Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

18 May 2017*

(Reference for a preliminary ruling — Intellectual property — Regulation (EC) No 207/2009 — EU trade mark — Article 97(1) — International jurisdiction — Action for infringement brought against an undertaking with its seat in a third country — Second-tier subsidiary with its seat in the Member State of the court seised — Definition of 'establishment')

In Case C-617/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany), made by decision of 16 November 2015, received at the Court on 23 November 2015, in the proceedings

Hummel Holding A/S

v

Nike Inc.,

Nike Retail BV,

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: E. Tanchev,

Registrar: M. Aleksejev, Administrator,

having regard to the written procedure and further to the hearing on 6 October 2016,

after considering the observations submitted on behalf of:

— Hummel Holding A/S, by T. Bösling, Rechtsanwalt,

— Nike Retail BV and Nike Inc., by B. Führmeyer and F. Klein, Rechtsanwälte,

— the Italian Government, by G. Palmieri, acting as Agent, and A. Collabolletta, avvocato dello Stato,

— the European Commission, by J. Samnadda, T. Scharf and M. Wilderspin, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 12 January 2017,

* Language of the case: German.

gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 97(1) 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 Hummel Holding A/S, on the one hand, and Nike Inc. and its subsidiary Nike Retail BV, on the other, concerning the alleged infringement by them of an international trade mark of Hummel Holding with effect in the European Union.

Legal context

Regulation (EC) No 44/2001

3 Recitals 11 to 13 of Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (OJ 2001 L 12, p. 1) state:

‘(11) The rules of jurisdiction must be highly predictable and founded on the principle that jurisdiction is generally based on the defendant’s domicile and jurisdiction must always be available on this ground save in a few well-defined situations in which the subject matter of the litigation or the autonomy of the parties warrants a different linking factor. …

(12) In addition to the defendant’s domicile, there should be alternative grounds of jurisdiction based on a close link between the court and the action or in order to facilitate the sound administration of justice.

(13) In relation to insurance, consumer and employment contracts, the weaker party should be protected by rules of jurisdiction more favourable to his interests than the general rules.’

4 Article 2(1) of that regulation reads as follows:

‘Subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.’

5 Article 4(1) of the regulation provides:

‘If the defendant is not domiciled in a Member State, the jurisdiction of the courts of each Member State shall, subject to Articles 22 and 23, be determined by the law of that Member State.’

Regulation No 207/2009

6 Regulation No 207/2009 was 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. However, given the date of the facts at issue in the main proceedings, the present reference for a preliminary ruling will be considered by reference to Regulation No 207/2009 as in force before that amendment.

7 Recitals 15 to 17 of Regulation No 207/2009 state:

‘(15) In order to strengthen the protection of [EU] trade marks the Member States should designate, having regard to their own national system, as limited a number as possible of national courts of first and second instance having jurisdiction in matters of infringement and validity of [EU] trade marks.

(16) Decisions regarding the validity and infringement of [EU] trade marks must have effect and cover the entire area of the [European Union], as this is the only way of preventing inconsistent decisions on the part of the courts and the [European Union Intellectual Property Office (EUIPO)] and of ensuring that the unitary character of [EU] trade marks is not undermined. The provisions of [Regulation No 44/2001] should apply to all actions at law relating to [EU] trade marks, save where this Regulation derogates from those rules.

(17) Contradictory judgments should be avoided in actions that involve the same acts and the same parties and which are brought on the basis of [an EU] trade mark and parallel national trade marks. For this purpose, when the actions are brought in the same Member State, the way in which this is to be achieved is a matter for national procedural rules, which are not prejudiced by this Regulation, whilst when the actions are brought in different Member States, provisions modelled on the rules on *lis pendens* and related actions of Regulation … No 44/2001 appear appropriate.’

8 Article 94 of that regulation, entitled ‘Application of Regulation … No 44/2001’, forms part of Title X, which contains rules on jurisdiction and procedure in legal actions relating to EU trade marks. That article provides:

‘1. Unless otherwise specified in this Regulation, Regulation … No 44/2001 shall apply to proceedings relating to [EU] trade marks and applications for [EU] trade marks, as well as to proceedings relating to simultaneous and successive actions on the basis of [EU] trade marks and national trade marks.

2. In the event of proceedings in respect of the actions and claims referred to in Article 96:

(a) Articles 2 and 4, points 1, 3, 4 and 5 of Article 5 and Article 31 of Regulation … No 44/2001 shall not apply;

(b) Articles 23 and 24 of Regulation … No 44/2001 shall apply subject to the limitations in Article 97(4) of this Regulation;

(c) the provisions of Chapter II of Regulation … No 44/2001 which are applicable to persons domiciled in a Member State shall also be applicable to persons who do not have a domicile in any Member State but have an establishment therein.’

9 Article 95(1) of that regulation, entitled ‘[EU] trade mark courts’, provides:

‘The Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance, hereinafter referred to as “[EU] trade mark courts”, which shall perform the functions assigned to them by this Regulation.’

10 Article 96 of that regulation, headed ‘Jurisdiction over infringement and validity’, provides:

‘The [EU] trade mark courts shall have exclusive jurisdiction:

(a) for all infringement actions and — if they are permitted under national law — actions in respect of threatened infringement relating to [EU] trade marks;

…’

11 Article 97 of that regulation, entitled ‘International jurisdiction’, reads as follows:

‘1. Subject to the provisions of this Regulation as well as to any provisions of Regulation … No 44/2001 applicable by virtue of Article 94, proceedings in respect of the actions and claims referred to in Article 96 shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

2. If the defendant is neither domiciled nor has an establishment in any of the Member States, such proceedings shall be brought in the courts of the Member State in which the plaintiff is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

3. If neither the defendant nor the plaintiff is so domiciled or has such an establishment, such proceedings shall be brought in the courts of the Member State where [EUIPO] has its seat.

…

5. Proceedings in respect of the actions and claims referred to in Article 96, with the exception of actions for a declaration of non-infringement of [an EU] trade mark, may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened, or in which an act within the meaning of Article 9(3), second sentence, has been committed.’

12 Article 98(1) of that regulation, entitled ‘Extent of jurisdiction’, provides:

‘[An EU] trade mark court whose jurisdiction is based on Article 97(1) to (4) shall have jurisdiction in respect of:

(a) acts of infringement committed or threatened within the territory of any of the Member States;

…’

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

13 Hummel Holding is an undertaking with its seat in Denmark which manufactures sports goods, sports and leisure clothing and sports and leisure footwear. It is the proprietor of the international figurative trade mark registered under No 943057 with effect in the European Union for goods in Class 25 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, corresponding to the following description: ‘Clothing, footwear, headgear’.

14 Nike, which has its seat in the United States, is the ultimate holding company of the Nike Group, which sells sports goods across the world. Nike Retail, which has its seat in the Netherlands, also belongs to that group. Nike Retail operates the website on which Nike goods are advertised and offered for sale, in Germany in particular. In addition to online sales on that website, Nike goods are sold in Germany through independent dealers supplied by Nike Retail. Wholesale or retail sales in Germany are not directly conducted by the companies in the Nike Group.

15 Nike Deutschland GmbH, which has its seat in Frankfurt am Main (Germany) and is not a party to the main proceedings, is, according to the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany), a subsidiary of Nike Retail. Nike Deutschland does not have its own website

and does not sell goods to end consumers or intermediaries. However, it negotiates contracts between intermediaries and Nike Retail, and supports Nike Retail in connection with advertising and the performance of contracts. Nike Deutschland also provides aftersales service for end consumers.

16 Hummel Holding claims that some Nike products, in particular basketball shorts, infringe the trade mark referred to in paragraph 13 above and that most of the infringements took place in Germany. It brought an action against Nike and Nike Retail before the Landgericht Düsseldorf (Regional Court, Düsseldorf, Germany), which ruled that it had jurisdiction on the ground that Nike Deutschland was an establishment of Nike, but dismissed the action on the merits. Hummel Holding appealed to the referring court against that decision.

17 Hummel Holding seeks an order that the defendants cease from importing, exporting and advertising those goods, offering them for sale, placing them on the market and allowing them to be placed on the market, in the European Union (in the alternative, in the Federal Republic of Germany) as regards Nike and in the Federal Republic of Germany as regards Nike Retail.

18 Nike and Nike Retail object that the German courts lack international jurisdiction.

19 The referring court considers that the international jurisdiction of the German courts to hear the action in respect of the European Union as a whole, brought against the companies in the Nike group, can be based only on Article 97(1) of Regulation No 207/2009. It states, however, that the scope of the concept of 'establishment' within the meaning of that provision, with regard to distinct first and second-tier subsidiaries, is disputed and has not been clarified by the Court.

20 In those circumstances, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) decided to stay the proceedings and to refer the following question to the Court of Justice for a preliminary ruling:

'Under which circumstances is a legally distinct second-tier subsidiary, with its seat in an EU Member State, of an undertaking that itself has no seat in the European Union to be considered as an "establishment" of that undertaking within the meaning of Article 97(1) of [Regulation No 207/2009]?'

Consideration of the question referred

21 By its question, the referring court asks, in essence, whether Article 97(1) of Regulation No 207/2009 must be interpreted as meaning that a legally distinct second-tier subsidiary, with its seat in a Member State, of a parent body that has no seat in the European Union is an 'establishment' of that parent body within the meaning of that provision.

22 It must be noted that the Court has consistently held that it follows from the need for uniform application of EU law and from the principle of equality that the terms of a provision of EU 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 autonomous and uniform interpretation throughout the European Union, having regard not only to its wording but also to the context of the provision and the objective pursued by the legislation in question (see, inter alia, judgments of 18 January 1984, *Ekro*, 327/82, EU:C:1984:11, paragraph 11; of 3 September 2014, *Deckmyn and Vrijheidsfonds*, C-201/13, EU:C:2014:2132, paragraph 14; and of 16 July 2015, *Abcur*, C-544/13 and C-545/13, EU:C:2015:481, paragraph 45).

23 That applies to the concept of 'establishment' within the meaning of Article 97(1) of Regulation No 207/2009, since that concept is not defined in that regulation and the regulation makes no reference to national laws for the purpose of determining its meaning.

24 First of all, it should be noted that Regulation No 207/2009 provides, subject to the exceptions to which it expressly refers, for the application of Regulation No 44/2001 to proceedings relating to EU trade marks and applications for such trade marks, as is expressly stated in recital 16 and Articles 94 and 97(1) of Regulation No 207/2009.

25 In that regard, although certain provisions of Regulation No 44/2001, such as Articles 5(5) and 18(2), also refer to the concept of 'establishment', so that it cannot be ruled out that the guidance from the Court's case-law on those two provisions may to some extent be relevant for interpreting the concept of 'establishment' within the meaning of Regulation No 207/2009, it cannot, however, be considered that that concept must necessarily bear the same meaning, whether it is used in one or the other of the two regulations.

26 Thus, notwithstanding the principle that Regulation No 44/2001 applies to proceedings relating to an EU trade mark, the application of certain provisions of that regulation, in particular the rules in Articles 4 and 5(1), to proceedings in respect of the actions and claims referred to in Article 96 of Regulation No 207/2009 is excluded by Article 94(2) of that regulation. In the light of that exclusion, the jurisdiction of the EU trade mark courts laid down in Article 95(1) of Regulation No 207/2009 to hear the actions and claims referred to in Article 96 of that regulation results from rules directly provided for by that regulation, which have the character of *lex specialis* in relation to the rules provided for by Regulation No 44/2001 (see, to that effect, judgment of 5 June 2014, *Coty Germany*, C-360/12, EU:C:2014:1318, paragraphs 26 and 27).

27 In addition, Regulation No 44/2001, on the one hand, and Regulation No 207/2009, on the other, do not pursue the same objectives. Thus, according to recitals 12 and 13 of Regulation No 44/2001, that regulation aims to lay down, in addition to the defendant's domicile, alternative grounds of jurisdiction based on a close link between the court and the action, or in order to facilitate the sound administration of justice, or, in relation to insurance, consumer and employment contracts, to protect the weaker party by rules of jurisdiction more favourable to his interests than the general rules.

28 Regulation No 207/2009 for its part aims, according to recitals 15 to 17, to strengthen the protection of EU trade marks, to prevent inconsistent decisions on the part of the courts and to ensure that the unitary character of those trade marks is not undermined, by means of decisions of EU trade mark courts which have effect and cover the entire area of the European Union.

29 Accordingly, in order to determine the defining characteristics of the concept of 'establishment' within the meaning of Article 97(1) of Regulation No 207/2009, it is necessary, in accordance with the Court's case-law set out in paragraph 22 above, to take account not only of the wording of that provision, but also of its context and objectives.

30 The wording of Article 97(1) of Regulation No 207/2009 does not explain the concept of 'establishment' for the purposes of its application. Nevertheless, it is apparent that a defendant who is not domiciled within the European Union is capable of having one or several establishments within the European Union, which a priori appears to suggest that, in such a case, actions may be brought before the courts of the various Member States where those establishments are located.

31 As regards the context of which Article 97 of Regulation No 207/2009 forms part, that provision ensures that a court within the European Union always has jurisdiction to hear and determine cases concerning the infringement and validity of an EU trade mark. That article, which provides for several grounds of international jurisdiction, lists in paragraphs 1 to 4 the successive criteria for determining the Member State whose courts have jurisdiction, under Article 98(1)(a) of that regulation, in order to ensure effective protection of EU trade marks throughout the entire area of the European Union.

32 Article 97(1) of Regulation No 207/2009 provides, as the primary rule, for jurisdiction of the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, of the Member State in which he has an establishment. Only if the defendant is not domiciled in and has no establishment in a Member State of the European Union does Article 97(2) and (3) provide, as an alternative, for jurisdiction to lie with the courts of the domicile or the establishment of the plaintiff and, as a further alternative, with the courts of the Member State where EUIPO has its seat.

33 As regards Article 97(5) of Regulation No 207/2009, that paragraph provides, inter alia, that the courts of the Member State in which the act of infringement has been committed or threatened are to have jurisdiction, although in this case the extent of the jurisdiction of such courts is limited to the territory of the Member State in which they are located, as appears from Article 98 of Regulation No 207/2009.

34 As the Advocate General stated in point 80 of his Opinion, Article 97(1) of Regulation No 207/2009, which provides that the courts of the Member State in which there is an establishment of a company which has no seat within the European Union are to have jurisdiction, far from being an exception to the basic rule of jurisdiction at the domicile of the defendant, which follows from Article 2(1) of Regulation No 44/2001 read in the light of recital 11 of the regulation, is, rather, an implementation of that principle, which suggests that that concept should be interpreted broadly.

35 That jurisdictional rule is a general principle, which expresses the maxim *actor sequitur forum rei*, because it makes it easier, in principle, for a defendant to defend himself (see, to that effect, judgments of 13 July 2000, *Group Josi*, C-412/98, EU:C:2000:399, paragraph 35, and of 19 February 2002, *Besix*, C-256/00, EU:C:2002:99, paragraph 52). Such is the case, as the Advocate General stated in point 82 of his Opinion, where a party is required to defend itself before the courts of a Member State in which it has an establishment and with which it is therefore more closely linked.

36 Furthermore, that interpretation does not undermine the objectives of the legislation on the EU trade mark, set out in paragraph 28 above, as the decisions of the EU trade mark courts with jurisdiction on the basis of Article 97 of Regulation No 207/2009 have effect and cover the entire area of the European Union.

37 It follows from such a broad interpretation that there must be visible signs enabling the existence of an 'establishment' within the meaning of Article 97(1) of Regulation No 207/2009 to be easily recognised. As the Advocate General stated in point 52 of his Opinion, the existence of an establishment thus requires a certain real and stable presence, from which commercial activity is pursued, as manifested by the presence of personnel and material equipment. In addition, that establishment must have the appearance of permanency to the outside world, such as the extension of a parent body (see, to that effect, judgments of 22 November 1978, *Somafer*, 33/78, EU:C:1978:205, paragraph 11; of 18 March 1981, *Blanckaert & Willems*, 139/80, EU:C:1981:70, paragraph 12; of 9 December 1987, *SAR Schotte*, 218/86, EU:C:1987:536, paragraph 10; and of 19 July 2012, *Mahamdia*, C-154/11, EU:C:2012:491, paragraph 48).

38 In that regard, it is irrelevant whether the establishment on the territory of a Member State of an undertaking whose seat is outside the European Union has legal personality or not (see, to that effect, judgment of 15 December 2011, *Voogsgeerd*, C-384/10, EU:C:2011:842, paragraph 54). Third parties must thus be able to rely on the appearance created by an establishment acting as an extension of the parent body (see, to that effect, judgment of 9 December 1987, *SAR Schotte*, 218/86, EU:C:1987:536, paragraph 15).

39 The fact that an undertaking with its seat in a Member State before the courts of which an action is brought is a second-tier subsidiary of the undertaking whose seat is located outside of the European Union and not a direct subsidiary of that undertaking is also irrelevant, provided that the conditions set out in paragraph 37 above are satisfied.

40 Furthermore, it is, in principle, irrelevant for the purposes of Article 97(1) of Regulation No 207/2009 whether the establishment thereby determined has participated in the alleged infringement. Such a requirement, which is not laid down in Article 97(1) of Regulation No 207/2009, would, in addition, not be reconcilable with the need for a broad interpretation of the concept of 'establishment', set out in paragraph 34 above.

41 Having regard to those considerations, the answer to the question referred is that Article 97(1) of Regulation No 207/2009 must be interpreted as meaning that a legally distinct second-tier subsidiary, with its seat in a Member State, of a parent body that has no seat in the European Union is an 'establishment', within the meaning of that provision, of that parent body if the subsidiary is a centre of operations which, in the Member State where it is located, has a certain real and stable presence from which commercial activity is pursued, and has the appearance of permanency to the outside world, such as an extension of the parent body.

Costs

42 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:

Article 97(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that a legally distinct second-tier subsidiary, with its seat in a Member State, of a parent body that has no seat in the European Union is an 'establishment', within the meaning of that provision, of that parent body if the subsidiary is a centre of operations which, in the Member State where it is located, has a certain real and stable presence from which commercial activity is pursued, and has the appearance of permanency to the outside world, such as an extension of the parent body.

[Signatures]