JUDGMENT OF THE COURT (First Chamber)

14 December 2006 *

In Case C-316/05,

REFERENCE for a preliminary ruling under Article 234 EC by the Högsta domstolen (Sweden), made by decision of 9 August 2005, received at the Court on 16 August 2005, in the proceedings

Nokia Corp.

v

Joacim Wärdell,

THE COURT (First Chamber),

composed of P. Jann, President of the Chamber, K. Lenaerts, E. Juhász, K. Schiemann and M. Ilešič (Rapporteur), Judges,

* Language of the case: Swedish.

Advocate General: E. Sharpston,
Registrar: R. Grass,

having regard to the written procedure,

after considering the observations submitted on behalf of:

— Nokia Corp., by H. Wistam, advokat,

— Mr Wärdell, by B. Stanghed, advokat,

— the French Republic, by G. de Bergues and J.-C. Niollet, acting as Agents,

— the Commission of the European Communities, by W. Wils and K. Simonsson, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 13 July 2006,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 98(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) ('the Regulation').

Legal context

Community legislation

2 Article 9 of the Regulation, 'Rights conferred by a Community trade mark', provides:

'1. A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

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

...

2. The following, inter alia, may be prohibited under paragraph 1:

(a) affixing the sign to the goods or to the packaging thereof;

...

(c) importing or exporting the goods under that sign;

...'

3 Article 14 of the Regulation, 'Complementary application of national law relating to infringement', states:

'1. The effects of Community trade marks shall be governed solely by the provisions of this Regulation. In other respects, infringement of a Community trade mark shall be governed by the national law relating to infringement of a national trade mark in accordance with the provisions of Title X.

...

3. The rules of procedure to be applied shall be determined in accordance with the provisions of Title X.'

4 Title X of the Regulation, 'Jurisdiction and procedure in legal actions relating to community trade marks', consists of Articles 90 to 104.

5 Under Articles 91(1) and 92(a) of the Regulation, the Member States are to designate in their territories national courts and tribunals of first and second instance, referred to as 'Community trade mark courts', on which is to be conferred exclusive jurisdiction for all infringement actions and — if they are permitted under national law — actions in respect of threatened infringement relating to Community trade marks.

6 Article 97 of the Regulation provides:

'1. The Community trade mark courts shall apply the provisions of this Regulation.

2. On all matters not covered by this Regulation a Community trade mark court shall apply its national law, including its private international law.

3. Unless otherwise provided in this Regulation, a Community trade mark court shall apply the rules of procedure governing the same type of action relating to a national trade mark in the Member State where it has its seat.'

7 Article 98 of the Regulation provides:

'1. Where a Community trade mark court finds that the defendant has infringed or threatened to infringe a Community trade mark, it shall, unless there are special

reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with.

2. In all other respects the Community trade mark court shall apply the law of the Member State [in] which the acts of infringement or threatened infringement were committed, including the private international law.'

Swedish legislation

8 Under Section 4 of the Law on trade marks (1960:644) (varumärkeslagen, 'the Law on trade marks'), the right to a trade mark means that a person other than the proprietor may not, in the course of business, use a sign that may be confused with it on his goods, irrespective of whether the goods are offered for sale or are intended to be offered for sale in Sweden or abroad or whether they are imported into Sweden.

9 Section 37 of the Law on trade marks lays down the penalties which can be imposed for an infringement that has been committed intentionally or with gross negligence.

10 Section 37a of the Law on trade marks provides that a court may, upon application by the proprietor of the mark, prohibit the person committing the infringement, on pain of a fine, from continuing the infringement. The national court has stated that that provision is optional.

11 Section 66 of the Law on trade marks provides, firstly, that Section 37 of that law applies in the case of infringement of a Community trade mark. It states, secondly, that Section 37a of that law applies in so far as the Regulation does not provide otherwise.

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

12 Nokia Corp. ('Nokia') is the proprietor of the word mark Nokia, which is registered both as a national mark in Sweden and as a Community trade mark for, inter alia, 'mobile telephones and their accessories'.

13 In 2002, Mr Wärdell imported 'flash stickers' into Sweden from the Philippines. These are adhesive stickers which are intended to be attached to mobile telephones and contain a light-emitting diode which flashes when the telephone rings.

14 On the occasion of a customs inspection it was found that a number of those 'flash stickers' bore the mark Nokia, either on the product itself or on the packaging. Mr Wärdell stated that it was a question of defective delivery, without his knowledge, on the part of the supplier.

15 Claiming that Mr Wärdell was guilty of infringement, Nokia brought an action against him before Stockholms tingsrätten (Stockholm district court) (Sweden) with a view to prohibiting him, on pain of a fine, from using, in the course of his business activities, signs capable of being confused with the Swedish and Community trade mark Nokia.

16 Stockholms tingsrätten held that infringement had been established. As Mr Wärdell stated that he might import more 'flash stickers', that court found that there was a risk that he might again commit acts infringing the trade mark and issued against him the prohibition with a fine attached which had been sought.

17 On appeal by Mr Wärdell, the Svea hovrätten (Svea court of appeal) found both that he had committed an act of infringement and that there was some risk that he might in the future commit the same infringement of Nokia's trade mark rights. However, noting that Mr Wärdell had never committed such acts before and that he could be accused only of carelessness, that court held that there was no need to impose on him a prohibition with a fine attached.

18 Nokia then appealed to the Högsta domstolen (Supreme Court). It submits that the mere fact that Mr Wärdell objectively infringed its trade mark rights is sufficient to impose on him a prohibition with a fine attached.

19 It is against that background that the Högsta domstolen decided to stay proceedings and refer the following questions to the Court for a preliminary ruling:

'(1) Is the condition relating to "special reasons" in the first sentence of Article 98(1) of Regulation (EC) No 40/94 ... to be interpreted as meaning that a court which finds that the defendant has infringed a Community trade mark may, irrespective of the other circumstances, refrain from issuing a specific prohibition of further infringement if the court considers that the risk of further infringement is not obvious or is otherwise merely limited?

(2) Is the condition relating to special reasons in the first sentence of Article 98(1) of the Regulation on the Community trade mark to be interpreted as meaning that a court which finds that the defendant has infringed a Community trade mark may, even if there is no such ground for refraining from issuing a prohibition of further infringement as contemplated in Question 1, refrain from issuing such a prohibition on the grounds that it is clear that a further infringement is covered by a statutory general prohibition of infringement under national law and that a penalty may be imposed on the defendant if he commits a further infringement intentionally or with gross negligence?

(3) If the answer to Question 2 is no, must specific measures, by which a prohibition is for example coupled with a penalty, be taken in such a case to ensure that the prohibition is complied with, even where it is clear that a further infringement is covered by a statutory general prohibition of infringement under national law and that a penalty may be imposed on the defendant if he commits a further infringement intentionally or with gross negligence?

(4) If the answer to Question 3 is yes, does this apply even where the conditions for adopting such a specific measure in the case of a corresponding infringement of a national trade mark would not be regarded as fulfilled?'

The first question

20 By its first question, the national court asks whether Article 98(1) of the Regulation is to be interpreted as meaning that the mere fact that the risk of further infringement or threatened infringement of a Community trade mark is not obvious

or is otherwise merely limited constitutes a special reason for a Community trade mark court to refrain from issuing an order prohibiting the defendant from proceeding with such acts.

21 It follows from the need for uniform application of Community law and from the principle of equality that the terms of a provision of Community 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 Community, having regard to the context of the provision and the objective pursued by the legislation in question (see, inter alia, Case 327/82 *Ekro* [1984] ECR 107, paragraph 11; Case C-287/98 *Linster* [2000] ECR I-6917, paragraph 43; and Case C-170/03 *Feron* [2005] ECR I-2299, paragraph 26).

22 That applies to the term 'special reasons' in the first sentence of Article 98(1) of the Regulation.

23 It is true that Article 14(1) of the Regulation provides that 'infringement of a Community trade mark shall be governed by the national law relating to infringement of a national trade mark in accordance with the provisions of Title X'.

24 However, first, as indicated by the words 'in accordance with the provisions of Title X', that reference to the national law of the Member States does not preclude the establishment, by the Community legislature, of a number of rules to govern uniformly the issue of infringement of Community trade marks.

25 Secondly, as is apparent from the second recital in the preamble to the Regulation, the Community arrangements for trade marks established by the Regulation seek, inter alia, to allow undertakings to 'obtain Community trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Community'.

26 It is essential, for the purposes of protecting Community trade marks, to enforce the prohibition against infringement of those marks.

27 If the condition relating to 'special reasons' were to be interpreted differently in the various Member States, the same circumstances could give rise to prohibitions of further infringement or threatened infringement in some Member States and not in others. Consequently, the protection afforded to Community trade marks would not be uniform throughout the entire area of the Community.

28 The term 'special reasons' must therefore be given a uniform interpretation within the Community legal order.

29 In that regard, it must be noted, firstly, that, in the different language versions, the first sentence of Article 98(1) of the Regulation is drafted in mandatory terms (see, inter alia, in Spanish, 'dictará providencia para prohibirle'; in German, 'verbietet'; in English, 'shall ... issue an order prohibiting'; in French, 'rend ... une ordonnance lui interdisant'; in Italian, 'emette un'ordinanza vietandogli'; and, in Dutch, 'verbiedt').

30 It follows that, in principle, a Community trade mark court must issue an order prohibiting further infringement or threatened infringement and, therefore, that the

condition relating to 'special reasons for not doing so' — which the wording of Article 98(1) clearly shows is an exception to that obligation (see, inter alia, in Spanish, '[n]o habiendo'; in German, 'sofern ... nicht ... entgegenstehen'; in English, 'unless there are'; in French, 'sauf s'il y a'; in Italian, 'a meno que esistano'; and, in Dutch, 'tenzij er ... zijn') — must be interpreted strictly.

31 Secondly, Article 98(1) of the Regulation is an essential provision for the purposes of achieving the objective pursued by the Regulation of protecting Community trade marks within the Community.

32 As Advocate General Sharpston pointed out at point 24 of her Opinion, if the issue of a prohibition against further infringement or threatened infringement of a Community trade mark were conditional on an obvious or not merely limited risk of recurrence of such acts, the applicant would probably be required to furnish evidence of that risk. Such evidence regarding the possible conduct of the defendant in the future would be difficult for the applicant to adduce and risk undermining the exclusive right conferred on him by the Community trade mark.

33 Thirdly, as was pointed out in paragraph 25 of this judgment, the protection of Community trade marks must be uniform throughout the entire area of the Community.

34 An interpretation according to which the issue of a prohibition against further infringement or threatened infringement of a Community trade mark was conditional on an obvious or not merely limited risk of recurrence of such acts on the part of the defendant would result in the extent of the protection of that mark varying from one court to another, indeed from one action to another, according to the assessment made of that risk.

35 The above considerations obviously do not preclude a Community trade mark court from not issuing such a prohibition were it to find that further infringement or threatened infringement on the part of the defendant was no longer possible. That would apply in particular if, after the commission of the acts in question, an action were brought against the proprietor of the mark infringed which culminated in a revocation of his rights.

36 The answer to the first question must, therefore, be that Article 98(1) of the Regulation is to be interpreted as meaning that the mere fact that the risk of further infringement or threatened infringement of a Community trade mark is not obvious or is otherwise merely limited does not constitute a special reason for a Community trade mark court not to issue an order prohibiting the defendant from proceeding with those acts.

The second question

37 By its second question, the national court asks whether Article 98(1) of the Regulation is to be interpreted as meaning that the fact that national law includes a general prohibition of the infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened infringement, whether intentional or due to gross negligence, constitutes a special reason for a Community trade mark court not to issue an order prohibiting the defendant from proceeding with those acts.

38 First, as is apparent from the choice of words used by the Community legislature in the first sentence of Article 98(1) of the Regulation, (see, inter alia, in Spanish, 'razones especiales'; in German, 'besondere Gründe'; in English, 'special reasons'; in French, 'raisons particulières'; in Italian, 'motivi particolari'; and, in Dutch, 'speciale redenen'), the term 'special reasons' relates to factual circumstances specific to a given case.

39 The fact that the legislation of a Member State provides for a general prohibition of infringement and for the possibility of penalising further infringement or threatened infringement cannot be regarded as specific to every action for infringement or threatened infringement brought before the Community trade mark courts of that State.

40 Moreover, under Articles 44(1) and 61 of the Agreement on trade-related aspects of intellectual property rights (TRIPs Agreement), which is contained in Annex 1C to the Agreement establishing the World Trade Organisation (WTO Agreement), approved on behalf of the European Community, as regards matters within its competence, by Council Decision 94/800/EC of 22 December 1994 (OJ 1994 L 336, p. 1), all Member States are required to provide for civil and criminal remedies, including prohibition, for infringement of intellectual property rights. The existence of such remedies under national law cannot therefore, a fortiori, constitute a special reason within the meaning of the first sentence of Article 98(1) of the Regulation.

41 Secondly, if the fact that the law of a Member State provides for a general prohibition of infringement and for the possibility of a penalty for further infringement or threatened infringement were to be regarded as a special reason, within the meaning of the first sentence of Article 98(1) of the Regulation,

application of the principle — laid down in that provision — that the Community trade mark courts must, subject to exceptions, issue an order prohibiting further infringement or threatened infringement would depend on the content of the national law applicable.

42 The Community trade mark courts of a Member State whose legislation provides for a statutory general prohibition of infringement and also for the possibility of penalising further infringement would thus automatically be relieved of the obligation to issue an order prohibiting the defendant from proceeding with the acts in question, without even having to look at the specific facts of each case, and, therefore, Article 98(1) of the Regulation would be rendered redundant within the territory of that State.

43 Such an outcome would be incompatible both with the principle of the primacy of Community law and with the requirement that it be uniformly applied.

44 Lastly, as Nokia and the French Government, and also Advocate General Sharpston at points 33 and 34 of her Opinion, point out, the existence, under the national law applicable, of a general prohibition on infringement and the possibility of a penalty in the event of further acts of infringement do not have the same dissuasive effect as a specific prohibition against the defendant from proceeding with those acts, coupled with measures aimed at ensuring that that prohibition is complied with, that prohibition having already been ordered by means of an enforceable court decision. Consequently, the proprietor of the mark infringed cannot be protected in a comparable way where there is no such specific prohibition.

45 The answer to the second question must therefore be that Article 98(1) of the Regulation is to be interpreted as meaning that the fact that the national law includes a general prohibition of the infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened

infringement, whether intentional or due to gross negligence, does not constitute a special reason for a Community trade mark court not to issue an order prohibiting the defendant from proceeding with those acts.

The third question

46 By its third question, the national court asks whether Article 98(1) of the Regulation is to be interpreted as meaning that a Community trade mark court which has issued an order prohibiting the defendant from proceeding with infringement or threatened infringement of a Community trade mark is required to take such measures, in accordance with its national law, as are aimed at ensuring that that prohibition is complied with, even if that law includes a general prohibition of infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened infringement, whether intentional or due to gross negligence.

47 In that regard, it must be pointed out, firstly, that the second sentence of Article 98(1) of the Regulation is drafted in mandatory terms (see, inter alia, in Spanish, 'adoptará las medidas'; in German, 'trifft ... die ... Maßnahmen'; in English, 'shall ... take ... measures'; in French, 'prend ... les mesures'; in Italian, '[p]rende ... le misure'; and, in Dutch, 'treft ... maatregelen').

48 Secondly, unlike the obligation to issue an order prohibiting further infringement or threatened infringement — provided for in the first sentence of Article 98(1) of the Regulation —, which is coupled with a derogation in the event of 'special reasons', the obligation to attach to that prohibition measures aimed at ensuring that it is complied with — provided for in the second sentence of that provision — does not allow for any exception.

49 It follows that, where the Community trade mark court of a Member State has issued an order prohibiting further infringement or threatened infringement, it is required to take, from among the measures provided for under the legislation of that Member State, such as are aimed at ensuring that that prohibition is complied with.

50 Such an interpretation is moreover consistent with the objective pursued by Article 98(1) of the Regulation, which is to protect the right conferred by the Community trade mark.

51 As is apparent from the reply to the second question, the fact that the national legislation applicable includes a general prohibition of the infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened infringement, whether intentional or due to gross negligence, does not relieve a Community trade mark court of the obligation to issue an order prohibiting the defendant from proceeding with those acts.

52 Accordingly, that same circumstance likewise does not relieve it of the obligation to take such measures, in accordance with its national law, as are aimed at ensuring that that prohibition is complied with.

53 The answer to the third question must therefore be that Article 98(1) of the Regulation is to be interpreted as meaning that a Community trade mark court which has issued an order prohibiting the defendant from proceeding with infringement or threatened infringement of a Community trade mark is required to take such measures, in accordance with its national law, as are aimed at ensuring

that that prohibition is complied with, even if the national law includes a general prohibition of infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened infringement, whether intentional or due to gross negligence.

The fourth question

54 By its fourth question, the national court asks, in essence, whether Article 98(1) of the Regulation is to be interpreted as meaning that a Community trade mark court which has issued an order prohibiting the defendant from proceeding with infringement or threatened infringement of a Community trade mark is required to take such measures, in accordance with its national law, as are aimed at ensuring that that prohibition is complied with, where those measures could not, under that law, be taken in the case of a corresponding infringement of a national trade mark.

55 It is apparent from the answers to the second and third questions that the Community legislature has introduced an obligation on Community trade mark courts, first, to prohibit further infringement or threatened infringement of a Community trade mark unless there are special reasons for not doing so, and, secondly, to take such measures as are aimed at ensuring that that prohibition is complied with.

56 Under Article 14(1) of the Regulation, 'infringement of a Community trade mark shall be governed by the national law relating to infringement of a national trade mark in accordance with the provisions of Title X [of the Regulation]'.

57 Thus the nature of the measures referred to in the second sentence of Article 98(1) of the Regulation is to be determined by the national law of the Member State of the Community trade mark court before which the action is brought, as is apparent from the specific reference made by the provision to that law. In this respect, as Advocate General Sharpston stated at point 42 of her Opinion, it is for Member States to provide in their national law for effective measures in order to prevent further infringement or threatened infringement of a Community trade mark.

58 On the other hand, by introducing an absolute requirement for Community trade mark courts to take such measures when they issue an order prohibiting further infringement or threatened infringement, the Community legislature has precluded the national law of a Member State from making such measures contingent on compliance with additional conditions.

59 Consequently, the second sentence of Article 98(1) of the Regulation must be interpreted as not referring to national law as regards the conditions for implementing the measures provided for under that law which are aimed at ensuring that the prohibition against further infringement or threatened infringement is complied with, but as requiring that such measures be ordered as soon as an order prohibiting further infringement or threatened infringement has been made. It follows inter alia that Community trade mark courts are required to take such measures without having regard to the conditions necessary for their implementation under the national law applicable.

60 If that were not the case, the objective of Article 98(1) of the Regulation, which is the uniform protection, throughout the entire area of the Community, of the right conferred by the Community trade mark against the risk of infringement, would not

be achieved. A prohibition against further infringement or threatened infringement which is not coupled with measures aimed at ensuring that it is complied with would, generally speaking, have no dissuasive effect.

61 It is thus a fortiori immaterial that, in equivalent factual circumstances, the national law does not allow the national courts to attach such measures to a prohibition against further infringement of a national trade mark. It must be borne in mind in this connection that although 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) harmonised the content of the rights conferred by national trade marks, it did not harmonise the legal actions intended to ensure that third parties observe those rights.

62 The answer to the fourth question must therefore be that Article 98(1) of the Regulation is to be interpreted as meaning that a Community trade mark court which has issued an order prohibiting the defendant from proceeding with infringement or threatened infringement of a Community trade mark is required to take, from among the measures provided for under national law, such as are aimed at ensuring that that prohibition is complied with, even if those measures could not, under that law, be taken in the case of a corresponding infringement of a national trade mark.

Costs

63 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. **Article 98(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark is to be interpreted as meaning that the mere fact that the risk of further infringement or threatened infringement of a Community trade mark is not obvious or is otherwise merely limited does not constitute a special reason for a Community trade mark court not to issue an order prohibiting the defendant from proceeding with those acts.**

2. **Article 98(1) of Regulation No 40/94 is to be interpreted as meaning that the fact that the national law includes a general prohibition of the infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened infringement, whether intentional or due to gross negligence, does not constitute a special reason for a Community trade mark court not to issue an order prohibiting the defendant from proceeding with those acts.**

3. **Article 98(1) of Regulation No 40/94 is to be interpreted as meaning that a Community trade mark court which has issued an order prohibiting the defendant from proceeding with infringement or threatened infringement of a Community trade mark is required to take such measures, in accordance with its national law, as are aimed at ensuring that that**

prohibition is complied with, even if the national law includes a general prohibition of infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened infringement, whether intentional or due to gross negligence.

4. **Article 98(1) of Regulation 40/94 is to be interpreted as meaning that a Community trade mark court which has issued an order prohibiting the defendant from proceeding with infringement or threatened infringement of a Community trade mark is required to take, from among the measures provided for under national law, such as are aimed at ensuring that that prohibition is complied with, even if those measures could not, under that law, be taken in the case of a corresponding infringement of a national trade mark.**

[Signatures]