Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

19 July 2012*

(Internet — .eu Top Level Domain — Regulation (EC) No 874/2004 — Domain names — Phased registration — Article 12(2) — Concept of 'licensees of prior rights' — Person authorised by the proprietor of a trade mark to register, in his own name but on behalf of that proprietor, a domain name identical or similar to that trade mark — No authorisation for other uses of the sign as a trade mark)

In Case C-376/11,

REFERENCE for a preliminary ruling under Article 267 TFEU from the Cour d'appel de Bruxelles (Belgium), made by decision of 29 June 2011, received at the Court on 15 July 2011, in the proceedings

Pie Optiek SPRL

v

Bureau Gevers SA,

European Registry for Internet Domains ASBL,

THE COURT (Second Chamber),

composed of J.N. Cunha Rodrigues, President of the Chamber, U. Lõhmus (Rapporteur), A. Rosas, A. Ó Caoimh and A. Arabadjiev, Judges,

Advocate General: V. Trstenjak,

Registrar: L. Hewlett, Principal Administrator,

having regard to the written procedure and further to the hearing on 21 March 2012,

after considering the observations submitted on behalf of:

— Pie Optiek SPRL, by E. Wéry and T. van Innis, avocats,

— Bureau Gevers SA, by B. Docquir and B. Michaux, avocats,

— European Registry for Internet Domains ASBL, by G. Glas and H. Haouideg, avocats,

— the European Commission, by F. Bulst and C. Vrignon, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 3 May 2012,

* Language of the case: French.

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Articles 12(2) and 21(1)(a) of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (OJ 2004 L 162, p. 40).

2 The reference has been made in two sets of proceedings between Pie Optiek SPRL ('Pie Optiek') and (1) Bureau Gevers SA ('Bureau Gevers') and (2) European Registry for Internet Domains ASBL ('EURid') concerning the registration by Bureau Gevers of the domain name www.lensworld.eu in its own name but on behalf of Walsh Optical Inc. ('Walsh Optical'), a United States company which is the proprietor of the trade mark to which that domain name corresponds.

Legal context

Regulation (EC) No 733/2002

3 Recitals 6 and 16 in the preamble to Regulation (EC) No 733/2002 of the European Parliament and of the Council of 22 April 2002 on the implementation of the .eu Top Level Domain (OJ 2002 L 113, p. 1) state:

'(6) Through the .eu TLD ["".eu Top Level Domain""], the internal market should acquire higher visibility in the virtual market place based on the Internet. The .eu TLD should provide a clearly identified link with the Community, the associated legal framework, and the European market place. It should enable undertakings, organisations and natural persons within the Community to register in a specific domain which will make this link obvious. As such, the .eu TLD will not only be a key building block for electronic commerce in Europe but will also support the objectives of Article 14 [EC].

…

(16) The adoption of a public policy addressing speculative and abusive registration of domain names should provide that holders of prior rights recognised or established by national and/or Community law and public bodies will benefit from a specific period of time (a ""sunrise period"") during which the registration of their domain names is exclusively reserved to such holders … and public bodies.'

4 In accordance with Article 1 of Regulation No 733/2002, the latter sets out the conditions for implementation of the .eu Top Level Domain, including the designation of a Registry, and establishes the general policy framework for the functioning of that Registry.

5 Article 4(2) of Regulation No 733/2002 provides:

'The Registry shall:

…

(b) register domain names in the .eu TLD through any accredited .eu Registrar requested by any:

(i) undertaking having its registered office, central administration or principal place of business within the Community, or

(ii) organisation established within the Community without prejudice to the application of national law, or

(iii) natural person resident within the Community'.

6 Article 5(1) of Regulation No 733/2002 states:

'… the Commission shall adopt … rules … [which] shall include:

...

(b) public policy on speculative and abusive registration of domain names including the possibility of registrations of domain names in a phased manner to ensure appropriate temporary opportunities for the holders of prior rights recognised or established by national and/or Community law and for public bodies to register their names'.

7 Pursuant to that provision, the Commission adopted Regulation No 874/2004.

Regulation No 874/2004

8 Recital 12 in the preamble to Regulation No 874/2004 states:

'In order to safeguard prior rights recognised by Community or national law, a procedure for phased registration should be put in place. Phased registration should take place in two phases, with the aim of ensuring that holders of prior rights have appropriate opportunities to register the names on which they hold prior rights. ...'

9 According to the first three paragraphs of Article 2 of that regulation:

'An eligible party, as listed in Article 4(2)(b) of Regulation (EC) No 733/2002, may register one or more domain names under .eu TLD.

Without prejudice to Chapter IV, a specific domain name shall be allocated for use to the eligible party whose request has been received first by the Registry in the technically correct manner and in accordance with this Regulation. For the purposes of this Regulation, this criterion of first receipt shall be referred to as the "first-come-first-served" principle.

Once a domain name is registered it shall become unavailable for further registration until the registration expires without renewal, or until the domain name is revoked.'

10 Chapter IV of Regulation No 874/2004, containing Articles 10 to 14, concerns the phased registration procedure. The first and second subparagraphs of Article 10(1) are worded as follows:

'Holders of prior rights recognised or established by national and/or Community law and public bodies shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts.

"Prior rights" shall be understood to include, inter alia, registered national and Community trade marks …'

11 The first three subparagraphs of Article 12(2) of Regulation No 874/2004 provide:

'The duration of the phased registration period shall be four months. General registration of domain names shall not start prior to the completion of the phased registration period.

Phased registration shall be comprised of two parts of two months each.

During the first part of phased registration, only registered national and Community trade marks, geographical indications, and the names and acronyms referred to in Article 10(3), may be applied for as domain names by holders or licensees of prior rights and by the public bodies mentioned in Article 10(1).'

12 Article 21 of Regulation No 874/2004, headed 'Speculative and abusive registrations', provides as follows in paragraph 1:

'A registered domain name shall be subject to revocation, using an appropriate extra-judicial or judicial procedure, where that name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law, such as the rights mentioned in Article 10(1), and where it:

(a) has been registered by its holder without rights or legitimate interest in the name; or

(b) has been registered or is being used in bad faith.'

First Directive 89/104/EEC

13 First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) included Article 5, headed 'Rights conferred by a trade mark', which provided in paragraphs 1 and 2:

'1. 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.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State 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 trade mark.'

14 Article 8 of that directive, headed ‘Licensing’, was worded as follows:

‘1. A trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the Member State concerned. A license may be exclusive or non-exclusive.

2. The proprietor of a trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licensing contract with regard to its duration, the form covered by the registration in which the trade mark may be used, the scope of the goods or services for which the licence is granted, the territory in which the trade mark may be affixed, or the quality of the goods manufactured or of the services provided by the licensee.’

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

15 Pie Optiek is a Belgian company active in the internet sale of contact lenses, spectacles and other optical products. It owns the Benelux figurative mark consisting of the word sign ‘Lensworld’ and a stylised planisphere, filed on 8 December 2005 and registered on 4 January 2006, for goods and services in classes 5, 9 and 44 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. It operates the internet site www.lensworld.be.

16 Bureau Gevers is a Belgian company which operates as an intellectual property consultancy.

17 Walsh Optical is also active in the internet sale of contact lenses, spectacles and related items. It has operated the internet site www.lensworld.com since 1998 and owned the Benelux trade mark Lensworld, filed on 20 October 2005 and registered on 26 October 2005, for goods and services in class 35 of the Nice Agreement. That trade mark was removed from the register on 30 October 2006.

18 On 18 November 2005, Walsh Optical entered into a contract described as a ‘License Agreement’ (‘the Agreement at issue in the main proceedings’) with Bureau Gevers.

19 According to clause 1 of that agreement, its sole purposes are to enable the licensee to obtain a domain name registration in its name but on behalf of the licensor, to define the rights and obligations of each party during the lifetime of the licence agreement, and to organise the procedure under which the licensee is to return the .eu domain name(s) to the licensor or to any nominee of the licensor.

20 Under clause 2 of the Agreement at issue in the main proceedings, headed ‘Rights of licensor’, the licensor may at any time request that the licensee withdraw any of the domain name(s) listed in Enclosure I to that agreement or assign the domain name promptly and without charge to the licensor or to any entity designated by the licensor.

21 According to clause 3 of that agreement, the licensor is obliged to pay the licensee’s fees, failing which the domain names may not be registered, maintained or renewed.

22 Clause 4 of the Agreement at issue in the main proceedings, which covers the rights of the licensee, states that the licensee will charge the licensor for its services.

23 The obligations of the licensee, as set out in clause 5 of that agreement, include the obligation to use reasonable efforts to file a .eu application and obtain a .eu registration for one or more domain names. The licensee also acknowledges that, upon registration, the domain name will be exclusively owned by the licensor and confirms that the licensee will not use the domain name in any matter inconsistent with the terms of that agreement.

24 It is apparent from the written observations submitted to the Court by EURid that the first part of phased registration under Chapter IV of Regulation No 874/2004 started on 7 December 2005.

25 On the same date, Bureau Gevers filed, in its own name but on behalf of Walsh Optical, an application with EURid for registration of the domain name 'lensworld.eu'. That domain name was allocated to Bureau Gevers on 10 July 2006.

26 On 17 January 2006, Pie Optiek also sought registration of the domain name 'lensworld.eu', which was refused on the ground that Bureau Gevers' application took precedence.

27 The application made by Pie Optiek to the Arbitration Court of the Czech Republic — the body responsible for the extra-judicial resolution of .eu domain name disputes — in order to challenge the allocation of that domain name to Bureau Gevers was dismissed by decision of 12 March 2007. Pie Optiek's action before the Tribunal de première instance de Bruxelles (Court of First Instance, Brussels) (Belgium) was also dismissed, by judgment of that court of 14 December 2007.

28 Pie Optiek submits before the Cour d'appel de Bruxelles (Court of Appeal, Brussels), hearing the case on appeal against that judgment, inter alia, that the Agreement at issue in the main proceedings does not confer on Bureau Gevers the status of licensee of prior rights, within the meaning of the third subparagraph of Article 12(2) of Regulation No 874/2004, and that Bureau Gevers also does not have any rights or legitimate interest within the meaning of Article 21(1)(a) of that regulation.

29 According to Bureau Gevers, the purpose of a trade mark licence agreement is not necessarily limited to authorisation to exploit goods or services under that trade mark, but may relate to all or part of the prerogatives of the proprietor of the trade mark concerned, including authorisation to register a domain name.

30 In those circumstances, the Cour d'appel de Bruxelles decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'(1) Must Article 12(2) of [Regulation No 874/2004] be interpreted as meaning that, in a situation where the prior right concerned is a trade mark right, the words "licensees of prior rights" may refer to a person who has been authorised by the proprietor of the trade mark solely to register, in his own name but on behalf of the licensor, a domain name identical or similar to the trade mark, but without being authorised to put the trade mark to other uses or to use the sign as a trade mark — for example, for the purpose of marketing of goods or services under the trade mark?

(2) If that question is answered in the affirmative, must Article 21(1)(a) of [Regulation No 874/2004] be interpreted as meaning that "rights or legitimate interest" exist even if the "licensee of prior rights" has obtained registration of the .eu domain name in his own name but on behalf of the proprietor of the trade mark where the latter is not eligible in accordance with Article 4(2)(b) of Regulation [No 733/2002]?'

Consideration of the questions referred

The first question

31 The first question concerns the meaning of 'licensees of prior rights' as referred to in the third subparagraph of Article 12(2) of Regulation No 874/2004.

32 Although it is stated in the second subparagraph of Article 10(1) of Regulation No 874/2004 that the words 'prior rights' are to be understood to include, inter alia, registered national and Community trade marks, the word 'licensee' is not defined in that regulation. Nor is there any express reference in that regulation to the law of the Member States as regards such a definition.

33 The Court has consistently held that the need for a uniform application of European Union law and the principle of equality require that the terms of a provision of European Union law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an independent and uniform interpretation throughout the European Union; that interpretation must take into account the context of the provision and the objective of the relevant legislation (see, inter alia, Case 327/82 *Ekro* [1984] ECR 107, paragraph 11; Case C-287/98 *Linster* [2000] ECR I-6917, paragraph 43; and judgment of 22 March 2012 in Case C-190/10 *Génesis*, paragraph 40).

34 Furthermore, an implementing regulation must, if possible, be given an interpretation consistent with the basic regulation (Case C-90/92 *Dr Tretter* [1993] ECR I-3569, paragraph 11, and Case C-32/00 P *Commission* v *Boehringer* [2002] ECR I-1917, paragraph 53).

35 Since Regulation No 874/2004 is an implementing regulation adopted pursuant to Article 5(1) of Regulation No 733/2002, the objectives and provisions of Regulation No 733/2002 must be taken into account in order to give the term 'licensee' an independent and uniform interpretation throughout the European Union.

36 In this regard, it is apparent from recital 6 in the preamble to Regulation No 733/2002 that the .eu Top Level Domain was created with the aim of increasing the visibility of the internal market in the virtual market place based on the internet, by providing a clearly identified link with the European Union, the associated legal framework, and the European market place, and by enabling undertakings, organisations and natural persons within the European Union to register in a specific domain which will make this link obvious.

37 It is in light of this objective that Article 4(2)(b) of Regulation No 733/2002 provides that domain names requested by any undertaking having its registered office, central administration or principal place of business within the European Union, any organisation established within the European Union, without prejudice to the application of national law, and any natural person resident within the European Union must be registered in the .eu Top Level Domain. Such undertakings, organisations and natural persons are, according to the first paragraph of Article 2 of Regulation No 874/2004, parties eligible to register one or more domain names under the .eu Top Level Domain.

38 In addition, it is apparent from recital 16 in the preamble to Regulation No 733/2002 and from recital 12 in the preamble to Regulation No 874/2004, as well as from the first subparagraph of Article 10(1) of the latter regulation, that, during phased registration, only 'holders of prior rights recognised or established by national and/or Community law' — including registered national and Community trade marks — and public bodies are to be eligible to apply to register domain names.

39 It follows from this that, in principle, only holders of prior rights having their registered office, central administration, principal place of business, or residence in the European Union are eligible to have one or more domain names registered under the .eu Top Level Domain during that period.

40 It also follows from this that, in so far as the third subparagraph of Article 12(2) of Regulation No 874/2004 widens the circle of eligible persons during the first part of phased registration to include licensees of prior rights, those licensees must satisfy the test of presence in the European Union and, at the same time, the prior right concerned must, at least partly and/or temporarily, be available to them instead of to the holder.

41 It would be contrary to the objectives of Regulations No 733/2002 and No 874/2004 for a holder of a prior right to whom that right is available in its entirety but who does not satisfy the test of presence in the European Union to be allowed to obtain for his own benefit a .eu domain name through a person who satisfies that presence test but to whom that right is not — even partly or temporarily — available.

42 These findings are corroborated by acts of European Union law and by the case-law of the Court which, while not explicitly defining the terms 'licensee' and 'licence' in relation to trade marks, provide guidance as to the scope of those terms.

43 In the first place, Article 8(1) of Directive 89/104 provides that a trade mark may be licensed for some or all of the goods or services for which it is registered. Thus, the European Union legislature envisaged that such a licence might, inter alia, be granted for the use of a trade mark in the marketing of goods or services by the licensee.

44 Under Article 8(2) of Directive 89/104, the proprietor of that trade mark may invoke the rights conferred by that mark against a licensee who contravenes any provision in his licensing contract. It follows from that provision that such clauses can cover, in addition to the duration of that contract, the form in which the trade mark may be used, the scope of the goods or services for which the licence is granted, the territory in which the trade mark may be affixed, or the quality of the goods manufactured or of the services provided by the licensee under that mark.

45 In that regard, Article 5(1) and (2) of Directive 89/104 states that that proprietor has exclusive rights by virtue of which he is entitled to prevent all third parties not having his consent from using in the course of trade, that is to say, from putting to some commercial use (see, to that effect, Case C-96/09 P *Anheuser-Busch* v *Budějovický Budvar* [2011] ECR I-2131, paragraph 144), any sign which is identical or similar in relation to certain goods and services and under certain conditions.

46 The Court has already held that that exclusive right was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its function, and that the exercise of that right must therefore be reserved to cases in which a third party's use of the sign affects, or is liable to affect, the functions of the trade mark. Those functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising (see Case C-487/07 *L'Oréal and Others* [2009] ECR I-5185, paragraph 58, and Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-2417, paragraphs 75 and 77).

47 Consequently, it must be concluded that, by granting a licence, the proprietor of a trade mark confers on the licensee, within the limits set by the clauses of the licensing contract, the right to use that mark for the purposes falling within the area of the exclusive rights conferred by that mark, that is to say, the commercial use of that mark in a manner consistent with its functions, in particular the essential function of guaranteeing to consumers the origin of the goods or services concerned.

48 In the second place, the Court has had occasion, in Case C-533/07 *Falco Privatstiftung and Rabitsch* [2009] ECR I-3327, to examine the differences between a contract for services and a licence agreement in intellectual property law. It held, in paragraphs 29 and 30 of its judgment in that case, that, whereas the concept of service implies, at the least, that the party who provides the service carries out a particular activity in return for remuneration, it cannot be inferred from a contract under which the owner of an intellectual property right grants its contractual partner the right to use that right in return for remuneration that such an activity is involved.

49 It follows from this that a contract, such as the Agreement at issue in the main proceedings, by which the contractual partner, described as 'licensee', undertakes, in return for remuneration, to use reasonable efforts to file an application and obtain a registration for a .eu domain name, is more akin to a contract for services than to a licence agreement.

50 That is all the more so if such a contract does not confer on that licensee any right to use the trade mark corresponding to that domain name commercially in a manner consistent with its functions, but the licensee acknowledges that the domain name which it registers in accordance with its obligations will remain exclusively owned by the licensor and confirms that it will not use that domain name in any matter inconsistent with the terms of the contract.

51 It is of little importance in that regard that such a contract specifies that its purpose is, inter alia, to enable the licensee to obtain a domain name registration in its name but on behalf of the licensor, if that power serves no purpose other than to enable the contractual partner to perform his obligation to register the domain name(s) in question in return for remuneration, and is thus purely ancillary to that obligation. Moreover, as the Advocate General noted in points 49 and 53 of her Opinion, authorisation to register a trade mark as a .eu domain name does not in any way mean that the proprietor of that mark has granted his contractual partner the right to use it commercially in a manner consistent with its functions.

52 It follows that a contract such as the Agreement at issue in the main proceedings cannot be regarded as a licence agreement in trade mark law. Consequently, a contractual partner tasked with registering a .eu domain name for the proprietor of the trade mark in question cannot be considered a 'licensee of prior rights' within the meaning of the third subparagraph of Article 12(2) of Regulation No 874/2004.

53 In light of the foregoing considerations, the answer to the first question is that the third subparagraph of Article 12(2) of Regulation No 874/2004 must be interpreted as meaning that, in a situation where the prior right concerned is a trade mark right, the words 'licensees of prior rights' do not refer to a person who has been authorised by the proprietor of the trade mark concerned solely to register, in his own name but on behalf of that proprietor, a domain name identical or similar to that trade mark, but without that person being authorised to use the trade mark commercially in a manner consistent with its functions.

The second question

54 In view of the answer to the first question, it is not necessary to answer the second question raised by the referring court.

Costs

55 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 (Second Chamber) hereby rules:

The third subparagraph of Article 12(2) of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration must be interpreted as meaning that, in a situation where the prior right concerned is a trade mark right, the words 'licensees of prior rights' do not refer to a person who has been authorised by the proprietor of the trade

mark concerned solely to register, in his own name but on behalf of that proprietor, a domain name identical or similar to that trade mark, but without that person being authorised to use the trade mark commercially in a manner consistent with its functions.

[Signatures]