JUDGMENT OF THE COURT (First Chamber)

14 July 2011 *

In Joined Cases C-4/10 and C-27/10,

REFERENCE for a preliminary ruling under Article 267 TFEU from the Korkein hallinto-oikeus (Finland), made by decisions of 31 December 2009, received at the Court on 5 and 18 January 2010 respectively, in the proceedings brought by

Bureau national interprofessionnel du Cognac,

intervening party:

Gust. Ranin Oy,

THE COURT (First Chamber),

composed of A. Tizzano, President of the Chamber, M. Ilešič, E. Levits, M. Safjan and M. Berger (Rapporteur), Judges,

* * Language of the case: Finnish.

Advocate General: E. Sharpston,
Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

— the Bureau national interprofessionnel du Cognac, by P. Siitonen, asianajaja,

— the French Government, by G. de Bergues and B. Cabouat, acting as Agents,

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

— the Portuguese Government, by L. Inez Fernandes, acting as Agent,

— the United Kingdom Government, by S. Ossowski, acting as Agent,

— the European Commission, by E. Paasivirta, and F. Bulst and M. Vollkommer, acting as Agents,

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

gives the following

Judgment

1 These references for a preliminary ruling concern the interpretation of Articles 16 and 23 of Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ 2008 L 39, p. 16) and 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).

2 The references have been made in proceedings brought by the Bureau national interprofessionnel du Cognac ('the BNIC') concerning the registration in Finland, by the Patentti- ja rekisterihallitus (National Board of Patents and Registration), of two figurative marks for spirit drinks.

Legal context

European Union ('EU') law

Regulation No 110/2008

3 According to the second sentence in recital 14 in the preamble to Regulation No 110/2008: '[g]eographical indications should be registered, identifying spirit drinks as originating in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of the spirit drink is essentially attributable to its geographical origin.'

4 Paragraph 2 of Article 14 of Regulation No 110/2008, which concerns the use of language in the description, presentation and labelling of spirit drinks, provides:

'… the geographical indications registered in Annex III shall not be translated on the label nor in the presentation of the spirit drink.'

5 Article 15 of the regulation, entitled 'Geographical indications', provides:

'1. For the purpose of this Regulation a geographical indication shall be an indication which identifies a spirit drink as originating in the territory of a country, or a region

or locality in that territory, where a given quality, reputation or other characteristic of that spirit drink is essentially attributable to its geographical origin.

2. The geographical indications referred to in paragraph 1 are registered in Annex III.

3. The geographical indications registered in Annex III may not become generic.

Names that have become generic may not be registered in Annex III.

…

4. Spirit drinks bearing a geographical indication registered in Annex III shall comply with all the specifications of the technical file provided for under Article 17(1).'

6 Article 16 of Regulation No 110/2008, which concerns the protection of geographical indications, provides:

'… the geographical indications registered in Annex III shall be protected against:

(a) any direct or indirect commercial use in respect of products not covered by the registration in so far as those products are comparable to the spirit drink registered under that geographical indication or insofar as such use exploits the reputation of the registered geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product is indicated or the geographical indication is used in translation or accompanied by an expression such as "like", "type", "style", "made", "flavour", or any other similar term;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities on the description, presentation or labelling of the product, liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.'

7 Paragraphs 1 and 2 of Article 23 of Regulation No 110/2008, which is entitled 'Relation between trade marks and geographical indications', are worded as follows:

'1. The registration of a trade mark which contains or consists of a geographical indication registered in Annex III shall be refused or invalidated if its use would lead to any of the situations referred to in Article 16.

2. With due regard to Community law, a trade mark the use of which corresponds to one of the situations referred to in Article 16 which has been applied for, registered, or established by use, if that possibility is provided for by the legislation concerned, in good faith within the territory of the Community, before either the date of protection of the geographical indication in the country of origin or before 1 January 1996, may continue to be used notwithstanding the registration of a geographical indication …'

8 Annex III to the same regulation mentions 'Cognac' as a geographical indication identifying products in Category No 4 – that is to say, in the wine spirit category – having France as the country of origin.

9 In accordance with Article 30 thereof, Regulation No 110/2008 entered into force on 20 February 2008.

Regulation (EEC) No 1576/89

10 Regulation No 110/2008 replaced Council Regulation (EEC) No 1576/89 of 29 May 1989 laying down general rules on the definition, description and presentation of spirit drinks (OJ 1989 L 160, p. 1), which was in force from 15 June 1989. In Annex II thereto, Regulation No 1576/89 mentioned 'Cognac' among the protected geographical designations.

Regulation (EC) No 3378/94

11 Regulation (EC) No 3378/94 of the European Parliament and of the Council of 22 December 1994 amending Regulation No 1576/89 (OJ 1994 L 366, p. 1) inserted in Regulation No 1576/89, with effect from 1 January 1996, Article 11a, the first subparagraph of paragraph 1 of which provided:

'Member States shall adopt all measures necessary to permit those concerned to prevent, under the conditions laid down in Articles 23 and 24 of the Agreement on

Trade-Related Aspects of Intellectual Property Rights, the use within the Community of a geographical designation identifying products covered by this Regulation for products which do not originate in the place referred to by the geographical designation in question, including in cases where the actual origin of the product is indicated or where the geographical designation is given in translation or accompanied by expressions such as "like", "type", "style", "imitation" or other.'

Directive 89/104

12 Paragraphs (1)(g) and (2)(a) of Article 3 of Directive 89/104, which concerns grounds for refusal or invalidity which may be relied upon in order to oppose the registration of a mark, provided:

'The following shall not be registered or if registered shall be liable to be declared invalid:

…

(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;

…

2. Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that:

(a) the use of that trade mark may be prohibited pursuant to provisions of law other than trade mark law of the Member State concerned or of the Community.'

13 Directive 89/104 was replaced with effect from 28 November 2008 by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25). The provisions of Article 3(1)(g) and (2)(a) have remained unchanged.

The TRIPS Agreement

14 In the Agreement on Trade-Related Aspects of Intellectual Property Rights ('the TRIPS Agreement'), which constitutes Annex 1 C to the Agreement establishing the World Trade Organisation (WTO), signed in Marrakesh on 15 April 1994 and approved by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1), paragraphs 1 and 2 of Article 23, which is entitled 'Additional Protection for Geographical Indications for Wines and Spirits', are worded as follows:

'1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying … spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member's legislation so permits or at the request of an interested party, with respect to … spirits not having this origin.'

15 Article 24(5) of the TRIPS Agreement states:

'Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

(a) before the date of application of these provisions in that Member as defined in Part VI; or

(b) before the geographical indication is protected in its country of origin;

measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.'

The facts and the questions referred for a preliminary ruling

16 Gust. Ranin Oy, a company incorporated under Finnish law, applied on 19 December 2001 to the Patentti- ja rekisterihallitus for registration of two figurative marks in the form of a bottle label. For the 'Konjakit [Cognacs]' in Class 33 of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, the figurative element which was the subject of the application includes the endorsement: 'COGNAC L & P HIENOA KONJAKKIA Lignell & Piispanen Product of France 40 % Vol 500 ml'. For the 'liqueurs containing "konjakki"' in Class 33, the figurative element included the endorsement 'KAHVI-KONJAKKI Café Cognac Likööri – Likör – Liqueur 21 % Vol Lignell & Piispanen 500 ml'.

17 By decision of 31 January 2003, the Patentti- ja rekisterihallitus registered the two marks, the first under No 226350 (Case C-4/10) and the second under No 226351 (Case C-27/10).

18 The BNIC opposed the registration of those marks.

19 By decision of 10 September 2004, the Patentti- ja rekisterihallitus dismissed the BNIC's opposition and confirmed the validity of the mark registered under No 226350. By the same decision, however, it upheld the opposition in so far as it was directed against the mark registered under No 226351 and cancelled that registration.

20 By decision of 22 October 2007, the Patentti- ja rekisterihallituksen valituslautakunta (Board of Appeal of the Patentti- ja rekisterihallitus) dismissed the BNIC's appeal and upheld the decision of 10 September 2004 confirming the registration of mark

No 226350. It also upheld the appeal brought by Gust. Ranin Oy and set aside the decision cancelling the registration of mark No 226351.

21 In the proceedings before the Korkein hallinto-oikeus (Supreme Administrative Court), the BNIC seeks primarily the annulment of the decision of 22 October 2007 or, failing which, the referral of the case back to the Patentti- ja rekisterihallitus in order for it to undertake a fresh examination of the case.

22 In those circumstances, the Korkein hallinto-oikeus decided to stay the proceedings and to refer the following questions – framed in identical terms in Case C-4/10 and Case C-27/10 – to the Court of Justice for a preliminary ruling:

'1. Is Regulation [No 110/2008] applicable to the assessment of the conditions for registration of a trade mark, containing a geographical indication protected by that regulation, which was applied for on 19 December 2001 and registered on 31 January 2003?

2. If the answer to Question 1 is affirmative, is a trade mark which inter alia contains a geographical indication of origin which is protected by that regulation, or such an indication in the form of a generic term and a translation, and which is registered for spirit drinks which, inter alia in terms of their manufacturing method and alcohol content, do not meet the requirements set for the use of the geographical indication of origin in question, to be refused as contrary to Articles 16 and 23 of Regulation No 110/2008?

3. Regardless of the answer to Question 1, is a trade mark of the type described in Question 2 to be regarded as liable to mislead the public for instance as to the nature, quality or geographical origin of the goods or services, in the way referred to in Article 3(1)(g) of [Directive 89/104], which has now been replaced by [Directive 2008/95]?

4. Regardless of the answer to Question 1, if a Member State has, on the basis of Article 3(2)(a) of Directive 89/104, provided that a trade mark is not to be registered or, if registered, is to be liable to be declared invalid, if the use of the trade mark can be prohibited by virtue of legislation other than the trade mark law of the Member State in question or of the Community, is the view to be taken that, if the trade mark registration contains elements which infringe Regulation No 110/2008, on the basis of which the use of the trade mark can be prohibited, such a trade mark is not to be registered?'

23 By order of the President of the Court of 9 March 2010, Cases C-4/10 and C-27/10 were joined for the purposes of the written and oral procedure and of the judgment.

Consideration of the questions referred

Question 1

24 By Question 1, the referring court is essentially asking whether Regulation No 110/2008 is applicable to the assessment of the validity of the registration of a trade mark containing a geographical indication protected by that regulation, where registration took place before the regulation entered into force.

25 It is settled law that, as a general rule, the principle of legal certainty precludes an EU measure from taking effect from a point in time before its publication, but it may exceptionally be otherwise where the purpose to be achieved so demands and where

the legitimate expectations of those concerned are duly respected (see, inter alia, Joined Cases C-74/00 P and C-75/00 P *Falck and Acciaierie di Bolzano* v *Commission* [2002] ECR I-7869, paragraph 119, and Case C-120/08 *Bavaria* [2010] ECR I-13393, paragraph 40).

26 In that regard, in order to ensure observance of the principles of legal certainty and the protection of legitimate expectations, the substantive rules of EU law must be interpreted as applying to situations existing before their entry into force only in so far as it clearly follows from their terms, objectives or general scheme that such effect must be given to them (see, inter alia, *Falck and Acciaierie di Bolzano* v *Commission*, paragraph 119; *Bavaria*, paragraph 40; and Case C-369/09 P *ISD Polska and Others* v *Commission* [2011] ECR I-2011, paragraph 98).

27 Under Article 23(1) of Regulation No 110/2008, the registration of a trade mark which contains a geographical indication registered in Annex III is to be refused or invalidated if its use would lead to any of the situations referred to in Article 16 of that regulation.

28 Thus, in addition to the option of refusing the registration of such a mark, that provision clearly makes it possible to invalidate, on the same grounds, a mark which has already been registered, and makes no reference to a time-frame imposing some sort of temporal restriction as regards the date of registration. As the French and Portuguese Governments and the European Commission have observed, it is clear from the wording that Article 23(1) of Regulation No 110/2008 is intended to apply to marks registered before that regulation entered into force.

29 That interpretation is supported by the rule laid down in Article 23(2) of Regulation No 110/2008.

30 Article 23(2) of Regulation No 110/2008 authorises, by way of derogation, the continued use of a mark where such use corresponds to one of the situations referred to in Article 16 of that regulation, so long as that mark was registered or acquired before the date of entry into force of the protection of the geographical indication concerned in the country of origin or before 1 January 1996. As the Italian and United Kingdom Governments and the Commission have observed, it must be concluded from that rule that, apart from the marks falling within the temporal limits of the derogation expressly provided for in Article 23(2) of Regulation No 110/2008, marks registered prior to the entry into force of that regulation may be invalidated in accordance with Article 23(1).

31 It follows that Article 23(1) of Regulation No 110/2008 must be interpreted as meaning that it is applicable to marks registered before the entry into force of that regulation.

32 As regards the assessment of the compatibility of such a temporal application with the principles of legal certainty and the protection of legitimate expectations, it should be noted that the protection provided to geographical indications by Regulation No 100/2008 is a continuation of the protection already ensured by Regulation No 3378/94, which had inserted Article 11a into Regulation No 1576/89 with effect from 1 January 1996.

33 Under Article 11a(1), the Member States were required to take all the measures necessary to permit those concerned to prevent, under the conditions laid down in Articles 23 and 24 of the TRIPS Agreement, the use within the Community of a geographical designation for products which do not originate in the place referred to by the geographical designation in question. Article 23(2) of that agreement provides that the registration of a mark which contains or consists of a geographical indication identifying spirits must be refused or invalidated with respect to spirits which do not

have that origin, while Article 24(5) of that agreement provides for a derogation for marks registered or acquired in good faith before the entry into force of the agreement itself or before the geographic indication was protected.

34 It must therefore be held that, from 1 January 1996 – the date on which Regulation No 3378/94 entered into force – the rules laid down in the TRIPS Agreement for the protection of geographic indications had been incorporated into EU law, even though competence for defining the implementing measures had been entrusted to the Member States.

35 In those circumstances, Article 23(1) of Regulation No 110/2008, under which the registration of a mark which contains a protected geographic indication is to be refused or invalidated if its usage corresponds to one of the cases of misuse referred to in Article 16 of that regulation, merely lays down the uniform conditions for the implementation of a rule of EU law which was already in force, whereas Article 23(2) maintains the temporary derogations already recognised under EU law.

36 It follows that the application of those provisions does not undermine the principle of legal certainty; nor does it undermine the principle of the protection of the legitimate expectations of the persons concerned.

37 In consequence, the answer to Question 1 is that Regulation No 110/2008 is applicable to the assessment of the validity of the registration of a trade mark containing a geographical indication protected by that regulation, where registration took place before the regulation entered into force.

Question 2

38 By Question 2, the referring court asks essentially whether Articles 16 and 23 of Regulation No 110/2008 preclude the registration of a mark which contains a protected geographical indication of origin, or such an indication in the form of a generic term and a translation of the latter, and which is registered for spirit drinks which do not satisfy the conditions for the use of that geographical indication.

39 In order to answer that question, it is appropriate to examine in turn the conditions for the application of Articles 23 and 16 of that regulation.

The conditions for the application of Article 23 of Regulation No 110/2008

40 It should be recalled at the outset that, under the second paragraph of Article 288 TFEU, regulations have general application and are directly applicable in all Member States. Accordingly, owing to their very nature and their place in the system of sources of EU law, regulations have immediate effect and operate to confer rights on individuals which the national courts have a duty to protect (see, inter alia, Case 34/73 *Variola* [1973] ECR 981, paragraph 8, and Case C-253/00 *Muñoz and Superior Fruiticola* [2002] ECR I-7289, paragraph 27).

41 The clear and unconditional wording of Article 23(1) of Regulation No 110/2008, under which the registration of a mark which contains a geographical indication registered in Annex III is to be refused or invalidated if its use would lead to any of the

situations referred to in Article 16 of that regulation, requires the national authorities to refuse or to invalidate the registration of a mark if it is used in such circumstances.

42 Admittedly, Article 23(2) of Regulation No 110/2008 provides for a limited derogation for marks registered or acquired in good faith before the date of entry into force of the protection of the geographical indication concerned in the country of origin or before 1 January 1996.

43 In that connection, it should be observed that the term 'Cognac', included in the marks whose registration gave rise to the disputes in the main proceedings, appears both in Annex III to Regulation No 110/2008 and in Annex II to Regulation No 1576/89 as a geographical indication identifying a spirit drink originating from France. Independently of the protection it enjoys under French law, the term 'Cognac' has therefore been protected as a geographical indication under EU law since 15 June 1989, the date on which Regulation No 1576/89 entered into force.

44 That finding is sufficient to establish that the marks at issue in the main proceedings, which – according to the orders for reference – were registered on 31 January 2003, cannot benefit from the derogation provided for in Article 23(2) of Regulation No 110/2008.

45 In those circumstances, the answer to the first part of Question 2 is that the competent national authorities must, on the basis of Article 23(1) of Regulation No 110/2008, refuse or invalidate the registration of a mark which contains a protected geographical indication and which is not covered by the temporary derogation provided for in Article 23(2) of that regulation, where the use of that mark would lead to one of the situations referred to in Article 16 thereof.

The conditions for the application of Article 16 of Regulation No 110/2008

46 Points (a) to (d) of Article 16 of Regulation No 110/2008 refer to various situations in which the marketing of a product is accompanied by an explicit or implicit reference to a geographic indication in circumstances liable to mislead the public as to the origin of the product or, at the very least, to set in train in the mind of the public an association of ideas regarding that origin, or to enable the trader to take unfair advantage of the reputation of the geographical indication concerned.

47 The protection thus conferred on geographical indications by Article 16 of Regulation No 110/2008 must be interpreted in the light of the objective pursued through the registration of those indications, namely – as is clear from recital 14 to that regulation – to enable the identification of spirit drinks as originating in a particular area, where a given quality, reputation or other characteristic of those drinks is essentially attributable to its geographical origin.

48 Specifically, the extent of that protection must be assessed in the light of the fundamental rule laid down in Article 15(4) of Regulation No 110/2008, in accordance with which a geographical indication registered in Annex III to that regulation may be borne only by spirit drinks which meet all the specifications in the technical file provided to the Commission by the Member State of origin, pursuant to Article 17 of Regulation No 110/2008, when the application for registration of the indication concerned is made.

49 The question whether a particular spirit drink meets all the specifications applicable to a protected geographical indication is a question of fact which is a matter to be determined by the competent national authorities and which must be decided before the examination as to whether Article 16 of Regulation No 110/2008 may be applicable.

50 Question 2 specifically refers to the situation in which a mark containing a geographical indication, or a generic term and its translation, has been registered for spirit drinks which do not meet the specifications set for that indication. It is on the basis of that premiss, therefore, that an indication must be given to the referring court as to whether such a situation may be among those referred to in Article 16 of Regulation No 110/2008.

51 In so far as that question refers to a mark containing the generic term corresponding to a protected geographical indication and its translation, the first point to note is that, pursuant to the first subparagraph of Article 15(3) of Regulation No 110/2008, the geographical indications registered in Annex III thereto cannot become generic. Conversely, the second subparagraph of Article 15(3) states that names which have become generic may not be registered in Annex III. It follows that, for the purposes of determining the validity of the registration of the marks at issue in the main proceedings, it cannot be argued that the indication 'Cognac', registered in Annex III, has become generic.

52 It should be added that, in accordance with Article 14(2) of Regulation No 110/2008, the geographical indications registered in Annex III thereto, such as 'Cognac', cannot be translated either on the label or in the presentation of a spirit drink.

53 As regards the situations referred to in Article 16 of Regulation No 110/2008, it should be observed that point (a) of that provision refers, inter alia, to the direct or indirect commercial use of a geographical indication in respect of products which are not covered by the registration, in so far as those products are comparable to the registered spirit drink.

54 In the situation referred to in Question 2, in which the products not covered by a geographical indication are spirit drinks, it seems reasonable to hold that that situation may concern products comparable to the spirit drink registered under that geographical indication: regardless of their various categories, 'spirit drinks' covers drinks which have common objective characteristics and which are consumed, from the point of view of the relevant public, on occasions which are largely identical. Furthermore, they are frequently distributed through the same channels and subject to similar marketing rules.

55 It follows that, in such a situation, it would have to be held that the use of a mark containing a geographical indication, or a term corresponding to that indication and its translation, with respect to spirit drinks which do not meet the relevant specifications constitutes, for the purposes of Article 16(a) of Regulation No 110/2008, a direct commercial use of a geographical indication in respect of products which are comparable to the spirit drink registered under that indication, but which are not covered by the registration.

56 As regards the concept of 'evocation', as referred to in Article 16(b) of Regulation No 110/2008 and to which the order for reference in Case C-4/10 refers, it is appropriate to point out that that concept covers a situation in which the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected (see Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 25, and Case C-132/05 *Commission* v *Germany* [2008] ECR I-957, paragraph 44).

57 More specifically, the Court has held that that could be the position in the case of products with visual similarities and sales names which are phonetically and visually alike (*Consorzio per la tutela del formaggio Gorgonzola*, paragraph 27, and *Commission* v *Germany*, paragraph 46).

58 It seems reasonable to transpose those findings to the situation, referred to in Question 2, concerning the registration of a mark containing a geographical indication, or a term corresponding to that indication and its translation, with respect to spirit drinks which do not meet the specifications required by that indication. The use of a mark containing the element 'Cognac' for spirit drinks which do not meet the relevant specifications may therefore be categorised as an 'evocation' for the purposes of Article 16(b) of Regulation No 110/2008.

59 It should be added that, in accordance with that provision, the mention of the actual origin of the product or the use of the geographical indication in translation or accompanied by an expression such as 'like', 'type', 'style', 'made', 'flavour', or any other similar term, would not alter that categorisation.

60 To the extent that the referring court considered it useful, it would be for that court, for the purposes of ascertaining whether the situations referred to in Article 16(c) and (d) of Regulation No 110/2008 existed, to determine, by taking account of the interpretative guidance already provided by the Court, whether the use of a mark containing a geographical indication, or a term corresponding to that indication and its translation, with respect to spirit drinks which do not meet the specifications set for that indication is such as to give rise to a false impression as to the origin of those drinks or to mislead the consumer as to their true origin.

61 The answer to the second part of Question 2 is that a situation such as that referred to in that question – that is to say, the registration of a mark containing a geographical indication, or a term corresponding to that indication and its translation, in respect of spirit drinks which do not meet the specifications set for that indication – falls within the situations referred to in Article 16(a) and (b) of Regulation No 110/2008, without prejudice to the possible application of other rules laid down in Article 16.

Questions 3 and 4

62 By Question 3, the referring court asks essentially whether Article 3(1)(g) of Directive 89/104 must be interpreted as meaning that a trade mark containing a geographical indication, or the generic term corresponding to that indication and its translation, with respect to spirit drinks which do not meet the specifications set for that indication must be regarded as liable to mislead the public.

63 By Question 4, the referring court asks essentially whether Article 3(2)(a) of Directive 89/104 must be interpreted as meaning that where, on the basis of that provision, a Member State has provided that a trade mark must be declared invalid if and to the extent that it is contrary to legislation other than trade mark law, registration of a mark in breach of Regulation No 110/2008 must be refused.

64 In the light of the answer to Question 2, there is no need to reply to those two questions.

65 It is clear from that answer that the registration of a mark containing a geographical indication, or the generic term corresponding to that indication and its translation, with respect to spirit drinks which do not meet the specifications set for that indication falls, at the very least, within the situations referred to in Article 16(a) and (b) of Regulation No 110/2008 and that the competent national authorities must, on the basis of Article 23(1) of Regulation No 110/2008, refuse or invalidate the registration of such a mark.

66 In that connection, it should be recalled that the direct application of a regulation means that its entry into force and its application in favour of or against those subject to it are independent of any measure of reception into national law, strict compliance with that obligation being an indispensable condition for the simultaneous and uniform application of regulations throughout the European Union (see, to that effect, *Variola*, paragraph 10). Accordingly, Regulation No 110/2008 must apply independently of the rules transposing Directive 89/104 into the national legal order.

Costs

67 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 (First Chamber) hereby rules:

1. **Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 is applicable to the assessment of the validity of the registration of a trade mark containing a geographical indication protected by that regulation, where registration took place before the regulation entered into force.**

2. Articles 23 and 16 of Regulation No 110/2008 must be interpreted as meaning that:

— **the competent national authorities must, on the basis of Article 23(1) of Regulation No 110/2008, refuse or invalidate the registration of a mark which contains a protected geographical indication and which is not covered by the temporary derogation provided for in Article 23(2) of that regulation, where the use of that mark would lead to one of the situations referred to in Article 16 thereof;**

— **a situation such as that referred to in the second question referred for a preliminary ruling – that is to say, the registration of a mark containing a geographical indication, or a term corresponding to that indication and its translation, in respect of spirit drinks which do not meet the specifications set for that indication – falls within the situations referred to in Article 16(a) and (b) of Regulation No 110/2008, without prejudice to the possible application of other rules laid down in Article 16.**

[Signatures]