/or Community law and public bodies addressing speculative and abusive registration of domain names should benefit from a specific period of

time (a ‘sunrise period’) during which the registration of their domain names ‘is exclusively reserved’ to such holders of prior rights and to those public bodies.

6. Article 5 (‘Policy framework’) of Regulation No 733/2002 is worded as follows:

‘1. ... the Commission shall adopt public policy rules concerning the implementation and functions of the .eu TLD and the public policy principles on registration. Public policy shall include:

(a) an extra-judicial settlement of conflicts policy;
(b) public policy on speculative and abusive registration of domain names including the possibility of registrations of domain names in a phased manner to ensure appropriate temporary opportunities for the holders of prior rights recognised or established by national and/or Community law and for public bodies to register their names;

...’

7. In Regulation No 874/2004, adopted pursuant to Article 5 of Regulation No 733/2002, the 12th recital in the preamble states that:

‘In order to safeguard prior rights recognised by Community or national law, a procedure for phased registration should be put in place. Phased registration should take place in two phases, with the aim of ensuring that holders of prior rights have appropriate opportunities to register the names on which they hold prior rights. ... Allocation of that name should then take place on a first-come, first-served basis if there are two or more applicants for a domain name, each having a prior right.’

8. Article 3 (‘Requests for domain name registration’) of Regulation No 874/2004 provides that:

‘The request for domain name registration shall include all of the following:

...’

(c) an affirmation by electronic means from the requesting party that to its knowledge the request for domain name registration is made in good faith and does not infringe any rights of a third party;

...’

9. Article 10 (‘Eligible parties and the names they can register’) of Regulation No 874/2004 is worded as follows:

‘1. Holders of prior rights recognised or established by national and/or Community law ... shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts.

“Prior rights” shall be understood to include, inter alia, registered national and Community trademarks, geographical indications or designations of origin, and, in as far as they are protected under national law in the Member State where they are held: unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works.

...’

2. The registration on the basis of a prior right shall consist of the registration of the complete name for

which the prior right exists, as written in the documentation which proves that such a right exists.

...

10. Article 11 ('Special characters') of Regulation No 874/2004 provides as follows:

'As far as the registration of complete names is concerned, where such names comprise a space between the textual or word elements, identity shall be deemed to exist between such complete names and the same names written with a hyphen between the word elements or combined in one word in the domain name applied for.

Where the name for which prior rights are claimed contains special characters, spaces, or punctuations, these shall be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten.

Special character and punctuations as referred to in the second paragraph shall include the following:

~ @ # \$ % ^ & * () + = < > { } [] | \ / ; ' , . ?

... In all other respects, the domain name shall be identical to the textual or word elements of the prior right name.'

11. Article 12 ('Principles for phased registration') of Regulation No 874/2004 is worded as follows:

'1. Phased registration shall ... start ... only when the requirement of the first paragraph of Article 6 is fulfilled ...

The Registry shall publish the date on which phased registration shall start at least two months in advance and shall inform all accredited Registrars accordingly.

...

2. The duration of the phased registration period shall be four months. General registration of domain names ["the landrush period"] shall not start prior to the completion of the phased registration period.

Phased registration shall be comprised of two parts of two months each.

During the first part of phased registration, only registered national and Community trademarks, geographical indications, and the names and acronyms referred to in Article 10(3), may be applied for as domain names by holders or licensees of prior rights and by the public bodies mentioned in Article 10(1).

During the second part of phased registration, the names that can be registered in the first part as well as names based on all other prior rights can be applied for as domain names by holders of prior rights on those names.

3. The request to register a domain name based on a prior right under Article 10(1) and (2) shall include a reference to the legal basis in national or Community law for the right to the name, as well as other relevant information, such as trademark registration number, information concerning publication in an official journal or government gazette, registration information at professional or business associations and chambers of commerce.

...

6. To resolve a dispute over a domain name the rules provided in Chapter VI shall apply.'

12. Article 21 ('Speculative and abusive registrations') of Regulation No 874/2004 is worded as follows:

'1. A registered domain name shall be subject to revocation, using an appropriate extra-judicial or judicial procedure, where that name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law, such as the rights mentioned in Article 10(1), and where it:

(a) has been registered by its holder without rights or legitimate interest in the name; or

(b) has been registered or is being used in bad faith.

2. A legitimate interest within the meaning of point (a) of paragraph 1 may be demonstrated where:

(a) prior to any notice of an alternative dispute resolution (ADR) procedure, the holder of a domain name has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so;

(b) the holder of a domain name, being an undertaking, organisation or natural person, has been commonly known by the domain name, even in the absence of a right recognised or established by national and/or Community law;

(c) the holder of a domain name is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name on which a right is recognised or established by national and/or Community law.

3. Bad faith, within the meaning of point (b) of paragraph 1 may be demonstrated, where:

(a) circumstances indicate that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the holder of a name in respect of which a right is recognised or established by national and/or Community law or to a public body; or

(b) the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that:

(i) a pattern of such conduct by the registrant can be demonstrated; or

(ii) the domain name has not been used in a relevant way for at least two years from the date of registration; or

(iii) in circumstances where, at the time the ADR procedure was initiated, the holder of a domain name in respect of which a right is recognised or established by national and/or Community law or the holder of a domain name of a public body has declared his/its intention to use the domain name in a relevant way but fails to do so within six months of the day on which the ADR procedure was initiated;

(c) the domain name was registered primarily for the purpose of disrupting the professional activities of a competitor; or

(d) the domain name was intentionally used to attract Internet users, for commercial gain, to the holder of a domain name website or other on-line location, by creating a likelihood of confusion with a name on which a right is recognised or established by national and/or Community law or a name of a public body, such likelihood arising as to the source, sponsorship, affiliation or endorsement of the website or location or of a product or service on the website or location of the holder of a domain name; or

(e) the domain name registered is a personal name for which no demonstrable link exists between the domain name holder and the domain name registered.

...

13. Article 22 ('Alternative dispute resolution (ADR) procedure') (5) of Regulation No 874/2004 provides as follows:

'1. An ADR procedure may be initiated by any party where:

(a) the registration is speculative or abusive within the meaning of Article 21; or

(b) a decision taken by the Registry conflicts with this Regulation or with Regulation (EC) No 733/2002.

...

11. In the case of a procedure against a domain name holder, the ADR panel shall decide that the domain name shall be revoked, if it finds that the registration is speculative or abusive as defined in Article 21. The domain name shall be transferred to the complainant if the complainant applies for this domain name and satisfies the general eligibility criteria set out in Article 4(2)(b) of Regulation (EC) No 733/2002.

...

13. The results of ADR shall be binding on the parties and the Registry unless court proceedings are initiated within 30 calendar days of the notification of the result of the ADR procedure to the parties.'

III – Facts, main proceedings and questions referred

14. The claimant is in the business of operating websites and markets products via the Internet. In order to be eligible to apply to register domain names during the first phase of registration, the claimant applied – successfully – to the Swedish trade mark register for registration of a total of 33 German generic terms as trade marks, each incorporating the special character '&' before and after each letter or between individual letters. The claimant's registration application of 11 August 2005 concerned the word mark '&R&E&I&F&E&N&' within Class 9 (safety belts) of the international classification. That mark was then registered on 25 November 2005.

15. The claimant never intended to use that trade mark for safety belts but – according to an announcement by PricewaterhouseCoopers, an undertaking commissioned by the European Registry for Internet Domains (EURid) to examine domain name applications – presumed that, after registration of that trade mark as a domain name under the .eu Top Level Domain, application of the 'transcription rules' would cause the '&' characters to be eliminated, thus leaving behind the German word 'Reifen' ('tyres') which, as a

generic term, should never, in the claimant's view, be protected under trade mark law.

16. In fact, during the first part of the phased registration procedure, the domain 'www.reifen.eu' was registered in the claimant's name on the basis of its Swedish trade mark '&R&E&I&F&E&N&'. The claimant submitted applications for the registration of 180 domain names consisting of generic terms. The claimant intends to use the domain 'www.reifen.eu' to operate an internet portal for trading in tyres, but – according to the order for reference – on account of the pending proceedings and the prior arbitration procedure, has not yet taken any noteworthy preparatory steps for its construction. At the time of the domain's registration, the claimant was unaware of the defendant.

17. The defendant is the proprietor of the word mark 'Reifen' (tyres), applied for on 10 November 2005 at the Benelux Trademark Office and registered on 28 November 2005 for Class 3 (bleaching preparations and other substances for laundry use; ... cleaning preparations, in particular, cleaning preparations containing nanoparticles for cleaning window surfaces) and Class 35 (services which facilitate the marketing of such cleaning agents).

18. In addition, the defendant applied on 10 November 2005 for the registration of the Community trade mark 'Reifen' in Class 3 (preparations for cleaning window glass and solar collector surfaces, in particular, preparations containing nanoparticles) and in Class 35 (cleaning of window glass surfaces and solar collectors for third parties). Under that trade mark, the defendant intends to market on a pan-European basis 'cleaning agents for surfaces akin to window glass', which Bergolin GmbH & Co KG was commissioned to develop. On 10 October 2006, a sample of cleaning solution I (REIFEN A) had already been submitted.

19. Before the Czech Arbitration Court, the defendant contested the registration in favour of the claimant of the domain 'www.reifen.eu'. By judgment of 24 July 2006, (6) the Czech Arbitration Court upheld that complaint, withdrew the domain 'reifen' from the claimant and transferred it to the defendant.

20. The Arbitration Court held that its case-law as handed down in proceedings against the Registry (EURid) had to be applied by analogy in the proceedings before it against the holder of the domain. According to that case-law, the character '&' contained within a trade mark is not to be eliminated but must be rewritten. Evidently – so the Arbitration Court held – the claimant had sought in a wealth of cases to circumvent the technical rule laid down in the second paragraph of Article 11 of Regulation (EC) No 874/2004. It followed, according to the Arbitration Court, that the claimant had acted in bad faith in applying for registration of the contested domain.

21. The claimant then brought an action on 23 August 2006, within the period allowed under Article 22(13) of Regulation (EC) No 874/2004, seeking a declaration that the domain name 'reifen' under the .eu Top Level Domain should not be transferred to the de-

defendant and should not be withdrawn from the claimant; in the alternative, the claimant sought a declaration that the decision of the Arbitration Court of 24 July 2006 was unlawful and, in particular, that the claimant cannot transfer the domain name 'reifen' to the defendant as a .eu Top Level Domain and that the domain name 'reifen' should not be withdrawn from it, the claimant.

22. Before the lower national courts, the arguments of the parties revolved essentially around the following issues.

23. The claimant argued that, by making the transcription rule in the second paragraph of Article 11 of Regulation (EC) No 874/2004 the basis of its application to register the Swedish trade mark '&R&E&I&F&E&N&', it had simply taken advantage of existing rules in order to acquire for itself the best possible starting position for the first phase of registration. That intention neither constituted 'bad faith' within the meaning of Article 21 of Regulation (EC) No 874/2004 nor any other misuse of rights.

24. The claimant stated that it is the proprietor of a registered trade mark on the basis of which – according to the 'first come, first served' principle – it had acquired the domain 'www.reifen.eu'. Moreover, it had a legitimate interest in the generic term 'Reifen' because it intended to establish a thematic internet portal using that term. Furthermore, the purpose of its registration of 'reifen.eu' was not to hinder the defendant's Internet presence, especially given the fact that it was entirely unaware of the defendant's activities and products. Lastly, the number of trade marks and domains it had registered and the use made of them was irrelevant for the purposes of the present proceedings.

25. The claimant also maintained that the phased registration procedure served simply to protect the holders of prior rights; there has never been any intention, however, that generic terms may be applied for only in the general registration phase. Accordingly, nothing precludes an application to have generic terms registered as domains in the first phase of registration. Nor has the second paragraph of Article 11 of Regulation (EC) No 874/2004 been applied incorrectly, since the three options provided for therein (complete elimination; replacement with hyphens; or rewriting) are on a par, and the phrase 'if possible' is merely an indication of the fact that the third option does not always work.

26. The defendant contended that the action should be dismissed in so far as the claimant – unreasonably and in bad faith – had circumvented the intention underlying Regulation No 874/2004, which is to prevent the systematic mass registration of domains and to permit the registration of generic terms only in the general registration phase. Thus, by applying for the large-scale registration of certain 'pseudo-trade marks' not intended for use in commercial transactions, so that it could apply – already in the first registration phase, which is reserved for holders of prior trade mark rights – for the registration of generic domains and then mar-

ket them as websites, the claimant had behaved as a 'domain grabber'.

27. According to the defendant, the claimant had also taken intentional advantage of a foreseeable mistake in the interpretation of the second paragraph of Article 11 of Regulation No 874/2004 since, on a correct interpretation, the special character '&' should not have been eliminated but should have been rewritten. That is why it is true to say that registration had been effected in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004. A 'pseudo-mark' applied for simply for the purposes of preferential registration of a domain does not constitute a prior right within the meaning of Article 10(1) of Regulation No 874/2004; accordingly, Article 21(1)(a) of that regulation can also be invoked to justify withdrawal of the domain.

28. At first instance, the court dismissed the action and the appellate court upheld that judgment on the merits.

29. The claimant brought a special appeal on a point of law before the Oberster Gerichtshof in order to contest the decision of the appellate court. On the view that the outcome of the dispute hinges on the interpretation of Community law and, in particular, of Article 21 of Regulation No 874/2004, the Oberster Gerichtshof stayed the proceedings and referred the following questions to the Court for a preliminary ruling:

'1. Is Article 21(1)(a) of Regulation ... No 874/2004 to be interpreted as meaning that a right within the meaning of that provision exists:

(a) if, without any intention to use it for goods or services, a trade mark is acquired only for the purpose of being able to register in the first phase of phased registration a domain corresponding to a German language generic term?

(b) if the trade mark underlying the domain registration and coinciding with a German language generic term deviates from the domain in so far as the trade mark contains special characters which were eliminated from the domain name although the special characters were capable of being rewritten and their elimination has the effect that the domain differs from the trade mark in a way which excludes any likelihood of confusion?

2. Is Article 21(1)(a) of Regulation ... No 874/2004 to be interpreted as meaning that a legitimate interest exists only in the cases mentioned in Article 21(2)(a) to (c)?

If that question is answered in the negative:

3. Does a legitimate interest within the meaning of Article 21(1)(a) of Regulation ... No 874/2004 exist if the domain holder intends to use the domain – coinciding with a German language generic term – for a thematic internet portal?

If questions 1 and 3 are answered in the affirmative:

4. Is Article 21(3) of Regulation ... No 874/2004 to be interpreted as meaning that only the circumstances mentioned in points (a) to (e) of that provision are capable of establishing bad faith within the meaning of Article 21(1)(b) of Regulation ... No 874/2004?

If that question is answered in the negative:

5. Does bad faith within the meaning of Article 21(1)(b) of Regulation ... No 874/2004 exist if a domain was registered in the first phase of phased registration on the basis of a trade mark, coinciding with a German language generic term, which the domain holder acquired only for the purpose of being able to register the domain in the first phase of phased registration and thereby to pre-empt other interested parties, including the holders of rights to the mark?

IV – Proceedings before the Court

30. The order for reference was notified to the Court on 23 December 2008.

31. Written observations were lodged, within the period specified in Article 23 of the Statute of the Court of Justice and in accordance with that provision, by the claimant, the defendant, the Czech Republic, the Italian Republic and the Commission of the European Communities.

32. At the hearing on 10 December 2009, oral argument was presented by the representatives of the claimant, the defendant, the Czech Government and the Commission.

V – Main arguments of the parties

A – Preliminary point

33. By way of a preliminary point, the claimant submits that, at the time of registration of the domain 'www.reifen.eu', EURid had accepted that, on the basis of the trade mark '&R&E&I&F&E&N&', the claimant had the requisite standing. Consequently, any faults in that regard should have been raised by the defendant by means of a procedure directed against the registry under Article 22(1)(b) of Regulation No 874/2004, and not by means of a procedure directed against the actual holder of the domain. EURid's decision to register the domain 'www.reifen.eu' in favour of the claimant is therefore no longer amenable to review in inter partes proceedings.

B – Question 1(a)

34. According to the claimant, the reflections of the referring court in relation to Question 1(a) concern only the procedure against the registry. If the party opposing a domain name holder considers that the registry has erred in recognising the legitimacy of the domain name holder for the sunrise period, it should initiate a procedure against the registry. None the less, the claimant argues that the first part of Question 1 should be answered in the affirmative.

35. In the defendant's view, when a trade mark is registered without any intention of using it, for the sole purpose of enjoying certain legal advantages, it is a 'pseudo-mark'. To recognise such marks as rights within the meaning of Article 10(1) or Article 21(1)(a) of Regulation No 874/2004 would be tantamount to authorising – to encouraging, even – circumvention and abuse of specific provisions of that regulation, which were adopted for the precise purpose of protecting the holders of 'genuine' prior rights. The argument that that underlying purpose is not jeopardised if a 'generic term' is registered as a domain name fails to take account of the fact that the prior rights to be asserted, for

the purposes of Article 10(1) or Article 21(1)(a) of Regulation No 874/2004, may also relate to generic terms.

36. The Czech Republic, broadly supported by the Italian Republic, submits that it should first of all be determined whether the trade mark at issue in the main proceedings was registered in bad faith. The fact that the trade mark had been registered solely for the purpose of ensuring participation in the first phase of registration of domain names shows that the claimant was, from the outset, motivated by a dishonest intention and pursued an objective other than that for which trade marks are intended. The claimant thus sought to take an unjustified advantage, or to place its competitors at a disadvantage.

37. Moreover, it is contended, the claimant intentionally used the character '&' in the name of the trade mark in an unusual and linguistically absurd way. The speculative and opportunistic nature of the use of the '&' character is also demonstrated by the fact that the claimant had a total of 33 trade marks registered for generic names, each incorporating the character '&' between the individual letters. If the referring court were to find that the trade mark registration at issue had not been made in good faith, it would be impossible – in the view of the Czech Republic and the Italian Republic – to regard the right arising from that trade mark as a right within the meaning of Article 21(1)(a) of Regulation No 874/2004.

38. The Commission argues that neither Directive 89/104/EEC (7) nor Regulation (EC) No 40/94 (8) makes the registration of a sign as a trade mark subject to the intention of the putative proprietor of the trade mark to use the sign as a trade mark for the goods or services which it covers. Consequently, the fact that a trade mark has been acquired solely for the purpose of being able to apply, on the basis of that mark, for registration of a domain name during the first phase of phased registration is irrelevant for the purposes of determining whether the domain name holder, who at the same time owns a trade mark, can assert a right on the basis of that trade mark within the meaning of the first possibility provided for in Article 21(1)(a) of Regulation No 874/2004.

39. As regards the fact that the domain name registered on the basis of the trade mark corresponds to a generic term in an official Community language, the Commission states that, although such a circumstance may be significant in the context of Article 3(1)(b) to (d) of Directive 89/104 or Article 7(1)(b) to (d) of Regulation No 40/94 – that is to say, in order to determine whether an absolute ground for refusal precludes registration of the trade mark itself – that circumstance is irrelevant in the context of applying Regulation No 874/2004.

40. In addition, the Commission notes that, according to the Court's case-law, points (b) and (c) of Article 3(1) of Directive 89/104 do not preclude the registration in a Member State, as a national trade mark, of a term borrowed from the language of another Member State in which it is devoid of distinctive character or

descriptive of the goods or services in respect of which registration is sought, unless the relevant sections of the public in the Member State in which registration is sought are capable of identifying the meaning of the term. (9)

C – Question 1(b)

41. The claimant submits that the three options provided for in Article 11 of Regulation No 874/2004 are on a par, as is apparent from the wording of that provision. Moreover, the claimant also calls into question the good faith of the defendant at the time of registration of the claimant's trade mark, the sole reason for which, according to the claimant, was to secure a better starting position for the purpose of securing the domain www.reifen.eu.

42. The defendant contends that the registered trade mark and the domain name at issue are not identical because, in its view, the special character '&' should have been rewritten as 'und' ('and') and not eliminated. Consequently, the claimant has no right to the domain name www.reifen.eu.

43. In the view of the Czech Republic, it matters little, for the purposes of determining the existence of a right within the meaning of Article 21(1)(a) of Regulation No 874/2004, which transcription rules the claimant used to transcribe the trade mark as a domain name. Article 11 of Regulation No 874/2004 does not accord preferential status to any of the possible ways of transcribing special characters.

44. In the opinion of the Italian Republic, no right exists where the trade mark on which the domain registration is based diverges from the domain name in so far as it contains special characters which have been eliminated.

45. The Commission gives a joint answer to part of Question 1(b) and to Questions 2 to 5 (see above). In any event, and as a preliminary point, the Commission notes that the presence of a legitimate interest within the meaning of the second possibility provided for in Article 21(1)(a), read in conjunction with Article 21(2) of Regulation No 874/2004, on the one hand, and the absence of bad faith within the meaning of Article 21(1)(b), read in conjunction with Article 21(3), on the other, constitute a single fact. That point of view is borne out by the choice of use of the domain name by the domain name holder as a criterion relevant both to paragraph 2(a) and to paragraph 3(b)(ii) and (iii) of Article 21 of Regulation No 874/2004.

D – Question 2

46. The claimant, the Czech Republic and the Commission submit that the lists set out in Article 21(2) (a) to (c) of Regulation No 874/2004 are not exhaustive. By contrast, the defendant and the Italian Republic are of the opposite opinion.

E – Question 3

47. The claimant and the Czech Republic submit that, although the claimant did not use the domain name prior to the start of the dispute, or make demonstrable preparation to do so, within the meaning of Article 21(2)(a) of Regulation No 874/2004, and in view of the illustrative and non-exhaustive character of

that provision, the intention of managing a website can be a sufficient ground for the purposes of demonstrating a legitimate interest.

48. In the view of the defendant, the assertion of an intention of using the domain name in a particular way is not sufficient to demonstrate a legitimate interest. A mere assertion of use does not match any of the sets of circumstances referred to in Article 21(2)(a) to (c).

F – Question 4

49. The claimant, the defendant, the Czech Republic and the Commission maintain that the lists set out in Article 21(3)(a) to (e) of Regulation No 874/2004 are not exhaustive.

G – Question 5 50. The claimant submits that an interpretation of Article 21 of Regulation No 874/2004 which allows faults on the part of the registry to be alleged even after the expiry of the 40-day period prescribed for bringing such an action against the registry ('the sunrise appeal period') would run counter to the principle of legal certainty.

51. Moreover, the claimant denies having acted in bad faith, since the cases of 'bad faith' specified in Article 21(3) of Regulation No 874/2004 are designed to combat domain grabbing. However, in the present case, it is a question of the registration of domains consisting of generic terms, which can in no circumstances infringe the rights of third parties, since generic expressions cannot be covered by exclusive rights. Domain grabbing is therefore excluded by definition in cases where domains consisting of generic terms are registered. Consequently, the claimant did not act in bad faith within the meaning of Article 21(3) of that regulation.

52. The defendant and the Czech Republic contend that bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004 is established if the domain name was registered during the first phase of phased registration on the basis of a trade mark which the domain name holder obtained only for the purpose of being able to apply for registration of a domain name during the first phase and thereby to pre-empt other interested parties, including the holders of rights over the mark.

53. According to the Commission, if the person who claims that the domain name should be revoked has, for his part, applied for registration of the same domain name during the first phase of phased registration and if that application has been rejected because of priority being accorded to an earlier application submitted by the holder of the domain name, in accordance with the 'first come, first served' principle laid down in Article 14 of Regulation No 874/2004, the holder of the domain name can oppose revocation by relying on the second possibility provided for in Article 21(1)(a) and on Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(2) and (3) thereof, only if the registration was carried out in accordance with the provisions laid down in Chapter IV of that regulation and, in particular, with Article 11 thereof. As regards Article 11 of Regulation No 874/2004, the Commission maintains that the three options provided for in that

provision for the treatment of special characters can be ranked in order of precedence as follows:

- if a special character has a certain semantic value, as is the case with \$ % & + =, only its rewriting and conversion into a corresponding term can be contemplated;
- if a special character has no semantic value, but is used as a separative element, as is the case with # < > { } [] \ / : ; , . ? - , it should be replaced with a hyphen;
- only if a special character has neither a semantic value nor a separative function, as is the case with ~ ^ * ‘ – , should it be eliminated entirely.

54. Accordingly, in the present case, the special character ‘&’, which occurs several times in the trade mark, should not have been completely eliminated at the time of registration of the domain name, but rewritten as a corresponding term (‘und’ (‘and’)). As a consequence, the registration of the domain name ‘www.reifen.eu’ at issue is contrary to Article 11 of Regulation No 874/2004.

VI – Legal analysis

A – The claimant’s preliminary observations

55. By its preliminary observations, the claimant maintains in essence that any faults committed by the registry with regard to the registration of the domain name cannot be raised against it. In any event, those faults – if any – should have been raised in the context of a procedure directed against the registry under Article 22(1)(b) of Regulation No 874/2004, not a procedure directed against the actual holder of the domain.

56. The claimant’s submissions raise the question of the overlap between the ADR procedure and judicial proceedings and, in particular, the question whether the fact that no procedure has been initiated, pursuant to Article 22(1)(b) of Regulation No 874/2004, against a decision taken by the registry prejudices actions against that decision which are based on complaints which could have been put forward during the ADR procedure, in that it causes them to be time-barred.

57. Even though that question has not been raised formally by the referring court, an answer may be helpful to it, (10) in so far as both Question 1(a) (concerning the circumstances underlying the registration of the trade mark in Sweden) and Question 1(b) (concerning the possible misapplication of the transcription rules for special characters) refer to complaints which could have been the subject-matter of a procedure against a registry decision. Since the defendant directed his case only against the claimant, it remains to be examined whether those complaints may be out of time.

58. In that context, it should be pointed out, on the one hand, that the ADR procedure established by Regulation No 874/2004 was not framed as an arbitration procedure in the strict sense, but rather as a quasi-administrative procedure which does not preclude the bringing – at the same time or subsequently – of proceedings before the national courts. (11) Moreover, that ADR procedure purposely lacks certain characteristic features of judicial proceedings, such as hearing of the

parties and measures of inquiry for the purposes of the production of evidence, which inevitably reduces the scope of the parties’ rights of defence in favour of efficiency. (12)

59. That particular configuration of the ADR procedure is explained, first, by the desire on the part of the legislature to provide for short procedures so as to minimise costs for operators, as had already been suggested by the World Intellectual Property Organisation (WIPO) with regard to the UDRP (Uniform Domain-name Dispute Resolution Policy) rules of the Internet Corporation for Assigned Names and Numbers (ICANN). (13) Secondly, the aim is to protect holders of ‘prior rights’, within the meaning of Article 10 of Regulation No 874/2004, in view, inter alia, of the risk of domain grabbing, which led the legislature to create a procedure whose very structure is designed to favour the holders of such prior rights (14) vis-à-vis the holders of domain names. (15)

60. In the light of the foregoing, it would be contrary to the very idea of the rule of law to take the approach that certain complaints can be submitted only by means of the ADR procedure and that, unless they are first submitted through such a procedure, they are no longer admissible before the national courts. Such an interpretation would render redundant Article 22(13) of Regulation No 874/2004, read in conjunction with Article 21(1) thereof, under which revocation of a domain name by the courts is possible both where the action is brought directly before them and where it is not initiated until after the conclusion of the ADR procedure.

61. On the contrary, the time-barring of complaints not put forward against the EURid registry by means of an ADR procedure under Article 22(1)(b) of Regulation No 874/2004 would be contrary to the spirit of that provision. Article 22(1) allows any party to initiate an ADR procedure either against speculative or abusive registration or against the registry. However, if, by initiating a procedure only against an abusive registration, a party risked no longer being able to put forward complaints against the registry, it would then always have to initiate both procedures in order to be able also to submit its arguments before the courts. Nevertheless, there is nothing in the wording of Article 22(1) to suggest that there was an obligation to initiate both procedures, failing which complaints not raised before the Czech Arbitration Court would be time-barred. 62. In conclusion, the claimant’s preliminary observations are irrelevant and, accordingly, need not be taken into account.

B – Question 1

1. Answer to Question 1(a)

63. By Question 1(a), the referring court asks, in essence, whether its doubts as to whether the registration of the trade mark ‘&R&E&I&F&E&N&’ in Sweden was made in good faith preclude the existence, in formal or procedural terms, of that trade mark right, with the result that it would be possible for that court to interpret the concept of ‘right’ in Article 21(1)(a) of Regulation No 874/2004 in such a way as to deny the

existence of such a right in the circumstances of the present case.

64. In that connection, it should first of all be observed – as the Commission rightly points out in its observations – that neither Directive 89/104 nor the regulation on the Community trade mark makes the registration of a sign conditional upon the intention of its proprietor to use it in connection with the goods or services covered by the application. Moreover, Article 10 of Directive 89/104 and Article 15 of Regulation No 207/2009 grant any proprietor of a national or Community trade mark a period of five years at the most, following registration of the trade mark, during which it is permissible for that proprietor not to put it to genuine use. (16)

65. Moreover, according to the case-law of the Court, points (b) and (c) of Article 3(1) of Directive 89/104 do not preclude the registration in a Member State, as a national trade mark, of a term borrowed from the language of another Member State in which it is devoid of distinctive character or descriptive of the goods or services in respect of which registration is sought, unless the relevant sectors of the public in the Member State in which registration is sought are capable of identifying the meaning of the term. Because of linguistic, cultural, social and economic differences between the Member States, a trade mark which is devoid of distinctive character or descriptive of the goods or services concerned in one Member State is not so in another Member State. (17)

66. Furthermore, bad faith is not among the absolute grounds for refusal of the Community trade mark (Article 7 of Regulation No 207/2009) and, at national level, it is a possible ground for refusal or cancellation under Article 3(2)(d) of Directive 89/104. However, it is clear from the wording of Article 3(2) of Directive 89/104 that Member States are not obliged to include bad faith in their national trade mark laws either as an absolute ground for refusing registration or as a ground for declaring a trade mark invalid.

67. It follows that, even on the assumption that Swedish law provides for the possibility of cancelling a registered trade mark on grounds of bad faith, and given the fact that the registration of trade marks creates rights, it is solely for the national authorities – in this case, the Swedish authorities – to declare invalid the trade mark at issue in the case before the referring court; that is to say, it is for the national administrative authorities to do so through the procedures laid down for that purpose in national law, or for the national judicial authorities to do so in proceedings brought before them in furtherance of a claim or counter-claim.

68. That approach also seems to be more in keeping with the need, described above, for the ADR procedure to be speedy, in so far as Article 21(1)(a) of Regulation No 874/2009, read in conjunction with Article 22 thereof, was not intended to confer on a court such as the Czech Arbitration Court jurisdiction to rule on the validity of the intellectual or industrial property rights underlying the registration of a domain name, but

merely to determine their existence, even if that existence were to be only formal.

69. Thus, even if proceedings were to be brought for the revocation of a trade mark or for a declaration that it is invalid, that mark is sufficient, so long as no declaration has been made to the effect that it has been revoked or is invalid, to be regarded as a ‘right’ within the meaning of Article 21(1)(a) of Regulation No 874/2004. On the other hand, the mere fact of having submitted an application for registration of a trade mark cannot be evidence of the existence of a right but, at the very most, of the existence of a legitimate interest. (18)

70. In conclusion, doubts that the registration of a trade mark may have been made in bad faith cannot negate the existence of that type of intellectual property right and, therefore, where the holder of a domain name has based that name on a national trade mark, he has a right within the meaning of Article 21(1)(a) of Regulation No 874/2004. Those doubts, resulting *inter alia* from the circumstances in which the national trade mark at issue in the proceedings before the referring court was registered, such as the fact that it is a German-language generic term, may be taken into account, where appropriate, in the examination of bad faith within the meaning of Article 21(1)(b).

71. It follows from the foregoing that the answer to Question 1(a) should be that Article 21(1)(a) of Regulation No 874/2004 must be interpreted as meaning that the proprietor of a national trade mark has a right within the meaning of that provision so long as that trade mark has not been cancelled, on grounds of bad faith or on other grounds, by the competent authorities or courts in accordance with the procedures laid down in national law.

2. Answer to Question 1(b)

72. By Question 1(b), the Oberster Gerichtshof seeks to know whether the claimant in the main proceedings can no longer be regarded as having a ‘right’ within the meaning of Article 21(1)(a) of Regulation No 874/2004, if it transpires that the trade mark of which it is the proprietor is not identical to the domain name obtained by it because of a misapplication of the transcription rules laid down in Article 11 of that regulation.

73. The following observations are called for in this connection.

74. In the first place, the fact that the term used as a trade mark is a generic term in a Community language – in this case, the German language – is irrelevant for the purposes of assessing the effect of misapplication of the transcription rules, since the allocation of .eu domain names composed of generic words in Community languages has not been prohibited either by Regulation No 874/2004 or by Regulation No 733/2002.

75. In the second place, it is clear from Article 11 of Regulation No 874/2004, in particular from the last sentence of that provision, (19) that the principle underlying the registration of domain names deriving from prior rights is that they must be identical or there must be the greatest possible similarity between the two.

76. In the third place, as regards the options provided for in the second and third paragraphs of Article 11 for the transcription of special characters, it should be pointed out that – contrary to the assertions of the Commission – the wording of that provision does not establish a hierarchy between the three options (elimination, replacement or rewriting), but only as regards the third option, that of replacing the special characters with normal ones. The fact that exercise of the third option – of rewriting the special characters – is required ‘if possible’ must be understood as indicating that, of the three options, this is the approach preferred by the legislature. (20)

77. However, the phrase ‘if possible’ need not be construed as meaning that rewriting must be carried out whenever the special character in question (in the present case, ‘&’) possesses a semantic content (in the present case, ‘and’). It must be borne in mind that, in accordance with the first paragraph of Article 11, the idea underlying Article 11 was, in particular, to provide a satisfactory solution for complete names composed of a number of words, or textual or word elements separated by spaces, such as the trade mark ‘X&Y’. Clearly, that kind of name comes up against the technical constraints of domain name registration. It was therefore with the aim of overcoming those obstacles that the transcription rules were laid down.

78. In those circumstances, even though replacement of special characters is the preferred option, it is not a question of exercising it automatically whenever the registry is faced with an application containing such a character. On the contrary, it is necessary to exercise that option in such a way as to take account not only of the extent to which it is possible to translate into normal characters the element which is technically incompatible with domain names, but also of the fact that the result produced by the translation must present a certain measure of coherence with the prior right.

79. Thus, even though it is true that the character ‘&’, normally used as a link between two words, can have a semantic content which translates easily into all the Community languages, the quasi-abusive use made of it by the claimant could be perceived as distorting that semantic content. Its positioning before and after each of the letters making up the German word ‘Reifen’ (‘&R&E&I&F&E&N&’) could be seen as completely illogical, particularly when compared with the way in which the symbol ‘&’ is ordinarily used. However, all those observations call for factual assessments which it is not for the Court to carry out.

80. It follows that, if the referring court – which, in the proceedings which have given rise to a reference for a preliminary ruling, alone has jurisdiction to examine the facts – finds that, in the circumstances of the case before it, the character ‘&’ did not have any semantic content, or had lost its semantic content, the registry could not be criticised for eliminating that character at the time of registering the domain name. In that case, the difference between the sign registered as a trade mark and the domain name would be justified; as a consequence, the registration would have been cor-

rect and the claimant would have duly registered its prior right, thus becoming the holder of a ‘right’ within the meaning of Article 21(1)(a) of Regulation No 874/2004.

81. The answer to Question 1(b) should therefore be that a right within the meaning of Article 21(1)(a) of Regulation No 874/2004 exists even if the trade mark which provides the basis for the domain registration differs from the domain name as a consequence of the correct elimination from the latter of the special characters which that trade mark contained. It is for the national court making the reference to determine whether those special characters could have been rewritten.

C – Questions 2 and 3

82. By its second and third questions, which should be dealt with together, the referring court asks how a ‘legitimate interest’ within the meaning of Article 21(1)(a) of Regulation No 874/2004 can be identified in the circumstances of the case before it. In particular, it asks, on the one hand, whether the list of situations in Article 21(2)(a) to (c) of Regulation No 874/2004 is exhaustive and, on the other, whether the mere intention of using a domain name for a thematic Internet portal is sufficient to satisfy the conditions for demonstrating legitimate interest.

83. First of all, since the existence of a ‘right’ within the meaning of Article 21(1) of Regulation No 874/2004 follows from the answer to Question 1, and given that ‘right’ and ‘legitimate interest’ are alternatives for the purposes of satisfying the first condition for the application of that provision, the answers to Questions 2 and 3 are of practically no further use to the national court. Consequently, the observations set out below are purely by way of subsidiary considerations.

84. As regards the question whether the list of situations in points (a) to (c) of Article 21(2) is exhaustive, it should be noted at the outset that a comparison of the various language versions of those provisions reveals an error in the German version. The latter reads as follows: ‘(2) Ein berechtigtes Interesse im Sinne von Absatz 1, Buchstabe a) liegt vor, wenn ...’. That wording – which could be rendered literally as ‘[a] legitimate interest within the meaning of point (a) of paragraph 1 exists where: ...’ – introduces a categorical tone which could lead it to be inferred that a legitimate interest exists only in the cases expressly referred to, which are then set out.

85. By contrast, the wording of a number of other language versions clearly shows that the Community legislature did not seek to limit proof of the existence of legitimate interest to the situations envisaged in points (a), (b) and (c). That is clear from the use of the verb ‘may’, which plainly demonstrates the non-exhaustive character of those hypothetical situations. (21)

86. That literal interpretation of the text is borne out by a teleological argument: among the objectives pursued by Regulation No 874/2004, attention should be drawn to the desire for speedy proceedings before the

ADR panels. In that context, the rules of interpretation – in particular, for terms with a high legal content, such as ‘legitimate interest’ or ‘bad faith’ – must be regarded as an aid provided by the legislature for the ADR panels, in so far as they may consist of only one person (22) and their members will not necessarily be lawyers. (23)

87. In addition, the list of situations in which a legitimate interest may exist is rendered necessary from the schematic point of view: although Regulation No 874/2004 already contains (in Article 10, to which Article 21(1) refers) a very flexible definition of ‘right’ – in particular as regards prior rights – or refers to national and Community laws, it is silent as to the meaning of ‘legitimate interest’, a notion which is only referred to in Article 21. Accordingly, in order to make the task of the panels easier, and in the absence of any provision containing relevant definitions for the purposes of applying the Regulation, the only provision likely to provide guidance on that notion was Article 21 itself. Furthermore, since the list of rights is, by its very nature, open-ended and non-exhaustive, there can be no reason why it should be otherwise in the case of the list relating to ‘legitimate interest’.

88. Consequently, now that it has been concluded that the list of situations envisaged in points (a) to (c) of Article 21(2) of Regulation No 874/2004 is non-exhaustive, it is necessary to focus on the question whether the mere intention of using a domain name is sufficient to meet the condition for demonstrating a legitimate interest.

89. In this context, it is noteworthy that the three situations listed in points (a) to (c) of Article 21(2) of Regulation No 874/2004 expressly call for, or presuppose, use of the name. Only in the first case is it permissible not to require such use, where the holder of that name has made demonstrable preparation for the offering of goods or services.

90. However, a mere declaration of intention to use the domain name could not be regarded as a preparation for making such an offer of goods or services; legal certainty requires proof of the existence of an action plan setting out specific measures for the purpose of starting the proposed activity as soon as possible. If, for example, a detailed business plan had to be accepted as evidence in that regard, other documents indicating a less detailed state of progress – such as draft company memoranda and articles of association or development of a website – should also be accepted as demonstrating the existence of legitimate interest. (24)

91. With regard to the claimant’s argument that, at the material time, it had postponed commencement of preparations for its activity pending the outcome of the present dispute, it must be pointed out that, even if that approach could be regarded as prudent, it could also suggest that all the claimant is seeking is registration of the domain name. However, in the absence of any substantiating evidence, that aim on its own cannot be considered ‘legitimate’ in the ‘sunrise period’, but only

in the ‘landrush period’, in respect of which the applications have not been made subject to any requirement.

92. However, since those assessments regarding intentions and the launching of an activity in support of the domain name are matters of fact, it is for the national court to determine, in the light of all the factual circumstances of the case before it, whether the holder of the domain name has actually proved the existence of such a plan, or produced the requisite documents or other evidence in the abs

ence of which a legitimate interest could not be inferred from the mere intention to use the domain name.

D – Questions 4 and 5

93. By these two questions, which should be examined together, the Oberster Gerichtshof seeks, in essence, to ascertain, first, whether the claimant’s conduct was in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004 and, secondly, whether the list in Article 21(3) of situations indicative of bad faith is exhaustive.

94. First, as regards the question whether the list set out in Article 21(3) is exhaustive, it should simply be pointed out that, again, there is a mistake in the German language version of Regulation No 874/2004. As with Question 2, (25) a simple comparison of the language versions reveals that the German version – ‘Bösgläubigkeit im Sinne von Absatz 1 Buchstabe b) liegt vor, wenn’ – is framed in terms which are too categorical and, from the grammatical point of view, limits cases of bad faith to those described in the list in Article 21(3). By contrast, the other language versions (26) all introduce an important nuance by adding the auxiliary verb ‘may’, which makes it clear that the list is describing situations by way of example and, accordingly, prevents the list from appearing exhaustive. In those circumstances, the German version should be interpreted in the light of the other language versions. (27)

95. That literal interpretation of the text is borne out, in the first place, by the same teleological argument as that put forward with regard to the interpretation of Article 21(2) of Regulation No 874/2004, concerning the perfunctory nature of ADR proceedings and the possibility that the panel members may not have legal training, which would have prompted the legislature to seek to help them by providing examples. (28) 96. With regard to bad faith, it should be added that, given that the aim of Regulation No 874/2004 is to prevent or avert domain grabbing, the Community legislature sought to provide those panels with typical examples of the kind of conduct which it considers, in any event, to be inconsistent with good faith.

97. From the schematic point of view, good faith is also clearly required under point (c) of the first paragraph of Article 3 of Regulation No 874/2004, in the form of an affirmation attached to the request for domain name registration, as an element necessary for the validation of that request. Since, under point (c) of the first paragraph of Article 20 of Regulation No 874/2004, the registry may on its own initiative revoke a domain name for breach by the holder of the terms of

registration, it follows that revocation for lack of good faith means that the registry must first have verified the existence of a situation indicative of bad faith; however, no limits are placed on the possible grounds for categorising conduct as being in bad faith. Given that the reference to bad faith for the purposes of registration takes the form of a general phrase, it is scarcely credible that the legislature would have conferred on the registry competence to interpret bad faith on its own initiative, free of any restrictions; but, if the list in Article 21(3) were regarded as exhaustive, the effect would be that the competence of extrajudicial or judicial bodies to interpret bad faith would be limited to the grounds expressly specified in the list set out in that provision.

98. The question raised by the referring court was nevertheless important in so far as that court doubts whether the claimant's conduct corresponds to one of the situations expressly referred to in the list set out in Article 21(3). If those situations – which, moreover, reflect typical forms of domain-grabbing conduct – were exhaustive, the national court would be compelled to conclude that there had been no bad faith.

99. In the second place, the acceptance of other grounds for categorising conduct as being in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004 means that I must identify the relevant criteria against which to test the claimant's conduct for bad faith.

100. In that regard, the Court has already explained that, in order to determine the existence of bad faith, it is necessary to carry out an overall assessment, taking into account all the factors relevant to the particular case. (29) Even though it gave that ruling in the context of a trade mark case relating to the interpretation of Article 51(1)(b) of Regulation No 40/94, there is nothing to prevent the same reasoning being applied by analogy. Both situations involve the acquisition of rights (whether a trade mark or the exclusive use of a domain name) through registration with an official registry.

101. The following factors, mentioned in the questions referred for a preliminary ruling, may be relevant for the purposes of determining whether the claimant acted in bad faith:

- the circumstances in which the trade mark was acquired: for the purpose of being able to request registration of the domain name in the first phase;
- the fact that the domain name is a German-language generic name; and
- the possibly abusive use of the '&' character in order to influence the application of the transcription rules laid down in Article 11 of Regulation No 874/2004.

In relation to those factors, the following clarifications are called for.

102. It should first be noted that the fact that, by registering a trade mark in a Member State where it does not envisage any professional activity in connection with that mark, the sole intention of the proprietor of the trade mark was to ensure that it would be in a better position than its competitors at the time of the granting

of the domain name does not, on its own, constitute proof of bad faith on its part.

103. Regulation No 874/2004 itself, by providing for the 'sunrise period', allows holders of prior rights, including registered trade marks, to request the domain name corresponding to that prior right and, in doing so, favours applicants who do not hold any such rights. Consequently, the circumstance of having secured a more favourable position cannot be regarded as indicative of 'bad faith' unless a combination of other factors were to demonstrate that that advantage would not have fallen to the claimant in normal circumstances and that that favourable situation is the consequence of conduct which it knew to be contrary to fair trading practices. It is, in fact, a matter of examining those other circumstantial factors which could prove bad faith on the part of the claimant.

104. Consequently, so far as the conditions for obtaining the trade mark '&R&E&I&F&E&N&' are concerned, although it is permissible for the proprietor of a sign to register it in the country of his choice, the fact none the less remains that a trade mark registered in a country where its proprietor does not intend to use it in any circumstances – as seems apparent in the present case from the file which the referring court passed on to the Court – is not required to fulfil its essential function, which is to ensure that the consumer or end user can identify the origin of the goods or service. (30) Since the claimant is not present on the Swedish market, that trade mark would not protect any goods or service on that market.

105. However, that factor on its own is not sufficient for the conduct of the claimant in the main proceedings to be categorised as being in bad faith, in so far as – as has been pointed out – Directive 89/104 does not oblige the proprietor of a trade mark to use it for a period of up to five years after the date of registration. That said, the manifest intention, as in the present case, not to sell goods or services in Sweden – in particular safety belts, since it was intended to market tyres – may be a further indication that the trade mark was obtained for a purpose unrelated to its essential function or even to its other functions, such as that of guaranteeing the quality of the goods or services in question, or those of communication, investment or advertising. (31)

106. In that context, the registration in Sweden, a non-German-speaking country, of a word mark deriving from the German language merits particular attention.

107. Thus, that factor is undoubtedly such as to demonstrate that the trade mark fulfilled only a secondary, but necessary, function in relation to the purpose of obtaining the domain name. In terms of fair conduct, the claimant could not have registered the trade mark 'Reifen' in a German-speaking country, since generic word signs are devoid of any distinctive character, in particular if they are descriptive. (32) However, it is precisely in those countries that protection of the trade mark ought to have met the needs of the proprietor, since its operational market – the market in tyres – is limited, according to the referring court, to the German-speaking countries.

108. Admittedly, generic names are not excluded from the '.de' or '.at' registers, just as they are not excluded from the '.eu' register. (33) However, since the claimant was unable to secure registration of the generic trade mark 'Reifen' for the German-speaking markets, where it planned to carry out its activity, it should have waited for the opening of the 'landrush' phase in order to try to secure its domain name on an equal footing with the other parties wishing to register that same name, in accordance with the 'first come, first served' principle, (34) a modern form of the Roman adage 'prior tempore potior iure'. (35)

109. As it is, by means of the device of registering a trade mark which it did not intend to use, the claimant merely avoided having to wait for the phase of general registration of domain names ('landrush period'), to the detriment of the other parties interested in the same domain name, and thus contrary to the spirit of Regulation No 874/2004 which intended that the 'first come, first served' rule should apply during that period as well.

110. Lastly, account must also be taken of the claimant's possibly abusive use of the '&' character in order to influence the application of the transcription rules under Article 11 of Regulation No 874/2004.

111. The second factor which contributed to the claimant's obtaining the domain name by avoiding the competition of the 'landrush' phase was the registration of the trade mark with the disproportionate and illogical use of the '&' character. Thus, in the sign '&R&E&I&F&E&N&', the '&' character tends to lose its traditional meaning ('and', 'et') and become only a sort of backdrop or ornamental background to the word actually intended, a fact which would have justified its elimination, but not its transcription, at the time of registration.

112. Moreover, the large-scale registration of trade marks – 33 of them – in the Swedish register, all by the same process, using the '&' character, may also be evidence of lack of good faith on the part of the domain name holder, in so far as those registrations could, as the case may be, match one of the situations specified in points (a), (b) or (d) of Article 21(3), which describe typical forms of 'domain-grabbing' conduct.

113. All those circumstances inevitably bring to mind the principle of 'abuse of rights', with regard to which the Court has already held that evidence of an abusive practice requires, first, a combination of objective circumstances in which, despite formal compliance with the conditions laid down by the Community rules, the purpose behind those rules has not been achieved and, secondly, a subjective element consisting in the intention to obtain an advantage from the Community rules by creating artificially the conditions laid down for obtaining that advantage. (36)

114. In the light of the foregoing considerations, the answer to Questions 4 and 5 should be that, for the purposes of determining whether conduct can be categorised as being in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(3) thereof, the situations

specified in which are not exhaustive, the national court is required to take into account all the relevant factors specific to the case before it, including:

- the circumstances in which the trade mark was acquired, in particular the intention not to use it on the market for which protection was sought;
- the fact that the trade mark is a German-language generic name; and
- the possibly abusive use of the '&' character in order to influence the application of the transcription rules under Article 11 of Regulation No 874/2004, in so far as the sole purpose of the registration is to be able to request registration of the domain name corresponding to the trade mark in the first phase of domain name registration (the 'sunrise period'), as provided for in that regulation.

VII – Summary

115. The analysis carried out in this Opinion leads me to suggest an approach whereby, even though it is difficult, to my mind, to deny that the claimant has a right within the meaning of Article 21(1)(a) of Regulation No 874/2004, a combination of factors might nevertheless demonstrate its bad faith.

116. Thus, obtaining a national trade mark constitutes a right which renders the claimant a beneficiary of the legal position required under that provision, since only cancellation of that trade mark in accordance with the relevant national procedures can deprive it of that benefit. However, the difference between the trade mark and the domain name is apparently due to what was probably a correct application of the transcription rules, so it is not possible either to blame the claimant for that difference with a view to annulling its right within the meaning of Article 21(1)(a) of Regulation No 874/2004.

117. However, the various steps undertaken by the claimant constitute links in a chain culminating in the registration of the domain name. Despite the fact that all those steps, considered in isolation, are formally valid, the process as a whole points to an intention to evade the provisions of Regulation No 874/2004 by means of a trade mark which is necessary for it only for the purpose of being able to take advantage of the first phase of domain name registration. By acting in that way, the claimant obtains an advantage over the other parties interested in the same domain name – which, moreover, is a generic word in German – an advantage which it would not have had if it had acted fairly.

118. By its misconduct, it prevents the other interested parties from participating in the grant of the domain name in accordance with the 'first come, first served' rule. To accept that such conduct is a 'stroke of genius' would mean that the race will no longer go to the fastest but to the craftiest – whoever finds the best shortcut – which would be contrary to the very spirit of Regulation No 874/2004.

VIII – Conclusion

119. In the light of the foregoing considerations, I suggest that the Court answer the questions referred by the Oberster Gerichtshof as follows:

(1) Article 21(1)(a) of Commission Regulation (EC) No 874/2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration must be interpreted as meaning that the proprietor of a national trade mark has a right within the meaning of that provision so long as that trade mark has not been cancelled, on grounds of bad faith or on other grounds, by the competent authorities or courts in accordance with the procedures laid down in national law.

That right exists even if the trade mark which provides the basis for the domain registration differs from the domain name as a consequence of the correct elimination from the latter of the special characters which that trade mark contained. It is for the national court making the reference to determine whether those special characters could have been rewritten.

(2) For the purposes of determining whether conduct can be categorised as being in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(3) thereof, the situations specified in which are not exhaustive, the national court is required to take into account all the relevant factors specific to the case before it, including:

- the circumstances in which the trade mark was acquired, in particular the intention not to use it on the market for which protection was sought;
- the fact that the trade mark is a German-language generic name; and
- the possibly abusive use of the ‘&’ character in order to influence the application of the transcription rules under Article 11 of Regulation No 874/2004, in so far as the sole purpose of the registration is to be able to request registration of the domain name corresponding to the trade mark in the first phase of domain name registration (the ‘sunrise period’), as provided for in that regulation.

1 – Original language: French.

2 – Commission Regulation of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (OJ 2004 L 162, p. 40).

3 – According to the national court, the name of the trade mark is made up of the first three letters of the German words ‘Reinigungsmittel’ (cleaning agents) and ‘Fenster’ (window); but the word ‘Reifen’ in itself means tyre.

4 – OJ 2002 L 113, p. 1.

5 – Footnote not applicable in the English version.

6 – In Case No 00910.

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

8 – Council Regulation of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1). That regulation was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), in force

since 13 April 2009. However, it is merely a codified version, which has not altered the substantive content of the main provisions.

9 – Case C-421/04 Matratzen Concord [2006] ECR I-2303.

10 – It is established practice in the Court’s case-law to provide the national courts with answers which are helpful for the purposes of deciding cases in which questions have been raised for a preliminary ruling; see, for example, Case C-41/90 Höfner and Elser v Macrotron [1991] ECR I-1979, paragraph 16; Case C-445/06 Danske Slagterier v Bundesrepublik Deutschland [2009] ECR I-0000, paragraph 29; and Joined Cases C-402/07 and C-432/07 Sturgeon and Others [2009] ECR I-0000, paragraph 28.

11 – To that effect, Rule A5 of the .eu Alternative Dispute Resolution Rules (‘the ADR Rules’; see http://eu.adr.eu/html/en/adr/adr_rules/eu%20adr%20rules.pdf) provides that ‘[t]he conduct of the ADR Proceeding shall not be prejudiced by any court proceeding, subject to Paragraph A4(c) above ...’. Paragraph A4(c) reads as follows: ‘The Panel shall terminate the ADR Proceeding if it becomes aware that the dispute that is the subject of the Complaint has been finally decided by a court of competent jurisdiction or an alternative dispute resolution body’. Moreover, those provisions show that the procedure is not mandatory, contrary to what has been maintained; to that effect, see Muñoz, ‘L’enregistrement d’un nom de domaine “.eu”’, *Journal des tribunaux – Droit Européen*, 2005, No 120, p. 164.

12 – Bettinger, T., ‘Alternative Streitbeilegung für “.EU”’, *Wettbewerb in Recht und Praxis*, No 5/2006, p. 551.

13 – Fromkin, M., ‘ICANN’s Uniform Dispute Resolution Policy, Causes and (Partial) cures’, *Brooklyn Law Review*, Volume 67, Spring 2002, No 3, p. 636.

14 – This has been criticised as unfair, in so far as (to confine the analysis to time periods alone), the right of the proprietor of a trade mark to bring proceedings before the courts is not subject to any temporal limits, whereas the defender of a contested domain name has, by contrast, only 30 days in which to bring the Arbitration Court’s decision before the national courts. Defosse, A., ‘Conflits entre titulaires de nom de domaine .eu et de droit de marque: une première analyse’, *Revue du Droit de l’Union Européenne*, No 2/2007, p. 375.

15 – That situation, typical of this kind of procedure, and known as ‘trademark bias’, has not been without its critics. See Fromkin, M., cited above, p. 674. See also Tardieu-Guigues, E., ‘“Eurostar.eu”, la première contestation judiciaire de l’enregistrement d’un nom de domaine en < .eu >’, *Revue LAMY droit de l’immatériel*, No 15, April 2006, p. 35, for whom ‘the general principles which guide alternative dispute resolution procedures are not in the interests of applicants [for domain names]’.

16 – With regard to the notion of ‘genuine use’, see, inter alia, Case C-246/05 Häupl [2007] ECR I-4673; Case C-442/07 Verein Radetzky-Orden [2008] ECR I-

9187; and Case C-495/07 Silberquelle [2009] ECR I-0000.

17 – Matratzen Concord, paragraphs 25 and 32, and Case C-238/06 P Develey Holding v OHIM [2007] ECR I-9375, paragraph 58.

18 – This also seems to be the test applied by the Czech Arbitration Court; Scheunemann, K., *Die .eu. Domain – Registrierung und Streitbeilegung*, Nomos, Baden-Baden, 2008, p. 240.

19 – Which reads as follows: ‘...[i]n all other respects, the domain name shall be identical to the textual or word elements of the prior right name.’

20 – This interpretation also seems to have been preferred by the ADR panels, although that has not succeeded in limiting fraud; Mietzel, J. G., ‘Die ersten 200 ADR-Entscheidungen zu .eu-Domains – Im Spagat zwischen Recht und Gerechtigkeit’, *Multimedia und Recht*, No 5/2007, p. 284.

21 – Thus, that same provision is worded as follows: in English, ‘[a] legitimate interest within the meaning of point (a) of paragraph 1 may be demonstrated where’; in French, ‘[l]’existence d’un intérêt légitime au sens du paragraphe 1, point a), peut être démontrée quand :’; in Italian, ‘[i]l legittimo interesse ai sensi del paragrafo 1, lettera a), può essere dimostrato ove:’; in Spanish, ‘[p]odrá quedar demostrada la existencia de intereses legítimos a efectos de la letra a) del apartado 1 en los casos en que:’; in Dutch, ‘[e]en gewettigd belang in de zin van lid 1, onder a), kan worden aangetoond wanneer:’; and in Slovene, ‘[l]egitimen interes v smislu točke (a) odstavka 1 se lahko izkaže, če:’ (emphasis added).

22 – In accordance with Article 23(2) of Regulation No 874/2004.

23 – This is apparent from the second subparagraph of Article 23(2) of Regulation No 874/2004, which requires them only to have ‘appropriate expertise’.

24 – That, at least, is the argument put forward by some academic writers; Bettinger, T., Willoughby, A. & Abel, S. M., *Domain Law and Practice – An International Handbook*, Oxford, 2005, p. 278; Scheunemann, K., *op. cit.*, p. 245.

25 – See points 84 and 85 of this Opinion.

26 – In English, ‘[b]ad faith, within the meaning of point (b) of paragraph 1 may be demonstrated, where:’; in French, ‘[l]a mauvaise foi au sens du paragraphe 1, point b), peut être démontrée quand :’; in Italian, ‘[l]a malafede ai sensi del paragrafo 1, lettera b), può essere dimostrata ove:’; in Spanish, ‘[p]odrá quedar demostrada la mala fe a efectos de la letra b) del apartado 1 en los casos en que ...’; in Dutch, ‘[k]wade trouw in de zin van lid 1, onder b), kan worden aangetoond wanneer:’; and in Slovene, ‘[n]epoštenost v smislu točke (b) odstavka 1 se lahko izkaže, če:’ (emphasis added).

27 – A contrary position, to the effect that the list is exhaustive, has been maintained by arguing that the addition of the general good faith clause to the grounds expressly provided for would be liable to result in a different interpretation according to the different national courts, a situation compounded by the fact that some of

the criteria used would be those deriving from trade mark law, which are not in harmony with those for domain names; Kipping, D., *Das Recht der .eu-Domains*, Ed. Carl Heymanns, Cologne/Munich, 2008, p. 40. However, the method of comparing language versions has traditionally been used by the Court in order to establish the meaning of Community legislative provisions. Where, as in the present case, the error appears in only one of the languages, all the others having the same semantic content, the only conclusion which can be drawn is that there is a mistake in that version. In addition, point (c) of the first paragraph of Article 3 of Regulation No 874/2004 also contains a reference to good faith, expressed as a general phrase which is not exclusively linked to the situations listed in Article 21, although there is still no need to advocate any limitation of the interpretation of that phrase.

28 – See point 87 of this Opinion.

29 – Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* [2009] ECR I-0000, paragraph 37.

30 – See, *inter alia*, *Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM* [2004] ECR I-5089, paragraph 48.

31 – With regard to the other functions of a trade mark, recently recognised by the case-law of the Court, see Case C-487/07 *L’Oréal and Others* [2009] ECR I-0000, paragraph 58.

32 – In German law, see Ströbele, P., ‘Absolute Schutzhindernisse – Unterscheidungskraft’, Ströbele/Hacker, *Markengesetz Kommentar*, ninth edition, Carl Heymanns, Cologne, 2009, p. 242.

33 – However, a few differences between the national laws should be noted. Thus, in Austria itself, the case-law seems to have tempered an initial suspicion as regards whether the registration of generic terms as domain names was consistent with the requirement to act in good faith; Haller, A., ‘Internet-Domains – ein Überblick’, in Brenn (ed.), *ECG/E-Commerce-Gesetz*, Manz, Vienna, 2002, p. 109. Spanish law, on the other hand, expressly prohibits by statute the registration of generic terms covering products, services, establishments, sectors of industry, professions and trades, religions, and so on; Plaza Penadés, J., ‘Propiedad intelectual y sociedad de la información’, in García Mexía, P. (ed.), *Principios de Derecho de Internet*, Tirant lo Blanch, Valencia, 2005, p. 380. In Italy, by contrast, the registration of generic terms is not prohibited by statute but the case-law also seems to be moving towards at least partial prohibition; Casaburi, G., ‘Nomi a dominio Internet e tutela della proprietà industriale’, *Rivista Giuridica di merito De Jure*, No 5, May 2008, p. 12. In France and the United Kingdom, no prohibition of registration of generic domain names seems to exist; for French law, Azéma, J. and Galloux, J.-C. *Droit de la propriété industrielle*, Dalloz, sixth edition, Paris, 2006, p. 917; for United Kingdom law, see Morcom, Roughton, Graham and Malynicz, *The Modern Law of Trade Marks*, second edition, Lexis Nexis Butterworths, London, 2005, pp. 377 and 378.

34 – See the 11th recital in the preamble to Regulation No 874/2004, which states that ‘... [a]fter the termina-

tion of the phased registration the principle of first come first served should apply in the allocation of domain names’.

35 – Codex Iustinianus. Corpus Iuris Civilis, vol. II, Krüger, Berlin, 1954, 8.17 (18)3(4).

36 – 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.
