

JUDGMENTS OF THE TRIMESTER

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1. **C-56/16 P ‘Port Charlotte’ (14/09/2017)**
2. **C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)**
3. **C-93/16 ‘Kerrymaid / Kerrygold’ (20/07/2017)**

C-56/16 P 'Port Charlotte' (14/09/2017)

EU system of protection of wine GIs is uniform and exhaustive in nature

→ Office practice confirmed



C-56/16 P 'Port Charlotte' (14/09/2017)

<p>PORT (liqueur wine)</p>	<p>PORT CHARLOTTE (whisky)</p>
<p>earlier GI</p>	<p>contested EUTM</p>

C-56/16 P ‘Port Charlotte’ (14/09/2017)

Invalidity application (07/04/2011)

- Art. 53(1)(c) in conjunction with Art. 8(4) of Regulation 207/2009

Earlier GI claiming protection under

- Portuguese law
- EU law (Wines Regulation)

BoA (R 946/2013-4, 08/07/2014)

→ upholds the decision of the Cancellation Division rejecting the application for a declaration of invalidity

C-56/16 P ‘Port Charlotte’ (14/09/2017)

Main issues:

- whether national law applies
- whether the contested mark is caught by the scope of protection of the GI

1.) Does national law apply?

GC: yes, to the extent it may grant **additional protection** beyond the scope of EU protection (para 44).

→ Art. 8(4) of Reg. 207/2009 provides that the earlier right invoked may be governed by EU legislation or national law

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2.) Is the contested mark caught by the scope of protection of the GI?

GC: not by the EU scope of protection. According to Art. 118m(2) of the Wines Regulation, protected designations of origins [...] 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** [...];
- (c) any other false or misleading indication [...];
- (d) any other practice liable to mislead the consumer [...].

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- comparable products not complying with the product specification:
 - ‘whisky’ is, by definition, incapable of complying with the product specification of a wine product (paras 65-67).
- exploits the reputation:
 - ‘Port Charlotte’ forms a conceptual unit designating a harbour; it does not evoke port wine. In the absence of a link, no need to analyse reputation (para 71).
- misuse, imitation or evocation:
 - in the absence of association, no breach (paras 75-76).

Outcome: BoA decision partially annulled for not having verified the additional protection Portuguese law may provide for the GI at issue. Action dismissed for the rest. (T-659/14, 18/11/2015)

C-56/16 P ‘Port Charlotte’ (14/09/2017)

On appeal before CJ:

1.) Does national law apply?

No, the EU system of protection of wine GIs is uniform and exhaustive that precludes protection at national level.

- analogous with the purpose of the Foodstuffs Regulation (as interpreted in C-478/07 ‘Bud’ in relation to a GI for beer) to create a single regulatory framework for a high level of protection at EU level (paras 77-84)

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- analogous with the characteristics of Foodstuffs Regulation as interpreted in ‘Bud’ (paras 85-94 and 100-103)
 - shared competence: national examination phase included in the Union procedure
 - during application phase national protection is allowed on a transitional base only
 - common EU register
 - protection of ‘existing protected wine names’ ceased for which no technical files and national decisions of approval were transmitted by 31/12/2011. Furthermore, Commission was entitled cancel the protection of such names until 31/12/2014 during its scrutiny.
- possibility of stricter national rules relating to oenological practices irrelevant (para 95)
- exception: simple (not qualified) GIs, that do not require that the product have a special attribute or a certain reputation derived from the place in which they originate (para 107)

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2.) Is the contested mark caught by the scope of protection of the GI?

- exploits the reputation:
 - incorporation of a GI into a trade mark cannot be held to be exploiting the reputation of that GI if that incorporation does not lead the relevant public **to make an association** to the protected designation or product protected by the GI (paras 114-117)
- misuse, imitation or evocation:
 - incorporation of a GI (or part of it) into a trade mark cannot be held to be ‘evocation’ if it does not **trigger the image** of the product whose designation is protected (paras 122-126)

Outcome: sets aside the judgment of the GC, gives a final judgment itself and dismisses the action brought against the BoA decision.

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C-673/15 P - C-676/15 P 'Darjeeling' (20/09/2017)

The essential function of a collective mark, even if it designates geographical origin, is distinct from that of a GI. In a conflict involving a collective mark designating geographical origin, the assessment of the similarity of goods and services must be carried out according to the standard criteria applied in Article 8(1)(b).



C-673/15 P - C-676/15 P 'Darjeeling' (20/09/2017)

DARJEELING (cl. 30 - tea)	Darjeeling (cl. 25, 35, 38)
earlier EU collective mark	contested EUTM

Opposition under

- Art. 8(1)(b) and Art. 8(5) of Regulation 207/2009

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

BoA (Cases R 1387/2012-2, R 1501/2012-2, R 1502/2012-2 and R 1504/2012-2)

→ upholds the decision of the Opposition Division rejecting the opposition: (i) goods and services dissimilar (ii) conditions of 8(5) not proven.

Two main issues:

- whether a different test applies in the assessment of the similarity of g and s (and LoC) in the case of a collective mark designating geographical origin
- whether the assumptions of an exceptionally high reputation and existence of a link could rule out all risks of injuries under Art. 8(5)

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

1.) Assessment of the similarity of g and s

A collective mark serves to distinguish the goods or services of the members of the association of manufacturers, producers from those of other undertakings (Art. 66(1) of Reg. 207/2009).

In derogation from Art. 7(1)(c), signs designating the **geographical origin** of the g or s may constitute collective marks (Art. 66(2) of Reg. 207/2009).

Opponent: its collective mark designates **geographical** origin, hence, calls for a different assessment of the similarity of g and s (and likelihood of confusion) under Art. 8(1)(b). The risk that consumers may believe that the g and s covered by the signs at issue have the same **geographical** origin constitutes a likelihood of confusion. The g and s at issue are similar, as they can have the same geographical origin.

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

GC:

- just because a collective mark comprises a geographical term, it does not alter the essential function of the collective mark which is to distinguish the goods as to its collective trade origin and not its geographical origin (paras 41-42).
- the comparison of g and s must be carried out according to the same criteria as in the case of a conflict between two individual marks (para 49). They are dissimilar.
- in the absence of a similarity of the g and s, there is no likelihood of confusion (irrespective of the similarity of the signs or any possible enhanced distinctiveness of the earlier collective mark) (paras 56 and 62).

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

2.) Assessment of Art. 8(5) on the basis of assumptions

BoA decision was based on two hypothetical premises:

- (i) the earlier marks had an ‘exceptionally high’ reputation. This is not a ‘vague’ hypothesis, but one assuming a ‘very specific level of strength’ of reputation which could serve as a basis for the assessment of the further conditions of 8(5) (paras 81-86).
- (ii) it was possible that the relevant public might establish a link (para 92).

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

Dilution

Opponent merely claimed that the contested mark would seriously jeopardise the uniqueness of ‘Darjeeling’ and its ability to guarantee to the consumer the geographical origin of tea products.

The higher standard of proof set out by case law in relation to dilution was not met, in particular, a serious likelihood of change in the economic behaviour of the consumer had not been proven. The relevant public would not be surprised if the geographical designation ‘Darjeeling’ could be used in different market sectors (paras 104-111).

Tarnishment

No specific argument as to the possibility of incompatibility of the contested g and s with the reputation of the earlier marks (paras 118-119).

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

Taking unfair advantage

The BoA’s assumption of a reputation and link extended to accepting as a hypothetical premise the opponent’s assertion that the earlier marks transmit values of a ‘sophisticated, exclusive, unique product’ and owing to the presumed knowledge of the location of Darjeeling in India, it is also likely to evoke images of ‘exoticism, sensuality and mystery’ (paras 137-140).

These positive qualities are capable of being transferred to some of the contested goods and thus attracting the relevant public (paras 142-144):

Cl. 25 - various items of clothing

Cl. 35 - retailing of women’s underwear and lingerie, perfumes, toilet water and cosmetic lotions, household and bath linen

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BoA could not discard the possibility of a risk of injury on the basis of the two hypothetical premises it applied, in relation to such goods and services.

However, not to the other (business assistance) services in cl 35 and telecommunication services in cl 38 (para 145).

Outcome: BoA decision partially annulled. BoA to re-examine reputation, link and risk of injury in relation to the g and s in cl 25 and 35 where a risk of injury could not be ruled out based on a hypothetical approach (paras 147-150). (T-624/13 - T-627/13, 02/10/2015)

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

On appeal before CJ:

1.) Assessment of the similarity of g and s

- essential function of a trade mark is to guarantee the **commercial** origin of g and s
- if it were held that the essential function of an EU collective mark designating geographical origin is to indicate the **geographical** origin of the goods or services offered under such a mark, and not to indicate their commercial origin, that would disregard that essential function (para 54)

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

- an EU collective mark falling within Art. 66(2) of Reg. 207/2009 does not conflict with the public-interest aim underlying Art. 7(1)(c) since
 - (i) the proprietor of such mark cannot prohibit a third party from using, in the course of trade, the geographical designation, provided that he uses them in accordance with honest practice in industrial or commercial matters, and
 - (ii) Article 67(2) of that regulation requires that the regulations governing use of a mark covered by Article 66(2) authorise any person whose products or services originate from the geographical area concerned to become a member of the association which is the proprietor of the trade mark (para 60).

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- GIs and collective marks are two distinct legal regimes. A GI serves to guarantee to the consumer the geographical origin of the goods and special qualities connected therewith (para 62).
- A collective mark is to distinguish the goods or services of the members of the association which is the proprietor of the trade mark from those of other undertakings, and not to distinguish those goods according to their geographical origin (para 63).
- Therefore, that the public might believe that the g and s covered by the signs at issue have the same geographical origin cannot constitute a relevant criterion for establishing their similarity under Article 8(1)(b) (para 64).

C-673/15 P - C-676/15 P ‘Darjeeling’ (20/09/2017)

2.) Assessment of Art. 8(5) on the basis of assumptions

None of the parties contested the hypothetical approach adopted by the GC in assessing Art. 8(5).

CJ rebutted criticisms of absence of reasoning, request for reassessment of factual findings, claim of inconsistent reasoning and corrected a misreading of the judgment under appeal (paras 71, 72, 80, 91-93).

Outcome: GC judgments upheld, cases remitted to BoA for further examination of Article 8(5).

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C-93/16 'Kerrymaid' (20/07/2017)

Peaceful coexistence in a part of the EU cannot be 'exported' to other parts of the EU.



C-56/16 P 'Port Charlotte' (14/09/2017)

KERRYGOLD	KERRYMAID
earlier EUTM	infringing mark used in Spain

Signs coexist in the United Kingdom and Ireland.

C-93/16 ‘Kerrymaid’ (20/07/2017)

Question 1

- in situation such as that in the case in the main proceedings, in which peaceful coexistence between EU trade marks and a sign has been found in Ireland and the United Kingdom, the European Union trade marks court hearing infringement proceedings on the use of that sign in another Member State, here the Kingdom of Spain, **cannot merely base its assessment on the peaceful coexistence prevailing in Ireland and the United Kingdom**. That court must, on the contrary, make a global assessment of all the relevant factors (para 37).
- the fact that, in part of the European Union, an EU trade mark and a national mark peacefully coexist, does not allow the conclusion that in another part of the European Union, where peaceful coexistence between that EU trade mark and the sign identical to that national mark is absent, there is no likelihood of confusion between that EU trade mark and that sign (para 38).

C-93/16 ‘Kerrymaid’ (20/07/2017)

Question 3

- in the present case, where there is due cause legitimising the use of the sign KERRYMAID in Ireland and the United Kingdom because of the peaceful coexistence between the KERRYGOLD EU trade marks and the national mark at issue in those two Member States, the European Union trade marks court hearing an infringement action in respect of the use of that sign in another Member State **cannot merely base its assessment on that peaceful coexistence in Ireland and the United Kingdom**, but must, on the contrary, make a global assessment of all the relevant factors (paras 59-60).

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Question 2

- where the market conditions and the sociocultural or other circumstances contributing to the overall impression produced by the EU trade mark and the sign at issue on the average consumer do not vary significantly from one part of the European Union to another, there is **nothing to prevent the relevant factors, the presence of which in part of the European Union has been established, being taken into account in assessing whether the proprietor of that trade mark is entitled to prohibit the use of that sign in another part of the European Union or throughout the entire territory of the European Union** (para 42).
- it cannot be excluded that the conduct which can be expected of the third party so that its use of the sign follows honest practices in industrial or commercial matters must be analysed **differently** in a part of the European Union where consumers have a **particular affinity with the geographical word contained in the mark and the sign at issue than in a part of the European Union where that affinity is weaker** (para 46).



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