

Court of Justice EU, 22 June 2016, Nikolajeva v Multi Protect



## TRADEMARK LAW

EU trade mark court not held to prohibit from proceeding with acts of infringement of a trademark when the proprietor of such a trade mark has not applied for such an order (Article 102 CTM-Regulation)

- In the light of the foregoing considerations, the answer to the first question is that Article 102(1) of Regulation No 207/2009 must be interpreted as not precluding an EU trade mark court from refraining, pursuant to certain principles of national procedural law, from issuing an order which prohibits a third party from proceeding with acts of infringement on the ground that the proprietor of the trade mark concerned has not applied for such an order before that court.

28 It should be recalled that Article 101(3) of Regulation No 207/2009 states that, unless otherwise provided in that regulation, an EU trade mark court is to apply the rules of procedure governing the same type of action relating to a national trade mark in the Member State in which the court is located.

29 Since Regulation No 207/2009 does not provide otherwise, it does not preclude application of the principle that the subject matter of proceedings is determined by the parties and of the principle of *ne ultra petita*.

- There is no need to examine whether the absence of an obligation is justified on the basis that there is a ‘special reason’ (Article 102(1) CTM-Regulation)

31 As the absence of an obligation to issue an order referred to in Article 102(1) of Regulation No 207/2009 therefore follows from the application, which the regulation does not preclude, of rules of national procedural law, there is no need to examine whether that absence of an obligation is justified on the basis that there is a ‘special reason’ within the meaning of that provision.

**No compensation possible in respect of acts of third parties occurring before publication for registration of a trade mark (Article 9(3) CTM-Regulation)**

- In the light of all the foregoing considerations, the answer to the second and third questions is that the second sentence of Article 9(3) of Regulation No 207/2009 must be interpreted as precluding the proprietor of an EU trade mark from being able to claim compensation in respect of acts of third

parties occurring before publication of an application for registration of a trade mark.

38 However, in order to grant applicants for registration of a trade mark a degree of protection in the period between the date of publication of the application — the date from which the application is deemed to be known to third parties — and the date of publication of the mark’s registration, the second sentence of Article 9(3) of Regulation No 207/2009 lays down a right to ‘*reasonable compensation*’ in respect of acts having taken place during that period which, had they occurred after the date of registration of the mark, would have been prohibited.

**Reasonable compensation for acts of third parties committed during the period after publication of the application for registration of the mark but before publication of its registration also refers to recovery of the profits, but it is not intended to make good all the harm, including non-material harm (Article 9(3) CTM-Regulation)**

- In the case of acts of third parties committed during the period after publication of the application for registration of the mark concerned but before publication of its registration, the concept of ‘reasonable compensation’ in that provision refers to recovery of the profits actually derived by third parties from use of the mark during that period.

55 Whilst those provisions apply, in themselves, only to acts of infringement and therefore to acts which have occurred after publication of the registration of the trade mark concerned and not to acts before its publication, such as those referred to in the second sentence of Article 9(3) of Regulation No 207/2009, it may, however, be inferred from them, as the Advocate General has, in essence, also observed in [point 51 of his Opinion](#), that the sum payable by way of ‘*reasonable compensation*’ cannot exceed the reduced compensation provided for in Article 13(2) of Directive 2004/48.

- On the other hand, that concept of ‘reasonable compensation’ rules out compensation for the wider harm which the proprietor of the mark may have suffered, including, as the case may be, moral prejudice.

56 Since the second sentence of Article 9(3) of Regulation No 207/2009 seeks to attach conditional rights to a trade mark from publication of the application for its registration and even before publication of its registration, the ‘*reasonable compensation*’, within the meaning of that provision, must have a narrower scope than the damages which may be claimed by the proprietor of an EU trade mark for acts of infringement occurring after publication of the registration of that mark and which are intended, in principle, to ensure full compensation for the harm actually suffered, which may, as the case may be, include moral prejudice.

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**Court of Justice EU, 22 June 2016**

JUDGMENT OF THE COURT (Seventh Chamber)

22 June 2016 (\*)

*(Reference for a preliminary ruling — EU trade mark — Regulation (EC) No 207/2009 — Article 9(3) and Article 102(1) — Obligation on an EU trade mark court to issue an order prohibiting a third party from proceeding with acts of infringement — No application seeking such an order — Concept of ‘special reasons’ for not ordering such a prohibition — Concept of ‘reasonable compensation’ in respect of acts occurring after publication of an application for registration of an EU trade mark and before publication of the registration of the trade mark)*

In Case C-280/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Harju Maakohus (Harju District Court, Estonia), made by decision of 2 June 2015, received at the Court on 10 June 2015, in the proceedings

Irina Nikolajeva

v

Multi Protect OÜ,

THE COURT (Seventh Chamber),

composed of C. Toader, President of the Chamber, A. Prechal (Rapporteur) and E. Jarašiūnas, Judges,

Advocate General: M. Wathelet,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

– Multi Protect OÜ, by U. Ustav and T. Pukk, vandeadvokaadid,

– the Estonian Government, by K. Kraavi-Käerdi, acting as Agent,

– the Greek Government, by K. Georgiadis, acting as Agent,

– the European Commission, by J. Samnadda, E. Randvere and T. Scharf, acting as Agents,

after hearing the [Opinion of the Advocate General](#) at the sitting on 21 April 2016,

gives the following

**Judgment**

1 This request for a preliminary ruling concerns the interpretation of Article 9(3) and Article 102(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).

2 The request has been made in an action brought by Irina Nikolajeva against Multi Protect OÜ for infringement of an EU trade mark.

**Legal context****EU law**

Regulation No 207/2009

3 Article 9 of Regulation No 207/2009, headed ‘Rights conferred by an EU trade mark’, states:

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

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

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

...

2. The following, inter alia, may be prohibited under paragraph 1:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(c) importing or exporting the goods under that sign;

(d) using the sign on business papers and in advertising.

3. The rights conferred by an EU trade mark shall prevail against third parties from the date of publication of registration of the trade mark. Reasonable compensation may, however, be claimed in respect of acts occurring after the date of publication of an EU trade mark application, which acts would, after publication of the registration of the trade mark, be prohibited by virtue of that publication. The court seised of the case may not decide upon the merits of the case until the registration has been published.’

4 Article 14 of Regulation No 207/2009, headed ‘Complementary application of national law relating to infringement’, provides:

‘1. The effects of EU trade marks shall be governed solely by the provisions of this Regulation. In other respects, infringement of an EU trade mark shall be governed by the national law relating to infringement of a national trade mark in accordance with the provisions of Title X.

2. This Regulation shall not prevent actions concerning an EU trade mark being brought under the law of Member States relating in particular to civil liability and unfair competition.

3. The rules of procedure to be applied shall be determined in accordance with the provisions of Title X.’

5 As stated in Article 96 of Regulation No 207/2009, headed ‘Jurisdiction over infringement and validity’:

‘The EU trade mark courts shall have exclusive jurisdiction:

(a) for all infringement actions ...;

...

(c) for all actions brought as a result of acts referred to in Article 9(3), second sentence;

...

6 Article 101 of Regulation No 207/2009, headed ‘Applicable law’, provides:

‘1. The EU trade mark courts shall apply the provisions of this Regulation.

2. On all matters not covered by this Regulation an EU trade mark court shall apply its national law, including its private international law.

3. Unless otherwise provided in this Regulation, an EU trade mark court shall apply the rules of procedure governing the same type of action relating to a national trade mark in the Member State in which the court is located.'

7 Article 102 of Regulation No 207/2009, headed 'Sanctions', provides:

'1. Where an EU trade mark court finds that the defendant has infringed or threatened to infringe an EU trade mark, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with.

2. In all other respects the EU trade mark court shall apply the law of the Member State in which the acts of infringement or threatened infringement were committed, including the private international law.'

Directive 2004/48/EC

8 Article 13 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ 2004 L 157, p. 45, and corrigendum at OJ 2004 L 195, p. 16), headed 'Damages', provides:

'1. Member States shall ensure that the competent judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him/her as a result of the infringement.

When the judicial authorities set the damages:

(a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement;

or

(b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

2. Where the infringer did not knowingly, or with reasonable grounds [to] know, engage in infringing activity, Member States may lay down that the judicial authorities may order the recovery of profits or the payment of damages, which may be pre-established.'

Estonian law

9 Paragraph 8(2) of the kaubamärgiseadus (Law on Trade Marks) of 22 May 2002 (RT I 2002, 49, 308), in the version applicable in the main proceedings, provides:

'The legal protection of a registered trade mark begins on the date of filing of the application for registration ... and continues in existence for ten years from the date of registration'.

10 Paragraph 57 of that law, headed 'Protection of the exclusive right', provides in subparagraph 1:

'The trade mark proprietor may bring an action against a person who infringes the exclusive right, including against any licensee who has breached the terms of the licence agreement, seeking:

(1) termination of the infringement of the right;

(2) compensation for financial damage caused intentionally or negligently, including lost profit, and damages for non-material harm.

...'

11 Paragraph 4(2) of the tsiviilkohtumenetluse seadustik (Code of Civil Procedure) of 20 April 2005 (RT I 2005, 26, 197), in the version applicable in the main proceedings ('the Code of Civil Procedure'), states:

'In legal proceedings, the parties shall determine the subject matter of the dispute and the course of the procedure and shall decide on the making of applications and the lodging of appeals.'

12 Paragraph 5 of that code, headed 'Proceedings conducted on the basis of the requests of the parties', provides in subparagraph 1:

'An action shall proceed on the basis of the facts as set out by the parties and the applications made, based on the claim.'

13 Paragraph 439 of that code, headed 'Limits on adjudication upon the action', provides:

'In its decision, the court may not go beyond the limits of the claim and may not decide on a claim that has not been put forward.'

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

14 Ms Nikolajeva is the proprietor of the EU word mark HolzProf. The application for registration of that mark was filed on 24 April 2010 and then published on 31 May 2010. The mark was registered on 14 September 2010 under number CTM 00905381 and the registration was published on 16 September 2010.

15 On 24 April 2010 Ms Nikolajeva entered into a licence agreement under which she granted Holz Prof OÜ the right to use her trade mark in return for payment of a monthly fee of EUR 1 278.

16 Alleging that Multi Protect had used her trade mark unlawfully in the period from 3 May 2010 to 28 October 2011, in particular by using a sign identical to that mark as a 'hidden keyword' on a website accessible through the internet, Ms Nikolajeva brought proceedings against that company before the Harju Maakohus (Harju District Court, Estonia).

17 Ms Nikolajeva put forward three heads of claim before the referring court.

18 First, she applied for a declaration that an act of infringement, constituted by Multi Protect's unlawful use of her mark, had occurred, submitting that that use was contrary to Article 9(1)(a) and (2)(d) of Regulation No 207/2009.

19 Secondly, she pleaded unjust enrichment linked to that infringement, claiming payment of EUR 22 791 in respect of restitution of the advantage improperly obtained by means of the alleged infringement, a sum calculated by multiplying the duration of the infringement, that is to say, a period totalling 17 months and 25 days, by the amount of the monthly fee set in the licence agreement.

20 Thirdly, she applied for compensation for the non-material harm which she claimed to have suffered, in an amount to be set by the court hearing the case. In this respect, she pleaded in particular that the bringing of the matter before the referring court and the institution of criminal proceedings on account of the same acts of infringement caused her mental suffering. She stated that on account of those acts the state of her health deteriorated and the dispute in question had adverse effects on business relationships.

21 The referring court considers that, in the main proceedings, the question arises, in the first place, whether the first sentence of Article 102(1) of Regulation No 207/2009 must be interpreted as meaning that, as an EU trade mark court, it is required to issue an order prohibiting acts of infringement from being proceeded with although, in her action, the claimant has not requested that such a prohibition be ordered and also has not pleaded an infringement of the exclusive right conferred by her trade mark after 28 October 2011, but has merely applied for a declaration that acts of infringement occurred during a period before that date.

22 It states in this regard that under the applicable national law, in particular the principle, set out in Paragraph 4(2) of the Code of Civil Procedure, that the subject matter of proceedings is determined by the parties and the principle of *ne ultra petita* laid down in Paragraph 439 of that code, a national court can issue an order such as that referred to in the first sentence of Article 102(1) of Regulation No 207/2009 only if an application seeking such an order has been made to it.

23 Referring to the judgment of [14 December 2006 in Nokia \(C-316/05, EU:C:2006:789\)](#), the referring court considers that the question may also arise whether the fact that the applicant in the main proceedings has not applied for an order prohibiting the infringement from being proceeded with may constitute a '*special reason*' within the meaning of the first sentence of Article 102(1) of Regulation No 207/2009 which would justify it being able to uphold her first head of claim without having to issue an order laying down that prohibition.

24 In the second place, the referring court raises the issue of the scope of the concept of '*reasonable compensation*' referred to in the second sentence of Article 9(3) of Regulation No 207/2009, in particular whether such compensation may be obtained in respect of acts occurring before publication of an application for registration of an EU trade mark and whether such compensation is intended to make good all the harm suffered by the proprietor of the mark concerned, including non-material harm.

25 In those circumstances, the Harju Maakohus (Harju District Court) decided to stay proceedings and refer the following questions to the Court of Justice for a preliminary ruling:

*'1. Is an EU trade mark court required to issue the order provided for in Article 102(1) of Regulation No 207/2009 if the applicant does not seek such an order in his claims and the parties do not allege that the defendant has infringed or threatened to infringe an EU trade mark after a specific date in the past, or does failure to make an application to that effect and to refer to this fact represent a "special reason" within the meaning of the first sentence of this provision?*

*2. Is Article 9(3) of Regulation No 207/2009 to be interpreted as meaning that the proprietor of an EU trade mark may only demand reasonable compensation from a third party on the basis of the second sentence of Article 9(3) of Regulation No 207/2009 for use of a sign identical with the trade mark in the period from the publication of the application for registration of the trade mark until the publication of the registration of the trade mark, but not compensation for the normal value of what has been gained as a result of the infringement and for damage, and that there is also no right to reasonable compensation for the period prior to publication of the application for registration of the trade mark?*

*3. What type of costs and other forms of compensation are included in reasonable compensation under the second sentence of Article 9(3) of Regulation No 207/2009, and can this also encompass in certain circumstances (and if so, in which circumstances) compensation for non-material harm caused to the proprietor of the trade mark?'*

#### **Consideration of the questions referred**

##### **Question 1**

26 By its first question, the referring court asks, in essence, whether Article 102(1) of Regulation No 207/2009 must be interpreted as requiring an EU trade mark court to issue an order prohibiting a third party from proceeding with acts of infringement even though the proprietor of the trade mark has not applied for such an order before that court.

27 The referring court observes that, pursuant to certain principles of national law on the conduct of civil proceedings, in particular the principle that the subject matter of proceedings is determined by the parties and the principle of *ne ultra petita*, laid down in Paragraphs 4, 5 and 439 of the Code of Civil Procedure, it is prohibited from issuing an order such as that referred to in Article 102(1) of Regulation No 207/2009 if one has not been applied for before it.

28 It should be recalled that Article 101(3) of Regulation No 207/2009 states that, unless otherwise provided in that regulation, an EU trade mark court is to apply the rules of procedure governing the same type of action relating to a national trade mark in the Member State in which the court is located.

29 Since Regulation No 207/2009 does not provide otherwise, it does not preclude application of the principle that the subject matter of proceedings is

determined by the parties and of the principle of *ultra petita*.

30 Therefore, Article 102(1) of Regulation No 207/2009 does not preclude an EU trade mark court from refraining, pursuant to those principles of national procedural law, from issuing an order which prohibits a third party from proceeding with acts of infringement on the ground that the proprietor of the trade mark concerned has not applied for such an order.

31 As the absence of an obligation to issue an order referred to in Article 102(1) of Regulation No 207/2009 therefore follows from the application, which the regulation does not preclude, of rules of national procedural law, there is no need to examine whether that absence of an obligation is justified on the basis that there is a '*special reason*' within the meaning of that provision.

32 In any event, the fact that, by his action before the EU trade mark court, the proprietor of an EU trade mark has merely applied for a declaration that an act of infringement has occurred, but has not applied for an order that it cease, cannot be classified as a '*special reason*' within the meaning of Article 102(1) of Regulation No 207/2009.

33 That term relates only to exceptional situations in which, in the light of the specific features of the conduct alleged against the third party, in particular the fact that it is impossible for him to proceed with the acts alleged against him which have infringed or threaten to infringe the EU trade mark, such a court is not required to issue an order prohibiting a third party from proceeding with such acts, although an application to that end has been made by the proprietor of the mark (see, to this effect, [judgment of 14 December 2006 in Nokia, C-316/05, EU:C:2006:789](#), paragraph 35).

34 In the light of the foregoing considerations, the answer to the first question is that Article 102(1) of Regulation No 207/2009 must be interpreted as not precluding an EU trade mark court from refraining, pursuant to certain principles of national procedural law, from issuing an order which prohibits a third party from proceeding with acts of infringement on the ground that the proprietor of the trade mark concerned has not applied for such an order before that court.

### Questions 2 and 3

35 By its second and third questions, which it is appropriate to examine together, the referring court asks, in essence, first, whether the second sentence of Article 9(3) of Regulation No 207/2009 must be interpreted as precluding the proprietor of an EU trade mark from being able to claim compensation in respect of acts of third parties occurring before publication of the application for registration of the trade mark concerned and, secondly, whether, in the case of acts of third parties occurring after publication of the application for registration of that mark, but before publication of its registration, the concept of '*reasonable compensation*' in that provision means damages intended to compensate for all the harm suffered by that proprietor, including recovery of the

usual value derived by the third party from use of the mark and compensation for the non-material harm suffered.

36 Under the first sentence of Article 9(3) of Regulation No 207/2009, the rights conferred by an EU trade mark are to prevail against third parties from the date of publication of registration of the trade mark concerned.

37 It follows that the exclusive right which the EU trade mark confers on its proprietor, enabling him, in particular, to prevent third parties from using the mark concerned in infringement actions pursuant to Article 9(1) and (2) of Regulation No 207/2009, can relate only to acts of third parties occurring after publication of registration of that mark.

38 However, in order to grant applicants for registration of a trade mark a degree of protection in the period between the date of publication of the application — the date from which the application is deemed to be known to third parties — and the date of publication of the mark's registration, the second sentence of Article 9(3) of Regulation No 207/2009 lays down a right to '*reasonable compensation*' in respect of acts having taken place during that period which, had they occurred after the date of registration of the mark, would have been prohibited.

39 That protection can be explained by the body of economic rights which Regulation No 207/2009 attaches to an application for registration of an EU trade mark.

40 Indeed, under Article 24 of Regulation No 207/2009, which is in Section 4, headed '*EU trade marks as objects of property*', applications for registration of EU trade marks can be the subject of various types of legal acts, such as a transfer, the creation of rights in rem, or licences, which possess the common feature that their purpose or effect is to create or transfer a right in respect of the trade mark concerned (see, to this effect, [judgment of 4 February 2016 in Hassan, C-163/15, EU:C:2016:71](#), paragraph 21).

41 In the present instance, the application for registration of the trade mark at issue in the main proceedings was the subject matter of a licence as soon as it was filed.

42 The intrinsic economic value of an application for registration of an EU trade mark also stems from other rights attaching to such an application. Thus, by virtue of Regulation No 207/2009 the applicant enjoys in principle a right of priority, from the date on which his application for registration of a mark is filed, over applications filed subsequently.

43 Furthermore, such considerations relating to the body of economic rights that attach to an application for registration of a trade mark have in particular led the European Court of Human Rights to hold that, in the light of the circumstances of the case considered as a whole, such an application was capable of constituting a substantive interest protected under the fundamental right to property laid down in Article 1 of Protocol No 1 to the European Convention for the

Protection of Human Rights and Fundamental Freedoms, signed in Rome on 4 November 1950 (see, to this effect, ECtHR, 11 January 2007, *Anheuser-Busch Inc. v. Portugal*, CE:ECHR:2007:0111JUD007304901, §§ 73 to 78).

44 In the light of those considerations, it must be held that, since the second sentence of Article 9(3) of Regulation No 207/2009 contains a strictly circumscribed exception to the rule that an EU trade mark does not prevail before publication of its registration, no compensation can be claimed under that provision in respect of acts which occurred before publication of the application for registration of such a mark.

45 Also, as the second sentence of Article 9(3) of Regulation No 207/2009 makes no express reference to the law of the Member States for the purpose of determining its meaning and scope, it follows, in accordance with the Court's settled case-law, that the concept of '*reasonable compensation*' in that provision must normally be given an autonomous and uniform interpretation, having regard to the context of that provision and the objective pursued by the legislation concerned (see, by analogy, judgment of [14 December 2006 in Nokia, C-316/05, EU:C:2006:789](#), paragraph 21 and the case-law cited).

46 For the purposes of that interpretation, account should be taken, as the referring court has also observed, of the fact that the protection taking the form of '*reasonable compensation*', within the meaning of the second sentence of Article 9(3) of Regulation No 207/2009, in respect of the acts referred to in that provision must, by its nature, be more limited than the protection enjoyed by the proprietor of a trade mark for acts occurring after the date of its registration, since the interest to be protected in respect of an application for registration of a mark falls short of the interest to be protected which the mark must possess as a result of its registration.

47 The acts referred to in the second sentence of Article 9(3) of Regulation No 207/2009 occur at a time when it is not yet certain that the trade mark whose registration has been applied for will in fact be registered, since absolute or relative grounds for refusal of registration may still preclude this in whole or in part.

48 Thus, the rights conferred by an application for registration of an EU trade mark possess, before registration of the mark concerned, what can be described as a '*conditional*' nature.

49 That conditional nature is indeed clear from the third sentence of Article 9(3) of Regulation No 207/2009, since it provides that actions founded on the second sentence of Article 9(3) cannot be brought before an EU trade mark court until after the registration of the trade mark concerned has been published.

50 It follows that the '*reasonable compensation*' that may be claimed in an action founded on the second sentence of Article 9(3) of Regulation No 207/2009 must be smaller in scope than the damages which the

proprietor of an EU trade mark may claim in respect of the harm caused by an act of infringement.

51 The distinction between these two types of actions is also clear from the list, in Article 96 of Regulation No 207/2009, of the various areas of exclusive jurisdiction of EU trade mark courts, in that Article 96 mentions separately, in (a), '*infringement actions*' and, in (c), '*actions brought as a result of acts referred to in Article 9(3), second sentence*', of the regulation.

52 In addition, since Regulation No 207/2009 does not contain rules relating to the damages that may be claimed by the proprietor of an EU trade mark for acts of infringement, it follows from Article 101(2) of the regulation that, in principle, an EU trade mark court is to apply its national law, including its private international law, on the matter. It is apparent, furthermore, from Article 14(2) that, in particular, the regulation does not preclude the complementary application of national law relating to infringement and, in particular, national law relating to civil liability.

53 In this context, Article 13 of Directive 2004/48 lays down certain rules which concern damages intended to compensate for the harm caused by acts of infringement, and which differ according to whether or not the third party must be considered to have knowingly — or with reasonable grounds to know — engaged in an infringing activity.

54 Thus, Article 13(1) of Directive 2004/48 prescribes compensation which is in principle full compensation, for the harm actually suffered, which may include '*moral prejudice*', in the event of acts of infringement committed knowingly, whereas Article 13(2) permits only the recovery of profits or the payment of damages, which may be pre-established, where the acts of infringement have not been committed knowingly.

55 Whilst those provisions apply, in themselves, only to acts of infringement and therefore to acts which have occurred after publication of the registration of the trade mark concerned and not to acts before its publication, such as those referred to in the second sentence of Article 9(3) of Regulation No 207/2009, it may, however, be inferred from them, as the Advocate General has, in essence, also observed in [point 51 of his Opinion](#), that the sum payable by way of '*reasonable compensation*' cannot exceed the reduced compensation provided for in Article 13(2) of Directive 2004/48.

56 Since the second sentence of Article 9(3) of Regulation No 207/2009 seeks to attach conditional rights to a trade mark from publication of the application for its registration and even before publication of its registration, the '*reasonable compensation*', within the meaning of that provision, must have a narrower scope than the damages which may be claimed by the proprietor of an EU trade mark for acts of infringement occurring after publication of the registration of that mark and which are intended, in principle, to ensure full compensation for the harm actually suffered, which may, as the case may be, include moral prejudice.

57 For the purpose of determining ‘reasonable compensation’, within the meaning of the second sentence of Article 9(3) of Regulation No 207/2009, it is therefore appropriate to apply the criterion relating to the recovery of profits and to exclude from that compensation redress for the wider harm that the proprietor of the trade mark concerned may have suffered on account of its use, which may include, in particular, moral prejudice.

58 The criterion regarding the recovery of profits, in that it relates to recovery of the profits unfairly derived by third parties from use of the trade mark concerned during the period referred to in the second sentence of Article 9(3) of Regulation No 207/2009, falls within the scope of the objective pursued by that provision, which consists in preventing third parties from improperly benefiting from the intrinsic economic value constituted by the application for registration of a trade mark, when they are deemed to have had knowledge of that application as a result of its publication.

59 In the light of all the foregoing considerations, the answer to the second and third questions is that the second sentence of Article 9(3) of Regulation No 207/2009 must be interpreted as precluding the proprietor of an EU trade mark from being able to claim compensation in respect of acts of third parties occurring before publication of an application for registration of a trade mark. In the case of acts of third parties committed during the period after publication of the application for registration of the mark concerned but before publication of its registration, the concept of ‘reasonable compensation’ in that provision refers to recovery of the profits actually derived by third parties from use of the mark during that period. On the other hand, that concept of ‘reasonable compensation’ rules out compensation for the wider harm which the proprietor of the mark may have suffered, including, as the case may be, moral prejudice.

#### Costs

60 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring 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 (Seventh Chamber) hereby rules:

1. Article 102(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as not precluding an EU trade mark court from refraining, pursuant to certain principles of national procedural law, from issuing an order which prohibits a third party from proceeding with acts of infringement on the ground that the proprietor of the trade mark concerned has not applied for such an order before that court.

2. The second sentence of Article 9(3) of Regulation No 207/2009 must be interpreted as precluding the proprietor of an EU trade mark from being able to claim compensation in respect of acts of third parties

occurring before publication of an application for registration of a trade mark. In the case of acts of third parties committed during the period after publication of the application for registration of the mark concerned but before publication of its registration, the concept of ‘reasonable compensation’ in that provision refers to recovery of the profits actually derived by third parties from use of the mark during that period. On the other hand, that concept of ‘reasonable compensation’ rules out compensation for the wider harm which the proprietor of the mark may have suffered, including, as the case may be, moral prejudice.

[Signatures]

\* Language of the case: Estonian.

## OPINION OF ADVOCATE GENERAL

WATHELET

delivered on 21 April 2016 (1)

Case C-280/15

Irina Nikolajeva

v

OÜ Multi Protect

(Request for a preliminary ruling from the Harju Maakohus (Harju District Court, Estonia))

(Reference for a preliminary ruling — Community trade mark — Regulation (EC) No 207/2009 — Articles 9(3) and 102(1) — Rights conferred by the trade mark — Dispute concerning infringement — Obligation of the Community trade mark courts to issue an order prohibiting the defendant from proceeding with acts of infringement — Absence of an application for such an order — Notion of ‘reasonable compensation’ in respect of acts occurring after the date of publication of a Community trade mark application and prior to the date of publication of the registration of such a trade mark)

### I – Introduction

1. The present request for a preliminary ruling, which was made on 2 June 2015 and lodged at the Court Registry on 10 June 2015 by the Harju Maakohus (Harju District Court), concerns the interpretation of Articles 9(3) and 102(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark. (2)

2. The request has been made in a dispute between Ms Nikolajeva and OÜ Multi Protect (‘Multi Protect’). Ms Nikolajeva asked the referring court to declare unlawful use of her trade mark ‘HolzProf’ (Community trade mark No 009053811) by Multi Protect and to order Multi Protect to pay her compensation.

### II – Legislative framework

#### A – EU law

1. Regulation No 207/2009

3. Article 8 of Regulation No 207/2009, entitled ‘Relative grounds for refusal’, provides:

‘1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

(a) if it is identical with the earlier trade mark and the goods or services for which registration is applied for

are identical with the goods or services for which the earlier trade mark is protected;

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

...

4. Under Article 9 of the regulation, entitled 'Rights conferred by a Community trade mark':

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

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

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

...

2. The following, inter alia, may be prohibited under paragraph 1:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(c) importing or exporting the goods under that sign;

(d) using the sign on business papers and in advertising.

3. The rights conferred by a Community trade mark shall prevail against third parties from the date of publication of registration of the trade mark. Reasonable compensation may, however, be claimed in respect of acts occurring after the date of publication of a Community trade mark application, which acts would, after publication of the registration of the trade mark, be prohibited by virtue of that publication. The court seised of the case may not decide upon the merits of the case until the registration has been published.'

5. Article 14 of Regulation No 207/2009, entitled 'Complementary application of national law relating to infringement', provides:

'1. The effects of Community trade marks shall be governed solely by the provisions of this Regulation. In other respects, infringement of a Community trade mark shall be governed by the national law relating to infringement of a national trade mark in accordance with the provisions of Title X.

2. This Regulation shall not prevent actions concerning a Community trade mark being brought under the law of Member States relating in particular to civil liability and unfair competition.

3. The rules of procedure to be applied shall be determined in accordance with the provisions of Title X.'

6. Article 41 of Regulation No 207/2009, entitled 'Opposition', states:

'1. Within a period of three months following the publication of a Community trade mark application, notice of opposition to registration of the trade mark may be given on the grounds that it may not be registered under Article 8.

...

7. Article 101 of the regulation, entitled 'Applicable law', provides:

'1. The Community trade mark courts shall apply the provisions of this Regulation.

2. On all matters not covered by this Regulation a Community trade mark court shall apply its national law, including its private international law.

3. Unless otherwise provided in this Regulation, a Community trade mark court shall apply the rules of procedure governing the same type of action relating to a national trade mark in the Member State in which the court is located.'

8. Article 102 of the regulation, entitled 'Sanctions', provides:

'1. Where a Community trade mark court finds that the defendant has infringed or threatened to infringe a Community trade mark, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with.

2. In all other respects the Community trade mark court shall apply the law of the Member State in which the acts of infringement or threatened infringement were committed, including the private international law.'

2. Directive 2004/48/EC

9. Article 13 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ 2004 L 157, p. 45, and corrigendum in OJ 2004 L 195, p. 16), entitled 'Damages', provides:

'1. Member States shall ensure that the competent judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him/her as a result of the infringement.

When the judicial authorities set the damages:

(a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement;

or

(b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

2. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, Member States may lay down that the judicial authorities may order the recovery of profits or the payment of damages, which may be pre-established.’

B – Estonian law

10. Paragraph 8(2) of the Law on trade marks (kaubamärgiseadus), in the version applicable in the main proceedings (*‘the Law on trade marks’*), provides: *‘The legal protection of a registered trade mark begins on the date of filing of the application for registration ... and continues in existence for ten years from the date of registration. ...’*

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

11. On 24 April 2010, Ms Nikolajeva filed an application for registration of a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM). The mark for which registration was sought is the word sign *‘HolzProf’*. The application for registration was published on 31 May 2010. On 14 September 2010, the trade mark *‘HolzProf’* was registered and that registration was published on 16 September 2010.

12. On 24 April 2010, Ms Nikolajeva entered into a licence agreement under which she licensed the use of her trade mark to OÜ Holz Prof. The monthly licence fee was set at EUR 1 278.

13. On 18 June 2013, Ms Nikolajeva brought an action against Multi Protect before the referring court based on three claims.

14. First, Ms Nikolajeva asked the referring court to declare unlawful use of her trade mark by Multi Protect. She maintained that Multi Protect infringed Article 9(1)(a) and (2)(d) of Regulation No 207/2009 by using a sign identical with her trade mark as a *‘hidden keyword’* on a website accessible through the internet. In this regard, Ms Nikolajeva pleaded that Multi Protect had infringed the exclusive rights conferred by the trade mark in the period from 3 May 2010 to 28 October 2011, a period of 17 months and 25 days.

15. Second, Ms Nikolajeva claimed payment of EUR 22 791 by Multi Protect in accordance with the provisions on unjust enrichment. That sum was calculated on the basis of the fee set in the licence agreement with OÜ Holz Prof in respect of the duration of the alleged infringement. (3)

16. Third, Ms Nikolajeva claimed compensation for non-material harm. She submitted that the bringing of penalty proceedings and the action before the court on account of this situation had caused her mental pain. In this respect, Ms Nikolajeva alleged that the actions of Multi Protect had led to *‘deterioration in her health’*, that *‘a number of business partners had deserted her’*

and that *‘the dispute had brought her negative attention’*.

17. The referring court asks whether, in the event that it declared unlawful use of the trade mark at issue in accordance with Ms Nikolajeva’s first claim, it is required to issue an order prohibiting the acts of infringement pursuant to Article 102(1) of Regulation No 207/2009, even though Ms Nikolajeva has not applied for such an order.

18. The referring court also has doubts as to when the protection conferred by the Community trade mark comes into effect. It notes that under the first sentence of Article 9(3) of Regulation No 207/2009 the rights conferred by a Community trade mark prevail against third parties from the date of publication of registration of the trade mark. It adds that that provision opens up the possibility that reasonable compensation may be claimed in respect of acts occurring after the date of publication of a Community trade mark application, which acts would, after publication of the registration of the trade mark, be prohibited by virtue of that publication. In this regard, the referring court has doubts whether the second sentence of Article 14(1) and Article 101(2) of Regulation No 207/2009 permit rights associated with Ms Nikolajeva’s trade mark to be viewed as having come into effect at the time specified in the first sentence of Paragraph 8(2) of the Law on trade marks, that is to say, upon filing of the application for registration of the trade mark.

19. The referring court is also uncertain about the interpretation of the words *‘reasonable compensation’* in the second sentence of Article 9(3) of Regulation No 207/2009.

20. In those circumstances, the Harju Maakohus (Harju District Court) decided to stay its proceedings and to refer the following questions to the Court for a preliminary ruling:

*‘1. Is a Community trade mark court required to issue the order provided for in Article 102(1) [of Regulation No 207/2009] if the applicant does not seek such an order in his claims and the parties do not allege that the defendant has infringed or threatened to infringe a Community trade mark after a specific date in the past, or does failure to make an application to that effect and to refer to this fact represent a “special reason” within the meaning of the first sentence of this provision?’*

*2. Is Article 9(3) [of Regulation No 207/2009] to be interpreted as meaning that the proprietor of a Community trade mark may only demand reasonable compensation from a third party on the basis of the second sentence of Article 9(3) [of Regulation No 207/2009] for use of a sign identical with the trade mark in the period from the publication of the application for registration of the trade mark until the publication of the registration of the trade mark, but not compensation for the fair market value of what has been gained as a result of the infringement and for damage, and that there is also no right to reasonable compensation for the period prior to publication of the application for registration of the trade mark?’*

3. *What type of costs and other forms of compensation are included in reasonable compensation under Article 9(3), second sentence, [of Regulation No 207/2009], and can this also encompass in certain circumstances (and if so, in which circumstances) compensation for non-material harm caused to the proprietor of the trade mark?'*

#### **IV – Procedure before the Court**

21. Written observations were submitted by Multi Protect, the Estonian and Greek Governments and the European Commission. At the end of the written part of the procedure, the Court considered that it had sufficient information to give a ruling without a hearing in accordance with Article 76(2) of the Rules of Procedure of the Court of Justice.

#### **V – Analysis**

##### **A – Preliminary remarks**

22. As requested by the Court, this Opinion will focus on the second and third questions asked by the referring court. In my view, those two questions should be examined together.

##### **B – The second and third questions referred for a preliminary ruling**

1. The period of protection

23. According to the referring court, Ms Nikolajeva alleges that Multi Protect infringed the exclusive rights conferred by her trade mark HolzProf in three periods.

24. The first period lasted less than one month. It began on 3 May 2010, after the date of filing of the application to register the trade mark, and ended on 31 May 2010, the date of publication of that application. The second period of approximately three and a half months extended from 1 June 2010 to 16 September 2010, from the publication of the trade mark application until the publication of the registration. Lastly, the third period of just over a year commenced on 17 September 2010, following the publication of the registration of the trade mark, and ended on 28 October 2011.

25. The referring court asks the Court about the protection conferred by a Community trade mark on its proprietor in the first two periods.

26. The rights conferred by a Community trade mark are laid down in Article 9 of Regulation No 207/2009. Under paragraph 1, the Community trade mark confers on the proprietor exclusive rights therein. In addition, paragraph 3 makes clear that the rights conferred by a Community trade mark prevail against third parties from the date of publication of registration of the trade mark.

27. Consequently, a Community trade mark such as '*HolzProf*' does not prevail against third parties in the first and second periods at issue in the main proceedings. Furthermore, the sanctions provided for by the Member States' national law (4) in accordance with Article 102 of Regulation No 207/2009 are not applicable in those periods. (5) The sanctions in question apply only from the date of publication of the registration of the Community trade mark.

28. It should be noted, however, that Article 9(3) of Regulation No 207/2009 also establishes a specific

regime for the protection of a Community trade mark in the period between the publication of the trade mark application and the publication of the registration of the trade mark. Following the publication of the registration of a Community trade mark, a court may grant reasonable compensation in respect of acts occurring after the date of publication of the trade mark application, which acts would, after publication of the registration of the trade mark, be prohibited (6) by virtue of that publication.

29. It follows that reasonable compensation may be claimed for the second period at issue in the main proceedings if, in that period, a third party not having the trade mark proprietor's consent uses in the course of trade any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered or any sign where, because of its identity with, or similarity to, the Community trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public. (7)

30. It is clear from the very wording of Article 9(3) of Regulation No 207/2009 that the reasonable compensation under that provision does not apply to acts occurring between the filing of the Community trade mark application (8) and the publication of that application, that is to say, during the first period at issue in the main proceedings.

31. In my view, this assessment is not called into question by Articles 14(1) and 101(2) of Regulation No 207/2009.

32. Although Article 14(1) of Regulation No 207/2009 provides that '*infringement of a Community trade mark shall be governed by the national law relating to infringement of a national trade mark*', that same provision states that the effects of Community trade marks are governed solely by the provisions of that regulation. The '*effects*' of a trade mark are inseparable from its period of protection. Accordingly, that period of protection is governed solely by the provisions of the regulation.

33. In this regard, it is evident from a combined reading of paragraphs 1 and 3 of Article 9 of Regulation No 207/2009 that the EU legislature intentionally excluded the enforceability of a Community trade mark against a third party before the publication of the registration of the trade mark and the right to reasonable compensation before the publication of the trade mark application.

34. Furthermore, since the rights conferred by the Community trade mark, including its period of protection, are governed solely by Article 9 of Regulation No 207/2009, those rights and their duration are not among the matters to which national law should apply under Article 101(2) of the regulation, which refers only to matters not covered by Regulation No 207/2009.

35. Consequently, Articles 9(1) and (3), 14(1) and 101(2) of Regulation No 207/2009 preclude a national provision such as Paragraph 8(2) of the Law on trade

marks, under which *'the legal protection of a registered trade mark begins on the date of filing of the application for registration'*. The rights conferred by the Community trade mark under that national provision would go beyond what is permitted by Regulation No 207/2009.

36. Reasonable compensation under Article 9(3) of Regulation No 207/2009 may be claimed only in respect of acts occurring after the date of publication of a Community trade mark application.

2. Reasonable compensation

37. The referring court asks the Court about the notion of *'reasonable compensation'* within the meaning of Article 9(3) of Regulation No 207/2009. (9) That regulation does not contain a definition of *'reasonable compensation'* and does not establish its method of calculation.

38. The possibility of claiming *'reasonable compensation'* following the publication of an application for registration also exists in the field of patents.

39. Article 67(2) of the European Patent Convention (EPC), signed in Munich on 5 October 1973, provides that *'[a]ny Contracting State may prescribe that a European patent application shall not confer such protection as is conferred by Article 64. However, the protection attached to the publication of the European patent application may not be less than that which the laws of the State concerned attach to the compulsory publication of unexamined national patent applications. In any event, each State shall ensure at least that, from the date of publication of a European patent application, the applicant can claim compensation reasonable in the circumstances from any person who has used the invention in that State in circumstances where that person would be liable under national law for infringement of a national patent'*. (10) The words *'compensation reasonable'* are not defined in that Convention either. (11)

40. In addition, Article 95 of Council Regulation (EC) No 2100/94 of 27 July 1994 on Community plant variety rights (OJ 1994 L 227, p. 1) provides that *'[t]he holder [of Community plant variety rights] may require reasonable compensation from any person who has, in the time between publication of the application for a Community plant variety right and grant thereof, effected an act that he would be prohibited from performing subsequent thereto'*. (12) The words *'reasonable compensation'* are also not defined by Regulation No 2100/94. (13)

41. Furthermore, unlike Article 102(2) of Regulation No 207/2009, under which sanctions are applied in accordance with national legislation (14) in the case of acts of infringement or threatened infringement of a trade mark, Article 9(3) of that regulation makes no express reference to the law of the Member States for the purpose of determining its meaning and scope.

42. Consequently, it follows from the need for uniform application of EU law and from the principle of equality that the words *'reasonable compensation'* must be given an autonomous and uniform

interpretation throughout the European Union, having regard to the context of the provision and the objective pursued by the legislation in question. (15)

43. It is clear from Article 9(3) of Regulation No 207/2009 that although a Community trade mark does not prevail against third parties before publication of its registration, it does, despite its *'embryonic'* character, enjoy legal protection for the period between the publication of the trade mark application and the publication of its registration. (16) The choice of the word *'compensation'* necessarily suggests that it must be pecuniary. Other measures or procedures for infringement of intellectual property rights, such as injunctions, recall from the channels of commerce or destruction of the infringing goods, are thus excluded. In addition, the use of the adjective *'reasonable'* implies that the pecuniary compensation claimed must be equitable and proportionate in order to maintain a fair balance between the rights of the proprietor of the Community trade mark in the process of being acquired and the rights of the user of the trade mark.

44. The right to *'reasonable compensation'*, which may be invoked only following the publication of the registration of a Community trade mark, therefore applies to Community trade marks in statu nascendi. This right reflects the fact that the Union legislature considers that a Community trade mark is in the process of being acquired from the date of publication of the application and warrants protection at that stage.

45. In this regard I would note that under Article 39 of Regulation No 207/2009 the publication of an application for registration of a Community trade mark requires that all the formalities provided for by that regulation and Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (17) for an application for registration of a trade mark have been fulfilled and that there are no absolute grounds for refusal of registration of that trade mark pursuant to Article 7 of Regulation No 207/2009. (18) In addition, under Article 45 of Regulation No 207/2009, (19) following the publication of an application for registration, a Community trade mark will necessarily be registered and the registration published unless, upon opposition, there are relative grounds for refusal of registration within the meaning of Article 8 of the regulation. (20)

46. In the light of the foregoing, there is much in common between the requirements to be met before the publication of a Community trade mark application and the requirements to be fulfilled before the publication of the registration of the trade mark. Consequently, the right to *'reasonable compensation'* enjoyed by the Community trade mark proprietor between the publication of his trade mark application and the publication of the registration of that trade mark is a very similar right (21) to the right which will be conferred on him upon publication of the registration of the trade mark, albeit smaller in scope. (22) Accordingly, in order to comply with the principle of proportionality, the pecuniary *'reasonable*

*compensation* must be less heavy or severe than the compensation imposed in the case of infringement of a Community trade mark after the publication of the registration of the trade mark. (23) (24)

47. Article 13 of Directive 2004/48 establishes the minimum pecuniary compensation to be provided for by national law in the case of infringement of intellectual property rights as provided for by Community law and/or by the national law of the Member State concerned. It is true that the provisions of national law which are harmonised under Directive 2004/48 apply only to infringements of a Community trade mark occurring after the publication of the registration of the trade mark, namely in the third period at issue in the main proceedings. Nevertheless, Article 13 of that directive could provide some useful indications for defining the words '*reasonable compensation*'.

48. In this regard, that article draws a clear distinction between the intentional or unintentional character of the infringement committed and requires the imposition of heavier pecuniary compensation for intentional infringements. Where the infringement is considered intentional, the intervener must pay the rightholder damages appropriate to the actual prejudice suffered by him/her as a result of the infringement. (25) That provision requires full compensation for any damage caused, which in my view includes moral prejudice, provided that it is proven. (26)

49. On the other hand, where the infringement is considered unintentional, the judicial authorities may order only the recovery of profits or damages, which may be pre-established. (27)

50. Article 9(3) of Regulation No 207/2009 does not make any distinction between the intentional and unintentional character of the infringement committed (28) but proceeds from the idea that the publication of the Community trade mark application is deemed to bring to the attention of the public the fact that the registration of the trade mark applied for may be imminent and that reasonable compensation could be payable for use of the as yet unregistered trade mark.

51. Since the '*reasonable compensation*' provided for in Article 9(3) of Regulation No 207/2009 should be pecuniary compensation which is less heavy or severe than the compensation imposed in the case of infringement of a registered trade mark, I consider that it is necessary to review the appropriateness of the pecuniary compensation under Article 13(2) of Directive 2004/48 for unintentional infringements.

52. Article 13(2) of Directive 2004/48 provides for two types of pecuniary compensation for infringing activities, namely '*the recovery of profits or the payment of damages, which may be pre-established*'.

53. Pecuniary compensation which relates to the '*payment of damages, which may be pre-established*' needs to be specified by the national legislature and would therefore be inappropriate in the light of the need to give an autonomous and uniform interpretation to the words '*reasonable compensation*'.

54. By contrast, '*the recovery of profits*' provided for in Article 13(2) of Directive 2004/48 is, I believe, uniform and predictable pecuniary compensation which takes account of the specific circumstances of each case. Furthermore, I consider that this pecuniary compensation would be appropriate as it seeks to remove the undue benefit obtained (29) following the publication of the trade mark application. Such pecuniary compensation which is commensurate with the unfair profits made by the user in question would therefore be proportionate to the infringement of the trade mark (in statu nascendi) committed and would also discourage other similar infringements. (30)

55. Contrary to Article 13(1) of Directive 2004/48, paragraph 2 of that article does not provide for compensation for moral prejudice. In my view, this omission must have been intended by the European legislature and reflects the fact that Article 13(2) of the directive concerns less objectionable infringing activities for which full compensation is not imposed by the directive. I note that, by her third claim, Ms Nikolajeva sought compensation for non-material harm, that is to say, compensation for moral prejudice. I consider that '*reasonable compensation*' does not include this type of prejudice. Such compensation would be disproportionate when a Community trade mark is still in the process of being acquired.

#### VI – Conclusion

56. In the light of the foregoing considerations, I propose that the Court answer the second and the third questions asked by the Harju Maakohus (Harju District Court) as follows:

1) Articles 9(1) and (3), 14(1) and 101(2) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark preclude a national provision under which the legal protection of a registered trade mark begins on the date of filing of the application for registration.

2) Article 9(3) of Regulation No 207/2009 must be interpreted as meaning that reasonable compensation may not be claimed under that provision in respect of acts occurring prior to the date of publication of a Community trade mark application.

3) The words '*reasonable compensation*' within the meaning of Article 9(3) of Regulation No 207/2009 must be interpreted to the effect that the recovery of profits may be claimed in respect of acts occurring after the date of publication of a Community trade mark application, which acts would, after publication of the registration of the trade mark, be prohibited by virtue of that publication. The words '*reasonable compensation*' exclude moral prejudice.

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1 – Original language: French.

2 – OJ 2009 L 78, p. 1.

3 – Namely EUR 22 791 (17 months x 1 278 + 25 days x (1 278 / 30)).

4 – Directive 2004/48 harmonises the measures, procedures and remedies applicable in national law in the event of violation of intellectual property rights.

According to recital 10 of Directive 2004/48, its objective 'is to approximate legislative systems so as to ensure a high, equivalent and homogeneous level of protection in the internal market'. Article 2(1) of Directive 2004/48 provides that '[w]ithout prejudice to the means which are or may be provided for in Community or national legislation, in so far as those means may be more favourable for rightholders, the measures, procedures and remedies provided for by this Directive shall apply ... to any infringement of intellectual property rights as provided for by Community law and/or by the national law of the Member State concerned'. The Court has held that the provisions of that directive were not intended to govern all aspects of intellectual property rights, but only those aspects inherent, first, in the enforcement of those rights and, secondly, in infringement of them, by requiring that there must be effective legal remedies designed to prevent, terminate or rectify any infringement of an existing intellectual property right (see judgment in Diageo Brands, C-681/13, EU:C:2015:471, paragraph 73). It follows that the directive permits differences to remain between the Member States' laws relating to the measures, procedures and remedies applicable in the event of infringement of intellectual property rights (see, for example, Article 13 of Directive 2004/48, under which a wide range of forms of pecuniary compensation can be chosen by Member States).

5 – I therefore consider that the corrective measures (Article 10), injunctions (Article 11) and damages (Article 13) provided for by Directive 2004/48 are not applicable before the publication of the registration of the trade mark.

6 – For an indicative list of prohibitions, see Article 9(2) of Regulation No 207/2009.

7 – See, to that effect, Article 9(1)(a) and (b) of Regulation No 207/2009.

8 – The date of filing of a Community trade mark application is not irrelevant, however. It is of paramount importance to the application of the rules on trade mark priority. See in particular Title III, section 2, of Regulation No 207/2009 entitled 'Priority'.

9 – The referring court notes that under its national law the proprietor of a Community trade mark may 'demand compensation for pecuniary losses, including loss of profit and compensation for non-material harm, but also for restitution of the fair market value of what was acquired from the infringement and, in certain circumstances, the profits from the infringement, from a third party who has infringed the exclusive right set out in Article 9(1) and (2) of Regulation No 207/2009, at least for the period from the publication of the registration of the trade mark. [In addition], an infringer who did not know or should not have known that he was not so entitled is not required to reimburse proceeds gained without legal cause if, at the time that he became aware or ought to have been aware of the claim against him, he is no longer being enriched to the value of what is acquired from the infringement'. The referring court 'believes an interpretation is possible to

the effect that reasonable compensation within the meaning of the second sentence of Article 9(3) of Regulation No 207/2009, in line with the logic of the regulation, covers lesser claims than the legal protection provided for a later infringement of Article 9(1) and (2)'.  
10 – My emphasis.

11 – See also, by analogy, Article 32(1)(f) of the Agreement on a Unified Patent Court (OJ 2013 C 175, p. 1), which provides that the Unified Patent Court created by the Agreement has exclusive competence in respect of 'actions for damages or compensation derived from the provisional protection conferred by a published European patent application'.

12 – My emphasis. I note that the Court interpreted the words 'reasonable compensation' used in Articles 14 and 94 of Regulation No 2100/94 in the judgment in Geistbeck (C-509/10, EU:C:2012:416). However, since the Court interpreted the notion of 'reasonable compensation' in respect of unauthorised use of a registered plant variety, I consider that that interpretation cannot be applied in the present case as Article 9(3) of Regulation No 207/2009 does not relate to situations constituting an infringement in law.

13 – Given that the words 'reasonable compensation' and other similar terms are used in several items of intellectual property legislation, the Court's decision in the present case could have further-reaching consequences.

14 – In my view, national law must comply with the minimum level of protection provided for by Directive 2004/48. It should also be pointed out that, under Article 2(1) of that directive, 'means' which are more favourable for rightholders than the measures, procedures and remedies provided for by the directive may be offered to them by national legislation.

15 – See judgment in Nokia (C-316/05, EU:C:2006:789, paragraph 21 and the case-law cited).

16 – See judgment in Imagination Technologies v OHIM (C-542/07 P, EU:C:2009:362, paragraph 57).

17 – OJ 1995 L 303, p. 1.

18 – Article 7 of Regulation No 207/2009 contains a long list of absolute grounds for refusal of registration. For example, a trade mark may not be registered if it is devoid of any distinctive character, if it is contrary to public policy or to accepted principles of morality or if it is of such a nature as to deceive the public.

19 – Article 45 of Regulation No 207/2009 provides that '[w]here an application meets the requirements of this Regulation and where no notice of opposition has been given within the period [of three months following the publication of a Community trade mark application], or where opposition has been rejected by a definitive decision, the trade mark shall be registered as a Community trade mark ...'. See also Rule 23 of Regulation No 2868/95, entitled 'Registration of the trade mark', which provides that '[w]here no opposition has been entered or where any opposition entered has been finally disposed of by withdrawal, rejection or other disposition ... the mark applied for ... shall be recorded in the Register of Community

*trade marks*'. The second period at issue in the main proceedings was approximately three months. In addition, there is nothing in the file before the Court to suggest that a notice of opposition was filed against the trade mark HolzProf.

20 – Article 8 of Regulation No 207/2009 provides that *'[u]pon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered: ... if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected; ... if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark'*. It should be noted that the right to give notice of opposition to registration of a Community trade mark is open only to trade mark proprietors and to licensees authorised by the proprietors of the trade marks in accordance with Articles 8 and 41 of Regulation No 207/2009.

21 – Since the acts referred to in Article 9(3) of Regulation No 207/2009 are the same as those that will be prohibited after the publication of the registration.

22 – See, a contrario, Article 67(1) of the European Patent Convention, under which *'[a] European patent application shall, from the date of its publication, provisionally confer upon the applicant the protection provided for by Article 64, in the Contracting States designated in the application'*, namely, the same rights as are conferred by a national patent granted in that State.

23 – That is also the position of Multi Protect, the Republic of Estonia and the Hellenic Republic, which assert that the notion of *'reasonable compensation'* within the meaning of Article 9(3) of Regulation No 207/2009 should cover a smaller range of claims than legal protection in the case of infringement of registered trade marks. They also maintain that compensation for non-material harm does not fall within the scope of that notion. Multi Protect submits that *'[i]n order to determine the precise extent of the reasonable compensation, it is therefore necessary to examine and compare the following aspects: a) what is the pecuniary advantage obtained by the infringer? ...; b) what comparable licence agreements are commonly used on the market?; c) what would be the 'cost' for the infringer of a solution permitting him to achieve the desired outcome without using the sign which is identical with or similar to the trade mark applied for'*.

24 – The Commission, on the other hand, maintains that *'it cannot be regarded as justified that, in the case of an infringement in accordance with Article 9(3) of Regulation (EC) No 207/2009, the protection is weaker than in a subsequent infringement for the purposes of paragraphs 1 and 2'*. In its view, the impact of the infringement on the proprietor is the same whether it takes place between the publication of the application

and the registration or after the publication of the registration. It also asserts that *'there is no reason why an infringer should be in a more favourable situation during the period prior to registration.'* I do not share this view, as why then would Article 9(3) of Regulation No 207/2009 have made a distinction between the two periods?

25 – See Article 13(1) of Directive 2004/48.

26 – See my Opinion in Liffers (C-99/15, EU:C:2015:768, point 28).

27 – See Article 13(2) of Directive 2004/48.

28 – In my view, that provision requires payment of reasonable compensation even in the case of an infringement of a Community trade mark in ignorance of the existence of the publication of a trade mark application.

29 – By the user of a trade mark applied for, but not yet registered.

30 – I consider that, even in the case of ignorance of the publication of the trade mark application (unintentional infringement), it would not be disproportionate to order the recovery of profits pursuant to Article 13(2) of Directive 2004/48, since any other measure or procedure for infringement of intellectual property rights is excluded under Article 9(3) of Regulation No 207/2009 (the trade mark does not prevail before the date of publication of the registration). See also point 43 of this Opinion.