JUDGMENT OF THE COURT (Second Chamber)

3 June 2010 *

In Case C-569/08,

REFERENCE for a preliminary ruling under Article 234 EC from the Oberster Gerichtshof (Austria), made by decision of 18 November 2008, received at the Court on 22 December 2008, in the proceedings

Internetportal und Marketing GmbH

v

Richard Schlicht,

* Language of the case: German.

THE COURT (Second Chamber),

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

Advocate General: V. Trstenjak,
Registrar: K. Malacek, Administrator,

having regard to the written procedure and further to the hearing on 10 December 2009,

after considering the observations submitted on behalf of:

— Internetportal und Marketing GmbH, by T. Höhne and T. Bettinger, Rechtsanwälte,

— R. Schlicht, by J. Puhr, Rechtsanwältin,

— the Czech Government, by M. Smolek, acting as Agent,

— the Italian Government, par G. Palmieri, acting as Agent, assisted by W. Ferrante, avvocato dello Stato,

— the European Commission, by H. Krämer, acting as Agent,

after hearing the Opinion of the Advocate General at the sitting on 10 February 2010,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 21 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 proceedings between Internetportal und Marketing GmbH – a company which is in the business of operating websites and markets products via the internet and which is the proprietor of the Swedish trade mark '&R&E&I&F&E&N&' – and Mr Schlicht, who is the proprietor of the Benelux trade mark 'Reifen', concerning the domain name 'www.reifen.eu'.

Legal context

3 According to Article 1 thereof, 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) sets out general rules for the implementation of the .eu Top Level Domain, including the designation of a Registry, and establishes the general policy framework within which that Registry is to function.

4 In accordance with recital 16 in the preamble to that regulation, '[t]he 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 [those] holders … and … public bodies'.

5 Article 5(1)(b) of Regulation No 733/2002 provides that 'the Commission shall adopt … rules concerning [inter alia] … 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'.

6 It was pursuant to that provision that the Commission adopted Regulation No 874/2004.

7 Recital 12 in the preamble to Regulation No 874/2004 is worded as follows:

'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. The Registry should ensure that validation of the rights is performed by appointed validation agents. On the basis of evidence provided by the applicants, validation agents should assess the right which is claimed for a particular name. Allocation of that name should then take place on a first-come, first-served basis if there are two or more applicants for a domain name, each having a prior right.'

8 Article 10 of Regulation No 874/2004, entitled 'Eligible parties and the names they can register', provides:

'1. 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 trademarks, geographical indications or designations of origin, and, in as far as they are protected under national law in the Member State where they are held, unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works.

...

2. The registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists.

…'

9 Article 11 of Regulation No 874/2004, entitled 'Special characters', provides:

'…

Where the name for which prior rights are claimed contains special characters, spaces, or punctuations, these shall be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten.

Special characters and punctuations as referred to in the second paragraph shall include the following:

~ @ # $ % ^ & * ( ) + = < > { } [ ] | \ /: ; ' , . ?

…'

10 Article 12(2) of Regulation No 874/2004 provides that the duration of the phased registration period is to be four months and that the general registration of domain names is not to start prior to the completion of the phased registration period.

11 The same provision provides that phased registration is to be comprised of two parts of two months each. During the first part, only registered national and Community trademarks, geographical indications, and the names and acronyms of public bodies may be applied for as domain names.

12 During the second part of phased registration, the names that can be registered in the first part as well as names based on all other prior rights can be applied for as domain names.

13 Article 21 of Regulation No 874/2004, entitled 'Speculative and abusive registrations', is worded as follows:

'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.

…

3. Bad faith, within the meaning of point (b) of paragraph 1, may be demonstrated where:

(a) circumstances indicate that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the holder of a name in respect of which a right is recognised or established by national and/or Community law or to a public body; or

(b) the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that:

(i) a pattern of such conduct by the registrant can be demonstrated;

(ii) the domain name has not been used in a relevant way for at least two years from the date of registration; or

(iii) in circumstances where, at the time the ADR procedure was initiated, the holder of a domain name in respect of which a right is recognised or established by national and/or Community law or the holder of a domain name of a public body has declared his/its intention to use the domain name in a relevant way but fails to do so within six months of the day on which the ADR procedure was initiated;

(c) the domain name was registered primarily for the purpose of disrupting the professional activities of a competitor; or

(d) the domain name was intentionally used to attract Internet users, for commercial gain, to the holder of a domain name website or other on-line location, by creating a likelihood of confusion with a name on which a right is recognised or established by national and/or Community law or a name of a public body, such likelihood arising as to the source, sponsorship, affiliation or endorsement of the website or location or of a product or service on the website or location of the holder of a domain name; or

(e) the domain name registered is a personal name for which no demonstrable link exists between the domain name holder and the domain name registered.

…'

14 Article 22 of Regulation No 874/2004, entitled 'Alternative dispute resolution (ADR) procedure' provides as follows:

'1. An ADR procedure may be initiated by any party where:

(a) the registration is speculative or abusive within the meaning of Article 21; or

(b) a decision taken by the Registry conflicts with this Regulation or with Regulation (EC) No 733/2002.

…

11. In the case of a procedure against a domain name holder, the ADR panel shall decide that the domain name shall be revoked, if it finds that the registration is speculative or abusive as defined in Article 21. The domain name shall be transferred to the complainant if the complainant applies for this domain name and satisfies the general eligibility criteria set out in Article 4(2)(b) of Regulation (EC) No 733/2002.

In the case of a procedure against the Registry, the ADR panel shall decide whether a decision taken by the Registry conflicts with this Regulation or with Regulation (EC) No 733/2002. The ADR panel shall decide that the decision shall be annulled and may decide in appropriate cases that the domain name in question shall be transferred, revoked or attributed, provided that, where necessary, the general eligibility criteria set out in Article 4(2)(b) of Regulation (EC) No 733/2002 are fulfilled.

…

13. The results of ADR shall be binding on the parties and the Registry unless court proceedings are initiated within 30 calendar days of the notification of the result of the ADR procedure to the parties.'

15 By Decision of 21 May 2003 (OJ 2003 L 128, p. 29), the Commission, in accordance with Article 3(1) of Regulation (EC) No 733/2002, designated the not-for-profit organisation European Registry for Internet Domains (EURid), which is based in Brussels, as the .eu Top Level Domain Registry with responsibility for the organisation, management and administration of that domain.

16 EURid entrusted the administration of alternative-dispute-resolution proceedings under Article 22 of Regulation (EC) No 874/2004 to the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic ('the Czech Arbitration Court').

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

17 The appellant in the main proceedings, a limited company with its registered office in Salzburg (Austria), is in the business of operating websites and markets products via the Internet. In order to be eligible to apply to register domain names during the first part of phased registration provided for in Regulation No 874/2004, the appellant applied – successfully – to the Swedish trade mark register for registration of a total of 33 generic terms as trade marks, each incorporating the special character '&' before and after each letter. Thus, on 11 August 2005, the appellant lodged an application for registration of the word mark '&R&E&I&F&E&N&' within Class 9 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended ('the Nice Agreement'), corresponding to the description 'safety belts'. That mark was registered on 25 November 2005 under number 376729.

18 However, it is apparent from the case-file that the appellant in the main proceedings never intended to use that trade mark for safety belts.

19 Subsequently, the appellant in the main proceedings registered the domain name 'www.reifen.eu' during the first part of phased registration on the basis of its Swedish mark &R&E&I&F&E&N& by eliminating from it the special character '&' in pursuance of one of the transcription rules set out in Article 11 of Regulation No 874/2004.

20 According to the findings of fact set out in the order for reference, since the word 'Reifen' means 'tyres' in German, the objective of the appellant in the main proceedings in having the domain name 'www.reifen.eu' registered was to operate an internet portal for trading in tyres, but, in view of the proceedings pending before the court making the reference and the prior arbitration procedure, it has not yet taken any significant preparatory steps for the construction of that portal.

21 It is also apparent from the order for reference that, at the time of registration of the domain name at issue in the main proceedings, the appellant in the main proceedings was unaware of the respondent in the main proceedings.

22 In addition, it is also apparent that the appellant in the main proceedings has submitted applications for the registration of 180 domain names, all consisting of generic terms.

23 The respondent in the main proceedings is the proprietor of the word mark 'Reifen', registered on 28 November 2005 at the Benelux Trademark Office for Classes 3 and 35 within the meaning of the Nice Agreement, corresponding, respectively, to 'bleaching preparations and other substances for laundry use; cleaning preparations, in particular, cleaning preparations containing nanoparticles for cleaning window surfaces' and 'services which facilitate the marketing of such cleaning agents'. On 10 November 2005, the respondent in the main proceedings also applied to register the Community word mark Reifen for the same two classes. Under that trade mark, the spelling of which, according to the file, is based on the first three letters of the German words 'Reinigung' (cleaning) and 'Fenster' (window), the respondent intends to market on a pan-European basis cleaning products for surfaces akin to window glass. It commissioned the company Bergolin GmbH & Co KG to develop those products. On 10 October 2006, a sample of cleaning solution I (Reifen A) was submitted.

24 The respondent in the main proceedings contested the registration, by the appellant in the main proceedings, of the domain name 'www.reifen.eu' before the Arbitration Court. By decision of 24 July 2006 (Case No 00910), the Arbitration Court upheld his complaint, withdrew that domain name from the appellant in the main proceedings and transferred it to the respondent in the main proceedings. In that decision, the Arbitration Court took the view that the character '&' contained within a trade mark was not to be eliminated but had to be rewritten. It was quite clear – so the Arbitration Court held – that the appellant in the main proceedings had sought, in a whole series of cases seeking registration of domain names, to circumvent the transcription rule laid down in the second paragraph of Article 11 of Regulation No 874/2004. It followed that the appellant had acted in bad faith in applying for registration of the domain name at issue in the main proceedings.

25 The appellant in the main proceedings challenged that decision by bringing an action in accordance with Article 22(13) of Regulation No 874/2004. Since that action was dismissed as unfounded at first instance and on appeal, the appellant in the main proceedings brought an appeal on a point of law ('Revision') before the court making the reference.

26 As it took the view that resolution of the dispute hinges on the interpretation of European Union law and, in particular, of Article 21 of Regulation No 874/2004, the Oberster Gerichtshof (Austrian Supreme Court) stayed the proceedings and referred the following questions to the Court for a preliminary ruling:

'1. Is Article 21(1)(a) of Regulation (EC) No 874/2004 to be interpreted as meaning that a right within the meaning of that provision exists:

(a) if, without any intention to use it for goods or services, a trade mark is acquired only for the purpose of being able to register in the first phase of phased registration a domain corresponding to a German-language generic term?

(b) if the trade mark underlying the domain [name] registration and coinciding with a German-language generic term deviates from the domain in so far as the trade mark contains special characters which were eliminated from the domain name although the special characters were capable of being rewritten and their elimination has the effect that the domain differs from the trade mark in a way which excludes any likelihood of confusion?

2. Is Article 21(1)(a) of Regulation (EC) No 874/2004 to be interpreted as meaning that a legitimate interest exists only in the cases mentioned in Article 21(2)(a) to (c)?

3. [If that question is answered in the negative,] does a legitimate interest within the meaning of Article 21(1)(a) of Regulation (EC) No 874/2004 also exist if the domain holder intends to use the domain – coinciding with a German-language generic term – for a thematic internet portal?

...

4. [If Questions 1 and 3 are answered in the affirmative,] is Article 21(3) of Regulation (EC) No 874/2004 to be interpreted as meaning that only the circumstances mentioned in points (a) to (e) of that provision are capable of establishing bad faith within the meaning of Article 21(1)(b) of Regulation (EC) No 874/2004?

...

5. [If the answer to that question is in the negative,] does bad faith within the meaning of Article 21(1)(b) of Regulation (EC) No 874/2004 also exist if a domain was registered in the first phase of phased registration on the basis of a trade mark, coinciding with a German-language generic term, which the domain holder acquired only for the purpose of being able to register the domain in the first phase of phased registration and thereby to pre-empt other interested parties, including the holders of rights to the mark?'

Consideration of the questions referred

Preliminary observation

27 The appellant in the main proceedings argues, from the outset, that it cannot be held responsible for faults which may have been committed by the Registry in regard to registration of the domain name at issue in the main proceedings. Such faults, it argues, ought to have been raised by means of a procedure directed against the Registry under Article 22(1)(b) of Regulation No 874/2004, and not by means of a procedure directed against the holder of the domain name in question.

28 Although the national court has not asked a question on this point, within the context of the procedure laid down by Article 267 TFEU providing for cooperation between national courts and the Court of Justice, and to the extent to which the argument of the appellant in the main proceedings affects the resolution of the dispute in those proceedings, it is for the Court to provide the national court with an answer which will be of use to it and enable it to determine the case before it (see, by way of analogy, Case C-295/97 *Piaggio* [1999] ECR I-3735, paragraph 25).

29 It must be pointed out in this regard that the first and second subparagraphs of Article 22(11) of Regulation No 874/2004 permit any party to initiate an alternative-dispute-resolution procedure against the domain name holder in a case where the registration is speculative or abusive, or against the Registry in a case where one of its decisions conflicts with Regulations No 733/2002 or No 874/2004. As the dispute in the main proceedings, which was initiated in accordance with Article 22 of Regulation No 874/2004, concerns an allegedly speculative or abusive registration, the procedure could legitimately be initiated against the domain name holder.

30 In that regard, the argument of the appellant in the main proceedings is therefore without foundation.

The fourth question

31 By its fourth question, which it is appropriate to examine first, the national court asks, in essence, whether the circumstances capable of establishing bad faith are listed exhaustively in Article 21(3)(a) to (e) of Regulation No 874/2004.

32 It must first be observed that there is a degree of disparity between the various language versions of Article 21(3) of Regulation No 874/2004. Thus, the German version of that provision reads as follows: 'Bösgläubigkeit im Sinne von Absatz 1 Buchstabe b) liegt vor, wenn …' That form of words, which may be translated literally as 'bad faith, within the meaning of point (b) of paragraph 1, exists where …', could suggest that the instances of bad faith referred to in Article 21(1)(b) of Regulation No 874/2004 are limited to the cases expressly set out in Article 21(3).

33 It should, however, be pointed out that the provision in question cannot be examined solely on the basis of the German version, as provisions of European Union law must be interpreted and applied uniformly in the light of the versions existing in all European Union languages (see, to that effect, Case C-280/04 *Jyske Finans* [2005] ECR I-10683, paragraph 31, and Case C-187/07 *Endendijk* [2008] ECR I-2115, paragraph 22).

34 It follows from the language versions of Article 21(3) of Regulation No 874/2004, other than the German version, that the list of the circumstances constituting bad faith which is set out in that provision is merely by way of example. Thus, the French

version of that provision is worded as follows: 'La mauvaise foi au sens du paragraphe 1, point b), [of Article 21] peut être démontrée quand …' The idea expressed by the verb 'pouvoir' is also to be found in other language versions, including the English ('may'), Italian ('può'), Spanish ('podrá'), Polish ('można'), Portuguese ('pode'), Dutch ('kan') and Bulgarian ('може') versions.

35 It must be borne in mind in this regard that, according to settled case-law, the necessity for uniform application and, accordingly, for uniform interpretation of a Community measure makes it impossible to consider one version of the text in isolation, but requires that it be interpreted on the basis of both the real intention of its author and the aim the latter seeks to achieve, in the light, in particular, of the versions in all languages (see, inter alia, Case 29/69 *Stauder* [1969] ECR 419, paragraph 3; Joined Cases C-261/08 and C-348/08 *Zurita García and Choque Cabrera* [2009] ECR I-10143, paragraph 54; and Case C-473/08 *Eulitz* [2010] ECR I-907, paragraph 22).

36 Furthermore, it must be pointed out in this regard that Regulation No 733/2002 seeks, inter alia, to establish a public policy addressing speculative and abusive registration of domain names which is intended to ensure respect for prior rights recognised or established by national and/or European Union law. That public policy is implemented, more particularly, by Article 21 of Regulation No 874/2004, which provides, essentially, that speculative or abusive registrations of domain names may be revoked.

37 However, the objective of thereby frustrating the registration of speculative or abusive domain names, which, by their very nature, may be marked by a variety of circumstances of fact and law, would be compromised if bad faith, within the meaning of Article 21(1)(b) of Regulation No 874/2004, could be established only in the circumstances exhaustively set out in Article 21(3)(a) to (e).

38 Finally, it follows from recital 16 in the preamble to Regulation No 874/2004 that the Registry must take into account the international best practices in the area in question and, in particular, the relevant World Intellectual Property Organisation (WIPO) recommendations, in order to ensure that speculative and abusive registrations are avoided as far as possible. As the Commission points out, it is clear from the Final Report of the First WIPO Internet Domain Name Process, dated 30 April 1999, and, in particular, from paragraph 2 of Recommendation No 171 concerning the concept of 'bad faith', that the list of circumstances constituting bad faith, which, indeed, corresponds largely to the list set out in Article 21(3) of Regulation No 874/2004, is not exhaustive.

39 The answer to the fourth question referred is therefore that Article 21(3) of Regulation No 874/2004 must be interpreted as meaning that bad faith can be established by circumstances other than those listed in Article 21(3)(a) to (e) of that regulation.

The fifth question

40 By its fifth question, which it is appropriate to examine secondly, the national court seeks, in essence, an interpretation by the Court of the concept of bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004.

41 Under that provision, a registered domain name may, 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 European Union law, be revoked if it has been registered, or is being used, in bad faith.

42 The issue of whether an applicant is acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case (see, by way of analogy, Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* [2009] ECR I-4893, paragraph 37).

43 With regard, more particularly, to the facts which characterise conduct such as that of the appellant in the main proceedings, the following must be stated in the light of the findings of fact set out in the order for reference.

44 First of all, it is necessary to examine the conditions under which the word mark &R&E&I&F&E&N& was registered.

45 In that regard, consideration must first be given to the intention of the appellant in the main proceedings at the time when it filed the application for registration of that mark as a subjective factor which must be determined by reference to the objective circumstances of the particular case (see, to that effect, *Chocoladefabriken Lindt & Sprüngli*, paragraphs 41 and 42).

46 The fact of applying for registration of a mark without the intention of using it as such but for the sole purpose of subsequently registering, on the basis of the right to that mark, a .eu top level domain name during the first part of the phased registration provided for in Regulation No 874/2004 may, under certain circumstances, indicate conduct in bad faith within the meaning of Article 21(1)(b) of that regulation.

47 In the present instance, it is apparent from the order for reference that, although the appellant registered the word mark &R&E&I&F&E&N& in Sweden for safety belts, it actually intended to operate an internet portal for trading in tyres, which it intended to register.

48 Consequently, according to the national court's findings, and as the appellant in the main proceedings itself admits, the latter had no intention of using the mark which it had thus registered for the goods covered by that registration.

49 Secondly, the presentation of the mark at issue may also be relevant in determining whether there is bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004 (see, by way of analogy, *Chocoladefabriken Lindt & Sprüngli*, paragraph 50).

50 In that regard, the national court points out that, leaving aside the special characters which surround each letter, the word mark &R&E&I&F&E&N& corresponds to a generic term in German, namely 'Reifen' ('tyres'). It must also be observed that the presentation of the mark is unusual and linguistically irrational from a semantic and visual point of view. The special character '&', which was inserted before and after every letter, thus appears to be without any semantic meaning whatsoever. Such a presentation may therefore suggest that the special character was introduced only in order to disguise the generic term which is hidden behind the mark.

51 Thirdly, the repetitive nature of conduct may also be taken into account in order to assess whether or not it amounts to bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004. In that regard, the national court points out that the appellant in the main proceedings obtained registration in Sweden of a total of 33 trade marks corresponding to generic terms in German, using in each of them the special character '&' before and after all the letters in the signs for which registration was sought.

52 Fourthly, the chronology of events may also constitute a relevant factor of assessment. In this instance, the fact that the appellant in the main proceedings registered the word mark &R&E&I&F&E&N& only a short time before the start of the first part of the phased registration of .eu top level domain names also warrants special attention for the purpose of determining whether there may have been bad faith. It is apparent in that regard from the order for reference that the appellant in the main proceedings applied to the competent Swedish authorities for registration of the abovementioned trade mark on 11 August 2005 and that registration was granted on 25 November 2005, while EURid had announced that registration of .eu top level domain names would begin on 7 December 2005.

53 In that context, although it is true that the Swedish word mark &R&E&I&F&E&N& remains valid inasmuch as it has not been revoked or declared invalid, the conditions under which that mark was registered could point to conduct in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004.

54 With regard, secondly, to the conditions under which the domain name 'www.reifen.eu' was registered, it must be noted, first, that the misuse of a special character or punctuation mark in the name in respect of which a right has been invoked may, having regard to the transcription rules laid down in Article 11 of Regulation No 874/2004, be a relevant factor for the purpose of assessing whether there has been conduct in bad faith on the part of the holder of a domain name.

55 The second paragraph of Article 11 of Regulation No 874/2004 provides that, where the name in respect of which prior rights are claimed contains special characters, such as the character '&', these 'shall to be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten'. However, it is clear from the order for reference that, on the basis of the first of those possibilities, the appellant was able to obtain the elimination of all of the '&' characters from its word mark &R&E&I&F&E&N& and thereby have the domain name 'www.reifen.eu' registered.

56 In that connection, the Commission's argument that the three transcription rules set out in the second paragraph of Article 11 of Regulation No 874/2004 should be applied in a hierarchical fashion cannot be accepted. According to the Commission, special characters which have a semantic value should be rewritten, those which serve as separators should be replaced by hyphens, and only those which neither have a semantic value nor serve as separators should be eliminated.

57 However, as the appellant in the main proceedings and the Czech Government point out, there is nothing in the wording of the second paragraph of Article 11 of Regulation No 874/2004 to suggest any form of hierarchy as between the three transcription rules.

58 The fact that the second paragraph of Article 11 provides that special characters are to be rewritten 'if possible' changes nothing in that regard. That expression must be understood, not as establishing any form of hierarchy as between the different transcription possibilities, but as referring to the impossibility of rewriting certain special characters.

59 In addition, the consequence of the Commission's argument would be, in cases of speculative or abusive registration, to favour the use of special characters which could still be eliminated, whereas, in the case of registrations in good faith, applicants would have no choice in regard to the transcription of special characters, with the result that they could be forced to accept a .eu top level domain name which did not correspond, in their eyes, to the name in respect of which they had invoked a prior right.

60 It must be pointed out in that regard that it follows from Article 10(2) of Regulation No 874/2004 that the registration of a .eu top level domain name on the basis of a prior right consists of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists.

61 However, since certain special characters which may appear in a name in respect of which a prior right is held cannot appear in a domain name by reason of technical constraints, the legislature has laid down transcription rules for such special characters in the second paragraph of Article 11 of Regulation No 874/2004.

62 It thus follows from a joint reading of Articles 10(2) and 11 of Regulation No 874/2004 that application of the transcription rules set out in the second paragraph of Article 11 is subordinate to the objective of ensuring that the domain name which it is sought to register and the name in respect of which a prior right is invoked are identical or as close as possible to each other.

63 Both the presence of special characters in the name in respect of which a prior right is invoked and an applicant's choice in regard to the three rules for the transcription of such characters laid down in the second paragraph of Article 11 of Regulation No 874/2004, namely elimination, replacement by a hyphen or rewriting, may thus point to the existence of conduct in bad faith within the meaning of Article 21(1)(b) of that regulation, particularly in the case where the domain name which it is sought to register does not concord with the name in respect of which a prior right is invoked.

64 It follows in that regard from the order for reference that special characters inserted in a linguistically illogical fashion in the name in respect of which a prior right was invoked were eliminated from the domain name which it was sought to register, rather than being replaced by hyphens or rewritten, with the result that the concordance between that domain name and the name subject to a prior right is compromised.

65 Secondly, it must be borne in mind that, in order to ensure that holders of prior rights have appropriate means of ensuring registration of the names in respect of which they hold those rights, Regulation No 874/2004 established, as can be seen from recital 12 in the preamble thereto, a procedure for phased registration.

66 Pursuant to Article 12 of Regulation No 874/2004, that procedure consists of two parts. During the first part, only registered national and Community trade marks, geographical indications, and the names and acronyms of public bodies, may be applied for as domain names. The second part relates to the names that can be registered in the first part as well as names based on all other prior rights.

67 Consequently, the general opening of registration of .eu top level domain names could not commence until after the end of the period provided for phased registration.

68 It thus appears that a domain name such as that at issue in the main proceedings, which corresponds to a generic term sought as such, could have been registered during the first part of the phased registration only by means of the stratagem of a trade mark created and registered for that purpose.

69 If it had not had a word mark registered, the appellant in the main proceedings would have had to wait until the general opening of registration of .eu top level domain names in order to submit its application, thereby running the risk, in the same way as any other person interested in the same domain name, of being pre-empted, in accordance with the first-come first-served principle, by another application for registration introduced prior to its own application.

70 Conduct which is manifestly intended to circumvent the procedure for phased registration established by Regulation No 874/2004 must therefore be taken into account in the assessment as to whether there is conduct in bad faith within the meaning of Article 21(1)(b) of that regulation.

71 Thirdly, the fact of having lodged a large number of applications for registration of domain names corresponding to generic terms may also constitute relevant evidence on which to determine whether there is conduct in bad faith in the light of the objective of Regulation No 874/2004 to prevent or avoid speculative or abusive registrations or uses of domain names. In that regard, it is apparent from the order for reference that the appellant in the main proceedings lodged 180 such applications.

72 By contrast, no relevance attaches to the fact, mentioned in the order for reference, that the appellant in the main proceedings was unaware of the respondent in the main proceedings at the time when it submitted its application for registration of the domain name at issue in the main proceedings.

73 The appellant contends in that regard that the main proceedings concern the registration of a domain name consisting of a generic term, which cannot, under any circumstances, adversely affect the rights of third parties since nobody has exclusive rights over generic terms. The speculative or abusive conduct which the cases of bad faith set out in Article 21(3) of Regulation No 874/2004 are designed to combat is,

it submits, therefore excluded, by definition, in the case of registration of domain names consisting of generic terms. Consequently, the appellant in the main proceedings claims that it did not act in bad faith within the meaning of Article 21(3).

74 That argument is misplaced on two grounds. First, it rests on the premise, rejected in paragraphs 31 to 39 of the present judgment, that the list of cases of bad faith in Article 21(3) of Regulation No 874/2004 is exhaustive. Second, it fails to take account of the fact that prior rights can legitimately exist in respect of generic terms. As the Court has already held, European Union law, and, in particular, Article 3(1)(b) and (c) of 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), does not preclude the registration in a Member State, as a national trade mark, of a term borrowed from the language of another Member State in which it is devoid of distinctive character or is descriptive of the goods or services in respect of which registration is sought, unless the relevant parties in the Member State in which registration is sought are capable of identifying the meaning of the term (Case C-421/04 *Matratzen Concord* [2006] ECR I-2303, paragraphs 26 and 32 and the operative part).

75 Since the existence of prior rights in respect of a name corresponding to a generic term cannot therefore be excluded, conduct such as that engaged in by the appellant in the main proceedings could adversely affect holders of such rights.

76 In addition, the adoption of a course of conduct of the kind outlined in paragraph 70 of the present judgment is tantamount to seeking to obtain an unfair advantage to the detriment of any other person interested in the same domain name who cannot rely on a prior right and must therefore await the general opening of registration for .eu top level domain names in order to be able to apply for registration.

77 The answer to the fifth question referred must therefore be that, in order to assess whether there is conduct in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(3) thereof, the national court must take into consideration all the relevant factors specific to the particular case and, in particular, the conditions under which registration of the trade mark was obtained and those under which the .eu top level domain name was registered.

With regard to the conditions under which registration of the trade mark was obtained, the national court must take into consideration, in particular:

— the intention not to use the trade mark in the market for which protection was sought;

— the presentation of the trade mark;

— the fact of having registered a large number of other trade marks corresponding to generic terms; and

— the fact of having registered the trade mark shortly before the beginning of phased registration of .eu top level domain names.

With regard to the conditions under which the .eu top level domain name was registered, the national court must take into consideration, in particular:

— the abusive use of special characters or punctuation marks, within the meaning of Article 11 of Regulation No 874/2004, for the purposes of applying the transcription rules laid down in that article;

— registration during the first part of the phased registration provided for in that regulation on the basis of a mark acquired in circumstances such as those in the main proceedings; and

— the fact of having applied for registration of a large number of domain names corresponding to generic terms.

The first, second and third questions

78 Having regard to the answers given to the fourth and fifth questions referred and to the circumstances of the case in the main proceedings, there is no need to answer the first three questions.

Costs

79 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:

1. **Article 21(3) 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 bad faith can be established by circumstances other than those listed in Article 21(3)(a) to (e) of that regulation.**

2. **In order to assess whether there is conduct in bad faith within the meaning of Article 21(1)(b) of Regulation No 874/2004, read in conjunction with Article 21(3) thereof, the national court must take into consideration all the relevant factors specific to the particular case and, in particular, the conditions under which registration of the trade mark was obtained and those under which the .eu top level domain name was registered.**

   With regard to the conditions under which registration of the trade mark was obtained, the national court must take into consideration, in particular:

   — **the intention not to use the trade mark in the market for which protection was sought;**

— **the presentation of the trade mark;**

— **the fact of having registered a large number of other trade marks corresponding to generic terms; and**

— **the fact of having registered the trade mark shortly before the beginning of phased registration of .eu top level domain names.**

With regard to the conditions under which the .eu top level domain name was registered, the national court must take into consideration, in particular:

— **the abusive use of special characters or punctuation marks, within the meaning of Article 11 of Regulation No 874/2004, for the purposes of applying the transcription rules laid down in that article;**

— **registration during the first part of the phased registration provided for in that regulation on the basis of a mark acquired in circumstances such as those in the main proceedings; and**

— **the fact of having applied for registration of a large number of domain names corresponding to generic terms.**

[Signatures]