

JUDGMENT OF THE COURT (Fourth Chamber)

3 September 2015 (*)

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

In Case C-125/14,

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

Iron & Smith kft

v

Unilever NV,

THE COURT (Fourth Chamber),

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

Advocate General: N. Wahl,

Registrar: I. Illéssy, Administrator,

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

after considering the observations submitted on behalf of:

- Iron & Smith kft, by A. Krajnyák and N. Kovács, ügyvédek,
- Unilever NV, by P. Lukácsi and B. Bozóki, ügyvédek,
- the Hungarian Government, by M. Fehér and M. Ficsor, acting as Agents,
- the Danish Government, by C. Thorning, M. Wolff and M. Lyshøj, acting as Agents,
- the French Government, by D. Colas, F.-X. Bréchet and D. Segoin, acting as Agents,
- the Italian Government, by G. Palmieri, acting as Agent, and by S. Fiorentino, avvocato dello Stato,
- the United Kingdom Government, by J. Beeko, acting as Agent, and N. Saunders, Barrister,
- the European Commission, by B. Béres and F.W. Bulst, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 24 March 2015,

gives the following

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Article 4(3) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25).
- 2 The request has been made in proceedings between Iron & Smith kft ('Iron & Smith') and Unilever NV ('Unilever') concerning the variation of the decision of the Szellemi Tulajdon Nemzeti Hivatala (the Hungarian Intellectual Property Office, 'the Office') refusing registration of a mark applied for by Iron & Smith.

Legal context

EU law

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

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

 2. A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation.'
- 4 Under Article 9(1)(c) of that regulation:

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

 ...

 (c) any sign which is identical with, or similar to, the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.'
- 5 According to Article 15(1) of that regulation:

 'If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.'
- 6 Article 51(1)(a) of Regulation No 207/2009 provides:

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

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

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

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

...

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

2. “Earlier trade marks” within the meaning of paragraph 1 means:

- (a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks;

- (i) Community trade marks;

...

3. A trade mark shall furthermore not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier Community trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier Community trade mark is registered, where the earlier Community trade mark has a reputation in the Community and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark.

...’

Hungarian law

8 It is clear from Paragraph 4(1)(c) of Law No XI of 1997 on the protection of trade marks and geographical indications (a védjegyek és a földrajzi árujelzők oltalmáról szóló 1997. évi XI. törvény; ‘the Law on trade marks’), that a trade mark must be refused registration if it is identical with, or similar to, an earlier mark having a reputation in the country and is to be registered for goods or services different from those for which the earlier mark is registered, where its use could be detrimental to, or enable unfair advantage to be taken of, the distinctive character or the repute of the mark with a reputation.

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

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

- 10 By application filed on 13 April 2012, Iron & Smith requested the Office to register as a national trade mark the colour figurative sign ‘be impulsive’. Unilever opposed that application. In that regard, it relied, on the basis of Paragraph 4(1)(c) of the Law on trade marks, on its earlier Community and international word marks, Impulse.
- 11 Unilever having failed to prove that its trade marks were widely known in Hungary, their reputation as international trade marks could not be established. However, as regards the Community trade mark relied on in support of the opposition, the Office found that, given that Unilever had advertised and sold large quantities of the goods protected by the mark at issue in the United Kingdom and Italy, the reputation of the Community trade mark had been proved with respect to a substantial part of the European Union. Taking account of the circumstances of the case, the Office found that it was likely that use, without due cause, would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark. The figurative sign for which registration as a trade mark is sought might evoke the Unilever mark on the part of averagely/normally well-informed consumers.
- 12 Iron & Smith then filed an application for variation of the decision refusing registration, in which it complained principally that the Office had relied on the fact that Unilever’s products represented 5% of the market in the United Kingdom and 0.2% in Italy in order to hold that the reputation of the Community trade mark was established.
- 13 Examining Paragraphs 4(1)(c) and 76/C(2) of the Law on trade marks, Article 9(1)(c) of Regulation No 207/2009 and Article 4(3) of Directive 2008/95, the referring court concluded that those provisions do not offer any indication as to what is the relevant geographical territory within the European Union in order to establish that a Community trade mark has a reputation. Furthermore, it is unclear, even if the trade mark has such a reputation, whether it is possible that, where such a mark is unknown in the Member State concerned, the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark.
- 14 In those circumstances, the Fővárosi Törvényszék decided to stay the proceedings and refer the following questions to the Court for a preliminary ruling:
 - ‘(1) Is it sufficient, for the purposes of proving that a Community trade mark has a reputation within the meaning of Article 4(3) of Directive 2008/95 for that mark to have a reputation in one Member State, including where the national trade mark application which has been opposed on the basis of such a reputation has been lodged in a country other than that Member State?
 - (2) May the principles laid down by the Court of Justice of the European Union regarding the genuine use of a Community trade mark be applied in the context of the territorial criteria used when examining the reputation of such a mark?
 - (3) If the proprietor of an earlier Community trade mark has proved that that mark has a reputation in countries other than the Member State in which the national trade mark application has been lodged — which cover a substantial part of the territory of the European Union — may he also be required, notwithstanding that fact, to adduce conclusive proof in relation to that Member State?
 - (4) If the answer to the previous question is no, bearing in mind the specific features of the internal market, may a mark used intensively in a substantial part of the European Union be

unknown to the relevant national consumer and therefore the other condition for the ground precluding registration in accordance with Article 4(3) of Directive 2008/95 not be met, since there is no risk of detriment to, or unfair advantage being taken of, a mark's repute or distinctive character? If so, what facts must the Community trade mark proprietor prove in order for that second condition to be met?'

Consideration of the questions referred for a preliminary ruling

The first three questions

- 15 By its first three questions, which it is appropriate to examine together, the referring court asks essentially, what conditions, in circumstances such as those at issue in the main proceedings, are to be met in order for a Community mark to be regarded as having a reputation in the European Union, pursuant to Article 4(3) of Directive 2008/95.
- 16 It must be observed that the expression 'has a reputation in the Community', in Article 4(3) of Directive 2008/95, has the same meaning as the identical expression in Article 9(1)(c) of Regulation No 207/2009, which is identical to Article 9(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).
- 17 In that connection, as regards Article 9(1)(c) of Regulation No 40/94, the Court held that the concept of 'reputation' assumes a certain degree of knowledge amongst the relevant public, which must be considered to be reached when the Community trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (see judgment in *PAGO International*, C-301/07, EU:C:2009:611, paragraphs 21 and 24).
- 18 In examining this condition, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it (judgment in *PAGO International*, C-301/07, EU:C:2009:611, paragraph 25).
- 19 Territorially, the condition as to reputation must be considered to be fulfilled when the Community trade mark has a reputation in a substantial part of the territory of the Community and such a part may, in some circumstances, correspond to the territory of a single Member State (see, to that effect, *PAGO International*, C-301/07, EU:C:2009:611, paragraphs 27 and 29).
- 20 Thus, if the reputation of an earlier Community trade mark is established in a substantial part of the territory of the European Union which may, in some circumstances, coincide with the territory of a single Member State, it must be held that that mark has a 'reputation in the [European Union]', within the meaning of Article 4(3) of Directive 2008/95, and the proprietor of that mark is not required to produce evidence of that reputation in the Member State in which the application for registration of the later national mark, which is the subject of an opposition, has been filed.
- 21 As regards the provisions concerning the requirement for genuine use of the Community mark in the European Union, such as Articles 15(1) and 51 of Regulation No 207/2009, those provisions pursue a different objective from that pursued by the provisions relating to the extended protection conferred on trade marks that have a reputation in the European Union, such as Article 9(1)(c) thereof (see, to that effect, judgment in *Leno Marken*, C-149/11, EU:C:2012:816, paragraph 53). While the latter provision concerns conditions governing protection extended beyond the categories of goods and services for which a Community trade mark has been registered, the notion of 'genuine use' in Articles 15(1) and 51 of Regulation No 207/2009 expresses the minimum condition

for use that all the marks must satisfy in order to be protected.

- 22 Furthermore, it should be noted that it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not (see judgment in *Leno Marken*, C-149/11, EU:C:2012:816, paragraph 55).
- 23 It follows that the provisions concerning the requirement of genuine use of the Community mark and, in particular, the criteria laid down by the case-law, in order to prove genuine use, are to be distinguished from the provisions and criteria relating to the reputation of such a mark in the European Union.
- 24 Consequently, the criteria laid down by the case-law concerning genuine use of a Community mark are not relevant as such for the purpose of establishing a ‘reputation’ within the meaning of Article 4(3) of Directive 2008/95.
- 25 Having regard to all the foregoing considerations, the answer to the first three questions is that Article 4(3) of Directive 2008/95 must be interpreted as meaning that, if the reputation of an earlier Community mark is established in a substantial part of the territory of the European Union, which may, in some circumstances, coincide with the territory of a single Member State, which does not have to be the State in which the application for the later national mark was filed, it must be held that that mark has a reputation in the European Union. The criteria laid down by the case-law concerning the genuine use of the Community trade mark are not relevant, as such, in order to establish the existence of a ‘reputation’ within the meaning of Article 4(3) thereof.

The fourth question

- 26 By its fourth question, the referring court asks essentially in what circumstances Article 4(3) of Directive 2008/95 is applicable if the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which the registration of the later national mark concerned by the opposition has been applied for.
- 27 Pursuant to Article 4(3) of Directive 2008/95, where the earlier Community trade mark has a ‘reputation in the Community’ and the use without due cause of the later mark, which is similar to the Community mark and is intended to be registered for goods or services which are not comparable to those covered by the Community mark, would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark, registration of the later national mark must be refused.
- 28 Where the public concerned does not make a connection between the earlier Community mark and the later national mark, that is to say, does not establish a link between them, the use of the later mark does not, under Article 4(3) of Directive 2008/95, enable unfair advantage to be taken of, and is not detrimental to, the distinctive character or the repute of the earlier mark (see, by analogy, judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 30 and 31).
- 29 Also, even assuming that the earlier Community trade mark is unknown to the relevant public in the Member State in which the registration of the later national mark is applied for, which it is for the referring court to ascertain, the use of the national mark does not, in principle, enable unfair advantage to be taken of it or of the distinctive character or reputation of the earlier mark and is not detrimental to them.
- 30 However, even if the earlier Community trade mark is not known to a significant part of the relevant public in the Member State in which registration of the later national mark has been applied

for, it is conceivable that a commercially significant part of the latter may be familiar with it and make a connection between that mark and the later national mark.

- 31 It is true that the existence of such a link, which must be assessed globally taking into account all factors relevant to the circumstances of the case (see judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 41), is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(3) of Directive 2008/95 (see, by analogy, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 32). In order to benefit from the protection introduced by that provision, the proprietor of the earlier mark must adduce proof that the use of the later mark ‘would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark’ and therefore show that there is either actual and present injury to its mark for the purposes of Article 4(3) of Directive 2008/95 or, failing that, a serious risk that such injury may occur in the future. In such a case, it is for the proprietor of the later mark to establish that there is due cause for the use of that mark (see, by analogy, judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 37 and 39).
- 32 The existence of one of the types of injury referred to in Article 4(3) of Directive 2008/95, or a serious risk that such an injury will occur in the future, must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, by analogy, judgment in *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 68).
- 33 In that connection, it may be noted, in particular, that the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that the current or future use of the later mark is taking unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark (see, judgment in *Intel Corporation*, C 252/07, EU:C:2008:655, paragraph 67).
- 34 Having regard to all the foregoing considerations, the answer to the fourth question is that, if the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future.

Costs

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

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

- Article 4(3) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that, if the reputation of an earlier Community mark is established in a substantial part of the territory of the European Union, which may, in some circumstances, coincide with the territory of a single Member State, which does not**

have to be the State in which the application for the later national mark was filed, it must be held that that mark has a reputation in the European Union. The criteria laid down by the case-law concerning the genuine use of the Community trade mark are not relevant, as such, in order to establish the existence of a ‘reputation’ within the meaning of Article 4(3) thereof.

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

[Signatures]

* Language of the case: Hungarian