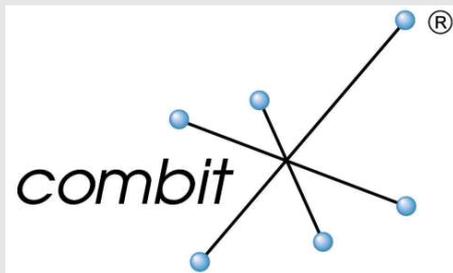


Court of Justice EU, 22 September 2016, *combit Software v Commit Business*



TRADEMARK LAW

Where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part whilst not in another part, that court must conclude to an infringement of the exclusive right for the entire area of the Union with the exception of the part where there has been found no likelihood of confusion.

• [Article 1\(2\), Article 9\(1\)\(b\) and Article 102\(1\) of Council Regulation \(EC\) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that, where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union whilst not creating such a likelihood in another part thereof, that court must conclude that there is an infringement of the exclusive right conferred by that trade mark and issue an order prohibiting the use in question for the entire area of the European Union with the exception of the part in respect of which there has been found to be no likelihood of confusion.](#)

32 Indeed, where an EU trade mark court concludes, on the basis of information which must, as a rule, be submitted to it by the defendant, that there is no likelihood of confusion in a part of the European Union, legitimate trade arising from the use of the sign in question in that part of the European Union cannot be prohibited. As the Advocate General has observed in points 25 to 27 of his Opinion, such a prohibition would go beyond the exclusive right conferred by the EU trade mark, as that right merely permits the proprietor of that mark to protect his specific interests as such, that is to say, to ensure that the mark is able to fulfil its functions (see, to that effect, [judgment of 12 April 2011, DHL Express France, C-235/09, EU:C:2011:238](#), paragraphs 46 and 47).

33 A finding that there is no likelihood of confusion in a part of the European Union may, in accordance with the Court's settled case-law, be based only on an examination of all the relevant factors in the case concerned. The assessment must include a visual, phonetic or conceptual comparison of the signs at issue, bearing in mind, in particular, their distinctive and dominant components ([judgment of 25 June 2015, Loutfi Management Propriété intellectuelle, C-](#)

[147/14, EU:C:2015:420](#), paragraph 23 and the case-law cited).

34 It is also important that the EU trade mark court concerned identifies with precision the part of the European Union in respect of which it finds there to be no actual or potential adverse effect on the functions of the trade mark, so that it is absolutely clear from the order issued under Article 102 of Regulation No 207/2009 which part of the Union is not covered by the prohibition on using the sign in question. Where, as in the present case, that court intends to exclude from the prohibition on use certain linguistic areas of the European Union such as those designated by the term 'English-speaking', it must state comprehensively which areas it intends that term to cover.

35 An interpretation whereby a prohibition on the use of a sign creating a likelihood of confusion with an EU trade mark applies to the entire area of the European Union, with the exception of the part of that area for which there has been found to be no such likelihood of confusion, does not undermine the unitary character of the EU trade mark referred to in Article 1(2) of Regulation No 207/2009, since the right of the proprietor of the trade mark to prohibit all use which adversely affects the functions inherent in that mark is preserved.

Source: curia.europa.eu

Court of Justice EU, 22 September 2016

(M. Ilešič (Rapporteur), C. Toader, A. Rosas, A. Prechal and E. Jarašiūnas)

JUDGMENT OF THE COURT (Second Chamber)

22 September 2016 (*)

(Reference for a preliminary ruling — Regulation (EC) No 207/2009 — European Union trade mark — Unitary character — Finding of a likelihood of confusion in respect of only part of the European Union — Territorial scope of the prohibition referred to in Article 102

of that regulation)

In Case C-223/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Oberlandesgericht

Düsseldorf (Higher Regional Court, Düsseldorf, Germany), made by decision of 12 May

2015, received at the Court on 18 May 2015, in the proceedings

combit Software GmbH

v

Commit Business Solutions Ltd,

THE COURT (Second Chamber),

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

Advocate General: M. Szpunar,

Registrar: M. Aleksejev, Administrator,

having regard to the written procedure and further to the hearing on 3 March 2016,

after considering the observations submitted on behalf of:

– combit Software GmbH, by J. Vogtmeier, Rechtsanwältin,
– Commit Business Solutions Ltd, by C. Thomas, Rechtsanwalt,
– the Polish Government, by B. Majczyna, acting as Agent,
– the European Commission, by J. Samnadda and T. Scharf, acting as Agents,
after hearing the Opinion of the Advocate General at the sitting on 25 May 2016,
gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation 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 reference has been made in proceedings between combit Software GmbH and Commit Business Solutions Ltd, which have been brought with the aim of prohibiting the latter from using a word sign.

Legal context

3 Regulation No 207/2009 was, with effect from 23 March 2016, amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Regulation No 207/2009 and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21). In view of the date when the material facts arose, the present reference for a preliminary ruling will, however, be examined under Regulation No 207/2009 as it stood prior to that amendment ('Regulation No 207/2009').

4 In the words of recital 3 of Regulation No 207/2009: '*For the purpose of pursuing the [European] Union's ... objectives it would appear necessary to provide for ... arrangements for trade marks whereby undertakings can by means of one procedural system obtain EU trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Union. The principle of the unitary character of the EU trade mark thus stated should apply unless otherwise provided for in this Regulation.*'

5 Article 1(2) of Regulation No 207/2009 provides: '*An EU trade mark shall have a unitary character. It shall have equal effect throughout the Union: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Union. This principle shall apply unless otherwise provided in this Regulation.*'

6 According to Article 8(1) of that regulation: '*Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:*

...
(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.'

7 Article 9(1) of Regulation No 207/2009, in the version applicable at the material time, provides:

'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:

...

(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;

...'

8 Article 95(1) of Regulation No 207/2009 states:

'The Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance, hereinafter referred to as "EU trade mark courts", which shall perform the functions assigned to them by this Regulation.'

9 Article 96 of that regulation provides:

'The EU trade mark courts shall have exclusive jurisdiction:

for all infringement actions and — if they are permitted under national law — actions in respect of threatened infringement relating to EU trade marks;

...'

10 Article 97 of the regulation provides:

'1. ... proceedings in respect of the actions and claims referred to in Article 96 shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

2. If the defendant is neither domiciled nor has an establishment in any of the Member States, such proceedings shall be brought in the courts of the Member State in which the plaintiff is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

...'

11 Article 98(1) of Regulation No 207/2009 states:

'An EU trade mark court whose jurisdiction is based on Article 97(1) to (4) shall have jurisdiction in respect of:

(a) acts of infringement committed or threatened within the territory of any of the Member States;

...'

12 Article 102(1) of that regulation 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 EU 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.'

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

13 combit Software, a company governed by German law, is the proprietor of the German and EU word marks, combit, for goods and services in the computer industry. The company is engaged in, amongst other things, the development and marketing of software.

14 Commit Business Solutions, a company governed by Israeli law, sells software bearing the word sign 'Commit' in a number of countries through its website www.commitcrm.com. At the time of the facts in issue in the main proceedings, a German-language version of the company's offers for sale was available and its software could be ordered for delivery to Germany.

15 As the proprietor of the combit trade marks, combit Software brought proceedings, pursuant to Article 97(2) of Regulation No 207/2009, against Commit Business Solutions before the Landgericht Düsseldorf (Regional Court, Düsseldorf, Germany). Principally, it sought, on the basis of its EU trade mark, an order that Commit Business Solutions refrain from using, in the European Union, the word sign 'Commit' for the software it was marketing. In the alternative, it requested, in reliance on its German trade mark, an order that Commit Business Solutions refrain from using that word sign in Germany.

16 The Landgericht Düsseldorf (Regional Court, Düsseldorf) dismissed combit Software's principal claim but upheld its alternative claim.

17 Taking the view that the Landgericht Düsseldorf (Regional Court, Düsseldorf) should have ordered Commit Business Solutions to refrain from using the word sign 'Commit' throughout the European Union, combit Software brought an appeal before the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany).

18 That court considers that Commit Business Solutions' use of the word sign 'Commit' gives rise, on the part of the average German-speaking consumer, to a likelihood of confusion with the trade mark combit.

19 It takes the view, however, that there is no likelihood of confusion on the part of the average English-speaking consumer. In its view, the latter can readily understand the conceptual difference between, on the one hand, the English verb 'to commit' and, on the other, the word 'combit', as 'combit' is made up of the letters 'com' for computer and 'bit' for 'binary digit'. It considers that the phonetic similarity between 'Commit' and 'combit' is, from the perspective of the aforementioned English-speaking consumer, cancelled out by that conceptual difference.

20 The referring court concludes that there is a likelihood of confusion in the German-speaking Member States and that there is no such likelihood in the English-speaking Member States.

21 It is uncertain about the way in which the principle, laid down in Article 1(2) of Regulation No 207/2009, of the unitary character of the EU trade mark should be applied in such a situation, in particular so far as concerns the assessment of the likelihood of confusion and the prohibition order referred to in Article 102(1) of that regulation.

22 In those circumstances, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) decided to stay the proceedings and to refer the following question to the Court of Justice for a preliminary ruling:

'In the assessment of the likelihood of confusion of an EU word mark, what is the significance of a situation in which, from the perspective of the average consumer in some Member States, the phonetic similarity of the EU trade mark with another sign claimed to infringe that trade mark is cancelled out by a conceptual difference, whereas from the perspective of the average consumer in other Member States it is not?

(a) In assessing the likelihood of confusion, is the perspective of some Member States, of the other Member States, or that of a fictive EU average consumer decisive?

(b) If there is a likelihood of confusion only in some Member States, has the EU trade mark been infringed across the European Union, or must the Member States be differentiated individually?'

The question referred for a preliminary ruling

23 By its question, the referring court asks, in essence, whether Article 1(2), Article 9(1)(b) and Article 102(1) of Regulation No 207/2009 must be interpreted as meaning that, where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union whilst not creating such a likelihood in another part thereof, that court must conclude that there is an infringement of the exclusive right conferred by that trade mark and issue an order prohibiting the use concerned for the entire area of the European Union.

24 In that regard, it should be stated at the outset that, in a case such as that in the main proceedings, in which the court seised is acting in its capacity as an EU trade mark court to decide on an action brought under Article 97(1) to (4) of Regulation No 207/2009, that court, in accordance with Article 98(1) of the regulation, has jurisdiction to consider whether acts of infringement have been committed or threatened within the territory of any of the Member States.

25 When, as here, the EU trade mark court finds, in the exercise of that jurisdiction, that the use of a sign creates, in one part of the European Union, a likelihood of confusion with an EU trade mark, whilst, in another part of the Union, that same use does not give rise to such a likelihood of confusion, that court cannot conclude that there is no infringement of the exclusive right conferred by that trade mark. Rather, it must find that the function of the trade mark as an indication of origin is adversely affected and that, as a consequence, there is an infringement of the exclusive right conferred by the mark.

26 In that context, the Court has already held, in a case concerning the right of the proprietor of an EU trade mark to oppose, pursuant to Article 8(1)(b) of Regulation No 207/2009, registration of a similar EU trade mark which would create a likelihood of confusion, that such an opposition must be upheld where it is established that there is a likelihood of confusion in part of the European Union, a Member State, for example, being capable of constituting such a part (see, to that effect, judgment of 18 September 2008, *Armacell v OHIM*, C-514/06 P, not published, EU:C:2008:511, paragraphs 56 and 57, and order of 16 September 2010, *Dominio de la Vega v OHIM*, C-459/09 P, not published, EU:C:2010:533, paragraphs 30 and 31).

27 A similar approach is necessary in cases concerning the right of the proprietor of an EU trade mark to prohibit the use of a sign which creates a likelihood of confusion. Article 9(1)(b) of Regulation No 207/2009 protects the proprietor of an EU trade mark against any use which adversely affects that trade mark's function of indicating origin or is liable to do so (see, as regards Article 5(1)(b) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 24), the wording of which corresponds to that of Article 9(1)(b) of Regulation No 207/2009, the [judgment of 3 March 2016, *Daimler*, C-179/15, EU:C:2016:134](#), paragraph 27 and the case-law cited). The proprietor is therefore entitled to prohibit such use, even if the latter adversely affects the abovementioned function only in part of the European Union.

28 It follows from the foregoing that a likelihood of confusion in the German-speaking part of the European Union, such as the referring court has found to exist in the present case, must lead the EU trade mark court before which the proceedings have been brought to conclude that the exclusive right conferred by the trade mark concerned has been infringed.

29 Under Article 102(1) of Regulation No 207/2009, the court which has made such a finding must issue an order prohibiting the defendant from proceeding with the acts which infringe or would infringe the EU trade mark. Although it is true that, under that provision, the existence of 'special reasons' may justify not issuing such an order, the Court of Justice has already held that that exception must be interpreted strictly and covers only certain exceptional situations, which are not in issue in the case in the main proceedings (see, to that effect, judgments of [14 December 2006, *Nokia*, C-316/05, EU:C:2006:789](#), paragraph 30, and [22 June 2016, *Nikolajeva*, C-280/15, EU:C:2016:467](#), paragraph 33).

30 In order to guarantee the uniform protection which EU trade marks are afforded throughout the entire area of the European Union, the prohibition on proceeding with acts which infringe or would infringe an EU trade mark must, as a rule, extend to the whole of that area (see, with regard to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark

(OJ 1994 L 11, p. 1), repealed and replaced by Regulation No 207/2009, the [judgment of 12 April 2011, *DHL Express France*, C-235/09, EU:C:2011:238](#), paragraphs 39 to 44).

31 However, as follows from paragraph 48 of the judgment of [12 April 2011, *DHL Express France* \(C-235/09, EU:C:2011:238\)](#), in a situation in which — as in the case in the main proceedings — an EU trade mark court finds that the use of the similar sign in question for goods that are identical to those for which the EU trade mark at issue is registered does not, in a given part of the European Union, create any likelihood of confusion, in particular for linguistic reasons, and therefore cannot, in that part of the Union, adversely affect the trade mark's function of indicating origin, that court must limit the territorial scope of the aforementioned prohibition.

32 Indeed, where an EU trade mark court concludes, on the basis of information which must, as a rule, be submitted to it by the defendant, that there is no likelihood of confusion in a part of the European Union, legitimate trade arising from the use of the sign in question in that part of the European Union cannot be prohibited. As the Advocate General has observed in points 25 to 27 of his Opinion, such a prohibition would go beyond the exclusive right conferred by the EU trade mark, as that right merely permits the proprietor of that mark to protect his specific interests as such, that is to say, to ensure that the mark is able to fulfil its functions (see, to that effect, [judgment of 12 April 2011, *DHL Express France*, C-235/09, EU:C:2011:238](#), paragraphs 46 and 47).

33 A finding that there is no likelihood of confusion in a part of the European Union may, in accordance with the Court's settled case-law, be based only on an examination of all the relevant factors in the case concerned. The assessment must include a visual, phonetic or conceptual comparison of the signs at issue, bearing in mind, in particular, their distinctive and dominant components ([judgment of 25 June 2015, *Loufi Management Propriété intellectuelle*, C-147/14, EU:C:2015:420](#), paragraph 23 and the case-law cited).

34 It is also important that the EU trade mark court concerned identifies with precision the part of the European Union in respect of which it finds there to be no actual or potential adverse effect on the functions of the trade mark, so that it is absolutely clear from the order issued under Article 102 of Regulation No 207/2009 which part of the Union is not covered by the prohibition on using the sign in question. Where, as in the present case, that court intends to exclude from the prohibition on use certain linguistic areas of the European Union such as those designated by the term 'English-speaking', it must state comprehensively which areas it intends that term to cover.

35 An interpretation whereby a prohibition on the use of a sign creating a likelihood of confusion with an EU trade mark applies to the entire area of the European Union, with the exception of the part of that area for which there has been found to be no such likelihood of

confusion, does not undermine the unitary character of the EU trade mark referred to in Article 1(2) of Regulation No 207/2009, since the right of the proprietor of the trade mark to prohibit all use which adversely affects the functions inherent in that mark is preserved.

36 In view of all the foregoing, the answer to the question referred is that Article 1(2), Article 9(1)(b) and Article 102(1) of Regulation No 207/2009 must be interpreted as meaning that, where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union whilst not creating such a likelihood in another part thereof, that court must conclude that there is an infringement of the exclusive right conferred by that trade mark and issue an order prohibiting the use in question for the entire area of the European Union with the exception of the part in respect of which there has been found to be no likelihood of confusion.

Costs

37 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:

Article 1(2), Article 9(1)(b) and Article 102(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that, where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union whilst not creating such a likelihood in another part thereof, that court must conclude that there is an infringement of the exclusive right conferred by that trade mark and issue an order prohibiting the use in question for the entire area of the European Union with the exception of the part in respect of which there has been found to be no likelihood of confusion.

[Signatures]

* Language of the case: German.

OPINION OF ADVOCATE GENERAL

SZPUNAR

delivered on 25 May 2016 (1)

Case C-223/15

combit Software GmbH

v

Commit Business Solutions Ltd

(Request for a preliminary ruling from the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany))

(Intellectual property — European Union trade mark — Regulation (EC) No 207/2009 — Article 1(2) — Unitary character of the European Union trade mark — Article 102(1) — Prohibition issued by an EU trade mark court of acts of infringement — Territorial scope — Limitation of the territorial scope of the prohibition on the ground that there is no likelihood of confusion in

a Member State other than that of the court seised — Burden of proof)

Introduction

1. This request for a preliminary ruling gives the Court an opportunity to develop its case-law arising from the judgment in DHL Express France (2) and to define the conditions in which a territorial limitation may be applied to a prohibition issued under Article 9(1)(b) and Article 102(1) of Regulation (EC) No 207/2009 on the European Union trade mark. (3)

2. This issue has been raised by a German court, hearing the case as an EU trade mark court, in an action for infringement brought by the proprietor of the EU word mark ‘combit’, seeking to prohibit the use of a sign, ‘Commit’, for goods and services in the computer industry.

Legal framework

3. Recitals 3 and 16 of Regulation No 207/2009 are worded as follows:

‘(3) For the purpose of pursuing the [Union’s] ... objectives it would appear necessary to provide for [Union] arrangements for trade marks whereby undertakings can by means of one procedural system obtain [EU] trade marks to which uniform protection is given and which produce their effects throughout the entire area of the [Union]. The principle of the unitary character of the [EU] trade mark thus stated should apply unless otherwise provided for in this Regulation.

...

(16) Decisions regarding the validity and infringement of [EU] trade marks must have effect and cover the entire area of the [Union], as this is the only way of preventing inconsistent decisions ... and of ensuring that the unitary character of [EU] trade marks is not undermined. ...’

4. Article 1(2) of Regulation No 207/2009 provides as follows:

‘An [EU] trade mark shall have a unitary character. It shall have equal effect throughout the [Union]: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole [Union]. This principle shall apply unless otherwise provided in this Regulation.’

5. Article 9(1) of the regulation (4) provides:

‘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:

...

(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;

...’

6. According to Article 102(1) of Regulation No 207/2009:

'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 [EU] 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.'

Facts

7. combit Software GmbH, a company governed by German law, is the proprietor of German and EU word marks protecting the sign 'combit' for goods and services in the computer industry.

8. Commit Business Solutions Ltd is a company governed by Israeli law which sells software bearing the word sign 'Commit' in a number of countries through an 'e-store' accessible on its website (www.commitrm.com). At the time of the facts which gave rise to the dispute in the main proceedings, offers of the goods for sale on that website were available in German and, once purchased online, the software could be delivered directly to Germany.

9. combit Software brought proceedings against Commit Business Solutions before the Landgericht Düsseldorf (Regional Court, Düsseldorf, Germany), which heard the case in its capacity as an EU trade mark court, and sought a prohibition of the use within the European Union of the word sign 'Commit' for software, on the basis of a likelihood of confusion with the EU trade mark combit. In the alternative, the applicant relied on its German trade mark and sought a prohibition of the use within Germany of the word sign at issue in the main proceedings.

10. The Landgericht Düsseldorf (Regional Court, Düsseldorf) allowed combit Software's alternative claim and made an order against Commit Business Solutions on the basis of the German trade mark, having found that there was a likelihood of confusion between the signs 'combit' and 'Commit' for German consumers of the goods concerned. However, the Landgericht Düsseldorf (Regional Court, Düsseldorf) dismissed the main application made in reliance on the EU trade mark on the ground of non-use.

11. combit Software appealed against that decision before the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) concerning the dismissal of its claim based on the EU trade mark and seeking a prohibition covering the entire area of the European Union.

12. The referring court, determining the case as an EU trade mark appeal court, found that, contrary to the finding at first instance, the use of the EU trade mark relied on by the applicant was established. It also considered that the existence of a likelihood of confusion between the signs concerned in Germany was *res judicata*, but that the situation was different so far as English-speaking countries were concerned. According to the referring court, consumers in those countries would be capable of perceiving the trade mark combit as an abbreviation of the two terms 'com'

and 'bit', which are not particularly distinctive in the computer industry, as well as immediately understanding the meaning of the word 'commit', so that the phonetic similarity between the signs at issue would be cancelled out by their difference in meaning.

13. The referring court is thus unsure as to the application of the principle of the unitary character of the EU trade mark in a situation such as that in the main proceedings, where it is not possible to establish a likelihood of confusion for all Member States, particularly English-speaking countries. First, it observes that the strict application of that principle would allow the proprietor of an EU trade mark to prohibit the use of a competing sign even in Member States in which there is no likelihood of confusion. Second, it comments that if an EU trade mark court were required to examine the likelihood of confusion for each Member State individually, that examination would slow the proceedings and would lead to considerable expense for the parties. Questions referred and procedure before the Court of Justice

14. In those circumstances, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'In the assessment of the likelihood of confusion of a [n EU] word mark, what is the significance of a situation in which, from the perspective of the average consumer in some Member States, the phonetic similarity of the [EU] trade mark with another sign claimed to infringe that trade mark is cancelled out by a conceptual difference, whereas from the perspective of the average consumer in other Member States it is not?

(a) In assessing the likelihood of confusion, is the perspective of some Member States, of the other Member States, or that of a fictive EU average consumer decisive?

(b) If there is a likelihood of confusion only in some Member States, has the [EU] trade mark been infringed across the European Union, or must the Member States be differentiated individually?'

15. The order for reference dated 12 May 2015 was received at the Court Registry on 18 May 2015. Written observations have been submitted by the parties to the main proceedings, the Polish Government and the European Commission. With the exception of the Polish Government, the same parties also attended the hearing on 3 March 2016.

Assessment

16. In referring its questions, which I propose to examine together, the referring court asks in essence whether a territorial limitation may be applied to a prohibition issued in an action for infringement of an EU trade mark pursuant to Article 102(1) of Regulation No 207/2009, on the ground that the finding of a likelihood of confusion, within the meaning of Article 9(1)(b) of that regulation, does not apply, for linguistic reasons, in one or more Member States.

17. Should that be the case, it also asks about the precise conditions in which such a limitation should be envisaged.

Principle of the unitary character of the EU trade mark

18. EU trade mark law is based on the principle of the unitary character of that trade mark, laid down in Article 1(2) of Regulation No 207/2009. (5)

19. The rationale for that principle lies in the very concept of the European Union as a unitary territory constituting a single market. (6) The purpose of the EU trade mark system is to offer similar conditions on the internal market to those existing in a national market. Unitary rights like the EU trade mark thus guarantee that there is a single proprietor throughout the territory in which those rights apply, and ensure the free movement of the product. That is why, except where otherwise expressly provided, (7) the EU trade mark produces the same effects throughout the European Union. (8)

20. According to recitals 3 and 16 of Regulation No 207/2009, the principle in question results in a requirement for EU trade marks to be given uniform protection throughout the entire area of the European Union, so that decisions regarding the validity and infringement of EU trade marks must have effect and cover the entire area of the Union.

21. However, Article 1(2) of Regulation No 207/2009 does not expressly refer to the effects of sanctions adopted at the request of the proprietor of an EU trade mark under Article 102 of the regulation.

22. The issue raised in the main proceedings thus concerns the broader systemic scope of the principle of unitary character and raises the question — keenly discussed in legal literature (9) — of the consequences of that principle in situations not specifically referred to in Article 1(2) of Regulation No 207/2009.

Territorial scope of the prohibition

23. It may be inferred from the unitary character of the EU trade mark that a prohibition on proceeding with acts of infringement or threatened infringement, issued by an EU trade mark court under Article 102(1) of Regulation No 207/2009, extends as a rule to the entire area of the European Union.

24. First of all, the jurisdiction of an EU trade mark court, when it is dealing with a case on the basis of paragraphs 1 to 4 of Article 97 of Regulation No 207/2009 which concern international jurisdiction, extends to the entire area of the European Union. Secondly, the exclusive right of a proprietor conferred under that regulation extends to the whole of that area, throughout which EU trade marks enjoy uniform protection. (10)

25. That consideration of principle must, however, be reconciled with the requirement that, in relying on his exclusive right, a proprietor may not prohibit the use of a sign which is not capable of affecting the functions of the trade mark.

26. According to settled case-law, an exclusive right is conferred by Regulation No 207/2009 in order to enable the proprietor of an EU trade mark to protect his

specific interests, that is, to ensure that the trade mark is able to fulfil its functions. The exercise of that right must therefore be restricted to cases in which a third party's use of the sign adversely affects one of the functions of the trade mark or is liable to do so. (11)

27. As the Court held in the judgment in *DHL Express France*, the territorial scope of the prohibition may, in certain circumstances, be restricted in view of those considerations. (12)

28. It is my view that the answer to the questions raised in this case may therefore, to a certain extent, be inferred from that judgment.

29. The Court has held that if an EU trade mark court finds that acts of infringement or threatened infringement are limited to a single Member State or to part of the territory of the European Union, in particular because the defendant proves that the use of the sign at issue does not adversely affect the functions of the trade mark or is not liable to do so, for example for linguistic reasons, that court must limit the territorial scope of the prohibition which it issues. (13)

30. As regards the exclusive right provided for in Article 9(1)(b) of Regulation No 207/2009, which is at issue in the present case, the essential function of the potentially compromised trade mark is to identify the commercial origin of the designated product or service. Where a similar sign is used, that essential function is not jeopardised if there is no likelihood of confusion.

31. It is clear from the above considerations that, provided there is no likelihood of confusion in part of the territory of the European Union, for example for linguistic reasons such as those referred to in the main proceedings, and the use of a contested sign in that part of the European Union is therefore not liable to affect the functions of the trade mark, that fact justifies limiting the territorial scope of a prohibition issued under Article 102(1) of Regulation No 207/2009.

Conditions for limitation

32. When examining whether it is appropriate to limit the territorial scope of a prohibition in a particular case, the EU trade mark court seised must take account of the fact that such a limitation constitutes an exception to the principle of the unitary character of the EU trade mark.

33. That consideration justifies in particular a reversal of the burden of proof in favour of the person applying for the prohibition.

34. As is apparent from the judgment in *DHL Express France*, (14) it is for the defendant to prove that, in part of the territory of the European Union, the use of the sign at issue does not adversely affect the functions of the trade mark or is not liable to do so.

35. That reversal of the burden of proof affects the analysis to be undertaken by the EU trade mark court.

36. First of all, given that the limitation of the prohibition must be raised by the defendant and justified in relation to a specific part of the territory of the European Union, it is not for the EU trade mark court seised to consider whether the likelihood of confusion exists for each Member State individually.

37. In that regard, I do not agree with the position suggested by a reading of the case-law of some national courts.

38. In its judgment on trade marks including the prefix ‘Volks-’, for example, which related primarily to Article 9(1)(c) of Regulation No 207/2009, the Bundesgerichtshof (Federal Court of Justice, Germany) did not rule out the possibility that, in the context of an application based on point (b) of that provision, the EU trade mark court must ascertain of its own motion whether the likelihood of confusion established applies to the entire territory of the European Union. (15)

39. In a relatively recent judgment, the High Court of Justice of England and Wales, Chancery Division, (United Kingdom) appears to take the view that, in the case of an application for a pan-European prohibition based on Article 9(1)(b) of Regulation No 207/2009, the applicant — which bears the burden of proving an infringement — must demonstrate that a likelihood of confusion exists in each Member State individually and may not, in that regard, rely on ‘presumptions’. (16)

40. That position cannot, in my view, be reconciled with the [Court’s decision in DHL Express France](#), according to which a prohibition based on Article 9(1)(b) of Regulation No 207/2009 must, as a rule, have pan-European scope, except where the defendant resists this by proving that the likelihood of confusion established does not apply for certain specific Member States. (17)

41. In my view, an applicant for a prohibition who is the proprietor of an EU trade mark discharges the burden of proof when he demonstrates the existence or threat of infringement. However, the procedural burden of obtaining any limitation of the prohibition lies entirely with the defendant.

42. That procedural burden includes the burden of raising and presenting an issue (onus proferendi) and the burden of proof in the strict sense (onus probandi). (18) Consequently, except in a case where the defendant raises this aspect by putting forward a specific argument, the court dealing with a case should not consider of its own motion whether its analysis of the existence of a likelihood of confusion applies for the entire territory of the European Union.

43. This allocation of the burden of proof, involving an obligation for the defendant to raise and demonstrate the need for a territorial limitation, has been upheld by a number of national courts. (19) Academic legal writing observes that this reversal of the burden of proof is entirely justified by the fact that it is a question of an exception to the principle of the unitary character of the EU trade mark. It is thus for the defendant to prove that the finding that the proprietor’s rights are adversely affected does not apply to certain specific Member States. (20)

44. Secondly, the EU trade mark court seised must also take account of the exceptional nature of the territorial limitation of the prohibition when it comes to determining the standard of proof required from the defendant.

45. In that regard, a clear distinction must in my view be made between two sets of circumstances.

46. On the one hand, the burden of raising an issue and the burden of proof in the strict sense are aspects governed solely by uniform EU trade mark law, given that they are closely linked to the application of substantive law. It is also settled case-law that the allocation of the burden of proof in connection with the EU trade mark may not be determined by the national law of the Member States, but is a matter of EU law. If that question were a matter for the national law of the Member States, the aim of the EU trade mark of affording uniform protection might be compromised. (21)

47. On the other hand, the standard of proof required and the methods of proof are governed independently by the national law of the Member State of the court seised. These are aspects of procedural law which continue, pursuant to Article 101(3) of Regulation No 207/2009, to be governed by the national law of the place where the court dealing with the case is located, except for the aspects expressly covered by that regulation.

48. In applying the national rules concerning the standard and methods of proof, the court seised must, however, ensure that the EU trade mark’s aim of providing uniform protection is not compromised.

49. I note that demonstrating that the likelihood of confusion is geographically restricted may demand considerable effort, particularly where that demonstration concerns a country other than that where the action is brought. In the light of the foregoing, in order to obtain a limitation of the territorial scope of a prohibition, the defendant must raise that aspect, putting forward specific arguments in that regard. In addition, provided that the rules of national procedural law allow it, an EU trade mark court may require the defendant to provide specific proof showing that in one or more Member States the threat of infringement can be ruled out.

50. In the light of all these observations, a limitation of the territorial scope of a prohibition is required when the defendant raises specific arguments serving to rule out a likelihood of confusion in one or more Member States and, where he does so, adduces relevant proof. It is therefore not for an EU trade mark court dealing with a case on the basis of Article 97(1) to (4) of Regulation No 207/2009 to consider of its own motion whether there is a likelihood of confusion for each Member State individually.

Effectiveness of the prohibition

51. It is important to note that, when adopting a prohibition, an EU trade mark court must, amongst other things, ensure that the measure adopted will be effective, proportionate and dissuasive and will be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against its abuse. (22)

52. In that regard, the court must ensure that a prohibition on proceeding with acts of infringement or threatened infringement — where a territorial limitation

is applied to that prohibition — remains effective in the light of the particular circumstances of the market.

53. I note that the Court, when considering, in paragraph 48 of the judgment in *DHL Express France*, (23) the possibility of limiting the territorial scope of the prohibition, referred to the circumstances of the main proceedings. It may be inferred from that that, in certain cases in which the circumstances are different, limiting the territorial scope of the injunction would run counter to the EU trade mark's aim of providing uniform protection.

54. That might be the case, in my opinion, where, in view of the circumstances on the market where the infringement is occurring — such as the market in software sold on the internet, in the present case — it is necessary to start from the premiss that the infringement concerns the entire territory of the European Union.

55. Thus, in adopting a prohibition, the EU trade mark court seised must also take account of the marketing methods used for the goods in question, in order to decide whether there is a risk that limiting the territorial scope of the prohibition will render it ineffective.

Conclusion

56. In the light of all the foregoing, I propose that the Court should answer the questions raised by the *Oberlandesgericht Düsseldorf* (Higher Regional Court, Düsseldorf, Germany) as follows:

The fact that a likelihood of confusion may be ruled out, for linguistic reasons, in one or more Member States is capable of justifying a limitation of the territorial scope of a prohibition issued by an EU trade mark court under Articles 9(1)(b) and 102(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark. Such a limitation is necessary when the defendant raises specific arguments serving to rule out a likelihood of confusion in one or more Member States and, where he does so, adduces relevant proof. It is not for an EU trade mark court dealing with a case on the basis of Article 97(1) to (4) of Regulation No 207/2009 to consider of its own motion whether there is a likelihood of confusion for each Member State individually. The EU trade mark court must also refrain from limiting the territorial scope of a prohibition where there is a risk that that limitation would render the prohibition ineffective.

1 – Original language: French.

2 – Judgment of 12 April 2011 (C-235/09, EU:C:2011:238).

3 – Council Regulation of 26 February 2009 (OJ 2009 L 78, p. 1). The terms ‘Union’, ‘EU trade mark’ and ‘EU trade mark court’ replace the previous terminology from 23 March 2016, pursuant to Article 1 of Regulation (EU) 2015/2424 of the Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21).

4 – In the version applicable on the date of the facts in the main proceedings. I note that Article 9 (2)(b) of

Regulation No 207/2009, as replaced by point (11) of Article 1 of Regulation 2015/2424, contains an essentially similar provision, except for a detail to the effect that infringement actions do not affect earlier rights acquired before the filing date or the priority date of an EU trade mark.

5 – See, in various contexts, judgments of 18 September 2008, *Armacell v OHIM* (C-514/06 P, EU:C:2008:511, paragraphs 54 and 57); 12 April 2011, *DHL Express France* (C-235/09, EU:C:2011:238, paragraphs 40 to 45), and 19 December 2012, *Leno Merken* (C-149/11, EU:C:2012:816, paragraphs 41 to 43).

6 – See the study drawn up at the Commission's request by the Max Planck Institute for Intellectual Property and Competition Law, ‘Study on the Overall Functioning of the European trade mark system’, Munich, 2011, paragraphs 1.13 to 1.17 (http://ec.europa.eu/internal_market/indprop/tm/index_en.htm).

7 – See Articles 110 (on prohibition of use of EU trade marks on the basis of earlier rights) and 111 (on prior rights applicable to particular localities) of Regulation No 207/2009.

8 – See judgments of 22 June 1994, *IHT Internationale Heiztechnik and Danzinger* (C-9/93, EU:C:1994:261, paragraphs 53 to 55), and 19 December 2012, *Leno Merken* (C-149/11, EU:C:2012:816, paragraph 42).

9 – See Von Mühlendahl, A., ‘Community trade mark riddles: territoriality and unitary character’, *European Intellectual Property Review (EIPR)*, 2008, p. 66; Sosnitzer, O., ‘Der Grundsatz der Einheitlichkeit im Verletzungsverfahren der Gemeinschaftsmarke’, *Gewerblicher Rechtsschutz und Urheberrecht*, 2011, p. 465; Schnell, S., ‘The Community trade mark: unitary EU right — EU-wide injunction?’, *EIPR*, 2011, p. 210; Żelechowski, Ł., ‘Infringement of a Community trade mark: between EU-wide and non-EU-wide scope of prohibitive injunctions’, *EIPR*, 2013, p. 287, and ‘Terytorialny zasięg sądowego zakazu naruszenia prawa do wspólnotowego znaku towarowego’, *Europejski Przegląd Sądowy*, 2012, No 2, p. 19, and No 4, p. 28.

10 – Judgment of 12 April 2011, *DHL Express France* (C-235/09, EU:C:2011:238, paragraphs 38 and 39).

11 – Judgments of 12 November 2002, *Arsenal Football Club* (C-206/01, EU:C:2002:651, paragraph 54); 18 June 2009, *L'Oréal and Others* (C-487/07, EU:C:2009:378, paragraph 60); and 23 March 2010, *Google France and Google* (C-236/08 to C-238/08, EU:C:2010:159, paragraph 49).

12 – Judgment of 12 April 2011 (C-235/09, EU:C:2011:238, paragraph 46 and the case-law cited therein).

13 – Judgment of 12 April 2011, *DHL Express France* (C-235/09, EU:C:2011:238, paragraph 48). The Court noted that a prohibition must also be limited where the applicant has restricted the territorial scope of its action.

14 – Judgment of 12 April 2011 (C-235/09, EU:C:2011:238, paragraph 48).

15 – See decision of 11 April 2013 — I ZR 214/11, paragraph 67. In that decision, the Bundesgerichtshof (Federal Court of Justice) stated that, in so far as the applicant sought a prohibition based on point (b) for the entire territory of the European Union, that application could succeed only if the EU trade mark had a distinctive character throughout the territory of the Union. See, on the connection between that judgment and the present reference, Lambrecht, A., ‘EuGH-Vorlage zur einheitlichen Wirkung der Gemeinschaftsmarke im Verletzungsverfahren’, GRUR-Prax, 2015, p. 280.

16 – See judgment of the High Court of Justice of England and Wales, Chancery Division, of 11 February 2015, Enterprise Holding Inc v Europcar Group UK Limited & Anor [2015] EWHC 300 (Ch), in particular paragraphs 10 and 27. The English court accepted that this position was debatable in the light of the judgment of 12 April 2011, DHL Express France (C-235/09, EU:C:2011:238).

17 – Judgment of 12 April 2011 (C-235/09, EU:C:2011:238, paragraph 48). However, the Court has not yet had an opportunity to take a view on the territorial scope of an application based on a trade mark which has a reputation, within the meaning of Article 9(1)(c) of that regulation. As regards the possibility of relying on such a trade mark in order to prevent the registration of a later national trade mark, see judgment of 3 September 2015, Iron & Smith (C-125/14, EU:C:2015:539).

18 – This conceptualisation of the burden of raising and presenting an issue is known in, for example, Polish law (ciężar twierdzenia i dowodu) and German law (Darlegungs- und Beweislast). See Adrych-Brzezińska, I., ‘Ciężar dowodu w prawie i procesie cywilnym’, LEX Wolters Kluwer, Warsaw, 2015, p. 55.

19 – See judgment of the Oberster Gerichtshof (Supreme Court, Austria) of 12 June 2012 in Case 17 Ob 27/11m [paragraph 2.2(b)], and case-law of the German and United Kingdom courts cited in: Ashby, S., ‘Enforcement of A Community Trade Mark’, in The ITMA & CIPA Community Trade Mark Handbook, Sweet & Maxwell, 2015, p. 196.

20 – See Schennen, D., in Eisenführ, G., Schennen, D., ‘Gemeinschaftsmarkenverordnung’, 4th edition, Carl Heymanns Verlag, Cologne, 2014, Article 1, paragraph 33, and Sosnitza, O., *op. cit.*, p. 469.

21 – See, to that effect, judgments of 18 October 2005, Class International (C-405/03, EU:C:2005:616, paragraph 73) and 22 March 2012, GENESIS (C-190/10, EU:C:2012:157, paragraph 59).

22 – See Article 3 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). 23 – Judgment of 12 April 2011 (C-235/09, EU:C:2011:238).