

Court of Justice EU, 14 September 2017, EUIPO v IVDP



TRADEMARK LAW

General Court did not err in law by applying to the system provided for by Regulation No 1234/2007 the principles laid down by the Court of Justice provided for by Regulation No 510/2006:

- objectives and characteristics were similar

Contrary to what IVDP submits, the General Court did not err in law by applying to the system provided for by Regulation No 1234/2007 the principles laid down by the Court of Justice in the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521) regarding the uniform and exclusive nature of the system of protection provided for by Regulation No 510/2006.

76. Although it is true that the system of protection established by Regulation No 1234/2007 is not identical to that provided for by Regulation No 510/2006, the General Court was right in holding that those two systems were, essentially, the same in nature, since their objectives and characteristics were similar, as the Advocate General has also pointed out in [point 63 of his Opinion](#).

General Court erred in law in holding that the protection conferred on protected designations of origins and geographical indications under Regulation No. 1234/2007 may be supplemented by the relevant national law granting additional protection

- Although Regulation No 1234/2007 does not, in principle, preclude ‘a simple ... indication of geographical provenance’, that is to say, a name in respect of which there is no direct link between a specific quality, reputation or other characteristic of the product and its specific geographical origin, so that it does not come within the scope of Regulation No 1234/2007 (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 73 and the case-law cited), from being protected under national law, the same is not true when, as in the present case, the dispute relates to a designation of origin which is attributed to a wine and which is covered by that regulation.

It follows that the General Court erred in law in holding, in paragraph 44 of the judgment under appeal, that the protection conferred on protected designations of origin and geographical indications under Regulation No 1234/2007, provided that they are ‘earlier rights’ within the meaning of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) and Article 53(2)(d) of that regulation, ‘*may be supplemented by the relevant national law granting additional protection*’.

General Court was entitled to hold, without erring in law, that the mark PORT CHARLOTTE could not be regarded as using the designation of origin ‘Porto’ or ‘Port’

- The incorporation in a trade mark of a name which is protected under Regulation No 1234/2007, such as the designation of origin ‘port’, cannot be held to be capable of exploiting the reputation of that designation of origin, for the purposes of Article 118m(2)(a) (ii) of that regulation, if that incorporation does not lead the relevant public to associate that mark or the goods in respect of which it is registered with the designation of origin concerned or the wine product in respect of which it is protected.

In the present case, the General Court, following an assessment of facts that is not open to challenge, found, in paragraphs 71 and 76 of the judgment under appeal, that the sign ‘PORT CHARLOTTE’, since it consists of the term ‘port’ and the first name Charlotte, will be perceived by the relevant public as a logical and conceptual unit referring to a harbour, that is to say a place situated on the coast or on a river, with which a first name, which constitutes the most important and most distinctive element in the contested mark, is associated. According to the General Court, the relevant public will not perceive, in that sign, any geographical reference to the port wine covered by the designation of origin in question.

117. On the basis of that factual assessment, the General Court was entitled to hold, without erring in law, that the Board of Appeal had been right in finding that the contested mark could not, for the purposes of Article 118m(2)(a)(ii) of Regulation No 1234/2007, be regarded as using the designation of origin ‘Porto’ or ‘Port’.

No error in law in judgment that the average consumer will not associate the mark with a port wine covered by the designation of origin in question

- The General Court first of all referred, in paragraph 76 of the judgment under appeal, to the case-law of the Court of Justice relating to the concept of ‘evocation’ appearing in the EU legislation relating to the protection of designations of origin and geographical indications.

122. According to that case-law, that concept of ‘evocation’ covers a situation in which the term used to designate a product incorporates part of a protected

designation, so that when the consumer is confronted with the name of the product the image triggered in his mind is that of the product whose designation is protected (see, in particular, as regards Article 16(b) of Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ 2008 L 39, p. 16), a provision which is in all respects identical to Article 118m(2)(b) of Regulation No 1234/2007, judgment of 21 January 2016, Viiniverla, [C-75/15, EU:C:2016:35](#), paragraph 21 and the case-law cited).

123. Furthermore, there can be ‘evocation’ even in the absence of any likelihood of confusion between the products concerned, since what matters is, in particular, that an association of ideas regarding the origin of the products is not created in the mind of the public, and that a trader does not take undue advantage of the reputation of the protected geographical indication (see, in particular, judgment of 21 January 2016, Viiniverla, [C-75/15, EU:C:2016:35](#), paragraph 45).

124. The General Court, without erring in law, applied the fundamental criterion deriving from that case-law, by holding, in paragraph 76 of the judgment under appeal, that, having regard to the findings set out in paragraph 71 of that same judgment, even though the term ‘port’ forms an integral part of the contested mark, the average consumer, even if he is of Portuguese origin or speaks Portuguese, in reaction to a whisky bearing that mark, will not associate it with a port wine covered by the designation of origin in question.

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Court of Justice EU, 14 September 2017

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

JUDGMENT OF THE COURT (Second Chamber)

14 September 2017 (*)

(Appeal — EU trade mark — Regulation (EC) No 207/2009 — Article 8(4) and Article 53

(1)(c) and (2)(d) — EU word mark PORT CHARLOTTE — Application for a declaration of invalidity of that mark — Protection conferred on the earlier designations of origin ‘Porto’ and ‘Port’ under Regulation (EC) No 1234/2007 and under national law — Exhaustive nature of the protection conferred on those designations of origin — Article 118m of Regulation (EC) No 1234/2007 — Concepts of ‘use’ and ‘evocation’ of a protected designation of origin)

In Case C-56/16 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 29 January 2016,

European Union Intellectual Property Office (EUIPO), represented by E. Zaera Cuadrado and O. Mondéjar Ortuño, acting as Agents,

appellant,

supported by:

European Commission, represented by B. Eggers, I. Galindo Martín, J. Samnadda and T. Scharf, acting as Agents,

intervener in the appeal,

the other parties to the proceedings being:

Instituto dos Vinhos do Douro e do PortoIP, established in Peso da Régua (Portugal),

represented by P. Sousa e Silva, advogado,

applicant at first instance,

supported by:

Portuguese Republic, represented by L. Inez Fernandes, M. Figueiredo and A. Alves,

acting as Agents,

intervener in the appeal,

Bruichladdich Distillery Co.Ltd, established in Argyll (United Kingdom), represented by S. Havard Duclos, avocate,

intervener at first instance,

THE COURT (Second Chamber),

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

Advocate General: M. Campos Sánchez-Bordona,

Registrar: I. Illéssy, Administrator,

having regard to the written procedure and further to the hearing on 2 March 2017, after hearing the Opinion of the Advocate General at the sitting on 18 May 2017 gives the following

Judgment

1. By its appeal, the European Union Intellectual Property Office (EUIPO) seeks to have set aside the judgment of the General Court of the European Union of 18 November 2015, Instituto dos Vinhos do Douro e do Porto v OHIM — Bruichladdich Distillery (PORT CHARLOTTE) (T-659/14, EU:T:2015:863) (‘the judgment under appeal’), by which that Court annulled the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 8 July 2014 (Case R 946/2013-4), relating to invalidity proceedings between Instituto dos Vinhos do Douro e do Porto IP and Bruichladdich Distillery Co. Ltd (‘the contested decision’).

2. By its cross-appeal, Instituto dos Vinhos do Douro e do Porto (‘IVDP’) seeks to have the judgment under appeal set aside in part.

Legal context

Regulation (EC) No 207/2009

3. Article 8(4) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1) provides:

‘Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the [EU] legislation or the law of the Member State governing that sign:

(a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark;

(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.’

4. Under Article 53(1) and (2) of that regulation:

‘1. An [EU] trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

...

(c) where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled.

2. An [EU] trade mark shall also be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings where the use of such trade mark may be prohibited pursuant to another earlier right under the [EU] legislation or national law governing its protection, and in particular:

...

(d) an industrial property right.’

Regulation (EC) No 479/2008

5. Recitals 27, 28 and 36 of Council Regulation (EC) No 479/2008 of 29 April 2008 on the common organisation of the market in wine, amending Regulations (EC) No 1493/1999, (EC) No 1782/2003, (EC) No 1290/2005, (EC) No 3/2008 and repealing Regulations (EEC) No 2392/86 and (EC) No 1493/1999 (OJ 2008 L 148, p. 1), stated:

‘(27) The concept of quality wines in the Community is based, inter alia, on the specific characteristics attributable to the wine’s geographical origin. Such wines are identified for consumers via protected designations of origin and geographical indications, although the current system is not fully developed in this respect. In order to allow for a transparent and more elaborate framework underpinning the claim to quality by the products concerned, a regime should be established under which applications for a designation of origin or a geographical indication are examined in line with the approach followed under the Community’s horizontal quality policy applicable to foodstuffs other than wine and spirits in Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs [(OJ 2006 L 93, p. 12)].

(28) In order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, Member States should be allowed to apply more stringent rules in that respect.

...

(36) Existing designations of origin and geographical indications in the Community should for reasons of legal certainty be exempt from the application of the new examination procedure. The Member States concerned should, however, provide the Commission with the basic information and acts under which they have been recognised at national level failing which they should lose their protection as designations of origin or geographical indications. The scope for cancellation of existing designations of origin and

geographical indications should be limited for reasons of legal certainty.’

Regulation No 1234/2007

6. Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) (OJ 2007 L 299, p. 1), as amended by Council Regulation No 491/2009 of 25 May 2009 (OJ 2009 L 154, p. 1) (‘Regulation No 1234/2007’) is, having regard to the date of the facts in the present case, applicable to the proceedings. Regulation No 491/2009 repealed, with effect from 1 August 2009, Regulation No 479/2008.

7. Recital 3 of Regulation No 491/2009 states:

‘In parallel to the negotiations and adoption of ... Regulation [No 1234/2007], the Council also started to negotiate a policy reform in the wine sector which has now been finalised by the adoption of ... Regulation [No 479/2008]. As specified in ... Regulation [No 1234/2007], only those provisions of the wine sector which were not subject to any policy reforms were initially incorporated into ... Regulation [No 1234/2007]. These substantive provisions which were subject to policy amendments were to be incorporated into ... Regulation [No 1234/2007] once they had been enacted. Since such substantive provisions have now been enacted, the wine sector should now be fully incorporated into ... Regulation [No 1234/2007] by way of introducing the policy decisions taken in Regulation [No 479/2008] into ... Regulation [No 1234/2007].’

8. Article 118b of Regulation No 1234/2007, entitled ‘Definitions’, provides, in paragraph 1 thereof:

‘For the purposes of this Subsection, the following definitions shall apply:

(a) “designation of origin” means the name of a region, a specific place or, in exceptional cases, a country used to describe a product referred to in Article 118a(1) that complies with the following requirements:

(i) its quality and characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors;

(ii) the grapes from which it is produced come exclusively from this geographical area;

(iii) its production takes place in this geographical area; and

(iv) it is obtained from vine varieties belonging to *Vitis vinifera*;

(b) “geographical indication” means an indication referring to a region, a specific place or, in exceptional cases, a country, used to describe a product referred to in Article 118a(1) which complies with the following requirements:

(i) it possesses a specific quality, reputation or other characteristics attributable to that geographical origin;

(ii) at least 85% of the grapes used for its production come exclusively from this geographical area;

(iii) its production takes place in this geographical area; and

(iv) it is obtained from vine varieties belonging to *Vitis vinifera* or a cross between the *Vitis vinifera* species and other species of the genus *Vitis*.’

9. Article 118f of that regulation, entitled ‘Preliminary national procedure’, provides, in paragraphs 1, 6 and 7 thereof:

‘1. Applications for protection of a designation of origin or a geographical indication of wines in accordance with Article 118b originating in the Community shall be subject to a preliminary national procedure in accordance with this Article.

...

6. Member States shall introduce the laws, regulations or administrative provisions necessary to comply with this Article by 1 August 2009.

7. Where a Member State has no national legislation concerning the protection of designations of origin and geographical indications, it may, on a transitional basis only, grant protection to the name in accordance with the terms of this Subsection at national level with effect from the day the application is lodged with the Commission. Such transitional national protection shall cease on the date on which a decision on registration or refusal under this Subsection is taken.’

10. Article 118i of that regulation provides:

‘On the basis of the information available to the Commission, the Commission shall decide ... either to confer protection on the designation of origin or geographical indication which meets the conditions laid down in this Subsection and is compatible with Community law, or to reject the application where those conditions are not satisfied.’

11. Article 118l of Regulation No 1234/2007, entitled, ‘Relationship with trademarks’, provides, in paragraph 1 thereof:

‘Where a designation of origin or a geographical indication is protected under this Regulation, the registration of a trademark corresponding to one of the situations referred to in Article 118m(2) and relating to a product falling under one of the categories listed in Annex XIb shall be refused if the application for registration of the trademark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected. Trademarks registered in breach of the first subparagraph shall be invalidated.’

12. Article 118m of that regulation, entitled ‘Protection’, provides:

‘1. Protected designations of origins and protected geographical indications may be used by any operator marketing a wine which has been produced in conformity with the corresponding product specification.

2. Protected designations of origins and protected geographical indications and the wines using those protected names in conformity with the product specification shall be protected against:

(a) any direct or indirect commercial use of a protected name:

(i) by comparable products not complying with the product specification of the protected name; or

(ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation”, “flavour”, “like” or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.

3. Protected designations of origin or protected geographical indications shall not become generic in the Community within the meaning of Article 118k(1). ...’

13. Article 118n of that regulation, entitled ‘Register’, provides:

‘The Commission shall establish and maintain an electronic register of protected designations of origin and protected geographical indications for wine which shall be publicly accessible.’

14. Article 118s of Regulation No 1234/2007, entitled ‘Existing protected wine names’, is worded as follows:

‘1. Wine names, which are protected in accordance with Articles 51 and 54 of [Council] Regulation (EC) No 1493/1999 [of 17 May 1999 on the common organisation of the market in wine (OJ 1999 L 179, p.1)] and Article 28 of Commission Regulation (EC) No 753/2002 of 29 April 2002 laying down certain rules for applying Council Regulation (EC) No 1493/1999 as regards the description, designation, presentation and protection of certain wine sector products [(OJ 2002 L 118, p. 1)], shall automatically be protected under this Regulation. The Commission shall list them in the register provided for in Article 118n of this Regulation.

2. Member States shall, in respect of existing protected wine names referred to in paragraph 1, transmit to the Commission:

(a) the technical files ... ;

(b) the national decisions of approval.

3. Wine names referred to in paragraph 1, for which the information referred to in paragraph 2 is not submitted by 31 December 2011, shall lose protection under this Regulation. The Commission shall take the corresponding formal step of removing such names from the register provided for in Article 118n.

4. Article 118r shall not apply in respect of existing protected wine names referred to in paragraph 1.

The Commission may decide, until 31 December 2014, at its own initiative and in accordance with the

procedure referred to in Article 195(4), to cancel protection of existing protected wine names referred to in paragraph 1 if they do not meet the conditions laid down in Article 118b ...'

15. Article 120d of that regulation, entitled 'Stricter rules decided by Member States', provides:

'Member States may limit or exclude the use of certain oenological practices and provide for more stringent restrictions for wines authorised under Community law produced in their territory with a view to reinforcing the preservation of the essential characteristics of wines with a protected designation of origin or a protected geographical indication and of sparkling wines and liqueur wines.

Member States shall communicate those limitations, exclusions and restrictions to the Commission, which shall bring them to the attention of the other Member States'.

16. On 1 August 2009, in accordance with Article 118n of Regulation No 1234/2007, the database E-Bacchus replaced the publication, as provided for by Article 54(5) of Regulation No 1493/1999, of lists of quality wines produced in specified regions (quality wines psr) in the Official Journal of the European Union. That database contains the protected designations of origin and geographical indications for wines from Member States in accordance with Regulation No 1234/2007, as well as the designations of origin and geographical indications for wines from third countries which are protected under bilateral agreements between the European Union and those third countries.

Background to the dispute and the contested decision

17. The background to the dispute and the contested decision are summarised as follows in paragraphs 1 to 15 of the judgment under appeal:

1. On 27 October 2006, [Bruichladdich Distillery Co. Ltd, ("Bruichladdich")] filed an application for registration of an [EU] trade mark with [EUIPO] pursuant to ... Regulation [No 207/2009].

2. Registration as a mark was sought for the word sign PORT CHARLOTTE ("the contested mark").

3. The goods in respect of which registration was sought are in Class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: "Alcoholic beverages".

4. The contested mark was registered on 18 October 2007 under No 5421474, and published in Community Trade Marks Bulletin No 60/2007 of 29 October 2007.

5. On 7 April 2011, [IVDP] filed an application with [EUIPO] for a declaration that the contested mark was invalid pursuant to Article 53(1)(c), read in conjunction with Article 8(4), Article 53(2)(d), and Article 52(1)(a), read in conjunction with Article 7(1)(c) and (g) of Regulation No 207/2009, in so far as that mark designated the goods referred to in paragraph 3 above.

6. In response to the application for a declaration of invalidity, [Bruichladdich] limited the list of goods in respect of which the contested mark was registered to goods corresponding to the following description: "Whisky".

7. In support of its application for a declaration of invalidity, [IVDP] relied on the appellations of origin "[P]orto" and "[P]ort", which it claimed ... were protected, in all the Member States, by several provisions of Portuguese law and by Article 118m(2) of ... Regulation ... No [1234/2007] ...

8. By decision of 30 April 2013, the Cancellation Division rejected the application for a declaration of invalidity.

9. On 22 May 2013, [IVDP] filed a notice of appeal with [EUIPO], pursuant to Articles 58 to 64 of Regulation No 207/2009, against the decision of the Cancellation Division.

10. By [the contested decision], the Fourth Board of Appeal of [EUIPO] dismissed the appeal.

11. In the first place, the Board of Appeal rejected the argument regarding infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, in essence on the ground that the protection of designations of origin for wines was governed exclusively by Regulation No [234/2007] and, therefore, fell within the exclusive competence of the European Union. ...

12. Furthermore, the Board of Appeal found that those geographical indications were protected only for wines and, therefore, for goods that were neither identical nor comparable to a product denominated "whisky", namely a spirit drink with a different appearance and degree of alcohol that cannot comply with the product specification for a wine within the meaning of Article 118m(2)(a)(i) of Regulation No [1234/2007]. In so far as [IVDP] relied on the reputation of those designations of origin within the meaning of Article 118m(2)(a)(ii) of that regulation, the Board of Appeal found that the contested mark neither "use[d]" nor "evoke[d]" the geographical indications "porto" or "port", so that it was not necessary to ascertain whether they had a reputation. ... The Portuguese consumer would know that "the geographic term is actually 'Oporto' or 'Porto' and that 'Port' is just its shortened form used on wine labels to refer to the type of wine protected under the geographical indication" (paragraphs 19 to 26 of the contested decision).

13. The Board of Appeal rejected [IVDP's] argument that the protection under Article 118m(2) of Regulation No [1234/2007] ought to be extended to any sign "that includes" the term "port". There was also no "evocation" of a port wine within the meaning of Article 118m(2)(b) of that regulation, since whisky was a different product and nothing in the contested mark contained a potentially misleading or confusing statement. Therefore, according to the Board of Appeal, the appeal was without merit under the provisions of EU law protecting geographical origins for wines and there was no need to assess whether the

contested mark had a reputation (paragraphs 27 to 29 of the contested decision).

14. In the second place, the Board of Appeal rejected the argument regarding infringement of Article 53(2)(d) of Regulation No 207/2009, based on the claimed appellations of origin ‘[P]orto’ and ‘[P]ort’, registered with the World Intellectual Property Organisation (WIPO) on 18 March 1983 under No 682, in accordance with the Lisbon Agreement. ...

15. In the third place, the Board of Appeal rejected the arguments regarding infringement of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1) (c) and (g) thereof. ...’

The procedure before the General Court and the judgment under appeal

18. By application lodged at the Registry of the General Court on 15 September 2014, IVDP brought an action for annulment of the contested decision.

19. In support of its action, IVDP relied on six pleas, one of which was a plea as to fact and five of which were pleas in law.

20. For the purposes of the present appeal, what are relevant are the third plea, alleging that the Board of Appeal erred in finding that the protection of designations of origin for wines was governed exclusively by Regulation No 1234/2007, and not also by national law, the first part of the fourth plea, alleging infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, in that the Board of Appeal, in IVDP’s view, failed to apply the relevant rules of Portuguese law, and the second part of the fourth plea, alleging infringement of Article 118m(2) of Regulation No 1234/2007 in that the Board of Appeal, in IVDP’s view, incorrectly found that the registration or use of the contested mark did not constitute a use or an evocation of the designation of origin ‘Porto’ or ‘Port’, with the result that it was not necessary to ascertain whether that designation of origin had a reputation.

21. By the judgment under appeal, the General Court upheld the third plea and the first part of the fourth plea, inasmuch as those pleas essentially criticised the Board of Appeal for not applying the relevant rules of Portuguese law relating to the protection of the appellations of origin ‘Porto’ or ‘Port’, and rejected the other pleas.

22. Consequently, the General Court annulled the contested decision.

Proceedings before the Court of Justice and forms of order sought

23. By application of 22 January 2016, EUIPO brought an appeal against the judgment under appeal. By separate document of 27 May 2016, IVDP brought a cross-appeal against the same judgment.

24. By order of the President of the Court of Justice of 7 July 2016, the Portuguese Republic was granted leave to intervene in support of the form of order sought by IVDP.

25. By order of the President of 12 August 2016, the European Commission was granted leave to intervene,

during the oral procedure, in support of the form of order sought by EUIPO.

26. By its appeal, EUIPO claims that the Court should:

- uphold the appeal in its entirety;
- set aside the judgment under appeal;
- order IVDP to pay the costs incurred by EUIPO.

27. IVDP contends that the Court should:

- dismiss the appeal in its entirety;
- confirm the judgment under appeal, and
- order EUIPO to pay the costs incurred by IVDP in the proceedings before EUIPO and the Board of Appeal and before the General Court and the Court.

28. Bruichladdich contends that the Court should set aside the judgment under appeal and order IVDP to pay the costs of the present proceedings.

29. The Portuguese Republic contends that the Court should dismiss the appeal and order EUIPO to pay the costs.

30. By its cross-appeal, IVDP claims that the Court should:

- uphold the cross-appeal in its entirety;
- set aside the judgment under appeal in part;
- order EUIPO to pay the costs incurred by IVDP as appellant in the cross-appeal.

31. EUIPO contends that the Court should:

- dismiss the cross-appeal;
- uphold EUIPO’s appeal;
- order IVDP to pay the costs incurred by EUIPO in the cross-appeal.

32. Bruichladdich contends that the Court should dismiss the cross-appeal in its entirety and order IVDP to pay the costs of the present proceedings.

The main appeal and the cross-appeal

Arguments of the parties

The main appeal

33. In support of its appeal, EUIPO relies on a single ground of appeal, alleging an infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) and Article 53(2)(d) of that regulation.

34. By this ground of appeal, EUIPO submits that the General Court correctly held, in paragraph 41 of the judgment under appeal, ‘*that, as regards the scope of Regulation [No 1234/2007], Article 118m(1) and (2) [of that regulation] governs, in a uniform and exclusive manner, both the authorisation of and limits to, and even the prohibition of, commercial use of the protected designations of origin ... under EU law*’. It maintains that the General Court, however, erred in law in holding, in paragraph 44 of that judgment, that it was nevertheless possible for such designations of origin to benefit from supplementary protection granted under national legislation, protection which could be based on Article 8 (4) of Regulation No 207/2009.

35. EUIPO submits that, in making such a finding, the General Court failed to comply with the principles laid down both by the FEU Treaty, which provides that the exercise of the Member States’ competence is subject to the condition that the European Union has not exercised its own competence, and by the case-law of the Court of Justice. It takes the view that the

characteristics and objectives of Regulation No 510/2006, on which the Court of Justice relied in the judgment of 8 September 2009, *Budějovický Budvar* ([C-478/07, EU:C:2009:521](#)) for the purposes of holding that the system of protection provided for by that regulation was exhaustive in nature, are analogous to those of Regulations No 1234/2007 and No 479/2008. It submits that the substantive rules in those regulations

are, moreover, to a large extent identical.

36. EUIPO also maintains that the EU legislature established, for designations of origin falling within the scope of Regulations No 1234/2007 and No 479/2008, a system of protection for those designations in the wine sector at the level of EU law alone. It submits that the sole exception concerns the transitional arrangements for the protection of designations of origin and geographical indications existing in Member States.

37. EUIPO submits that, since, in paragraph 38 of the judgment under appeal, the General Court expressly admitted the application by analogy of the principles laid down by the judgment of 8 September 2009, *Budějovický Budvar* ([C-478/07, EU:C:2009:521](#)), it must be deduced from that, contrary to what the General Court held in paragraph 44 of the judgment under appeal, that the exhaustive nature of the system of protection provided for by Regulation No 1234/2007 excludes the possibility of granting any additional protection which supplements or supplants that granted under that regulation.

38. IVDP maintains that it is clear from paragraphs 38 and 41 of the judgment under appeal that the protection granted to designations of origin and geographical indications protected by Regulation No 1234/2007 is governed exclusively by that regulation. By contrast, it cannot, in IVDP's view, be deduced from that judgment that the system of protection established by that regulation is exhaustive and precludes the application or introduction of any other system of protection.

39. Consequently, the protection provided by Regulation No 1234/2007 does not, in IVDP's view, conflict, either in scope or in nature, with the protection provided by Regulation No 207/2009, in particular with the protection resulting from Article 53(1)(c) of that regulation, read in conjunction with Article 8(4) and Article 53(2)(d) thereof.

40. According to IVDP, the General Court could, without marring its assessment by an error of law or a contradiction in the grounds, hold that the protection granted to designations of origin for wines by Regulation No 1234/2007 was exclusive and could nevertheless be supplemented by the protection granted to earlier rights under national law, for the purposes of Article 8(4) of Regulation No 207/2009, on the ground that those rules have different and autonomous scopes.

41. IVDP also disputes the alleged parallelism between Regulation No 510/2006 and Regulation No 1234/2007 carried out by EUIPO and, consequently, the application to designations of origin for wines of the

principles laid down by the Court of Justice in the judgment of 8 September 2009, *Budějovický Budvar* ([C-478/07, EU:C:2009:521](#)) regarding designations of origin for foodstuffs.

42. IVDP states that, whilst it is apparent from paragraph 114 of the judgment of 8 September 2009, *Budějovický Budvar* ([C-478/07, EU:C:2009:521](#)) that the aim of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1) and Regulation No 510/2006 is to provide a uniform and exhaustive system of protection, that exclusivity does not, however, preclude the application of rules governing the protection of geographical designations which fall outside the scope of those regulations.

43. IVDP submits that, if the EU legislature had intended to establish an exhaustive and exclusive system of protection, that intention would be clear from the wording of the provisions setting up that system. It takes the view that the wording used in recital 6 of Regulation No 510/2006 or in Articles 1 and 92(1) of Council Regulation (EC) No 2100/94 of 27 July 1994 on Community plant variety rights (OJ 1994 L 227, p. 1) is significant in that regard.

44. IVDP observes, in addition, that recital 28 of Regulation No 479/2008 stated that, in order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, '*Member States*' should be '*allowed to apply more stringent rules in that respect*'.

45. Bruichladdich submits that, as the General Court, in its view, acknowledged in paragraph 38 of the judgment under appeal, the settled case-law of the Court of Justice relating to the exclusive nature of Regulation No 510/2006 on designations of origin for foodstuffs applies *mutatis mutandis* to Regulation No 1234/2007 so far as concerns designations of origin for wines. It takes the view that those regulations contain similar provisions, in particular with regard to the registration procedure or the scope of protection.

46. It also maintains that any possibility for Member States to grant specific protection under other rules must be based on express rules. Bruichladdich submits that Member States currently have only the power to grant temporary national protection to a designation of origin pending the Commission's decision on the application for registration of that designation of origin at EU level.

47. Furthermore, it takes the view that Article 8(4) of Regulation No 207/2009 cannot be considered to be an '*express derogation*', since it contains general provisions and merely refers to the national legislation '*governing*' the earlier sign invoked.

48. By contrast, the Portuguese Republic submits that the interpretation that the protection of designations of origin for wines is exhaustive and precludes additional protection at the level of the national law of the Member States must be rejected.

49. Lastly, at the hearing before the Court of Justice, the Commission submitted that the system of protection

for designations of origin in the wine sector, as provided for by Regulation No 1234/2007, is exhaustive in nature and precludes any protection of those designations of origin by the national law of the Member States.

The cross-appeal

50. In support of its cross-appeal, IVDP puts forward three grounds of appeal.

51. By the first ground of appeal in its cross-appeal, which seeks to challenge paragraphs 38 and 41 of the judgment under appeal, IVDP submits that the General Court erred in law by holding that Article 118m(1) and (2) of Regulation No 1234/2007 governs, in a uniform and exclusive manner, both the authorisation of and limits to, and even the prohibition of, commercial use of the protected designations of origin and of the protected geographical indications under EU law. According to IVDP, that is not the case, because there is no basis for the analogy drawn in that regard between Regulation No 510/2006 and Regulation No 1234/2007.

52. In that regard, IVDP relies on the arguments which it put forward in the context of the main appeal brought by EUIPO, according to which the protection of designations of origin for wines is not exclusively governed by Regulation No 1234/2007, but is also covered by national law. In support of those arguments, it submits that the principles laid down in paragraph 114 of the judgment of 8 September 2009, *Budějovický Budvar (C-478/07, EU:C:2009:521)*, concerning the scope of the system of protection provided for by Regulation No 510/2006, cannot be extended to the system of protection provided for by Regulation No 1234/2007, in view of the substantially different objectives and characteristics of those two regulations.

53. By the second ground of appeal in its cross-appeal, IVDP alleges that the General Court erred when it rejected, in paragraphs 68 to 73 of the judgment under appeal, the second complaint in the second part of the fourth plea, alleging infringement of Article 118m(2)(a)(ii) of Regulation No 1234/2007, on the ground that the contested mark neither used nor evoked the protected designation of origin ‘Porto’ or ‘Port’ of which IVDP is the proprietor, with the result that it was not necessary to verify whether that designation of origin had a reputation.

54. IVDP submits that the General Court erred in holding, in paragraph 71 of the judgment under appeal, that the primary meaning of the word ‘port’ in a number of European languages, including English and Portuguese, is harbour, namely a place situated on the coast or on a river. It maintains that the word ‘port’ does not exist in Portuguese and that the word used to designate a harbour is ‘porto’. It submits that, in that language, the word ‘port’ is only one of a number of forms of the protected designation of origin ‘Porto’.

55. IVDP also disputes the General Court’s assessment, in paragraph 71 of the judgment under appeal, that the sign ‘PORT CHARLOTTE’ ‘will be understood by the relevant public as designating a harbour named after a person called Charlotte, with no direct link being made

with the designation of origin “[P]orto” or “[P]ort” or a port wine’.

56. It takes the view that the inclusion of the word ‘Port’ in the contested trade mark constitutes an imitation or evocation of the protected designation of origin ‘Port’, with the result that, as the proprietor of that designation of origin, IVDP should be able to obtain protection against the use of that mark under Article 118m(2)(a)(ii) of Regulation No 1234/2007.

57. By the third ground of appeal in its cross-appeal, IVDP criticises the General Court for rejecting, in paragraphs 74 to 77 of the judgment under appeal, the third complaint in the second part of the fourth plea in law, by holding that the use of the contested mark did not constitute a ‘*misuse, [an] imitation or [an] evocation*’ of the protected designation of origin ‘Porto’ or ‘Port’, within the meaning of Article 118m(2)(b) of Regulation No 1234/2007.

58. In support of that third ground of appeal, IVDP refers to the arguments which it set out in the second ground of appeal in the cross-appeal, since it takes the view that the General Court based its conclusion, in paragraph 75 of the judgment under appeal, in essence on the same considerations as those set out in paragraph 71 of that judgment, to which the second ground of appeal relates.

59. On the basis of those same arguments, IVDP also disputes the General Court’s assessment in paragraph 76 of the judgment under appeal that, ‘*for the reasons set out in paragraph 71 [of that judgment], even if the term “port” forms an integral part of the contested mark, the average consumer, even if he is of Portuguese origin or speaks Portuguese, in reaction to a whisky bearing that mark, will not associate it with a port wine covered by the designation of origin in question*’.

60. It submits that the General Court’s assessment in paragraph 76 of the judgment under appeal, that that consumer will not associate a whisky bearing the contested mark with a port wine covered by that designation on account of the not insignificant differences between the respective features of those two types of beverage in terms of, inter alia, ingredients, alcohol content and taste, is also not correct.

61. In any event, IVDP submits that, as it has already stated before the General Court, although whisky and port wine are obviously different beverages, they are nonetheless comparable products.

62. As regards the first ground of appeal in the cross-appeal, EUIPO refers to the arguments already set out in support of its appeal.

63. EUIPO submits that the second and third grounds of appeal in the cross-appeal must be declared inadmissible, since they raise only arguments relating to the factual assessment of the case and do not raise any point of law.

64. EUIPO takes the view that, by those grounds of appeal, IVDP is not seeking to show that the General Court incorrectly assessed the criteria that are legally relevant for the application of Article 118m of

Regulation No 1234/2007, but is challenging the General Court's assessment of the facts of the case and, in particular, the assessment relating to the questions as to whether the contested mark evokes the designation of origin 'Port' and whether whisky and port wine are comparable products.

65. EUIPO observes that, in the context of the second and third grounds of appeal in its crossappeal, IVDP does not allege that there was any distortion of the facts by the General Court.

66. Furthermore, it submits that the General Court carried out the appropriate legal test because, according to settled case-law, the concept of 'evocation' covers a situation in which the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product the image triggered in his mind is that of the product whose designation is protected (see, to that effect, judgment of 21 January 2016, Viiniverla, [C-75/15](#), [EU:C:2016:35](#), paragraph 21 and the case-law cited).

67. Bruichladdich submits that the first ground of appeal in the cross-appeal must be rejected on the ground that it is apparent from the case-law of the Court of Justice relating to Regulation No 510/2006 that the system of protection provided for by that regulation with regard to designations of origin for foodstuffs is exhaustive. It maintains that, consequently, if a product is covered by EU law on geographical indications, any parallel or similar protection under national law must cease.

68. By contrast, that company takes the view that the exclusivity of the system of protection provided for by EU law does not preclude national protection of geographical indications. It submits that such national protection remains possible as regards geographical indications which are not covered by the relevant EU legislation. It maintains that that is not, however, the case as regards the designation of origin 'Porto' or 'Port', since that designation of origin is protected under Regulation No 1234/2007.

69. Bruichladdich submits that the second and third grounds of appeal in the cross-appeal are also unfounded.

70. It takes the view that the General Court was right in finding that the contested mark did not infringe Article 118m(1) and (2) of Regulation No 1234/2007. It maintains that the General Court's assessment relating to the lack of any likelihood of confusion on the part of the relevant public in the European Union between the goods covered by the contested mark and the wines covered by the designation of origin 'Porto' is also well founded.

71. In that regard, Bruichladdich submits, inter alia, that the protected designation of origin 'Porto' or 'Port' is perceived as referring to part of Portuguese territory, namely the region in which the wines sold under that designation of origin are produced. It maintains that, by contrast, the contested mark does not refer to that region, but to a location situated near the sea, given that the word 'port' is an English word which refers to a

place constructed on the coast, the purpose of which is to receive boats. It submits that, in the composite sign 'PORT CHARLOTTE', the second sign 'CHARLOTTE', which is, in its view, the dominant element by virtue of its size and its distinctiveness, will immediately be understood as a female first name. It maintains that the first sign, which is commonly used in connection with a number of products, including alcoholic beverages, thus serves only to characterise a type of place.

72. Bruichladdich takes the view that, in any event, the products in question, namely port wine and whisky, are sufficiently different in terms of, inter alia, ingredients, taste and alcohol content.

Findings of the Court

The first ground of appeal in the cross-appeal

73. It is appropriate to examine the first ground of appeal in the cross-appeal brought by IVDP first.

74. That ground of appeal relates to paragraphs 38 and 41 of the judgment under appeal by which the General Court held as follows:

'38. ... in accordance with the spirit and system of the single regulatory framework of the common agricultural policy (recital 1 in the preamble to Regulation No 491/2009; see also, to that effect and by analogy with Regulation No 510/2006, judgment of 8 September 2009 in *Budějovický Budvar*, [C-478/07](#), ... [EU:C:2009:521](#), paragraph 107 et seq.), as regards the scope of Regulation No [1234/2007], the precise conditions and scope of that protection are laid down exclusively in Article 118m(1) and (2) of that regulation.

...

41. It must accordingly be concluded that, as regards the scope of Regulation No [1234/2007], Article 118m(1) and (2) governs, in a uniform and exclusive manner, both the authorisation of and limits to, and even the prohibition of, commercial use of the protected designations of origin and of the protected geographical indications under EU law, so that, in that specific context, there was no need for the Board of Appeal to apply the conditions for protection specifically established in the relevant rules of Portuguese law which were the basis for the entry of the appellations of origin "[P]orto" or "[P]ort" in the *E-Bacchus* database.'

75. Contrary to what IVDP submits, the General Court did not err in law by applying to the system provided for by Regulation No 1234/2007 the principles laid down by the Court of Justice in the judgment of 8 September 2009, *Budějovický Budvar* ([C-478/07](#), [EU:C:2009:521](#)) regarding the uniform and exclusive nature of the system of protection provided for by Regulation No 510/2006.

76. Although it is true that the system of protection established by Regulation No 1234/2007 is not identical to that provided for by Regulation No 510/2006, the General Court was right in holding that those two systems were, essentially, the same in nature, since their objectives and characteristics were similar,

as the Advocate General has also pointed out in [point 63 of his Opinion](#).

77. In order to examine the objectives of the system of protection under Regulation No 1234/2007, it is necessary to refer to the recitals of Regulation No 479/2008, since Regulation No 491/2009, which amended Regulation No 1234/2007 in its prior version, in essence merely incorporated into that latter regulation the provisions relating to designations of origin and geographical indications in the wine sector which had been introduced by Regulation No 479/2008.

78. In that regard, it is apparent from the considerations in the preamble to Regulation No 479/2008 that that regulation, like Regulation No 510/2006, was adopted on the basis of the provisions of the EC Treaty relating to the common agricultural policy.

79. As regards the objectives of those instruments, recital 27 of that regulation states that the system of protection in question is intended to enable consumers to identify, via protected designations of origin and geographical indications, wines known as ‘quality’ wines. To that end, that recital states that applications for such geographical indications will have to be examined in line with the approach followed under the European Union’s horizontal quality policy applicable to foodstuffs other than wine and spirits in Regulation No 510/2006.

80. Furthermore, it must be stated that the objectives of Regulation No 1234/2007 are similar to those of Regulation No 510/2006, which the Court of Justice set out in paragraphs 110 to 113 of the judgment of 8 September 2009, *Budějovický Budvar* ([C-478/07](#), [EU:C:2009:521](#)). In that judgment, the Court held that a geographical indication registered pursuant to Regulation No 510/2006 offered consumers a guarantee of quality with regard to the products bearing that indication.

81. In that regard, the Court stated that designations of origin fall within the scope of industrial and commercial property rights. The applicable rules protect those entitled to use them against improper use of those designations by third parties seeking to profit from the reputation which they have acquired. They are intended to guarantee that the product bearing them comes from a specified geographical area and displays certain particular characteristics. They may enjoy a high reputation amongst consumers and constitute for producers who fulfil the conditions for using them an essential means of attracting custom.

The reputation of designations of origin depends on their image in the minds of consumers. That image in turn depends essentially on particular characteristics and more generally on the quality of the product. It is on the latter, ultimately, that the product’s reputation is based. For consumers, the link between the reputation of the producers and the quality of the products also depends on their being assured that products sold under the designation of origin are authentic (judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07](#),

[EU:C:2009:521](#), paragraph 110 and the case-law cited).

82. It follows from this that Regulation No 1234/2007 constitutes an instrument of the common agricultural policy essentially intended to assure consumers that agricultural products bearing a geographical indication registered under that regulation have, because of their provenance from a particular geographical area, certain specific characteristics and, accordingly, offer a guarantee of quality due to their geographical provenance, with the aim of enabling agricultural operators to secure higher incomes in return for a genuine effort to improve quality and of preventing improper use of those designations by third parties seeking to profit from the reputation which those products have acquired by their quality (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07](#), [EU:C:2009:521](#), paragraph 111).

83. If the Member States were permitted to allow their producers to use, within their national territories, one of the indications or symbols which are reserved, under Regulation No 1234/2007, for designations registered under that regulation, on the basis of a national right which could meet less strict requirements than those laid down in that regulation for the products in question, the risk is that that assurance of quality, which constitutes the essential function of rights conferred pursuant to Regulation No 1234/2007, could not be guaranteed. To confer such a discretion on those national producers would also carry the risk of jeopardising the attainment of free and undistorted competition in the internal market between producers of products bearing those indications or symbols and, in particular, would be liable to harm rights which ought to be reserved for producers who have made a genuine effort to improve quality in order to be able to use a geographical indication registered under that regulation (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07](#), [EU:C:2009:521](#), paragraph 112).

84. The risk of thus undermining the main objective of Regulation No 1234/2007, which is that of guaranteeing the quality of the agricultural products concerned, is particularly high because, unlike in the case of trade marks, no measure harmonising any national systems of protection for geographical indications has to date been adopted by the EU legislature (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07](#), [EU:C:2009:521](#), paragraph 113).

85. Next, it must be stated that the characteristics of the system of protection provided for by Regulation No 1234/2007 are similar to those established by Regulation No 510/2006, which are set out in paragraph 115 et seq. of the judgment of 8 September 2009, *Budějovický Budvar* ([C-478/07](#), [EU:C:2009:521](#)).

86. First, in contrast to other EU-law systems for the protection of industrial and commercial property rights, such as that relating to the EU trade mark, which is

provided for by Regulation No 207/2009, or that relating to plant variety rights, which is provided for by Regulation No 2100/94, the procedure for registering designations of origin and geographical indications under Regulation No 1234/2007 is based on powers shared between the Member State concerned and the Commission, since the decision to register a designation may be taken by the Commission only if the Member State concerned has submitted to it an application for that purpose and such an application may be made only if the Member State has checked that it is justified (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07, EU:C:2009:521](#), paragraph 116).

87. The national registration procedures are therefore incorporated in the decision-making procedure at EU level and constitute an essential part thereof. They cannot exist outside the EU system of protection (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07, EU:C:2009:521](#), paragraph 117).

88. With regard to the registration procedure, it is also telling that Article 118f(7) of Regulation No 1234/2007, a provision essentially identical to Article 38(7) of Regulation No 479/2008, provides that Member States may, on a transitional basis only, grant national protection to a name until a decision on the application for registration is taken by the Commission (see, by analogy, as regards Article 5(6) of Regulation No 510/2006, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07, EU:C:2009:521](#), paragraph 118).

89. It follows from that provision that, under the system introduced by Regulation No 1234/2007, where Member States have the power to adopt decisions, even of a provisional nature, which derogate from the provisions of that regulation, that power is derived from express rules (see, by analogy, as regards Article 5(6) of Regulation No 510/2006, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07, EU:C:2009:521](#), paragraph 119).

90. Furthermore, a provision of that kind would be rendered redundant if the Member States were able to retain their own systems of protection for designations of origin and geographical indications for the purposes of Regulations No 1234/2007 and No 479/2008 and have them coexist with that resulting from those regulations (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07, EU:C:2009:521](#), paragraph 120).

91. Secondly, the fact that the system of protection laid down in Regulations No 1234/2007 and No 479/2008 is exhaustive in nature is also evidenced by the transitional arrangements for existing national geographical designations such as the designation of origin 'Porto' or 'Port' (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07, EU:C:2009:521](#), paragraph 121).

92. Accordingly, Article 118s of Regulation No 1234/2007, a provision which is essentially identical to Article 51 of Regulation No 479/2008, provides for a

transitional system of protection, the aim of which is to maintain, for reasons of legal certainty, the protection of wine names already provided for prior to 1 August 2009 under national law. That transitional system of protection is, as is apparent from the wording of Article 118s(1) of Regulation No 1234/2007, organised at EU level pursuant to Regulation No 1493/1999 and granted automatically to wine names already protected under, inter alia, that latter regulation (see, to that effect, judgment of 13 February 2014, *Hungary v Commission*, [C-31/13 P, EU:C:2014:70](#), paragraph 58).

93. Furthermore, Article 118s(4) of Regulation No 1234/2007 provided that, until 31 December 2014, that automatic protection of wine names could be cancelled by the Commission, acting on its own initiative, if those wine names did not meet the conditions laid down in Article 118b of that regulation.

94. Such a transitional system of protection for existing designations of origin and geographical indications would be pointless if the system of protection for such names which is provided for by Regulation No 1234/2007 were not exhaustive in nature, implying that the Member States retained in any event the ability to maintain them for an indefinite period (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, [C-478/07, EU:C:2009:521](#), paragraph 128).

95. Moreover, although it is true that recital 28 of Regulation No 479/2008 states that '*in order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, Member States should be allowed to apply more stringent rules in that respect*', the fact remains, as the Advocate General also noted in point 74 of his Opinion, that that recital relates solely to Article 28 of that regulation, which is entitled '*Stricter rules decided by Member States*' and solely concerns oenological practices.

96. Consequently, the General Court was right in holding, in paragraphs 38 and 41 of the judgment under appeal that, as regards the designations of origin 'Porto' or 'Port', which are protected under Regulation No 1234/2007, that regulation contains a uniform and exclusive system of protection, with the result that there was no need for the Board of Appeal to apply the relevant rules of Portuguese law which were the basis for the entry of those designations of origin in the E-Bacchus database.

97. The first ground of appeal in the cross-appeal must therefore be rejected.

The single ground of appeal in the main appeal

98. By the single ground of appeal which it puts forward in the main appeal, alleging infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) and Article 53(2)(d) of that regulation, EUIPO challenges paragraph 44 of the judgment under appeal in which the General Court held the following:

'As regards the allegedly exhaustive nature of the protection conferred by Article 118m(1) and (2) of Regulation No [1234/2007], as recognised by the

Board of Appeal and relied on by [EUIPO], it is clear that neither the provisions of Regulation No [1234/2007], nor those of Regulation No 207/2009, state that the protection under the former must be construed as being exhaustive in the sense that that protection cannot be supplemented, beyond its particular scope, by another system of protection. On the contrary, it follows from the unequivocal wording of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, and from that of Article 53(2)(d) of that regulation, that the grounds for invalidity may be based, individually or cumulatively, on earlier rights “under the [EU] legislation or national law governing [their] protection”. It follows that the protection conferred on (protected) designations of origin and geographical indications under Regulation No [1234/2007], provided that they are “earlier rights” within the meaning of the abovementioned provisions of Regulation No 207/2009, may be supplemented by the relevant national law granting additional protection.’

99. It follows from the rejection of the first ground of appeal in the cross-appeal that the General Court did not err in law when it in essence held, in paragraphs 38 and 41 of the judgment under appeal, on the basis of the Court of Justice’s interpretation of the provisions relating to the system of protection provided for by Regulation No 510/2006 in paragraph 107 et seq. of the judgment of 8 September 2009, *Budějovický Budvar (C-478/07, EU:C:2009:521)*, that the system of protection covering the designations of origin ‘Porto’ or ‘Port’, as provided for in Article 118m(1) and (2) of Regulation No 1234/2007, was, with regard to the designations of origin which are covered by that regulation, uniform and exclusive in nature.

100. However, it must be borne in mind that, in the judgment of 8 September 2009, *Budějovický Budvar (C-478/07, EU:C:2009:521)*, the Court held that the system of protection for designations of origin that was provided for by Regulation No 510/2006 was to be interpreted as being both uniform and exhaustive in nature.

101. As a result of the exhaustive nature of that system of protection, the Court held that Regulation No 510/2006 was also to be interpreted as precluding a system of protection laid down by agreements between two Member States which conferred on a designation, which was recognised under the law of a Member State as constituting a designation of origin, protection in another Member State in which that protection had actually been claimed, despite the fact that no application for registration of that designation of origin had been made in accordance with that regulation.

102. It does not, however, follow from the judgment of 8 September 2009, *Budějovický Budvar (C-478/07, EU:C:2009:521)*, that the inference which the Court thus drew as regards the exhaustive nature of the system of protection provided for by Regulation No 510/2006 would not cover a situation in which the national-law system in question granted ‘additional’ protection to a protected geographical indication or

designation of origin, that is to say stronger protection or a higher level of protection than that arising out of that regulation alone.

103. For the reasons which have been set out in paragraphs 83 and 89 to 93 of the present judgment, the system of protection provided for by Regulation No 1234/2007 is exhaustive in nature, with the result that that regulation precludes the application of a national system of protection for geographical indications that are protected under that regulation.

104. However, the General Court held, in paragraph 44 of the judgment under appeal, that the protection for designations of origin and geographical indications under Regulation No 1234/2007 was not to be construed as being exhaustive, namely as not being capable of being supplemented, ‘*beyond its particular scope*’, by another system of protection.

105. In the present case, it must be stated that the dispute concerns invalidity proceedings brought against the proprietor of the trade mark PORT CHARLOTTE on the ground that that mark infringes the protection conferred by, inter alia, Portuguese law on the designation of origin ‘Porto’ or ‘Port’.

106. That designation of origin is clearly covered by the particular scope of Regulation No 1234/2007, since it is a geographical indication covering a type of wine, which has been registered and is protected under that regulation.

107. Although Regulation No 1234/2007 does not, in principle, preclude ‘*a simple ... indication of geographical provenance*’, that is to say, a name in respect of which there is no direct link between a specific quality, reputation or other characteristic of the product and its specific geographical origin, so that it does not come within the scope of Regulation No 1234/2007 (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar, C-478/07, EU:C:2009:521*, paragraph 73 and the case-law cited), from being protected under national law, the same is not true when, as in the present case, the dispute relates to a designation of origin which is attributed to a wine and which is covered by that regulation.

108. It follows that the General Court erred in law in holding, in paragraph 44 of the judgment under appeal, that the protection conferred on protected designations of origin and geographical indications under Regulation No 1234/2007, provided that they are ‘*earlier rights*’ within the meaning of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) and Article 53(2)(d) of that regulation, ‘*may be supplemented by the relevant national law granting additional protection*’.

109. In the light of the foregoing, the single ground of appeal in the main appeal must be upheld.

The second ground of appeal in the cross-appeal

110. By the second ground of appeal in its cross-appeal, alleging infringement of Article 118m (2)(a)(ii) of Regulation No 1234/2007, which provides that the designations of origin concerned are to be protected against any direct or indirect commercial use, even for

products that are not comparable, in so far as that use exploits their reputation, IVDP criticises the General Court for holding, in paragraph 72 of the judgment under appeal, that the Board of Appeal had been right in finding that the contested mark, namely the sign ‘PORT CHARLOTTE’, ‘neither used nor evoked’ the designation of origin ‘Porto’ or ‘Port’.

111. That ground of appeal relates to the grounds set out in paragraphs 70 and 71 of the judgment under appeal, which are worded as follows:

’70. In this connection, first, it must be observed that the protected appellation of origin of which the applicant is the proprietor, and which is entered in the E-Bacchus database, covers the names “[O]porto”, “[P]ortvin”, “[P]ortwein”, “[P]ortwijn”, “[V]in de [P]orto”, “[P]ort [W]ine”, [P]ort”, “[V]inho do [P]orto” and “[P]orto”. Consequently, it includes names, in different languages, composed either of two elements, namely “port” or “porto” and “wine” or of a single element, namely “oport” or “porto”. Secondly, as [EUIPO] submits, account should be taken of the fact that the contested mark also consists of an expression composed of two elements, namely “port” and “charlotte”, which, like the expression “port wine”, must be understood as forming a logical and conceptual unit... .

71. However, unlike the protected appellation of origin in question, the contested mark does not refer expressly to a wine, but to the female first name Charlotte, which is directly associated with the element “port”, the primary meaning of which, in a number of European languages, including English and Portuguese, is harbour, namely a place situated on the coast or on a river. Therefore, as the Board of Appeal correctly found in paragraph 24 of the contested decision, the sign PORT CHARLOTTE, read as a whole as a logical and conceptual unit, will be understood by the relevant public as designating a harbour named after a person called Charlotte, with no direct link being made with the designation of origin “[P]orto” or “[P]ort” or a port wine. As [Bruichladdich] contends, that is all the more true since the term “charlotte” is the most important and most distinctive element of the contested mark, immediately attracting the attention of the relevant public. The latter will not identify the element “port” as an element distinct or separable from the term “charlotte”, but as a qualifier directly related to that term conveying the message that the contested mark refers to a location on the coast or on a river. That assessment applies for any average consumer in the European Union with at least a basic knowledge of English or a Romance language.’

112. As IVDP has submitted, the word ‘port’ does not exist in Portuguese. What is more, the word used to designate a harbour, that is to say a place situated on the coast or on a river, is ‘porto’. It follows that, regarding that specific issue, the General Court manifestly erred in regard to the facts.

113. The fact remains that, more generally, the General Court’s assessment that the relevant public, namely the average consumer in the European Union with at least a

basic knowledge of English or a Romance language, will understand the sign ‘PORT CHARLOTTE’ as designating a harbour named after a person called Charlotte, without making a direct link with the designation of origin ‘Porto’ or ‘Port’ or a port wine, is a factual assessment and cannot, as such and since IVDP has not established that there was a manifest distortion of evidence which is capable of affecting that assessment, be reviewed on appeal.

114. In addition, that assessment is not the result of an incorrect interpretation of the words ‘any direct or indirect commercial use’ in Article 118m(2)(a) of Regulation No 1234/2007.

115. The incorporation in a trade mark of a name which is protected under Regulation No 1234/2007, such as the designation of origin ‘port’, cannot be held to be capable of exploiting the reputation of that designation of origin, for the purposes of Article 118m(2)(a) (ii) of that regulation, if that incorporation does not lead the relevant public to associate that mark or the goods in respect of which it is registered with the designation of origin concerned or the wine product in respect of which it is protected.

116. In the present case, the General Court, following an assessment of facts that is not open to challenge, found, in paragraphs 71 and 76 of the judgment under appeal, that the sign ‘PORT CHARLOTTE’, since it consists of the term ‘port’ and the first name Charlotte, will be perceived by the relevant public as a logical and conceptual unit referring to a harbour, that is to say a place situated on the coast or on a river, with which a first name, which constitutes the most important and most distinctive element in the contested mark, is associated. According to the General Court, the relevant public will not perceive, in that sign, any geographical reference to the port wine covered by the designation of origin in question.

117. On the basis of that factual assessment, the General Court was entitled to hold, without erring in law, that the Board of Appeal had been right in finding that the contested mark could not, for the purposes of Article 118m(2)(a)(ii) of Regulation No 1234/2007, be regarded as using the designation of origin ‘Porto’ or ‘Port’.

118. Although, in paragraph 72 of the judgment under appeal, the General Court erroneously added that the contested mark did not evoke that designation of origin, basing its reasoning on Article 118m(2)(a) of Regulation No 1234/2007, whereas evocation is covered by point (b) of that provision, that error has no effect on the General Court’s decision to reject the complaint alleging infringement of Article 118m(2)(a)(ii) of that regulation.

119. Consequently, the second ground of appeal in the cross-appeal must be rejected.

The third ground of appeal in the cross-appeal

120. By its third ground of appeal in the cross-appeal, IVDP submits that the General Court infringed Article 118m(2)(b) of Regulation No 1234/2007 by holding, in paragraph 75 of the judgment under appeal, that the use of the contested mark PORT CHARLOTTE, which is

registered in respect of a whisky, did not involve ‘*misuse, imitation or evocation*’, within the meaning of that provision, of the protected designation of origin ‘Porto’ or ‘Port’.

121. The General Court first of all referred, in paragraph 76 of the judgment under appeal, to the case-law of the Court of Justice relating to the concept of ‘*evocation*’ appearing in the EU legislation relating to the protection of designations of origin and geographical indications.

122. According to that case-law, that concept of ‘*evocation*’ covers a situation in which the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product the image triggered in his mind is that of the product whose designation is protected (see, in particular, as regards Article 16(b) of Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ 2008 L 39, p. 16), a provision which is in all respects identical to Article 118m(2)(b) of Regulation No 1234/2007, judgment of 21 January 2016, *Viiniverla*, [C-75/15, EU:C:2016:35](#), paragraph 21 and the case-law cited).

123. Furthermore, there can be ‘*evocation*’ even in the absence of any likelihood of confusion between the products concerned, since what matters is, in particular, that an association of ideas regarding the origin of the products is not created in the mind of the public, and that a trader does not take undue advantage of the reputation of the protected geographical indication (see, in particular, judgment of 21 January 2016, *Viiniverla*, [C-75/15, EU:C:2016:35](#), paragraph 45).

124. The General Court, without erring in law, applied the fundamental criterion deriving from that case-law, by holding, in paragraph 76 of the judgment under appeal, that, having regard to the findings set out in paragraph 71 of that same judgment, even though the term ‘port’ forms an integral part of the contested mark, the average consumer, even if he is of Portuguese origin or speaks Portuguese, in reaction to a whisky bearing that mark, will not associate it with a port wine covered by the designation of origin in question.

125. The General Court added, in paragraph 76 of the judgment under appeal, that that assessment is confirmed by the not insignificant differences between the respective features of a port wine and a whisky in terms of, inter alia, ingredients, alcohol content and taste, of which the average consumer is well aware and to which the Board of Appeal had rightly drawn attention in paragraphs 20 and 34 of the contested decision.

126. Since the assessments thus carried out by the General Court in paragraph 76 of the judgment under appeal are factual assessments and IVDP has not established that there was any distortion of the evidence on the part of the General Court, those assessments cannot be criticised on appeal since they are, in

addition, based on a correct interpretation of the concept of ‘*evocation*’ within the meaning of Article 118m(2)(b) of Regulation No 1234/2007.

127. The third ground of appeal in the cross-appeal must therefore be rejected.

128. In the light of all of the foregoing, the main appeal must be upheld and the cross-appeal must be dismissed. Consequently, the judgment under appeal must be set aside.

The action before the General Court

129. It is apparent from the first paragraph of Article 61 of the Statute of the Court of Justice of the European Union that, if the appeal is well founded, the Court of Justice may itself give final judgment in the matter, where the state of the proceedings so permits.

130. As the state of the proceedings so permits, the Court of Justice holds that it must give final judgment in the action before the General Court.

131. By the judgment under appeal, the General Court rejected all the pleas put forward in support of the action before it with the exception of the third plea, alleging that the Board of Appeal had erred in finding that the protection of designations of origin for wines was governed exclusively by Regulation No 1234/2007, and not concomitantly by national law, and the first part of the fourth plea, alleging infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, in that the Board of Appeal had failed to apply the relevant rules of Portuguese law.

132. By the present judgment, the Court of Justice, first, has upheld the main appeal brought against the judgment under appeal, in that, by the judgment under appeal, the General Court upheld the third plea and the first part of the fourth plea and, secondly, has rejected the cross-appeal brought against the General Court’s rejection of the second part of the fourth plea, alleging infringement of Article 118m(2) of Regulation No 1234/2007 in that the Board of Appeal had, in IVDP’s view, incorrectly found that the registration or use of the contested mark constituted neither a use nor an evocation of the designation of origin ‘Porto’ or ‘Port’, with the result that it was not necessary to verify whether that designation of origin had a reputation.

133. It follows that all the pleas in law put forward in support of the action before the General Court against the contested decision must be rejected.

134. Consequently, the action before the General Court must be dismissed in its entirety without it being necessary to refer the case back to the General Court.

Costs

135. Under Article 184(2) of the Rules of Procedure of the Court of Justice, where the appeal is well founded and the Court itself gives final judgment in the case, the Court is to make a decision as to the costs.

136. Under Article 138(1) of those rules, which applies to the procedure on appeal by virtue of Article 184(1) thereof, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party’s pleadings.

137. In the present case, since the Court has upheld the appeal brought by EUIPO and dismissed the cross-appeal brought by IVDP, the latter has been unsuccessful in the pleas which it put forward in support of its action before the General Court.

138. Consequently, since EUIPO and Bruichladdich have applied for IVDP to be ordered to pay the costs, IVDP must be ordered to pay the costs incurred by EUIPO and Bruichladdich in both sets of judicial proceedings.

139. In accordance with Article 140(1) of the Rules of Procedure, which also applies to the procedure on appeal by virtue of Article 184(1) thereof, the Portuguese Republic and the Commission, which have intervened in the proceedings, are to bear their own respective costs.

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

1. Sets aside the judgment of the General Court of the European Union of 18 November 2015, *Instituto dos Vinhos do Douro e do Porto v OHIM — Bruichladdich Distillery (PORT CHARLOTTE)* (T-659/14, EU:T:2015:863);

2. Dismisses the action brought by Instituto dos Vinhos do Douro e do Porto IP in Case T-659/14 against the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 8 July 2014 (Case R 946/2013-4);

3. Orders Instituto dos Vinhos do Douro e do Porto IP to pay the costs incurred by the European Union Intellectual Property Office (EUIPO) and by Bruichladdich Distillery Co. Ltd in both sets of judicial proceedings;

4. Orders the Portuguese Republic and the European Commission to bear their own respective costs.

Ilešič Prechal Rosas

Toader Jarašiūnas

Delivered in open court in Luxembourg on 14 September 2017.

A. Calot Escobar, Registrar

M. Ilešič, President of the Second Chamber

* Language of the case: English.

OPINION OF ADVOCATE GENERAL

CAMPOS SÁNCHEZ-BORDONA

delivered on 18 May 2017 (1)

Case C-56/16 P

European Union Intellectual Property Office (EUIPO)

v

Instituto dos Vinhos do Douro e do Porto, IP

(Appeal — Community trade mark — Word mark ‘Port Charlotte’ — Application for a declaration of invalidity lodged by the Instituto dos Vinhos do Douro e do Porto — Indications of geographical source — Regulation (EC) No 1234/2007 — Comprehensive protection under EU law — Possibility of granting an additional level of protection under national law)

1. The Court already has a substantial body of case-law on protected designations of origin (PDO) and protected geographical indications (PGI). This appeal will enable the Court to apply that case-law to the dispute between a PDO for wines and an EU trade

mark which, according to the proprietors of the PDO, has used without due cause the characteristic geographical name of the PDO Porto/Port. (2)

2. The main proceedings are between the Instituto dos Vinhos do Douro e do Porto, IP (‘IVDP’) and the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (‘OHIM’; now the European Union Intellectual Property Office, ‘EUIPO’). The latter, after registering the distinctive sign ‘Port Charlotte’ as an EU trade mark claimed for the identification of whisky, dismissed the action brought by the IVDP for a declaration that that mark was invalid.

3. The General Court (3) partially upheld the action brought by the IVDP against the decision of EUIPO, which has led to a double appeal: (a) EUIPO submits that the judgment under appeal erred in finding that the protection of PDOs is also governed by national (in this case, Portuguese) law, while (b) the IVDP submits that the General Court erred in law in confirming the position of EUIPO to the effect that the mark ‘Port Charlotte’ is compatible with the PDO Porto/Port.

I. European Union law

A. Regulation (EC) No 207/2009 (4)

4. Article 8(4) provides:

‘Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the Union legislation or the law of the Member State governing that sign:

(a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark;

(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.’

5. Article 53 provides:

‘1. An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

...

(c) where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled.

...’

B. Regulation (EC) No 1234/2007 (5)

6. Paragraph 1 of Article 118b, ‘Definitions’, provides:

‘1. For the purposes of this Subsection, the following definitions shall apply:

(a) “designation of origin” means the name of a region, a specific place or, in exceptional cases, a country used to describe a product referred to in Article 118a(1) that complies with the following requirements:

(i) its quality and characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors;

(ii) the grapes from which it is produced come exclusively from this geographical area;

(iii) its production takes place in this geographical area; and

(iv) it is obtained from vine varieties belonging to *Vitis vinifera*;

(b) “geographical indication” means an indication referring to a region, a specific place or, in exceptional cases, a country, used to describe a product referred to in Article 118a(1) which complies with the following requirements:

(i) it possesses a specific quality, reputation or other characteristics attributable to that geographical origin;

(ii) at least 85% of the grapes used for its production come exclusively from this geographical area;

(iii) its production takes place in this geographical area; and

(iv) it is obtained from vine varieties belonging to *Vitis vinifera* or a cross between the *Vitis vinifera* species and other species of the genus *Vitis*.’

7. Article 118f, ‘Preliminary national procedure’, provides in paragraphs 6 and 7:

‘6. Member States shall introduce the laws, regulations or administrative provisions necessary to comply with this Article by 1 August 2009.

7. Where a Member State has no national legislation concerning the protection of designations of origin and geographical indications, it may, on a transitional basis only, grant protection to the name in accordance with the terms of this Subsection at national level with effect from the day the application is lodged with the Commission. Such transitional national protection shall cease on the date on which a decision on registration or refusal under this Subsection is taken.’

8. Paragraph 1 of Article 118l (‘Relationship with trade marks’) reads:

‘Where a designation of origin or a geographical indication is protected under this Regulation, the registration of a trademark corresponding to one of the situations referred to in Article 118m(2) and relating to a product falling under one of the categories listed in Annex XIb shall be refused if the application for registration of the trademark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected. Trademarks registered in breach of the first subparagraph shall be invalidated.’

9. Pursuant to paragraphs 1, 2 and 3 of Article 118m, ‘Protection’:

‘1. Protected designations of origins and protected geographical indications may be used by any operator marketing a wine which has been produced in conformity with the corresponding product specification.

2. Protected designations of origins and protected geographical indications and the wines using those protected names in conformity with the product specification shall be protected against:

(a) any direct or indirect commercial use of a protected name:

(i) by comparable products not complying with the product specification of the protected name; or

(ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation”, “flavour”, “like” or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.

3. Protected designations of origin or protected geographical indications shall not become generic in the Union within the meaning of Article 118k(1).’

10. In accordance with Article 118n (‘Register’):

‘The Commission shall establish and maintain an electronic register of protected designations of origin and protected geographical indications for wine which shall be publicly accessible.’

11. Article 118s, ‘Existing protected wine names’, stipulates:

‘1. Wine names, which are protected in accordance with Articles 51 and 54 of Regulation (EC) No 1493/1999 and Article 28 of Commission Regulation (EC) No 753/2002 of 29 April 2002 laying down certain rules for applying Council Regulation (EC) No 1493/1999 [of 17 May 1999 on the common organisation of the market in wine (OJ 1999 L 179, p. 1)] as regards the description, designation, presentation and protection of certain wine sector products, shall automatically be protected under this Regulation. The Commission shall list them in the register provided for in Article 118n of this Regulation.

2. Member States shall, in respect of existing protected wine names referred to in paragraph 1, transmit to the Commission:

(a) the technical files as provided for in Article 118c(1);

(b) the national decisions of approval.

3. Wine names referred to in paragraph 1, for which the information referred to in paragraph 2 is not submitted by 31 December 2011, shall lose protection under this Regulation. The Commission shall take the corresponding formal step of removing such names from the register provided for in Article 118n.

4. Article 118r shall not apply in respect of existing protected wine names referred to in paragraph 1.

The Commission may decide, until 31 December 2014, at its own initiative and in accordance with the procedure referred to in Article 195(4), to cancel protection of existing protected wine names referred to in paragraph 1 if they do not meet the conditions laid down in Article 118b.

...?

12. Under the heading *‘Stricter rules decided by Member States’*, Article 120d provides:

‘Member States may limit or exclude the use of certain oenological practices and provide for more stringent restrictions for wines authorised under Community law produced in their territory with a view to reinforcing the preservation of the essential characteristics of wines with a protected designation of origin or a protected geographical indication and of sparkling wines and liqueur wines.

Member States shall communicate those limitations, exclusions and restrictions to the Commission, which shall bring them to the attention of the other Member States.’

II. Background to the dispute

13. It is apparent from paragraphs 1 to 15 of the judgment under appeal that, on 27 October 2006, Bruichladdich Distillery Co. Ltd (*‘Bruichladdich’*) applied to register the Community trade mark *‘Port Charlotte’* for goods in class 33 of the Nice Agreement, (6) *‘alcoholic beverages’*.

14. The mark was registered on 18 October 2007 under the number 5421474, and published in Community Trade Marks Bulletin No 60/2007 of 29 October 2007.

15. On 7 April 2011, the IVDP filed an application with EUIPO for a declaration that the mark was invalid pursuant to Article 53(1)(c), read in conjunction with Article 8(4), Article 53(2)(d), and Article 52(1)(a), read in conjunction with Article 7(1)(c) and (g), of Regulation No 207/2009.

16. In response to that application, Bruichladdich limited the list of goods in respect of which the contested mark was registered to *‘whisky’*.

17. In support of its application for a declaration of invalidity, the IVDP relied on the PDOs *‘porto’* and *‘port’*, which it claimed (a) were protected, in all the Member States, by several provisions of Portuguese law and by Article 118m(2) of Regulation No 491/2009 and (b) were registered and protected under the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 31 October 1958, as revised and amended, in France, Italy, Cyprus, Hungary, Portugal and Slovakia

18. The Cancellation Division of EUIPO rejected the application for a declaration of invalidity on 30 April 2013.

19. On 2 February 2014, the IVDP filed a notice of appeal with EUIPO against the decision of the Cancellation Division.

20. By decision of 8 July 2014, the Fourth Board of Appeal of EUIPO dismissed the three grounds on which the appeal was based.

21. In the first place, the Board of Appeal rejected the argument regarding infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof. The Board of Appeal held in essence that the protection of PDOs for wines was governed exclusively by Regulation No 491/2009 and, therefore, fell within the exclusive competence of the European Union. The Board of Appeal further held that

the PDO in this case was protected only for wine, a product not comparable to whisky, and that the mark *‘Port Charlotte’* did not evoke port wine. The Board of Appeal added that it was not necessary to determine whether the geographical names *‘porto’* and *‘port’* had a reputation because the disputed mark neither used nor evoked those names.

22. In the second place, the Board of Appeal rejected the argument regarding infringement of Article 53(2)(d) of Regulation No 207/2009, based on the fact that the PDOs *‘porto’* and *‘port’* were registered with the World Intellectual Property Organisation (WIPO) on 18 March 1983 under the number 682, in accordance with the Lisbon Agreement. The Board of Appeal held that that registration protected only the term *‘porto’* — not just in Portugal — which was not part of the contested mark.

23. In the third place, the Board of Appeal rejected the arguments regarding infringement of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(c) and (g) thereof. The Board of Appeal took the view that the contested mark could not refer at the same time to a place — existing or imaginary — called *Port Charlotte* and to *‘the city of Oporto (Porto)’*. The Board of Appeal went on to state that the absolute ground for refusal under Article 7(1)(c) of that regulation had been referred to *‘only on appeal’*, from which it followed that the IVDP was not entitled to raise that ground. At all events, the contested mark was not liable to mislead the public as to the geographical origin of the goods covered by it within the meaning of Article 7(1)(g) of that regulation.

III. The procedure before the General Court and the judgment under appeal

24. On 15 September 2014, the IVDP lodged an application for annulment with the General Court against the decision of the Board of Appeal. That application was divided into six pleas of which the third, concerning the infringement of Article 53(1)(c) in conjunction with Article 8(4) of Regulation No 207/2009, is of particular interest for the purposes of this appeal.

25. The IVDP complained that the Board of Appeal wrongly held that the protection of wines covered by the PDO *Porto/Port* was governed exclusively by Regulation No 491/2009, thereby excluding the protection provided by Portuguese law.

26. Within the same plea but separately from the references to Portuguese law, the IVDP criticised the findings of the Board of Appeal regarding the compatibility of the mark *‘Port Charlotte’* and the PDO *Porto/Port*, referring to Article 118m of Regulation No 491/2009.

27. In relation to that same provision, the IVDP claimed successively: (i) that it prohibits the direct or indirect commercial use of a PDO for comparable products, as is the case of port wine and whisky; (ii) that, even if they were not comparable products, the commercial use of the term *Port*, to which the PDO relates, by the contested mark constituted exploitation of the reputation or prestige of that PDO, conduct also

precluded by the provision; and (iii) that, in any event, there was an imitation or evocation of the PDO Porto/Port by the mark 'Port Charlotte'.

28. The General Court upheld the IVDP's arguments concerning the application of national law. The General Court's analysis led it to find that the grounds for invalidity of a registered mark may be based, individually or cumulatively, on earlier rights '*under the [EU] legislation or national law governing [their] protection*'. The General Court took the view that the protection conferred on PDOs may be supplemented by the relevant national law where it grants PDOs additional protection.

29. On that basis, and given that the IVDP had relied on the relevant rules of Portuguese law concerning the PDO Porto/Port, the Board of Appeal was not entitled to fail to apply the national legislation on the ground that the protection of that designation of origin fell within Regulation No 491/2009 exclusively, and indeed the exclusive competence of the European Union.

30. As to the remaining pleas for annulment raised by the IVDP, the General Court confirmed the compatibility of the contested mark with the PDO Porto/Port in an assessment similar (albeit with slight differences) to that of the Board of Appeal.

IV. The appeal lodged by EUIPO

31. In its single ground of appeal, EUIPO complains essentially about the finding of the General Court that PDOs are entitled, under national law, to protection additional and parallel to that afforded under EU law. EUIPO claims that that position constitutes an incorrect application of Article 53(1)(c), in conjunction with Article 8(4), of Regulation No 207/2009, and of Article 53(2)(d) of that regulation.

32. EUIPO acknowledges that 'porto' and 'port' were, on the date of the application to register the mark 'Port Charlotte' (27 October 2006), terms covered by the Community legislation governing the protection of PDOs. The applicable legislation on the date when the application for a declaration that the registered trade mark was invalid was filed (7 April 2011) was Regulation No 1234/2007, as amended by Regulation No 491/2009. That amendment, by means of which Articles 118a to 118t were included in Regulation No 1234/2007, merely reproduced Articles 33 to 51 and 53 of Regulation (EC) No 479/2008. (7) In order to examine the EU legislature's intention regarding the protection of PDOs for wines, it is therefore necessary to take into account not only the provisions and the recitals of Regulation No 1234/2007 but also those of Regulation No 479/2008.

33. EUIPO relies on the Budějovický Budvar, (8) and draws a parallel between the rules on protection of PDOs for wines and the rules on protection of PDOs for foodstuffs and agricultural products, governed by Regulation (EC) No 510/2006. (9) In EUIPO's submission, that judgment supports its contention that the General Court erred in law by accepting national provisions providing for additional protection, for, since there are uniform provisions of EU law, any other protection under national law is excluded. The

provisions of Regulation No 491/2009 are uniform and comprehensive across the whole territory of the Union.

34. EUIPO puts forward three arguments in that connection: (i) in order for national law to coexist with the provisions of EU law or to derogate from those provisions, there must be express provisions authorising this, while Article 8(4) of Regulation No 207/2009 cannot be accepted as such a provision for those purposes. The reference concerned is a general reference which does not confer on national law the right to derogate from the EU system of protection; (ii) in accordance with Article 2(2) TFEU, the principle of subsidiarity in the exercise of shared competence does not enable Member States to exercise their competence once the EU institutions have decided to exercise theirs; and (iii) according to the case-law of the Court on the protection of designations of origin for agricultural products and foodstuffs, (10) the level of protection provided by national law ceases when the protection provided by EU law enters into force.

35. The IVDP disputes that approach and rejects any parallel between Regulation No 491/2009, applicable to PDOs for wines (Articles 118a to 118z), and Regulation No 510/2006, applicable to designations of origin for other agricultural products and foodstuffs. The application to the wine sector of the Court's case-law on Regulation No 510/2006 (11) should therefore be rejected, and the IVDP submits that that position is bolstered in the light of paragraph 28 of the judgment in Assica and Krafts Foods Italia. (12)

36. The IVDP contends that Article 8(4) of Regulation No 207/2009 justifies the application of the protection provided for in national law. The IVDP criticises EUIPO's assertion regarding the possible distortion of the operation of the internal market if it is found that national laws are able to afford additional protection and states that the protection granted by Portuguese law to PDOs with a strong reputation is identical to that granted under EU trade mark law.

37. Bruichladdich essentially supports EUIPO's line of argument concerning the comprehensive nature of the protection granted by EU law to PDOs and PGIs.

38. The Portuguese Government, by contrast, submits that it is necessary to reject the argument that the protection granted to PDOs by EU law is comprehensive and takes precedence over any other level of national protection.

V. The IVDP's cross-appeal

39. In addition to lodging a response to EUIPO's appeal, the IVDP has lodged its own appeal, consisting of three grounds. The first ground (13) is broadly the same as the arguments it put forward against the corresponding ground raised by EUIPO regarding the exclusive application of the protection afforded to PDOs under EU law.

40. By its second ground, the IVDP claims that, by finding that the contested mark neither used nor evoked the PDO Porto/Port, meaning that there was no need to establish its reputation, the General Court (14) breached Article 118m(2)(a) of Regulation No 491/2009.

41. In the IVDP's submission, the inclusion of the word 'port' in the contested trade mark imitates or evokes the PDO Porto/Port, which is eligible for the protection provided for in Article 118m(2)(a)(ii) of Regulation No 491/2009. The Court has previously explained that evocation exists where the term used to designate a product incorporates part of a PDO, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose PDO is protected. (15)

42. By its third ground, the IVDP claims that the finding of the General Court, (16) to the effect that use of the contested mark does not involve misuse, imitation or evocation of the PDO Porto/Port, infringes Article 118m(2)(b) of Regulation No 491/2009. In that regard, the IVDP rejects the considerations of the General Court concerning the characteristics of port wine and whisky, on which basis it concluded that both alcoholic beverages are well known to the average consumer. In the IVDP's submission, they are, in fact, comparable products.

43. EUIPO submits that the second and third grounds of appeal are inadmissible because they do not relate to appraisals of law by the General Court but rather to the assessment of the evidence and facts. EUIPO relies in that connection on *Viiniverla* (17) in which the Court held that the assessment of evocation is not a question of law.

44. In the alternative, as regards the comparability of the mark and the PDO, EUIPO claims that the IVDP has simply reproduced its arguments at first instance without establishing that the General Court erred in law or distorted the facts. EUIPO further argues that the General Court applied correctly the case-law laid down in *Viiniverla* (18) regarding the concept of evocation.

45. As regards the first ground of appeal put forward by the IVDP, EUIPO refers to the statements made in its own appeal regarding uniform and comprehensive protection under EU law.

46. *Bruichladdich* also contests the IVDP's first ground of appeal and requests that it be dismissed, in accordance with the case-law of the Court relating to Regulation No 510/2006, which the General Court applied correctly. The fact that the system is exclusive does not preclude the application of national laws governing PDOs and PGIs but only where the latter do not fall within the scope of the regulations.

47. *Bruichladdich* points out that, in the areas covered by the Community regulations, it can be seen that there is a common aim of creating a single system of protection at EU level, which precludes dual protection based on both national law and EU law. The sole exception permitted is the provision for application of transitional arrangements (Article 5(6) of Regulation No 510/2006 and Article 118f(6) and (7) of Regulation No 491/2009).

48. Lastly, *Bruichladdich* contends that the second and third grounds of the IVDP's appeal are unfounded. There is no likelihood of confusion on the part of the relevant European Union public when it compares the contested mark with the PDO Porto/Port. The PDO

refers to a region of Portuguese territory whereas the contested mark does not refer to that region but to a coastal area associated with a port or a female name (Charlotte), which is the main element of the mark. The lack of similarity between the signs precludes the possibility of applying Article 118m(2) of Regulation No 491/2009, without it being necessary to examine the conditions laid down in that provision, in particular the condition relating to exploitation of the reputation of the PDO 'porto' or 'port'. In any event, the products concerned are not comparable in terms of their ingredients, their taste or their alcoholic strength.

VI. Analysis

A. Preliminary remark

49. The proceedings in this (dual) appeal have mainly focused on whether the body of legal rules applicable to the protection of a PDO for wines is, exclusively or comprehensively, that laid down in Regulation No 1234/2007. (19)

50. In line with the judgment under appeal, the IVDP argues that Portuguese law should be applied since it offers a higher level of protection than EU law. However, that proposition cannot be accepted. In fact, in the pleadings lodged with the Court of Justice, the IVDP remained silent about the substance of that alleged higher level of protection. (20) That was not the case before the General Court, since, in the application for annulment, (21) the IVDP stated that Portuguese law prohibited the use of the PDO Porto/Port not only if there was a likelihood of confusion but also if its illicit use (by a trade mark) was liable to damage the reputation of the PDO by taking unfair advantage of its distinctive character or prestige.

51. I repeat that that proposition is incorrect because the protection provided by EU law to PDOs for wines is, at least, as strong as that afforded by the Portuguese legislation to which the IVDP refers. In particular, one of the grounds precluding the registration of an EU mark is where that mark seeks to take unfair advantage of the prestige of a PDO for wines.

52. The IVDP itself acknowledges, implicitly and explicitly, that that is the case from a dual perspective. First, when developing its cross-appeal it relies on Regulation No 1234/2007 to argue that Article 118m(2)(b)(ii) of that regulation allows it '*to obtain protection against the use of the contested trade mark, since "such use exploits the reputation" of the designation of origin "PORT"*'. (22) Second, the IVDP states that the '*protection granted under Portuguese law to Geographical Indications with high reputation is identical to the protection granted to well-known trade marks under EU law*'. (23)

53. Since Portuguese law and EU law provide equivalent protection in those cases, I believe that the debate which has arisen concerning whether one takes precedence over the other, as a result of the alleged higher level of protection of PDOs under the national provisions is, to a large extent, artificial. The General Court could, therefore, have confined itself to examining the remaining grounds of appeal without needing to address a broader problem which, while

undoubtedly interesting, did not occur in the situation at issue.

54. Since the judgment under appeal includes considerations (and an operative part based on those considerations) contrary to the comprehensive application of EU law to delimit the protection of PDOs for wines, it will be necessary to address the criticism made of those considerations in the appeal. I shall say straightaway that the solution will come from an interpretation of the applicable regulations, in particular Regulation No 1234/2007, as amended by Regulation No 491/2009. (24)

B. The single ground of EUIPO's appeal and the first ground of the IVDP's cross-appeal

55. I believe it is necessary to analyse the single ground of EUIPO's appeal jointly with the first ground of the IVDP's cross-appeal. Whilst they use different approaches, both relate to the comprehensive application of Regulation No 1234/2007, contrary to the view that PDOs for wines are entitled to additional protection under national law.

56. EUIPO relies on the judgment in *Budějovický Budvar* (25) to counter the proposition that national law can provide PDOs with a higher level of protection than that stipulated in EU law. In that case, the Court was required to give a decision on the same issue, (26) albeit in relation to the protection afforded by Regulation No 510/2006 in relation to a geographical indication for beer. The judgment held that that protection was comprehensive, since the aim of the regulation was not *'to establish, alongside national rules which may continue to exist, an additional system of protection for qualified geographical indications, like, for example, that introduced by Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), but to provide a uniform and exhaustive system of protection for such indications'*. (27)

57. The opposing positions in the appeal respectively maintain or dispute that the case-law of the Court on Regulation No 510/2006 is applicable to the scope of Regulation No 1234/2007. The IVDP submits that PDOs for wines have such specific features that their protection must differ from that which EU law grants to similar concepts.

58. The General Court acknowledges (28) initially that Article 118m(1) and (2) of Regulation No 1234/2007 governs uniformly and exclusively the authorisation and the limits of geographical indications and, where appropriate, the prohibition of their commercial use. However, it then goes on to state (29) that Article 8(4) of Regulation No 207/2009 (on the EU trade mark) enables the registration of a trade mark to be prohibited, or the mark to be cancelled if it is already registered, where that mark conflicts with an earlier sign which is protected by EU law or national law. It infers from this that the PDO Porto/Port is eligible for the additional protection conferred by Portuguese law.

59. In theory, a reading of Article 8(4) of Regulation No 207/2009 in isolation supports the finding reached by the General Court. However, its interpretation

cannot ignore the consequences arising from other legislative elements of EU law. In particular, regard must be had to the rules governing PDOs and PGIs, since the EU exercised its own powers in relation to them. It did so, moreover, by introducing into Regulation No 1234/2007 a specific provision (Article 118l) for determining the relationship between those types of intellectual property right (which are collective in nature) and EU registered trade marks (which are individual in nature).

60. The EU legislature decided to exercise its competence in relation to PDOs and PGIs in the areas of agricultural products and foodstuffs (Regulation No 510/2006), spirit drinks (Regulation No 110/2008) (30) and the wine sector (Regulation No 1234/2007). Outside the areas covered by those regulations, designations of origin and geographical indications remain within the competence of the Member States.

61. In the sectors brought within the scope of EU law, the protection afforded by EU regulations does not extend to all designations of origin or geographical indication but rather only to those referred to in the regulations. As regards the former, protection extends to PDOs designating products whose quality and characteristics are essentially and exclusively due to a particular geographical environment, including the natural and human factors inherent in that environment. As regards the latter, protection is afforded only to qualified indications, covering products which possess a quality, a reputation or other special characteristics attributable to their geographical origin (PGI). PGIs and PDOs both include the territorial component but the latter are reserved for goods whose special attributes are due to natural or human factors in their place of origin.

62. In the case of PDOs for wine, the EU's legislative action has extended to the entire sphere of protection in the interests of ensuring uniformity of the rules governing such PDOs in all the Member States. (31) Member States may exercise their discretion when laying down rules for simple (not qualified) geographical indications; that is, those which do not require that products must have a special attribute or a certain reputation derived from the place in which they originate but must be sufficient to identify that place. The EU legislation applies only to PDOs and PGIs but it does so comprehensively whereas simple geographical indications receive protection under national law.

63. The essential parallels between Regulation No 510/2006, on the one hand, and the section relating to PDOs for wines in Regulation No 1234/2007, on the other, are, in my view, undeniable. They have the same aim of assuring consumers — and, from another perspective, the proprietors of the respective designations — that the goods concerned are of a high level of quality based on their geographical origin. The similarity also extends to the requirement that those products (wine in one case, foodstuffs and agricultural products in general in the other) must be made subject to the same system of registration and subsequent

uniform protection throughout the territory of the Union, regardless of their national origin.

64. Regulation No 479/2008 (the provisions of which would be included in Regulation No 1234/2007 following its amendment) makes clear that the latter is merely the transposition to the area of PDOs for wines of the principles laid down in Regulation No 510/2006. Recital 27 of Regulation No 479/2008 explicitly states that *'applications for a designation of origin or a geographical indication [for wines] are [to be] examined in line with the approach followed under the Community's horizontal quality policy applicable to foodstuffs other than wine and spirits in Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs'*.

65. The parallel thus established is clear when an examination is made of the features of the procedure for registration of PDOs and PGIs. The judgment in *Budějovický Budvar* observed that, *'unlike other Community systems for the protection of industrial and commercial property rights, ... the registration procedure under Regulations No 2081/92 and No 510/2006 is based on powers shared between the Member State concerned and the Commission, since the decision to register a designation may be taken by the Commission only if the Member State concerned has submitted to it an application for that purpose and such an application may be made only if the Member State has checked that it is justified (judgment of 6 December 2001, *Carl Kühne and Others*, C-269/99, EU:C:2001:659), paragraph 53). The national registration procedures are therefore incorporated in the Community decision-making procedure and constitute an essential part thereof. They cannot exist outside the Community system of protection'*. (32)

66. That model was included in Regulation No 479/2008, in relation to the wine sector, (33) and Regulation No 110/2008 (Article 17), in relation to spirit drinks. The Court's arguments in *Budějovický Budvar* (which I have transcribed in the previous point) regarding that (procedural) aspect of Regulation No 2081/92 and Regulation No 510/2006 can, therefore, be applied to Regulation No 1234/2007.

67. Moreover, the fact that the adoption of the regulations applicable to PDOs and PGIs replaces the national systems of protection is confirmed by the regulations themselves through the establishment of transitional provisions, in view of the fact that national systems which already had legislation governing designations of origin co-existed in the Union with others which did (or do) not have such legislation. (34)

68. In relation to wines, it is necessary to go back to Regulation No 1493/1999, Article 54(2) of which defined *'quality wines produced in specified regions'* (*'quality wines psr'*). Article 54(4) provided that *'Member States shall forward to the Commission the list of quality wines psr which they have recognised, stating, for each of these quality wines psr, details of the national provisions governing the production and*

manufacture of those quality wines psr'. Since the PDO Porto/Port benefited from protection under Portuguese law, the wines covered were recorded on the list of quality wines psr and were automatically protected, pursuant to Regulation No 1234/2007 (Article 118s(1)), and the Commission included them in the register provided for in Article 118n of that regulation (E-Bacchus list). (35)

69. However, that automatic protection is qualified by Article 118s of Regulation No 1234/2007, which included a number of precautions to ensure that the wines on the E-Bacchus list satisfied the conditions laid down, setting time limits for the Member States to send essential information and for the Commission to scrutinise whether or not addition to the register was appropriate. (36)

70. Where a Member State has no national legislation concerning PDOs, Article 118f(7) of Regulation No 1234/2007 authorises that State, on a transitional basis, to grant protection to the name at national level. That transitional protection ceases on the date on which the Commission adopts a decision on registration or refusal under that regulation.

71. All those transitional provisions confirm — if that is necessary — that the Member States have lost the power to provide additional and enhanced protection to PDOs for wines, since these now have the status granted to them by Regulation No 1234/2007. Otherwise, it would make no sense to provide for the transition from the old to the new situation, the aim of which is to structure the transfer of the competence to establish the framework for protection. Once again, the arguments in this respect in *Budějovický Budvar*, (37) concerning Regulation No 510/2006, are applicable to Regulation No 1234/2007.

72. In response to those criteria (and the other criteria underlying the judgment in *Budějovický Budvar*, (38) which I do not believe it is helpful to discuss further), the IVDP draws attention to the differences between Regulation No 510/2006 and Regulation No 479/2008. Without denying that some of those differences are present, I believe that they do not undermine the strong similarity between the two as regards their aims and essential characteristics.

73. The IDVP relies on recital 28 of Regulation No 479/2008 to argue that the European Union intended to respect the specific national features of the protection of wines, as its wording shows: *'In order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, Member States should be allowed to apply more stringent rules in that respect.'*

74. However, I do not find that reasoning persuasive. Recital 28 of Regulation No 479/2008 must, on the contrary, be interpreted in conjunction with Article 120d of Regulation No 1234/2007, pursuant to which Member States may require the use of certain oenological practices and provide for more stringent restrictions for wines covered by PDOs produced in their territory. That provision does not undermine the uniformity or exclusivity of the system of protection

granted to PDOs whose wines have achieved minimum quality levels. If a Member State establishes that its wines can only obtain PDO status after complying with more stringent production practices, it may legitimately do so. But, I repeat, that requirement does not mean that the system of protection of the PDO, once it has been registered in respect of the entire EU, can be left to national law. (39)

75. The considerations set out above lead me to propose that the single ground of appeal raised by EUIPO should be upheld. Whilst the General Court rightly drew attention in its judgment to the ‘exclusive’ nature of the protection afforded by Article 118m(1) and (2) of Regulation No 1234/2007, (40) it erred in law in that it invalidated that correct assertion later in the judgment (paragraphs 44 to 49) by accepting the additional protection under national law that it had previously and implicitly rejected.

C. The second and third grounds of the IVDP’s cross-appeal

1. The admissibility of the grounds

76. An initial reading of those two grounds of appeal raised by the IVDP could lead to a ruling that they are inadmissible, as the other parties to the proceedings claim, since they appear to be directed against mere assessments by the General Court which are exempt from the scrutiny of the Court of Justice, according to the latter’s settled case-law. (41)

77. If the subject matter of those two grounds was confined to disagreement with the assessments of the General Court regarding the similarity of the mark and the PDO, or to the predominant elements of the perception that the public is likely to have of the mark and the PDO, or to the likelihood of confusion between the mark and the PDO, I would agree with the plea of inadmissibility raised.

78. However, I believe that that is not the true sense of the two grounds of appeal and that those grounds raise a genuine issue of law and not an issue involving a mere assessment of facts or what the Court calls ‘*considerations of a factual nature*’. It is necessary to establish whether the General Court’s interpretation of Article 118m(2)(a) and (b) of Regulation No 1234/2007 was consistent with the legislative content of that provision. In order to confirm or reject that interpretation, it is obviously necessary to turn to legal definitions (use, misuse, imitation, evocation, exploitation of reputation) which, when applied to certain distinctive signs and to PDOs, will require a concrete and not merely an abstract assessment. If, in carrying out its appellate task, the Court of Justice were unable to examine whether the interpretation made by the General Court in this area is lawful, I fear that its powers of review would be somewhat diminished.

79. In support of its plea of inadmissibility, EUIPO relies on paragraph 31 of *Viiniverla* (42) in which the Court observed that it was for the referring court ‘*to assess whether the name “Verlados” for cider spirits constitutes an “evocation” within the meaning of Article 16(b) of Regulation No 110/2008 of the protected geographical indication “Calvados”*’.

However, it cannot be inferred from that assertion, which is logical in the context of a reference for a preliminary ruling, that the Court is prohibited from giving a ruling in an appeal on the manner in which the General Court has interpreted and applied the legal concept of evocation (or any other analogous concept) in its judgment.

80. Moreover, what is at issue here, given the terms of the judgment at first instance, is the very ability of the PDO Porto/Port (although it could be any other PDO) to fulfil the functions inherent in it and to benefit from the protection of EU law. If it were found — and this is what follows from the interpretation made by the General Court in confirming the earlier interpretation of the Board of Appeal — that that geographical name has a very weak distinctive character, (43) so that the addition of any other term (in this case, ‘Charlotte’) to the term Port would be sufficient to enable registration of EU marks identifying other alcoholic beverages, I believe that the PDO Porto/Port would suffer serious harm by being unable to defend itself against subsequent marks for alcoholic beverages which use its characteristic element (Porto/Port) alongside any of the thousands of possible geographical or toponymic terms.

81. In other words, the error of law underlying that part of the judgment at first instance consists, in my view, of a failure to observe the rule of EU law enshrining the right of the PDO Porto/Port, derived from Regulation No 1234/2007, to prevent the registration of any mark for alcoholic beverages which uses that word. The right of exclusion (*ius excludendi alios*) is key to the protection granted to PDOs for wines under that regulation, Article 118m(2) of which protects PDOs against any direct or indirect commercial use in so far as such use exploits the reputation of a PDO (subparagraph (a)), and against misuse, imitation or evocation of a PDO (subparagraph (b)). Both types of protection are referred to in the grounds of the IVDP’s cross-appeal, which in my view are admissible.

2. The second ground of the IVDP’s cross-appeal

82. The IDVP argued before the General Court, in its application for annulment, that the Board of Appeal infringed Article 118m(2)(a)(ii) of Regulation No 1234/2007 by refusing to accept that the inclusion of the PDO Porto/Port in the trade mark ‘Port Charlotte’ amounted to exploitation of its reputation. The General Court responded to that claim by confirming the view of the Board of Appeal, to the effect that ‘*the contested mark neither used nor evoked the designation of origin in question, so that it was not necessary to verify whether it had a reputation*’. (44)

83. First, that response of the General Court deviates to an extent from the argument put forward by the applicant. When introducing the discussion of whether the reputation of the PDO was exploited, the General Court refers to the concept of evocation, which does not appear in Article 118m(2)(a)(i) of Regulation No 1234/2007 but in Article 118m(2)(b), which was the subject of another ground of appeal.

84. The General Court is inconsistent when it confirms that ‘*the contested mark neither used nor evoked the*

designation of origin in question’ (paragraph 72 of the judgment) but then goes on to state that *‘the term “port” forms an integral part of the contested mark*’ (paragraph 76 of the judgment under appeal, dealing with the analysis of evocation).

85. Leaving aside, for now, the difficulties relating to evocation, to which I shall return when I deal with the next ground of appeal, it is undeniable that the mark ‘Port Charlotte’ reproduces the term included in the PDO: ‘Port’. It is clear from a mere glance that its initial component is identical to the PDO. The first essential condition for the protection provided under Article 118m(2)(a)(ii) of Regulation No 1234/2007 is therefore fulfilled and the General Court erred in not accepting that at paragraph 72 of the judgment.

86. The wines covered by the PDO also have a reputation, a matter on which there is no dispute because they can be regarded as well known. (45) The discussion is therefore confined to establishing whether the use of the term included in the PDO in the contested mark entails the exploitation of that reputation, for the purposes of Article 118m(2)(a)(ii) of Regulation No 1234/2007.

87. The reasons why the General Court refused to accept the existence of such exploitation are based on a legally incorrect premiss, to which I have referred. In the General Court’s view, the PDO Porto/Port lacks its own distinctive character because its single term (Porto/Port), when included in a trade mark for alcoholic beverages which reproduces that term alongside another word, will be perceived by the public as denoting a mere geographical place (a port) identified by that second element. Therefore, according to that view, Porto/Port is a designation — whether generic or merely common — which can be appropriated by any economic operator who wishes to use it, alongside another word (for a person, a city or any toponym or geographical feature), to identify his own alcoholic beverages.

88. To my mind, that premiss cannot be accepted, since it weakens the distinctive character of the PDO Porto/Port to such an extent that it transforms it de facto into a generic designation, contrary to the express prohibition in Article 118m(3) of Regulation No 1234/2007. (46)

89. Accepting, as the General Court does, (47) that, also in the context of alcoholic beverages, the term ‘port’ is associated with a river or coastal harbour rather than with the PDO, deprives the PDO of substance to the point of attributing to it generic characteristics which deprive it of protection. Although ‘port’ means harbour in English and in French, that factor cannot justify leaving the PDO without protection: the decision to afford it the same protection as the other PDOs for wines, and not lesser protection on the basis of a number of semantic considerations, was adopted when the EU authorities approved its registration on the list of PDOs.

90. The effect of that protection conferred by EU law is, in the instant case, that the term ‘Port’ could not be used, on its own or with other words, in marks

identifying alcoholic beverages that were likely to derive unfair advantage from its reputation (particularly beverages in competitive proximity, since they are targeted at the same type of public and use the same distribution and sales networks).

91. Therefore, the General Court erred in law in that it failed to assess correctly the extent of the protection afforded to PDOs for wines (including the PDO Porto/Port) as a criterion for determining whether or not their reputation has been exploited by marks which appropriate their characteristic term.

3. The third ground of the IVDP’s cross-appeal

92. This ground alleges the infringement of Article 118m(2)(b) of Regulation No 1234/2007. The IVDP claims that the General Court did not recognise (48) the evocation of the PDO Porto/Port by the contested mark.

93. Since the previous ground of appeal has been upheld, it is possible to refrain from analysing this ground because the identification of a breach of Article 118m(2)(a)(ii) of Regulation No 1234/2007 necessitates the quashing of the judgment of the General Court. Nevertheless, I shall examine this ground.

94. According to the case-law of the Court, (49) evocation *‘covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected’*. (50)

95. The prohibition of evocation is not necessarily linked to the likelihood of confusion on the part of the public. It is not essential that the consumer believes that the mark evoking the PDO covers the same products as those protected by the PDO evoked. The Court has consistently held that there may be evocation of a PDO even where there is no likelihood of confusion between the products. (51)

96. The General Court referred in paragraph 76 of the judgment under appeal to the case-law of the Court of Justice to the effect that a likelihood of confusion is not required for there to be evocation. However, in developing its position on this point, it endorsed the finding of the Board of Appeal that *‘there was no “evocation” of a port wine ... since whisky is a different product and there was no potentially misleading or confusing statement in the contested mark’*. (52) Having set down that proposition, the General Court rejected the associated plea for annulment on the basis of *‘the considerations set out in paragraph 71 above’* in relation to the use of the contested mark. (53)

97. I believe that, in adopting those arguments, the General Court committed a twofold error of law: (a) first, it erred in relation to the very definition of evocation, as interpreted in the case-law of the Court of Justice, in that it found that there is no evocation in this case because there is no likelihood of confusion between whisky and port wine; and (b) second, it repeated, by referring to an earlier passage of the

judgment, the error which I established above in the analysis of the IVDP's second ground of appeal.

98. Even *'in the absence of any likelihood of confusion'* (54) with the PDO Porto/Port, the trade mark 'Port Charlotte' may evoke, in the mind of a reasonably well informed and reasonably observant European consumer, the wines protected by that PDO. The General Court should have disregarded the likelihood of confusion (55) in order to focus on whether the new mark created *'in the mind of the public an association of ideas regarding the origin of the products'*, (56) particularly since the products concerned are similar in appearance, both being bottled as alcoholic beverages, and in the light of the (partial) aural similarity between the well-known PDO and the mark in respect of which a declaration of invalidity was sought. (57)

99. In summary, I believe that the two grounds of appeal raised by both EUIPO and the IDVP should succeed, which will lead to the setting aside of the judgment under appeal.

100. In accordance with the first paragraph of Article 61 of the Statute of the Court of Justice, if the decision of the General Court is set aside, the Court of Justice may give final judgment in the matter where the state of the proceedings so permits. To my mind, that is the situation in this appeal.

VII. Conclusion

101. On the basis of the foregoing considerations, I propose that the Court:

(1) set aside the judgment of the General Court of the European Union of 18 November 2015, *Instituto dos Vinhos do Douro e do Porto, IP v OHIM — Bruichladdich Distillery* (T-659/14, not published, EU:T:2015:863);

(2) annul the decision of the Fourth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 8 July 2014 (Case R 946/2013-4) concerning an application for a declaration of invalidity of the trade mark 'Port Charlotte', number 5421474;

(3) order each party to pay its own costs.

1 – Original language: Spanish.

2 – The PDO encompasses the terms Oporto, Porto, Port, Portvin, Port Wine, Portwein, Portwijn, vin de Porto and vinho do Porto.

3 – Judgment of 18 November 2015, *Instituto dos Vinhos do Douro e do Porto v OHIM — Bruichladdich Distillery* (PORT CHARLOTTE), T-659/14, EU:T:2015:863 ('the judgment under appeal').

4 – Council Regulation of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).

5 – Council Regulation of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) (OJ 2007 L 299, p. 1), as amended by Council Regulation (EC) No 491/2009 of 25 May 2009 (OJ 2009 L 154, p. 1) ('Regulation No 1234/2007').

6 – Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, amended on 28 September 1979 (United Nations Treaty Series, vol. 1154, No I 18200, p. 89).

7 – Council Regulation of 29 April 2008 on the common organisation of the market in wine, amending Regulations (EC) No 1493/1999, (EC) No 1782/2003, (EC) No 1290/2005, (EC) No 3/2008 and repealing Regulations (EEC) No 2392/86 and (EC) No 1493/1999 (OJ 2008 L 148, p. 1). In force since 1 August 2009 in relation to the applicable provisions.

8 – Judgment of 8 September 2009, C-478/07, EU:C:2009:521.

9 – Council Regulation of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 2006 L 93, p. 12).

10 – Judgment of 4 March 1999, *Consorzio per la tutela del formaggio Gorgonzola*, C-87/97, EU:C:1999:115.

11 – Judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521.

12 – Judgment of 8 May 2014, C-35/13, EU:C:2014:306.

13 – This ground specifically criticises paragraphs 38 and 41 of the judgment under appeal.

14 – The IVDP complains specifically about paragraphs 68 to 73 of the judgment under appeal.

15 – The IVDP cites the judgments of 4 March 1999, *Consorzio per la tutela del formaggio Gorgonzola*, C-87/97, EU:C:1999:115, paragraph 25; of 26 February 2008, *Commission v Germany*, C-132/05, EU:C:2008:117, paragraph 44; and of 14 June 2011, *Bureau national interprofessionnel du Cognac*, C-4/10 and C-27/10, EU:C:2011:484, paragraph 56

16 – The IVDP refers in this connection to paragraphs 74 to 77 of the judgment under appeal.

17 – Judgment of 21 January 2016, C-75/15, EU:C:2016:35, paragraph 31.

18 – Judgment of 21 January 2016, C-75/15, EU:C:2016:35.

19 – The judgment under appeal and the parties' written observations refer to Regulation No 491/2009 as if it were the applicable provision. In fact, the applicable provision is the version of Regulation No 1234/2007 amended by that regulation. Regulation No 1234/2007 did not originally include provisions other than those on the wine sector, which were not the subject of any legislative amendment. The provisions undergoing amendment were to be included after they had been approved, which occurred with the adoption of Regulation No 479/2008 on the common organisation of the market in wine. Regulation No 491/2009 brings the wine sector completely within the scope of Regulation No 1234/2007 and inserts into that directive the legislative decisions adopted in Regulation No 479/2008.

20 – At the hearing, in response to questions from the Court, the IVDP’s representative explained that the higher level of protection under national law consisted of prohibiting a trade mark from taking unfair advantage of the prestige of the PDO Porto/Port.

21 – Paragraph 60 of the application to the General Court, lodged on 15 September 2014.

22 – Paragraph 62 of the cross-appeal.

23 – Paragraph 90 of the response to EUIPO’s appeal.

24 – It should also be observed that the reasons why the EU legislature established the organisation of the market in wine are set out in the recitals of Regulation No 479/2008, predecessor of Regulation No 491/2009, which are, therefore, a tool for interpreting the scope of the provisions.

25 – Judgment of 8 September 2009, C-478/07, EU:C:2009:521.

26 – The terms of that dispute were so similar to those of the present dispute that, eight years later, the words of Advocate General Ruiz-Jarabo Colomer at point 89 of his Opinion in *Budějovický Budvar* (C-478/07, EU:C:2009:52) are still applicable: *‘The Court of Justice is asked, in short, to decide whether the Community provisions for the protection of geographical indications and designations of origin are exclusive, one of the most contentious issues in the present field, which the case-law has, to date, answered only in part.’*

27 – Judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 114.

28 – Judgment under appeal, paragraph 41.

29 – *Ibid.*, paragraphs 44 to 49.

30 – Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ 2008 L 39, p. 16).

31 – There is an intention to extend that same unifying tendency to other sectors. For example, the European Parliament adopted a Resolution of 6 October 2015 on the possible extension of geographical indication protection of the European Union to non-agricultural products (2015/2053(INI)). That resolution points out that *‘the national laws currently protecting non-agricultural products give rise to different degrees of protection in Member States, which is not in conformity with the aims of the internal market, and is causing difficulties for their effective protection in Europe and in Member States where they are not covered by national legislation, thus pointing up the need for a single system for the protection of geographical indications throughout the EU’* (no italics in the original). See the resolution, which urges the Commission to draft a legislative proposal in that connection without delay, at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2015-0331+0+DOC+PDF+V0//EN>.

32 – Judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraphs 116 and 117. That same intention of guaranteeing uniform protection in the European Union of geographical indications which comply with the regulation (at that time Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1)), subject to their registration in accordance with the regulation, underlies the judgment of 9 June 1998, *Chiciak and Fol*, C-129/97 and C-130/97, EU:C:1998:274, paragraph 25. In the same vein, see the judgment of 4 March 1999, *Consorzio per la tutela del formaggio Gorgonzola*, C-87/97, EU:C:1999:115, paragraph 18.

33 – Recital 29 thereof describes the route for obtaining protection by means of Community registration, with the Commission being responsible for ensuring that applications satisfy the conditions laid down in the regulation and that the approach is uniform across the Member States.

34 – The judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraphs 118 to 120, and the judgment of 9 June 1998, *Chiciak and Fol*, C-129/97 and C-130/97, EU:C:1998:274, paragraph 28, assessed that factor as an indication that the Member States had lost their systems of protection.

35 – See the list at <http://ec.europa.eu/agriculture/markets/wine/e-bacchus/index.cfm>.

36 – Under that provision, the Commission could, if the relevant information was not presented within the time limit, remove PDOs from the E-Bacchus list. The Commission could also decide, until 31 December 2014, to cancel the protection of PDOs which did not fulfil the conditions laid down in Article 118b of Regulation No 1234/2007.

37 – Judgment of 8 September 2009, C-478/07, EU:C:2009:521.

38 – *Ibid.*

39 – The acceptance of higher national quality levels, above those set in the regulations, is also reflected, with regard to spirit drinks, in Article 6 of Regulation No 110/2008.

40 – In that connection, paragraph 38 of the judgment under appeal states: *‘in accordance with the spirit and system of the single regulatory framework of the common agricultural policy (recital 1 of Regulation No 491/2009; see also, to that effect and by analogy with Regulation No 510/2006, judgment of 8 September 2009 in Budějovický Budvar, C-478/07, ... EU:C:2009:521, paragraph 107 et seq.)*, as regards the scope of Regulation No 491/2009, the precise conditions and scope of that protection are laid down exclusively in Article 118m(1) and (2) of that regulation.’

41 – See, for example, the recent judgment of 2 March 2017, *Panrico v EUIPO*, C-655/15 P, not published, EU:C:2017:155, paragraph 68, which cites the order of

16 May 2013, Arav v H.Eich and OHIM, C-379/12 P, not published, EU:C:2013:317, paragraphs 42, 81 and 82; the judgment of 19 March 2015, MEGA Brands International v OHIM, C-182/14 P, EU:C:2015:187, paragraphs 48 to 51; and the order of 7 April 2016, Harper Hygienics v EUIPO, C-475/15 P, not published, EU:C:2016:264, paragraphs 35 and 36.

42 – Judgment of 21 January 2016, C-75/15, EU:C:2016:35.

43 – EUIPO and Bruichladdich both argued as much, using different words, at the hearing. EUIPO, in particular, stated that ‘Porto and Port are generic terms’, although it later qualified its earlier assertion by claiming that ‘they have a certain generic connotation’ [free translation].

44 – Paragraph 72 of the judgment under appeal.

45 – The IVDP submitted (point 83 of its application for annulment) that EUIPO agreed that the PDO Porto/Port had a reputation in earlier decisions, which it cited in its application. That point does not, in fact, appear to have been disputed, given the renown and international recognition of wines covered by the PDO.

46 – The desire to prohibit the use without due cause of PDOs for wines on the grounds of their hypothetical generic character dates back many years. Article 4 of the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, of 14 April 1891, stated that ‘*the courts of each country shall decide what appellations, on account of their generic character, do not fall within the provisions of this Agreement, regional appellations concerning the source of products of the vine being, however, excluded from the reservation specified by this Article*’ (emphasis added).

47 – Paragraph 71 of the judgment under appeal.

48 – Paragraphs 74 to 77 of the judgment under appeal.

49 – Judgments of 4 March 1999, Consorzio per la tutela del formaggio Gorgonzola, C-87/97, EU:C:1999:115, paragraph 25; of 26 February 2008, Commission v Germany, C-132/05, EU:C:2008:117, paragraph 44; of 14 July 2011, Bureau National Interprofessionnel du Cognac, C-4/10 and C-27/10, EU:C:2011:484, paragraph 56; and of 21 January 2016, Viiniverla, C-75/15, EU:C:2016:35, paragraph 21.

50 – That case-law has sometimes been criticised for requiring the ‘*incorporation of part of a protected designation*’ because it could be the case that, even if a mark does not incorporate part of a protected designation, it might contain elements which themselves evoke the PDO in the perception of the public.

51 – Judgments of 4 March 1999, Consorzio per la tutela del formaggio Gorgonzola, C-87/97, EU:C:1999:115, paragraph 26; of 26 February 2008, Commission v Germany, C-132/05, EU:C:2008:117, paragraph 45; and of 21 January 2016, Viiniverla, C-75/15, EU:C:2016:35, paragraph 45.

52 – Paragraph 74 of the judgment under appeal.

53 – Ibid., paragraph 75.

54 – Judgment of 21 January 2016, Viiniverla, C-75/15, EU:C:2016:35, paragraph 52.

55 – EUIPO recognised that likelihood of confusion in other, similar, previous cases which the IVDP referred to before the General Court (point 71 of its application). In particular, in its decision of 14 May 2014, EUIPO allowed the opposition filed by the IVDP against registration of EU trade mark No 11229317, ‘Port Ruighe’, for whisky, after arguing that there was a likelihood of confusion between that mark and the PDO Porto/Port in view of their visual, aural and conceptual similarity, since they referred to alcoholic beverages which are marketed through the same distribution networks. In adopting that decision, EUIPO refused to accept, inter alia, the trade mark proprietor’s claim drawing attention to the weak distinctive character of the PDO. It accepted, moreover, that some consumers might ‘*assume that the contested sign [Port Ruighe] is a sub-denomination, for export reasons, of the appellations of origin [Port]*’.

56 – Judgment of 21 January 2016, Viiniverla, C-75/15, EU:C:2016:35, paragraph 45.

57 – Criterion used in the judgments of 4 March 1999, Consorzio per la tutela del formaggio Gorgonzola, C-87/97, EU:C:1999:115, paragraph 27; of 26 February 2008, Commission v Germany, C-132/05, EU:C:2008:117, paragraph 27; of 14 July 2011, Bureau National Interprofessionnel du Cognac, C-4/10 and C-27/10, EU:C:2011:484, paragraph 57; and of 21 January 2016, Viiniverla, C-75/15, EU:C:2016:35, paragraph 33.