Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

21 December 2016*

(Reference for a preliminary ruling — EU trade mark — Regulation (EC) No 207/2009 — Article 9(1)(b) — Article 15(1) — Article 51(1)(a) — Extent of the exclusive right granted to the proprietor — Period of five years following registration)

In Case C-654/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Högsta domstolen (Supreme Court, Sweden), made by decision of 3 December 2015, received at the Court on 7 December 2015, in the proceedings

Länsförsäkringar AB

v

Matek A/S,

THE COURT (Second Chamber),

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

Advocate General: M. Campos Sánchez-Bordona,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

— Matek A/S, by S. Wendén and M. Yngner, advokater,

— the European Commission, by T. Scharf and K. Simonsson, acting as Agents,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

* Language of the case: Swedish.

Judgment

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

2 The request has been made in proceedings between Länsförsäkringar AB and Matek A/S relating to an alleged infringement by the latter of an exclusive right that Länsförsäkringar enjoys as the proprietor of an EU trade mark.

Legal context

3 Recital 10 of Regulation No 207/2009 states:

'There is no justification for protecting [EU] trade marks or, as against them, any trade mark which has been registered before them, except where the trade marks are actually used.'

4 Article 9(1) of Regulation No 207/2009, under the heading 'Rights conferred by [an EU] trade mark', provides:

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

…

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

…'

5 Article 15(1) of Regulation No 207/2009, under the heading 'Use of [EU] trade marks', is worded as follows:

'If, within a period of five years following registration, the proprietor has not put the [EU] trade mark to genuine use in the [European Union] 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 [EU] trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.

…'

6 Article 51 of Regulation No 207/2009, headed 'Grounds for revocation', provides:

'1. The rights of the proprietor of the [EU] trade mark shall be declared to be revoked on application to the [European Union Intellectual Property] Office [(EUIPO)] 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 [European Union] in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor's rights in a Community trade mark should be revoked where, during the interval between expiry of the

five-year period and filing of the application or counterclaim, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application or counterclaim which began at the earliest on expiry of the continuous period of five years of non-use shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application or counterclaim may be filed;

…

2. Where the grounds for revocation of rights exist in respect of only some of the goods or services for which the [EU] trade mark is registered, the rights of the proprietor shall be declared to be revoked in respect of those goods or services only.'

7 Article 55(1) of Regulation No 207/2009, under the heading 'Consequences of revocation and invalidity', provides:

'The [EU] trade mark shall be deemed not to have had, as from the date of the application for revocation or of the counterclaim, the effects specified in this Regulation, to the extent that the rights of the proprietor have been revoked. An earlier date, on which one of the grounds for revocation occurred, may be fixed in the decision at the request of one of the parties.'

8 Article 99 of Regulation No 207/2009, headed 'Presumption of validity — Defence as to the merits', states:

'1. The [EU] trade mark courts shall treat the [EU] trade mark as valid unless its validity is put in issue by the defendant with a counterclaim for revocation or for a declaration of invalidity.

…

3. In the actions referred to in Article 96(a) and (c) a plea relating to revocation or invalidity of the [EU] trade mark submitted otherwise than by way of a counterclaim shall be admissible in so far as the defendant claims that the rights of the proprietor of the [EU] trade mark could be revoked for lack of use or that the [EU] trade mark could be declared invalid on account of an earlier right of the defendant.'

9 Regulation No 207/2009 has been amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21), which entered into force on 23 March 2016.

10 Under that regulation, Article 99(3) of Regulation No 207/2009 is replaced by the following:

'In the actions referred to in points (a) and (c) of Article 96, a plea relating to revocation of the EU trade mark submitted otherwise than by way of a counterclaim shall be admissible where the defendant claims that the EU trade mark could be revoked for lack of genuine use at the time the infringement action was brought.'

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

11 Länsförsäkringar, which operates in the fields of banking, investment and insurance, is the proprietor of the EU figurative trade mark No 005423116. That mark was registered on 4 January 2008 in respect of, inter alia, services in Classes 36 and 37 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 ('the Nice Agreement'). In Class 36 the registration covers, inter alia, real-estate

affairs; appraisal of real estate; rental of apartments and business premises; and real-estate management. In Class 37 it covers building construction; repair and maintenance; and installation services.

12 Matek's principal activity consists in manufacturing and assembling wooden houses. In connection with that activity, Matek began in 2007 to use a logo whose registration it secured in 2009 for goods in Class 19 of the Nice Agreement, a class which covers 'building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal'.

13 Since Länsförsäkringar took the view that, on account of the use of that logo in the years 2008 to 2011, Matek had infringed an exclusive right conferred by the EU trade mark of which it is the proprietor, it applied to the Stockholms tingsrätt (Stockholm District Court, Sweden) on the basis of Article 9(1)(b) of Regulation No 207/2009 for an order prohibiting Matek, on pain of a penalty payment, from using signs similar to that mark in Sweden in the course of trade. The Stockholms tingsrätt (Stockholm District Court) granted the application.

14 The Svea hovrätt (Svea Court of Appeal, Sweden) set that decision aside. Whilst the appellate court considered that the logo used by Matek was similar to the EU trade mark registered by Länsförsäkringar, it held, however, in contrast to the Stockholms tingsrätt (Stockholm District Court), that the examination of the similarity of the goods and services at issue had to be carried out on the basis not of the formal registration of that mark, but of the activity actually carried out by the proprietor. The Svea hovrätt (Svea Court of Appeal) thus concluded, on a global assessment, that there was no likelihood of confusion in the case in point.

15 Länsförsäkringar brought an appeal before the referring court, the Högsta domstolen (Supreme Court, Sweden), submitting that the assessment of the likelihood of confusion, within the meaning of Article 9(1)(b) of Regulation No 207/2009, must be based, during the period of five years following registration of an EU trade mark, solely on that registration and not on the actual use of the mark.

16 According to the referring court, it cannot be determined from the case-law of the Court of Justice what importance should be given, for the purpose of the application of Article 9(1)(b) of Regulation No 207/2009, to the registration, as against the actual use, of an EU trade mark in cases where a third party uses without authorisation, in the course of trade, a sign similar to such a mark during the period of five years following the mark's registration.

17 In those circumstances, the Högsta domstolen (Supreme Court) decided to stay proceedings and refer the following questions to the Court for a preliminary ruling:

'(1) Does it affect the proprietor's exclusive right that, during a period within five years from registration, he has not made genuine use of the [EU] trade mark in the European Union for goods or services covered by the registration?

(2) If the answer to question 1 is in the affirmative, in what circumstances and in what way does that situation affect the exclusive right?'

Consideration of the questions referred

18 By its questions, which it is appropriate to examine together, the referring court seeks, in essence, to ascertain whether Article 9(1)(b) of Regulation No 207/2009 must be interpreted as meaning that, during the period of five years following registration of an EU trade mark, its proprietor may, if there is a likelihood of confusion, prevent third parties from using in the course of trade a sign identical or

similar to his mark in respect of all goods and services identical or similar to those for which that mark has been registered without having to demonstrate genuine use of that mark in respect of those goods or services.

19 Matek submits that Article 9(1)(b) of Regulation No 207/2009 is applicable only if the EU trade mark in question is actually used.

20 On the other hand, the European Commission contends that it is apparent upon reading that provision in conjunction with Articles 15(1) and 51(1)(a) of the regulation that the exclusive right conferred on the proprietor for a period of five years following registration of that mark applies to all the goods and services for which the mark has been registered, whether or not the mark has been put to genuine use in the European Union in respect of those goods or services. After that period has expired, the onus is on the defendant in infringement proceedings to claim, pursuant to Article 99(3) of the regulation, that the rights of the proprietor may be revoked for lack of use of the mark.

21 It is apparent from the documents submitted to the Court that the referring court is, in particular, faced with the question whether, during the period of five years following registration of an EU trade mark, the similarity of the goods and services at issue and, therefore, the existence of a likelihood of confusion, within the meaning of Article 9(1)(b) Regulation No 207/2009, must be assessed by taking account of all the goods and services for which the mark has been registered or, on the other hand, on the basis solely of the goods and services in respect of which the proprietor has already begun genuine use of the mark.

22 Article 9(1)(b) of Regulation No 207/2009 provides that the proprietor of an EU trade mark is to be entitled to prevent all third parties not having his consent from using in the course of trade any sign where, because of its identity with, or similarity to, that mark and the identity or similarity of the goods or services covered by that mark and the sign, there exists a likelihood of confusion on the part of the public.

23 Whilst Article 9(1)(b) of Regulation No 207/2009 is silent as to the use that the proprietor must have made of his EU trade mark in order to be able to rely on the exclusive right conferred by it, Article 15(1) of the regulation provides, on the other hand, that if, within a period of five years following registration, the proprietor has not put the EU trade mark to genuine use in the European Union 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, that mark is to be subject to the sanctions provided for by the regulation, unless the proprietor can invoke proper reasons for non-use.

24 In this connection, Article 51(1)(a) of Regulation No 207/2009 provides that, in such a situation, and subject to the further points which it lays down, the rights of the proprietor of the EU trade mark are to be declared revoked on application to EUIPO or on the basis of a counterclaim in infringement proceedings. Article 51(2) of the regulation adds that, where the grounds for revocation of rights exist in respect of only some of the goods or services for which the mark is registered, the rights of the proprietor are to be declared revoked in respect of those goods or services only.

25 In laying down in Articles 15(1) and 51(1)(a) of Regulation No 207/2009 a rule under which an EU trade mark that has not been used for a period of five years is to be revoked, the EU legislature, as is apparent from recital 10 of the regulation, intended to make preservation of the rights connected with an EU trade mark conditional on the mark being actually used. That condition can be explained by the consideration that it would not be justifiable if a mark which is not used were to obstruct competition by limiting the range of signs which can be registered as marks by others and by denying competitors the opportunity to use a sign identical or similar to that mark when putting onto the internal market goods or services which are identical or similar to those covered by the mark in question (see, to this

effect, judgments of 19 December 2012, *Leno Merken*, C-149/11, EU:C:2012:816, paragraph 32, and of 26 September 2013, *Centrotherm Systemtechnik* v *OHIM and centrotherm Clean Solutions*, C-610/11 P, EU:C:2013:593, paragraph 54).

26 It is apparent from the wording and purpose of Article 15(1) and Article 51(1)(a) and (2) of Regulation No 207/2009 that, until the period of five years following registration of the EU trade mark has expired, the rights of the proprietor cannot be declared to be revoked in respect of either some or all of the goods or services for which the mark is registered. Those provisions thus confer on the proprietor a grace period for beginning genuine use of his mark, during which he may rely on the exclusive rights which the mark confers, pursuant to Article 9(1) of the regulation, in respect of all those goods and services, without having to demonstrate such use.

27 Therefore, in determining, under Article 9(1)(b) of Regulation No 207/2009, whether the goods or services of the alleged infringer are identical or similar to the goods or services covered by the EU trade mark at issue, the extent of the exclusive right conferred by virtue of that provision should be assessed, during the period of five years following registration of the EU trade mark, by having regard to the goods and services as covered by the mark's registration, and not in relation to the use that the proprietor has been able to make of the mark during that period.

28 Finally, whilst, from the time that the period of five years following registration of the EU trade mark expires the extent of that exclusive right may be affected by the finding — made following a counterclaim, or a defence as to the merits, lodged by the third party in infringement proceedings — that the proprietor has at that time not yet begun genuine use of his mark in respect of some or all of the goods and services for which it has been registered, it is, however, not apparent from the order for reference that that is the situation in this instance and that the referring court is seeking explanation in that regard.

29 In the light of all the foregoing considerations, the answer to the questions referred is that Article 9(1)(b) of Regulation No 207/2009, read in conjunction with Articles 15(1) and 51(1)(a) of that regulation, must be interpreted as meaning that, during the period of five years following registration of an EU trade mark, its proprietor may, if there is a likelihood of confusion, prevent third parties from using in the course of trade a sign identical or similar to his mark in respect of all goods and services identical or similar to those for which that mark has been registered without having to demonstrate genuine use of that mark in respect of those goods or services.

Costs

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

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

Article 9(1)(b) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the [European Union] trade mark, read in conjunction with Articles 15(1) and 51(1)(a) of that regulation, must be interpreted as meaning that, during the period of five years following registration of an EU trade mark, its proprietor may, if there is a likelihood of confusion, prevent third parties from using in the course of trade a sign identical or similar to his mark in respect of all goods and services identical or similar to those for which that mark has been registered without having to demonstrate genuine use of that mark in respect of those goods or services.

[Signatures]