Reports of Cases

ORDER OF THE COURT (Third Chamber)

10 March 2015*

(Reference for a preliminary ruling — Article 99 of the Court's Rules of Procedure — Trade marks — Directive 2008/95/EC — Article 5(1) — Concept of 'third party' — Proprietor of a later trade mark)

In Case C-491/14,

REFERENCE for a preliminary ruling under Article 267 TFEU from the Juzgado de lo Mercantil No 3 de Madrid (Spain), made by decision of 26 March 2014, received at the Court on 5 November 2014, in the proceedings

Rosa dels Vents Assessoria SL

v

U Hostels Albergues Juveniles SL,

THE COURT (Third Chamber),

composed of M. Ilešič (Rapporteur), President of the Chamber, A. Ó Caoimh, C. Toader, E. Jarašiūnas and C.G. Fernlund, Judges,

Advocate General: M. Wathelet,

Registrar: A. Calot Escobar,

having decided, after hearing the Advocate General, to give a decision by way of reasoned order, in accordance with Article 99 of the Rules of Procedure of the Court,

makes the following

Order

1 This request for a preliminary ruling concerns the interpretation of Article 5(1) 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 was lodged in a dispute between Rosa dels Vents Assessoria SL ('Rosa dels Vents') and U Hostels Albergues Juveniles SL ('U Hostels') concerning an action, brought by Rosa dels Vents as a proprietor of trade marks, to prevent U Hostels from using a later mark of which U Hostels is the proprietor and to order U Hostels to cease and abandon the use of that mark.

* Language of the case: Spanish.

Legal context

Union law

3 Article 4 of Directive 2008/95 provides:

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

(a) if it is identical to an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical to the goods or services for which the earlier trade mark is protected;

(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, which includes the likelihood of association with the earlier trade mark.

2. For the purposes of paragraph 1, “earlier trade marks” means:

(a) trade marks … with a date of application for registration which is earlier than the date of application for registration of the trade mark …

…’

4 Under Article 5(1) of the directive:

‘The registered 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:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

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

5 Article 9(1) of the directive provides:

‘Where, in a Member State, the proprietor of an earlier trade mark as referred to in Article 4(2) has acquiesced, for a period of five successive years, in the use of a later trade mark registered in that Member State while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later trade mark was applied for in bad faith.’

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

‘1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

(a) if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected;

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

2. For the purposes of paragraph 1, "earlier trade marks" means:

(a) trade marks … with a date of application for registration which is earlier than the date of application for registration of the Community trade mark, …

…'

7 Article 9(1) of that regulation provides:

'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/her consent from using in the course of trade:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

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

…'

8 Article 53(1) of Regulation No 207/2009 states:

'A Community trade mark shall be declared invalid on application to the Office [for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)] or on the basis of a counterclaim in infringement proceedings,

(a) where there is an earlier trade mark as referred to in Article 8(2) and the conditions set out in paragraph 1 or paragraph 5 of that Article are fulfilled;

…'

9 According to Article 54(1) of that regulation:

'Where the proprietor of a Community trade mark has acquiesced, for a period of five successive years, in the use of a later Community trade mark in the Community while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later Community trade mark was applied for in bad faith.'

Spanish law

10 According to Article 34(2) of Law 17/2001 on trade marks of 7 December 2001 (Ley 17/2001 de Marcas, BOE No 294, of 8 December 2001), (the 'Law on Trade Marks'):

'The proprietor of the registered mark is authorised to prevent third parties from using, in the course of trade, unless he has consented to such use:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the 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;

…'

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

11 On 20 March 2013 Rosa dels Vents introduced an action against U Hostels before the Juzgado de lo Mercantil No 3 de Madrid to prevent U Hostels from using the national word and figurative mark No 3058294, comprising a stylised presentation of the word sign "uh", of which U Hostels is the proprietor, and to order U Hostels to cease and abandon the use of that mark. The use by U Hostels of that mark would adversely affect the rights conferred on Rosa dels Vents by two earlier trade marks of which it is the proprietor, namely the national word and figurative marks Nos 3049232 and 3049402.

12 In its statement of defence in the main proceedings U Hostels observes that Rosa dels Vents has not brought an action for a declaration of invalidity of the national word and figurative mark No 3058294 ('the later trade mark') and, consequently, contends that the action should be dismissed.

13 The Juzgado de lo Mercantil No 3 de Madrid observes that, according to the case-law of the Tribunal Supremo, an action by which the owner of a trade mark opposes the use by a third party of a later mark of which that party is the proprietor cannot be accepted unless an action for a declaration of invalidity of the later trade mark has been brought.

14 However, that case-law, which is based on the principle of immunity conferred by registration, and not on the priority principle, does not correspond to the case-law of the Court, based on the priority principle, relating to situations in which the proprietor of a Community trade mark opposes the use by a third party of a later Community trade mark of which that third party is the proprietor. In its judgment in *Fédération Cynologique Internationale* (C-561/11, EU:C:2013:91), the Court held, in response to a question referred for a preliminary ruling by the Juzgzdo de lo Mercantil No 1 de Alicante y No 1 de Marca Comunitaria, that Article 9(1) of Regulation No 207/2009 should be interpreted as meaning that the exclusive right of the proprietor of a Community trade mark to prevent any third party from using, in the course of trade, signs that are identical with or similar to his trade mark extends to a third-party proprietor of a later trade mark without the need for that latter mark to have been declared invalid beforehand.

15 The Juzgado de lo Mercantil No 3 de Madrid asks whether that interpretation of Article 9(1) of Regulation No 207/2009 should be adopted in relation to Article 5(1) of Directive 2008/95. It points out that, although the wording of the latter provision corresponds in substance to that of Article 9(1)

of Regulation No 207/2009, it does not necessarily follow that the Court's interpretation of that article in the judgment in *Fédération Cynologique Internationale* (EU:C:2013:91) applies by analogy to Article 5(1) of Directive 2008/95.

16 Moreover, the Juzgado de lo Mercantil No 3 de Madrid states that Article 34(2) of the Law on Trade Marks uses the term 'to prevent third parties' ('prohibir que los terceros'), which does not correspond exactly to the term 'to prevent all third parties' ('prohibir a cualquier tercero') used in Article 5(1) of Directive 2008/95 and in Article 9(1) of Regulation No 207/2009. The aforementioned provision of national law could, therefore, be considered to be an incomplete implementation of Article 5(1) of Directive 2008/95, which would raise the question of its being interpreted consistently with that directive.

17 In those circumstances, the Juzgado de lo Mercantil No 3 de Madrid decided to stay the proceedings and refer the following question to the Court for a preliminary ruling:

'Should Article 5(1) of Directive 2008/95 be interpreted as meaning that the exclusive right of the proprietor of a trade mark to prevent all third parties from using, in the course of trade, signs which are identical with or similar to his trade mark extends to a third-party proprietor of a later trade mark, without the need for that latter mark to have been declared invalid beforehand?'

The question referred for a preliminary ruling

18 Pursuant to Article 99 of the Court's Rules of Procedure, where the answer to a question referred to the Court for a preliminary ruling may be clearly deduced from existing case-law, the Court may at any time, on a proposal from the Judge-Rapporteur and after hearing the Advocate General, give its decision by reasoned order.

19 That provision must be applied in the present reference for a preliminary ruling.

20 In its judgement in *Fédération Cynologique Internationale* (EU:C:2013:91) the Court ruled that Article 9(1) of Regulation No 207/2009 must be interpreted as meaning that the exclusive right of the proprietor of a Community trade mark to prevent all third parties from using, in the course of trade, signs identical with or similar to its trade mark extends to a third-party proprietor of a later Community trade mark without the need for that latter mark to have been declared invalid beforehand.

21 The Court based this view on the following considerations:

'33 First of all, it should be noted that Article 9(1) of [Regulation No 207/2009] does not make any distinction on the basis of whether the third party is the proprietor of a Community trade mark or not. Thus, that provision grants the proprietor of a Community trade mark an exclusive right to prevent "any third party", not having its consent, from using, in the course of trade, any signs liable to infringe its mark ….

34 Consideration should then be given to Article 54 of the Regulation, concerning limitation in consequence of acquiescence, which states that "[w]here the proprietor of a Community trade mark has acquiesced, for a period of five successive years, in the use of a later Community trade mark …, he shall no longer be entitled … either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark".

35 It is apparent from the wording of this provision that, before the limitation in consequence of acquiescence takes effect, the proprietor of a Community trade mark is entitled both to apply to OHIM for a declaration of invalidity of the later Community trade mark and to oppose its use through infringement proceedings before a Community trade mark court.

36 Finally, it should be pointed out that neither Article 12 of [Regulation No 207/2009], relating to the limitation of the effects of a Community trade mark, nor any of its other provisions provides for an express limitation of the exclusive right of the proprietor of a Community trade mark in favour of the third-party proprietor of a later Community trade mark.

37 It is thus apparent from the wording and the general approach of Article 9(1) of the Regulation that the proprietor of a Community trade mark must be able to prevent the proprietor of a later Community trade mark from using that latter trade mark.

38 That conclusion is not called into question by the fact that the proprietor of a later trade mark also has the benefit of an exclusive right by virtue of Article 9(1) of the Regulation.

39 It should be noted in that connection that, as submitted by the European Commission in its observations, the provisions of the Regulation must be interpreted in the light of the priority principle, under which the earlier Community mark takes precedence over the later Community mark ….

40 It is clear from, inter alia, Articles 8(1) and 53(1) of the Regulation that, in the event of a conflict between two marks, the mark registered first is presumed to have met the conditions required to obtain Community protection before the mark registered second.

…

49 It is, furthermore, important to emphasise the need to preserve the essential function of the trade mark, which is to guarantee to consumers the origin of the goods (*Arsenal Football Club*, C-206/01, EU:C:2002:651, paragraph 51).

50 In that regard, the Court has repeatedly held that the exclusive right under Article 9(1) of the Regulation was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor of the mark, that is to say, to ensure that the trade mark can fulfil its own function (*Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraph 75 and the case-law cited).

51 …, if the proprietor of an earlier trade mark, in order to prevent the use by a third party of a sign that is liable to affect the functions of its trade mark, were required to await the declaration of invalidity of the later Community mark held by that third party, the protection accorded to it by Article 9(1) of the Regulation would be significantly weakened.'

22 Those considerations concerning the scope of the exclusive right conferred by the Community trade mark are relevant for interpreting the scope of the exclusive right conferred by trade marks that have been registered in a Member State or at the Benelux Office for Intellectual Property, or that have been registered under international arrangements which have effect in a Member State, as harmonised by Directive 2008/95.

23 First, as in the case of Article 9(1) of Regulation No 207/2009, Article 5(1) of Directive 2008/95 confers an exclusive right on the proprietor of a registered trade mark and gives him the right to prevent 'any third party', where consent has not been given, to use, in course of trade, signs likely to have an adverse effect on his mark. In that respect, those provisions make no distinction between third parties who are proprietors of a trade mark and those who are not.

24 A national law, such as Article 34(2) of the Law on Trade Marks which, although it does not reproduce verbatim the wording of Directive 2008/95 or Regulation No 207/2009 relating to the prohibition of 'all third parties' from using, in course of trade, without the consent of the proprietor, signs likely to have an adverse effect on a registered trade mark, prohibits 'third parties' from such use, must be regarded as being worded in a manner analogous to the European Union measures at issue. It is for the referring court to apply Article 34(2) of the Law on Trade Marks in a manner consistent with Article 5(1) of Directive 2008/95, as interpreted by the Court.

25 Furthermore, as in the case of Article 54 of Regulation No 207/2009, Article 9 of Directive 2008/95 provides that 'the proprietor of an earlier trade mark … who has acquiesced … in the use of a later trade mark registered … for a period of five successive years while being aware of such use shall no longer be entitled … either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark'. It is clear from the wording of that provision that until invalidity in consequence of acquiescence occurs the proprietor of a trade mark is authorised to request that the later mark be declared invalid or to oppose its use by means of infringement proceedings.

26 Finally, it should be noted that, as in the case of Regulation No 207/2009, no provision of Directive 2008/95 provides for the express limitation of the exclusive right of the proprietor of a trade mark in favour of a third-party proprietor of a later mark.

27 It is, therefore, clear from the wording of Article 5(1) of Directive 2008/95 and from the general approach of that provision that, under the conditions set out therein, the proprietor of a trade mark must be able to prevent its use by the proprietor of a later mark.

28 That conclusion is not called into question by the fact that the proprietor of a later trade mark also has the benefit of an exclusive right by virtue of the rule set out in Article 5(1) of Directive 2008/95.

29 For the same reason as that set out in paragraphs 39 and 40 of the judgment in *Fédération Cynologique Internationale* (EU:C:2013:91), the provisions of Directive 2008/95 must be interpreted in the light of the priority principle according to which the earlier trade mark takes priority over the later one, since it follows from Article 4(1) of Directive 2008/95 that, in the case of conflict between trade marks, the mark first registered is presumed to fulfil the conditions necessary for obtaining protection before the mark registered subsequently.

30 Moreover, the considerations set out in paragraphs 49 to 51 of the judgment in *Fédération Cynologique International* (EU:C:2013:91) also apply, *mutatis mutandis*, to Article 5(1) of Directive 2008/95.

31 In the light of the foregoing, the answer to the question referred is that Article 5(1) of Directive 2008/95 must be interpreted as meaning that the exclusive right of the proprietor of a Community trade mark to prohibit all third parties from using, in the course of trade, signs identical with or similar to its trade mark extends to a third-party proprietor of a later registered Community trade mark, without the need for that latter mark to have been declared invalid beforehand.

Costs

32 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.

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

Article 5(1) of Directive 2008/95/EC of the European Parliament and the Council, of 22 October 2008, to approximate the laws of the Member States relating to trade marks, must be interpreted as meaning that the exclusive right of the proprietor of a trade mark to prevent any third party

from using, in the course of trade, signs identical with or similar to his mark extends to a third-party proprietor of a later trade mark, without the need for that latter mark to have been declared invalid beforehand.

[Signatures]