Reports of Cases

OPINION OF ADVOCATE GENERAL
MENGOZZI
delivered on 15 November 2012 [1]

Case C-561/11

Fédération Cynologique Internationale
v
Federación Canina Internacional de Perros de Pura Raza

(Reference for a preliminary ruling from the Juzgado de lo Mercantil n. 1 de Alicante y n. 1 de Marca Comunitaria (Spain))

(Community trade mark — Infringement — Term 'third party')

1. By the present reference for a preliminary ruling, the Juzgado de lo Mercantil n. 1 de Alicante (Commercial Court No 1 of Alicante) (Spain) refers to the Court of Justice a question concerning the interpretation of Article 9(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark [2] ('Regulation No 207/2009' or 'the regulation').

2. The question the Court is called upon to settle involves defining the 'third parties' against whom, under the law currently in force, the holder of a registered Community trade mark may bring infringement proceedings. It will, in particular, be necessary to establish whether that term, which appears in Article 9(1) of the regulation, also encompasses the holder of a later registered Community trade mark and whether, in such a case, before he can bring an action for infringement against the proprietor of the later Community trade mark, the proprietor of an earlier Community trade mark must first apply to the Office for Harmonisation in the Internal Market (trade marks and designs) (OHIM) for a declaration that the later Community trade mark is invalid.

3. I must straightaway point out that the problem underlying the question raised in this case which, as will become clearer below, is also a matter of lively debate among Spanish legal commentators and in Spanish case-law, is not altogether new. In point of fact, the Court has recently delivered judgment on a reference for a preliminary ruling, also submitted by the court which made the referral in this case, concerning a very similar question on the interpretation of Regulation (EC) No 6/2002 on Community designs. [3] In my Opinion in that case, [4] I pointed out that, given the significant differences between the registration procedure for Community designs and the registration procedure for Community trade marks, the considerations set out in relation to one sector cannot automatically be applied to the other sector. In analysing the question referred by the national court in this case, I consider it appropriate to take account of the approach taken by the Court in its judgment in *Celaya*, but always bearing in mind the significant procedural differences that exist between the trade marks sector and the designs sector.

1 — Original language: Italian.

2 — OJ 1990 L 78, p. 1.

3 — See Case C-488/10 *Celaya Emparanza y Galdos Internacional* [2012] ECR, in which the Court ruled on a question for a preliminary ruling referred by the Juzgado de lo Mercantil n. 1 de Alicante concerning the interpretation of the term 'any third party' under Article 19(1) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1: 'Regulation No 6/2002').

4 — See my Opinion in Case C-488/10, cited in footnote 3, delivered on 8 November 2011, and points 20 to 23 in particular.

I – Legal context

4. According to recital 7 in the preamble to the regulation, registration of a Community trade mark should be refused in particular if it conflicts with earlier rights. According to recital 8 in the preamble, the protection afforded by a Community trade mark, the function of which is, in particular, to guarantee the trade mark as an indication of origin, should be absolute in the case of identity between the mark and the sign and the goods or services, and that protection should apply also in cases of similarity between the mark and the sign and the goods or services. Moreover, as set out in recital 8, the concept of similarity must be interpreted in relation to the likelihood of confusion.

5. Article 9(1) of the regulation sets out the rights conferred by a Community trade mark on its proprietor:

'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;

(b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) any sign which is identical with, or similar to, the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.'

6. Article 54 of the regulation, headed 'Limitation in consequence of acquiescence', provides that where the proprietor of a Community trade mark has acquiesced, for a period of five successive years, in the use of a later Community trade mark in the Community while being aware of such use, he is no longer entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark.

II – Facts, the main proceedings and the question referred

7. The applicant in the main proceedings, the Fédération Cynologique Internationale ('FCI'), an international association set up in 1911 to support dog-breeding, is the proprietor of mixed Community trade mark No 443875. That trade mark was applied for on 28 June 2005 and registered on 5 July 2006 for certain services in Classes 35, 41, 42 and 44. For information purposes only, that trade mark is reproduced below:



8. The defendant in the main proceedings, the Federación Canina Internacional de Perros de Pura Raza (the 'FCIPPR'), a private association set up in 2004, is the proprietor of three Spanish national trade marks registered for a number of products and services included in Class 16:

— word mark No 2614806, 'FEDERACIÓN CANINA INTERNACIONAL DE PERROS DE PURA RAZA – F.C.I.', applied for on 23 September 2004 and registered on 20 June 2005;

— mixed mark No 2786697, 'FEDERACION CANINA INTERNACIONAL DE PERROS DE PURA RAZA', applied for on 9 August 2007 and registered on 12 March 2008;

— mixed mark No 2818217, 'FEDERACION CINOLOGICA INTERNACIONAL + F.C.I.', applied for on 11 February 2008 and registered on 26 August 2008.

9. On 12 February 2009, FCIPPR applied to OHIM to have the sign reproduced below registered as a Community trade mark for certain products included in Class 16:



10. On 5 February 2010, FCI filed a notice of opposition against the registration of that sign as a Community trade mark. However, as a result of a formal irregularity involving failure to pay the opposition fee, the opposition was rejected and, consequently, on 3 September 2010, the sign reproduced in point 9 above was registered as a Community trade mark under No 7597529.

11. On 18 June 2010, FCI brought before the Juzgado de lo Mercantil n. 1 de Alicante an action for a declaration of invalidity of the national trade marks mentioned in point 8 above, alleging a likelihood of confusion with its Community trade mark No 4438751, reproduced in point 7 above, and also an action for infringement of the latter trade mark. In those proceedings, FCIPPR denied that there was any likelihood of confusion between its national trade marks and Community trade mark No 4438751 and brought a counterclaim seeking to have the latter Community trade mark declared invalid on the ground that it had been registered in bad faith and created a likelihood of confusion with FCIPPR's earlier national trade mark No 2614806.

12. Subsequently, on 18 November 2010, FCI requested OHIM to cancel Community trade mark No 7597529 registered by FCIPPR. However, on 20 September 2011, having regard to the case pending, which has given rise to these proceedings for a preliminary ruling, at the request of FCIPPR, OHIM stayed the proceedings before it.

13. The referring court takes the view that, in the proceedings pending before it, it will be necessary to establish whether the exclusive right which Article 9(1) of the regulation confers on the proprietor of a Community trade mark, in this case FCI, may not be enforced against a third party, which is itself the proprietor of a later registered Community trade mark, in this case FCIPPR, until such time as that later trade mark has been declared invalid.

14. In those circumstances, the Juzgado de lo Mercantil no 1 de Alicante y no 1 de Marca Comunitaria stayed the proceedings and referred the following question to the Court for a preliminary ruling:

'In proceedings for infringement of the exclusive right conferred by a Community trade mark, does the right to prevent the use thereof by third parties in the course of trade provided for in Article 9(1) [of Regulation No 207/2009] extend to any third party who uses a sign that involves a likelihood of confusion (because it is similar to the Community trade mark and the services or goods are similar) or, on the contrary, is the third party who uses that sign (capable of being confused) which has been registered in his name as a Community trade mark excluded until such time as that subsequent trade mark registration has been declared invalid?'

III – Procedure before the Court

15. The order for reference was received at the Court Registry on 8 November 2011. Written observations were submitted by FCI, FCIPPR, the Greek and Italian Governments and the Commission. At the hearing on 3 October 2012, submissions were made by FCI, the Greek Government and the Commission.

IV – Legal analysis

A – *Admissibility of the reference for a preliminary ruling*

16. I must first consider the arguments put forward by FCI in its written observations raising the objection that the reference for a preliminary ruling is inadmissible. FCI claims, first, that the question submitted by the national court is not necessary in order to resolve the dispute in the main proceedings. The infringement proceedings and the invalidity proceedings brought by FCI in the context of the main action are directed solely against the national trade marks held by FCIPPR and not against the subsequent Community trade mark No 7597529, which, according to FCI, was registered after the action in the main proceedings was brought. In addition, that question was raised by the national court of its own motion without the parties being given an opportunity properly to state their views on it.

17. As regards, first, the relevance of the question referred by the national court in the main proceedings, I must point out that, according to settled case-law, questions on the interpretation of European Union law referred by a national court, in the factual and legislative context which that court is responsible for defining and the accuracy of which is not a matter for the Court to determine, enjoy a presumption of relevance. The Court may refuse to rule on a question referred by a national court only where it is quite obvious that the interpretation of European Union law that is sought bears no relation to the actual facts of the main action or its purpose, where the problem is hypothetical, or where the Court does not have before it the factual or legal material necessary to give a useful answer to the questions submitted to it. [5]

18. In this case, there is no evidence to suggest that the national court has formulated a question that is hypothetical or that bears no relation to the actual facts of the main action or its purpose. It is, in fact, clear from the order for reference that, in the main proceedings, FCI complained of the unlawful use of the later Community trade mark in written observations lodged after that trade mark had been registered, and also sought the cessation of the use of any sign that could be confused with the earlier Community trade mark, a claim which therefore includes the subsequent Community trade mark too.

19. As regards, second, the fact that the national court raised the question for a preliminary ruling of its own motion, it is sufficient to recall that, according to settled case-law, the fact that the parties to the main action did not raise a point of European Union law before the referring court does not prevent the latter from bringing the matter before the Court of Justice. In providing that a reference for a preliminary ruling may be submitted to the Court where 'a question is raised before any court or tribunal of a Member State', the second and third paragraphs of Article 267 TFEU are not intended to restrict this procedure exclusively to cases where one or other of the parties to the main action has taken the initiative of raising a point concerning the interpretation or the validity of European Union law, but also extend to cases where a question of this kind is raised by the court or tribunal itself, which considers that a decision thereon by the Court of Justice is 'necessary to enable it to give judgment'. [6]

20. It follows from the foregoing considerations that the question referred must, in my view, be deemed to be admissible.

5 — Of the abundant case-law to that effect, see, most recently, Case C-41/11 *Inter-Environnement Wallonie and Terre wallone* [2012] ECR, paragraph 35, and Case C-599/10 *SAG ELV Slovensko* [2012] ECR, paragraph 15 and the case-law cited.

6 — Case 126/80 *Salonia* [1981] ECR 1563, paragraph 7, and Case C-251/11 *Huet* [2012] ECR, paragraph 23.

B – *The question referred*

1. Introductory remarks

21. As I mentioned above, and as already set out in my Opinion in *Celaya*,[7] the question raised by the national court concerning the definition of the concept of the person (the 'third party') against whom the proprietor of a trade mark may bring infringement proceedings, and the related question whether, in the case of dispute between the proprietors of registered trade marks, an action for a declaration of invalidity must precede any action for infringement, are a matter of lively debate among Spanish legal commentators and in Spanish case-law, although I should point out that these questions are not unprecedented in the European legal landscape.[8]

22. As stated by the Juzgado de lo Mercantil n. 1 de Alicante in its order for reference there is in Spain a line of case-law, according to which, in the field of trade marks, pursuant to a doctrine known as immunity by virtue of registration ('*immunidad registral*'), the fact that a trade mark has been registered protects it against infringement proceedings and, consequently, makes the bringing of such proceedings contingent on a declaration of invalidity in respect of that trade mark, even if it was registered after the trade mark on which the infringement proceedings are based. In essence, according to that doctrine, there is no unlawful act so long as the alleged infringer is using his own registered trade mark, with the result that infringement proceedings cannot be brought until a declaration of invalidity has been obtained in respect of the later registered trade mark.

23. Asked, in the abovementioned judgment in *Celaya*,[9] to rule on a question similar to the question raised in this case, but in the Community designs sector, the Court opted for an approach different from the approach that the doctrine of immunity by virtue of registration would dictate, and declared that the right to prevent third parties from using a Community design conferred by Regulation No 6/2002[10] extends to any third party who uses a design that is not different, including a third party holder of a later registered Community design. The Court thus took the view that the fact that a design has been registered does not confer 'immunity' from infringement proceedings on its proprietor until such time as the registration has been cancelled, and therefore held, in essence, that in cases of dispute involving registered designs, infringement proceedings are not contingent on an action for a declaration of invalidity having previously been brought.

24. Moreover, I have already stated that significant differences exist in the designs and trade marks sectors concerning, in particular, the detailed rules and procedures for registering the relevant intellectual property right, and that those differences preclude the *automatic* application to either sector of considerations and lines of case-law pertaining to the other.[11] I therefore consider it necessary to begin by looking at the procedural differences between the two sectors and then to move on to an assessment of whether those differences justify taking in the trade marks sector an approach that differs from the approach taken by the Court in the designs sector.

7 — See point 3 above, as well as point 19 of my Opinion in *Celaya*, cited in footnote 4.

8 — It is interesting to note that a problem similar to the issue forming the subject-matter of this case arose in Germany as early as the early 20th century when it was the subject of intense debate at the highest levels of jurisdiction of the time. More specifically: in one of its first lines of case-law [in the field], the Reichsgericht held that the use of a registered trade mark could not be regarded as unlawful until such time as that mark had been deleted from the trade mark register (see the judgment of the Reichsgericht of 13 November 1906, II 155/06, RGZ 64, p. 273 et seq., and p. 275 in particular). However, the Reichsgericht itself subsequently 'repudiated' that line of authority in a judgment of 1927 in which it took the view that the objective illegality of the use of a later registered trade mark flowed directly from the priority right of the earlier sign (see Reichsgericht, judgment of 20 September 1927, II 409/26, RGZ 118, p. 76 et seq., and pp. 78 and 79 in particular).

9 — Cited in footnote 3.

10 — Cited in footnote 3.

11 — See point 3 above, as well as my Opinion in *Celaya*, cited in footnote 4, paragraphs 20 to 22.

2. The differences in the registration procedures for designs and trade marks

25. In my abovementioned Opinion in *Celaya*, I pointed out that the essential difference between the procedures for registering designs, on the one hand, and trade marks, on the other, consists in the fact that, in the case of trade marks – but not designs – the relevant legislation provides for a significantly more complex registration procedure which includes a preliminary examination by OHIM, which may be described as an examination 'of the substance', in the course of which third parties may submit observations or even file opposition to the registration of the trade mark.

26. To be more specific, a design is registered almost automatically on the basis of a simplified procedure which involves only a formal review by OHIM of the application for registration. [12] Regulation No 6/2002 does not provide for either a detailed examination prior to registration to establish whether the conditions for conferring protection are met, [13] or for any form of intervention or opposition from third parties during the registration procedure. The provision of a simplified procedure of that nature for the registration of Community designs is intended to keep to a minimum the formalities and other procedural and administrative burdens, as well as the cost to applicants, thereby making registration more readily available to small- and medium-sized enterprises and to individual designers. [14]

27. In the trade marks sector, however, Regulation No 207/2009 provides for a form of '*ex ante*' scrutiny before a Community trade mark is registered, during which OHIM undertakes an examination of the application for registration which constitutes more than a merely formal review, and considers the substance of the application by looking into the possible existence of absolute or relative grounds for refusing registration. [15] During that procedure, once the Community trade mark application has been published, third parties have the opportunity of submitting to OHIM written observations explaining on which grounds the trade mark should automatically be refused registration, particularly because absolute grounds for refusing registration exist. [16] In addition, it is open to the proprietors of earlier rights to file notice of opposition to the registration of the trade mark in question by citing the existence of relative grounds for refusing registration. [17]

28. In the trade marks sector, the position of third parties and of the proprietors of earlier rights in particular, therefore enjoys greater protection, and indeed does so from an early stage in the procedure. In fact, the system affords third parties procedural options which they do not have in relation to designs. More specifically, Regulation No 207/2009 offers the proprietor of an earlier trade mark the opportunity of objecting in advance to the registration of a later trade mark which, in his view, adversely affects his own registered trade mark, but that opportunity is not available to the proprietor of a design because of the need for rapidity set out in point 26.

29. The differences in registration procedures that I have just described imply that the registration of a trade mark, which will have been made on completion of a complex procedure, must be viewed with greater 'respect' than the registration of a design. [18] The establishment of an *ex ante* system of protection of the kind defined by Regulation No 207/2009 therefore means that the risk of abusive registrations of trade marks, or in any event of registrations which adversely affect earlier rights, is

12 — The procedure for registering designs is set out in Title V (Articles 45 to 50) of Regulation No 6/2002, cited in footnote 3.

13 — See recital 18 in the preamble to Regulation No 6/2002, cited in footnote 3. It is also necessary to point out that Article 47 of that regulation provides for an – albeit relatively limited – examination of certain 'grounds for non-registrability'.

14 — See recitals 18 and 24 in the preamble to Regulation No 6/2002, cited in footnote 3.

15 — The absolute grounds for refusing registration are defined in Article 7 of Regulation No 207/2009 (see also Article 37 of the regulation); the relative grounds for refusing registration are defined in Article 8 of Regulation No 207/2009 (see also Articles 40 to 42 of the regulation).

16 — See Article 40 of Regulation No 207/2009.

17 — See Articles 41 and 42 of Regulation No 207/2009. In that connection, see also Article 38 of Regulation No 207/2009 which provides for a procedure to search for earlier trade marks which may potentially be in conflict with the trade mark applied for.

18 — See point 23 of my Opinion in *Celaya*, cited in footnote 4.

significantly reduced compared with the risk that exists in the designs sector.[19] The registration of a sign as a Community trade mark following a procedure of that nature therefore confers on the proprietor a greater degree of legal certainty as regards the fact that his Community trade mark does not adversely affect earlier rights.

30. Those considerations do not, however, mean that the risk of registrations that adversely affect earlier rights in the trade marks sector is absolutely excluded or that there may not, in that sector too, be circumstances in which a Community trade mark is registered, even though it is capable of prejudicing the exclusive right conferred on the proprietor of another earlier registered trade mark. Situations of that nature may, for instance, arise in cases in which the proprietor of the earlier trade mark has not filed opposition to the registration of the later trade mark or, as in the case forming the subject-matter of the main proceedings, in cases in which the opposition has not been successful for reasons unrelated to the examination of the substance, including, for instance, reasons of a procedural nature.[20]

31. Consequently, although far less likely, in the trade marks sector too there may be cases in which, just as may happen in the designs sector, a Community trade mark is registered which is capable of prejudicing the function as an indicator of origin of another earlier registered trade mark. And it is for that reason also that in the trade marks sector, just as is moreover provided in the designs sector, Regulation No 207/2009 provides for forms of protection that we may define as '*ex post*' protection, namely, the action for a declaration of invalidity and the action for infringement, which are designed, respectively, to remove from the system trade marks that ought not to have been registered or to prevent the effects of signs that adversely affect an earlier trade mark. I describe these forms of protection as '*ex post*' protection because, in cases of conflict between registered trade marks, they may be brought into play by the proprietor of the earlier trade mark, after the later mark infringing or adversely affecting [his rights] has been registered, in order to protect his own trade mark, regardless of whether opposition to the registration of the later trade mark forming the subject-matter of the action has been filed or of the outcome of such opposition.

32. In reality, it seems to me that this is precisely the crux of the problem arising in this case: is the fact that there is, in the trade marks sector, a form of '*ex ante*' protection – consisting in the opportunity for the proprietor of an earlier trade mark to file opposition to the registration of a trade mark – which is accompanied by the forms of '*ex post*' protection common to both the designs sector and the trade marks sector, capable of justifying an approach different from the approach taken by the Court in its abovementioned judgment in *Celaya*, in that it excludes from the concept of third party under Article 9(1) of Regulation No 207/2009 the proprietor of a duly registered later trade mark until such time as that trade mark has been cancelled? As I shall explain in detail below, in my view, the answer to that question is 'no'.

19 — See point 23 of my Opinion in *Celaya*, cited in footnote 4. The provision of a system of that nature therefore means that it is not possible to apply to the trade marks sector the considerations set out in that Opinion concerning the hypothetical possibility that, if it is recognised that an action for infringement must be preceded by an action seeking a declaration of invalidity, an infringer acting in bad faith may employ delaying tactics by repeatedly registering marginally different designs, in theory even after the later design at issue has been cancelled, in order to continue marketing a fundamentally identical product, thereby seriously undermining the system and the effectiveness of European Union law on designs (see points 31 to 33 of my Opinion in *Celaya*). Situations of that nature cannot in fact arise in the trade marks sector, since, in such cases, the proprietor of the Community trade mark always has the opportunity of blocking in advance registration of the later trade mark applied for in bad faith, by filing opposition to its registration pursuant to Article 41 of Regulation No 207/2009.

20 — The fact that situations of this kind may arise may be inferred, moreover, from a reading of Article 53(1) and Article 57(5) of Regulation No 207/2009.

3. The question referred

33. By the question referred, the national court asks the Court of Justice to interpret the term 'third party' within the meaning of Article 9(1) of Regulation No 207/2009, by establishing whether, under that provision, the proprietor of a registered Community trade mark may directly instigate infringement proceedings against the proprietor of a later registered Community trade mark or if, on the contrary, he may do so only after obtaining a declaration that the later Community trade mark is invalid.

34. In its order for reference, the national court indicates that reasons of a textual, systematic, logical and functional nature argue in favour of an interpretation of Article 9(1) consistent with the interpretation established by the Court in its abovementioned judgment in *Celaya* in regard to designs, according to which the proprietor of a registered Community trade mark may prevent *any* third party from using a sign included in the categories listed in Article 9(1)(a)(b) and (c) of Regulation No 207/2009, regardless of whether or not that sign was registered subsequently by the third party as a Community trade mark. FCI, the Commission and the Greek and Italian Governments have taken that same line.

35. However, the national court points out that, in accordance with the line adopted in Spanish case-law pursuant to the abovementioned doctrine of *inmunidad registral*,[21] Article 9(1) of Regulation No 207/2009 could also be construed as preventing the proprietor of an earlier Community trade mark from prohibiting the use of the later registered trade mark until such time as the latter mark has been declared invalid. According to the national court, that second possible interpretation is based on the principle '*neminem laedit, qui jure suo utitur*,' according to which a person exercising his rights, in this case the right of use resulting from the registration of the later Community trade mark, harms no one. Only FCIPPR has supported that view, pointing in particular to the need to protect the exclusive right conferred by the registration of the trade mark, in accordance with the principle of legal certainty.

36. And so, just as in *Celaya*, we find ourselves in a situation in which, whatever the solution arrived at, an intellectual property right, in this case a registered trade mark, will not ultimately confer complete and absolute protection on its holder.[22]

37. In fact, from the point of view of the earlier trade mark, if it should be found that that the holder of that earlier trade mark may instigate infringement proceedings against the proprietor of a later registered trade mark, that solution would erode the degree of protection guaranteed to the proprietor of the later trade mark, who could find himself forbidden to use it, even though it had been duly registered. On the other hand, should the point of view be that of the later trade mark, and should it be found that bringing an action for infringement to protect the earlier trade mark was contingent upon a previous declaration of invalidity of the later trade mark, the protection afforded to the earlier trade mark would be diminished, for its registration would not guarantee its proprietor the *exclusive* right to use it, conferred on him by Article 9(1) of Regulation No 207/2009, at least until such time as the – identical or similar – later trade mark had been cancelled.

21 — See point 22 above.

22 — See my Opinion in *Celaya*, cited in footnote 4 above, point 30.

38. In the first case, the right to prevent use (*jus excludendi*) of the holder of the earlier trade mark, that is to say, the right to prevent third parties from using the sign constituting that trade mark without his consent, would be accorded precedence over the right to use (*jus utendi*) of the holder of the later trade mark, that is to say the right to use the sign constituting that trade mark. [23] In that second case, the balance struck between the two rights would be exactly the opposite. As in the case of designs, opting for one or the other interpretation therefore concerns two rights that are in principle equivalent.

39. In deciding which of the rights conferred by the two trade marks at issue, the earlier trade mark and the later trade mark, should take precedence, it is not, in my view, possible to disregard a fundamental principle that informs the system of protection set in place for trade marks and constitutes a universally-recognised and fundamental principle of intellectual property in general, namely, the *priority principle*, in accordance with which the earlier exclusive right, in this case an earlier registered Community trade mark, takes precedence over subsequently established rights, and thus, in this case, over later registered Community trade marks. [24] In point of fact, as correctly stated by the Commission in its observations, and in line with the Court's findings in relation to designs in its judgment in *Celaya*, [25] the provisions of Regulation No 207/2009 cannot but be interpreted in the light of that fundamental principle in the sphere of trade marks, which is expressed in specific provisions of Regulation No 207/2009 itself, [26] and in provisions of other legislation too, including both Union [27] and international legislation, [28] on trade marks.

40. It follows, in particular, from Regulation No 207/2009 both that only signs capable of being represented graphically and of performing the essential function of a trade mark, that is to say, that of distinguishing the goods and services of one undertaking from the goods and services of other undertakings, may constitute Community trade marks and so benefit from the relevant protection that is acquired through registration, and that the protection conferred by the Community trade mark must be *absolute* in relation to similar or identical signs which create a likelihood of confusion. [29] This absolute protection conferred on the trade mark applies regardless of whether or not the signs that create a likelihood of confusion are registered as Community trade marks.

23 — In contrast to certain national laws, such as Spanish law, and in contrast also to Regulation No 6/2002, Article 9(1) of Regulation No 207/2009, like, moreover, Article 5(1) of 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), merely provides that a Community trade mark confers on its proprietor 'exclusive rights' therein, clarifying the nature of that exclusive right solely in terms of the ability to prohibit third parties from using in the course of trade the signs referred to in Article 9(1)(a), (b) and (c). Legal writers have, however, pointed out that this 'exclusive right' embraces not only the negative right set out in the provision - the *jus excludendi* - consisting in the right to prohibit third parties from using a sign that is similar or identical, but also the positive right, that is to say the right actually to use that sign, namely, the *jus utendi*, which may also be exercised by licensing use of the trade mark. The existence of that positive right is, moreover, inherent in ownership of the trade mark. Indeed, as pointed out by Advocate General Jacobs at points 33 and 34 of his Opinion in *Hölterhoff* (Case C-2/00 [2002] ECR I-4187), delivered on 20 September 2001, a trader registers a trade mark primarily not to prevent others from using it but in order to use it himself. Furthermore, the right to use a trade mark constitutes a central and essential element of ownership and, therefore, also an intellectual property right.

24 — In principle, the priority attaching to a trade mark is determined by the date on which the application for registration of the trade mark was filed (see, in that context, Article 8(2) and Article 27 of Regulation No 207/2009). More specific definitions of the priority principle are also to be found in point 57 of the Opinion of Advocate General Trstenjak in Case C-482/09 *Budějovický Budvar* [2011] ECR I-8701, as well as in point 54 of the Opinion of Advocate General Jääskinen in Case C-190/10 *Génesis sguro generales* [2012] ECR.

25 — See paragraphs 39 and 40 of that judgment, cited in footnote 3.

26 — See, for example, recital 7 in the preamble, as well as Article 8, Sections 2, 3 and 4 of Title III (Articles 29 to 35), and Articles 41, 42, 53 and 54 of the regulation.

27 — See, for example, Article 4(1), (2), (3) and (4), Articles 5, 6(2), 9, 11(4) and 14 of Directive 2008/95/EC, cited in footnote 23.

28 — See, for example, Article 4, A(1) and B of the Paris Convention for the Protection of Industrial Property (Convention signed in Paris on 20 March 1883, most recently revised in Stockholm on 14 July 1967 and amended on 28 September 1979 (United Nations Treaty Series, Vol. 828, No 11851, p. 305). The English version of the Convention can be accessed on the following website: www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html.

29 — See recitals 7 and 8 in the preamble, as well as Articles 4 and 6 of Regulation No 207/2009. The emphasis is mine.

41. In case of conflict between two registered Community trade marks, I consider that the application of the priority principle leads, first, to the assumption that the first registered trade mark satisfies the conditions required to obtain Community protection ahead of the later registered trade mark and. secondly, to making the ambit of the protection guaranteed to the later Community trade mark depend on there being no earlier rights conflicting with it. Consequently, in case of conflict between registered Community trade marks, the protection conferred by Regulation No 207/2009 on the later Community trade mark will be justified only if the proprietor of that later trade mark is able to prove that the earlier trade mark fails to satisfy a condition necessary for its protection [30] or that there is no conflict between the trade marks. [31]

42. Those considerations apply regardless of the fact that, in contrast to the procedure for registering designs, the procedure for registering a Community trade mark gives third parties the possibility of filing opposition to the registration of the later mark. In fact, as set out in points 30 and 31, although the provision of an '*ex ante*' review of that kind accords the proprietor of the later registered trade mark a greater degree of legal certainty and, compared with the designs sector, makes it less likely that trade marks which adversely affect earlier rights will be registered, the fact that a sign is registered as a Community trade mark does not absolutely guarantee that it does not adversely affect the exclusive right conferred by a trade mark registered earlier. Although relevant, the procedural differences which exist between the designs sector and the trade marks sector are not, in my view, such as to justify an interpretation of the provision at issue that fails to take due account of the priority principle. [32]

43. Furthermore, where the proprietor of the earlier trade mark takes action to protect his own rights from a sign which adversely affects them, even though that sign is a trade mark that was lawfully registered subsequently, the system of protection established by Regulation No 207/2009 must guarantee him the possibility of obtaining a ban on the use of that prejudicial trade mark as swiftly as possible, since the presence on the market of such a trade mark is capable of undermining the essential function of the earlier trade mark. [33] It is, moreover, obvious that the longer the two marks in conflict co-exist on the market, the greater the potential or actual prejudice to the earlier trade mark.

30 — Something which the proprietor of the later trade mark will be able to do by seeking a declaration of invalidity of the earlier trade mark from OHIM or, possibly, by a counterclaim before the trade mark court before which an action for infringement has been brought against him.

31 — Something which the proprietor of the later trade mark will be able to do before the trade mark court before which the action for infringement has been brought against him.

32 — Of course, it could possibly be objected that both the failure to file opposition, as well as the rejection of the opposition for reasons of a procedural nature, as in the case before the national court (the failure to pay the opposition fee) stem from a kind of 'negligence' on the part of the proprietor of the earlier trade mark who failed to exercise, or failed properly to exercise, the right to file opposition accorded to him under Regulation No 207/2009. Therefore, in contrast to the situation in the designs sector, in the trade marks sector, the proprietor of the earlier trade mark could be regarded as at least partially responsible for the fact that the later trade mark was ever registered and, thus, for the situation of legal uncertainty which has ensued. That co-responsibility could be therefore be 'penalised' by requiring the proprietor of the earlier trade mark to await a declaration of invalidity of the later trade mark before being able to instigate infringement proceedings to protect his earlier trade mark. My response to that possible objection would be, first, that it is not certain that the failure to file opposition is necessarily the result of negligence on the part of the proprietor of the earlier trade mark. There could, for instance, be cases in which the likelihood of confusion between two trade marks does not become apparent until the later sign has actually been used and, thus, not until the two signs in conflict co-exist on the market. Second, and in any event, I consider that the failure to exercise, or properly to exercise, the right to file opposition, cannot call into question the application of a fundamental principle in relation to trade marks such as the priority principle, according to which the earlier right takes precedence over the later right.

33 — Namely, as set out in point 40, to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish that product or service from others which have another origin. In that connection, of the abundant case-law to that effect, see most recently Joined Cases C-90/11 and C-91/11 *Alfred Strigl and Others* [2012] ECR, paragraph 30.

44. In that connection, it is important to note that the Court has already had occasion repeatedly to explain that the absolute protection accorded to a trade mark by the exclusive right conferred by the relevant legislation on its proprietor is designed specifically to enable the latter to protect his own specific interests as the trade mark holder, namely, to guarantee that the trade mark can perform its functions.[34] In my view, Article 9(1) of Regulation No 207/2009 cannot be construed in terms other than those set out in that settled case-law.

45. Moreover, as correctly stated by the Commission, to make the bringing of an action for infringement contingent on a declaration of invalidity in respect of the later trade mark would, in the final analysis, entail the risk of disproportionately delaying the infringement proceedings because, in addition to awaiting OHIM's decision on invalidity, which will not be reached until two stages of internal administrative review have been completed, the proprietor of the earlier Community trade mark might have to await the outcome of any action brought before the General Court and, possibly, on appeal before the Court of Justice.[35] The earlier trade mark and the prejudicial trade mark might therefore co-exist on the market for several years, with potentially serious adverse effects for the proprietor of the earlier trade mark.

46. Furthermore, the position of the proprietor of the later trade mark seems to me to be in any event protected from any abusive instigation of infringement proceedings by the proprietor of an earlier trade mark because he will be able to defend himself before the Community trade mark court where he can invoke any rejection by OHIM of the opposition on the substance,[36] as well as being able to bring a counterclaim for revocation of invalidity of the earlier trade mark on which the action for infringement is based.[37] Moreover, as set out in points 40 and 41, the scope of the protection accorded to his trade mark is, from the outset, dependent on there being no earlier rights conflict with that mark.

47. In my view, it is clear from the foregoing considerations that only an interpretation of the term 'third party' under Article 9(1) of Regulation No 207/2009 consistent with the priority principle and including *any* third party, and so including a third party who is the proprietor of a later Community trade mark, is apt to guarantee the objective of absolute protection for registered Community trade marks pursued by Regulation No 207/2009.

48. Moreover, in addition to the considerations set out above, there are other considerations of a textual and systemic nature that militate, in my view, in favour of the interpretation just proposed of Article 9(1) of Regulation No 207/2009.

49. In point of fact, in terms of the text, it must be pointed out that, even though Regulation No 207/2009 contains no specific provision making it possible for the proprietor of an earlier registered Community trade mark to bring an action for infringement against the proprietor of another Community trade mark registered later, the text of Article 9(1) of Regulation No 207/2009

34 — See, by analogy, in relation to Article 5(1) of Directive 89/104/EEC to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1, repealed and replaced by Directive 2008/95/EC, cited in footnote 23), Case C-487/07 *L'Oréal and Others* [2009] ECR I-5185, paragraph 58, and Case C-376/11 *Pie Optiek and Others* [2012] ECR, paragraph 46 and the case-law cited. It must also be pointed out that, according to the case-law cited, those functions include not only the essential function cited in point 40 above and in footnote 33, but also the trade mark's other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.

35 — See, in that context, Title VII of Regulation No 207/2009 and Articles 58, 64(3) and 65 in particular.

36 — Of course, the decision of OHIM to reject the opposition on the substance will not be binding on the national court. But, depending on the different national rules of procedure, it is bound to constitute 'significant evidence' of the absence of infringement. Moreover, although applying the same criteria as established by OHIM in the context of the opposition, given the similarity between the circumstances set out in Article 8(1)(a) and (b) and Article 8(5), on the one hand, and in Article 9(1)(a), (b) and (c) of Regulation No 207/2009, [on the other], the decision on infringement which the national court is required to take is not exactly the same. That decision actually differs because, in the infringement proceedings, the comparison between the signs at issue and the products for which they are used actually takes the form of an '*ex post*' analysis of their use on the market and not, as in opposition proceedings, an '*ex ante*' analysis of a provisional and hypothetical nature based principally on the outcome of the applications for registration.

37 — See Article 96(d) and Article 100 of Regulation No 207/2009.

confers on the proprietor of a registered Community trade mark the exclusive right to use that trade mark to prevent 'all third parties', without distinction according to whether or not the third party is the proprietor of a later registered Community trade mark, from using without his consent a sign which adversely affects his trade mark.[38] Moreover, it seems to me likely that, had the legislature intended to introduce a rule protecting the holders of later registered designs, it would have done so explicitly.

50. As regards systemic interpretation, it must next be noted that no provision of Regulation No 207/2009 provides for any immunity from the prohibition laid down in Article 9(1) thereof for a third party proprietor of a later trade mark,[39] although the regulation does establish certain restrictions on the exclusive right conferred on the proprietor of a registered trade mark.[40] Particular significance attaches in that regard to Article 54 of Regulation No 207/2009. It is clear from Article 54 that only if the conditions that it lays down are satisfied (acquiescence in use for five consecutive years) is there a bar to actions for invalidity and infringement against the proprietor of another later Community trade mark. It may therefore be inferred, *a contrario*, that if those conditions are not satisfied, the proprietor of the earlier trade mark may indeed bring an action for infringement against the proprietor of the later registered Community trade mark.

51. Article 54 of Regulation No 207/2009 is, moreover, relevant in that connection in terms of the systemic interpretation of the regulation. It is in fact possible to infer from the distinction which Article 54 draws between an application for a declaration of invalidity of the later trade mark and opposition to the use of that trade mark that Regulation No 207/2009 regards invalidity proceedings and infringement proceedings as two separate forms of action, for it does not stipulate that one must precede the other.[41]

52. In point of fact, in the trade mark sector too, as in the field of Community designs, Regulation No 207/2009 clearly distinguishes the two types of action, which differ in object, effect and purpose. On the one hand, Article 96 of Regulation No 207/2009 accorded the national Community trade mark courts exclusive jurisdiction to settle disputes relating to infringement. On the other, as regards actions for a declaration of invalidity in respect of trade marks, however, Regulation No 207/2009 opted for the centralised treatment of such actions by OHIM, although, as in the designs sector, that rule is tempered by the fact that it is possible for Community trade mark courts to hear counterclaims for a declaration of invalidity of a registered Community trade mark raised in connection with infringement actions. There is nothing to indicate that it was the legislature's intention to make the bringing of one action contingent on the other's having been instigated previously or at the same time.[42]

38 — In that connection, I would point out that while the Italian and German versions of Regulation No 207/2009 refer generally to 'terzi' and 'Drittens', the French, English and Spanish versions are still more explicit in referring to the prohibition on *any* third party since they employ the expressions 'tout tiers', 'all third parties' and 'cualquier tercero' respectively.

39 — In my view, no form of immunity of that nature may be inferred, as maintained by FCIPPR in its observations, from the provision under Article 6 of Regulation No 207/2009 according to which a Community trade mark is to be obtained by registration. In point of fact, like all of the other provisions of Regulation No 207/2009, Article 6 must be interpreted in the light of the priority principle (see point 39 above).

40 — In particular, in addition to Article 54 of Regulation No 207/2009, which is analysed later in this Opinion, we may cite Article 12 of the regulation which lays down certain limitations on the proprietor's right to prevent third parties from using the Community trade mark in the course of commerce, as well as Article 13 of the regulation which provides that the right conferred by a Community trade mark does not permit the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.

41 — As the Commission correctly pointed out, other provisions of Regulation No 207/2009, such as Article 1(2) or Article 110, explicitly establish a distinction between the two forms of action.

42 — It is necessary to point out, in that connection, that, according to Article 100(7) of Regulation No 207/2009, the Community trade mark court hearing a counterclaim for revocation or for a declaration of invalidity may stay the proceedings on application by the proprietor of the Community trade mark and after hearing the other parties and may request the defendant to submit an application for revocation or for a declaration of invalidity to OHIM. In the first place, however, that provision merely gives the court the *option* of staying the proceedings; second, it is designed to prevent conflicting decisions being taken in relation to the invalidity of the earlier trade mark and, third, and in any event, it relates exclusively to the possible invalidity of the earlier trade mark on which the infringement proceedings are based and not to the legitimacy of the later registration of the sign against which infringement proceedings have been instigated.

53. Furthermore, I consider that the interpretation proposed of the term 'third party' within the meaning of Article 9(1) of Regulation No 207/2009 does not raise particular problems in relation to the division of jurisdiction between the Community trade mark courts and OHIM. While it is true that, as I had stated in relation to the designs sector,[43] in the trade mark sector too it is possible that the legal position of the later trade mark may remain equivocal, if the proprietor of the earlier Community trade mark, who was successful in his infringement action against the proprietor of the later Community trade mark, fails to take action to obtain a declaration of invalidity in respect of that later trade mark, it seems to me that the reasons that led me to consider that such legal uncertainty could not be decisive in interpreting the term 'third party' against whom the holder of the design[44] may instigate infringement proceedings, apply *mutatis mutandis* to the trade marks sector.[45] Indeed, I actually consider that, as set out in points 43 and 45, to the extent that it would jeopardise the effectiveness of infringement proceedings, the alternative interpretation would be likely to undermine the system of protection set in place by Regulation No 207/2009.

54. In the light of the foregoing, the question referred by the national court must, in my view, be answered to the effect that, on a proper construction of Article 9(1) of Regulation No 207/2009, in proceedings for infringement of the exclusive right conferred by a Community trade mark, the right to prevent the use of that mark by third parties extends to any third party, including a third party who holds a later registered Community trade mark.

55. In order to provide the national court with the most complete picture possible, I consider it appropriate to point out that, were the Court to accept the interpretation of the term 'third party' within the meaning of Article 9(1) of Regulation No 207/2009 which I have proposed in point 54, that interpretation would have also to include a third party who is the holder of a later registered trade mark in a Member State, regardless of the substance of the relevant national legislation.

56. As well as being illogical and inconsistent, an interpretation other than that set forth above would in fact jeopardise the effectiveness of Article 9(1) of Regulation No 207/2009 by making it possible to limit, on the basis of the national registration of a sign, the protection conferred on the proprietor of the earlier Community trade mark by the provisions of Regulation No 207/2009. Moreover, in my view, a different interpretation would be at odds with the unitary nature of the trade mark,[46] for the proprietor of the earlier Community trade mark would be accorded differing protection in the various Member States, depending on whether the national law afforded him the possibility of instigating proceedings against an infringer without awaiting the cancellation of the later national trade mark adversely affecting his rights.

43 — See my Opinion in *Celaya*, cited in footnote 4, points 39 to 44.

44 — In my Opinion in *Celaya*, cited in footnote 4, I noted, at points 39 to 44, both that the possibility that the proprietor of the later trade mark would use it after being unsuccessful in infringement proceedings was remote and that even were the trade mark, which was still formally valid as it had not been declared invalid, used in breach of the rights of a third party, it would be open to the latter to have it declared invalid by way of a counterclaim.

45 — Of course, if an action for infringement against a later Community trade were successful following a rejection on the substance of an opposition concerning the same earlier Community trade mark on which the action for infringement was based, there would be a potential conflict between the decision taken by OHIM in the opposition proceedings and the decision of the trade mark court. However, that seems to me to be a remote possibility given that, as mentioned in footnote 36, OHIM's finding that there is no infringement should act as 'significant evidence' in the proceedings at national level. Moreover, a conflict of that nature could possibly be justified in the light of the differing perspectives of the opposition and infringement proceedings, again mentioned in footnote 36.

46 — See recital 3 in the preamble and Article 1(2) of Regulation No 207/2009.

57. To that same effect, I consider it appropriate finally to point out that, in accordance with the need, repeatedly acknowledged by the Court,[47] for the uniform application of European Union law, the interpretation of the term 'third party' in Article 9(1) of Regulation No 207/2009 cannot but extend to the analogous term set out in Article 5(1) and (2) of Directive 2008/95/EC, which is framed correspondingly.[48]

V – Conclusion

58. In the light of the foregoing I propose that the Court give the following answer to the question referred by the Juzgado de lo Mercantil n. 1 de Alicante:

On a proper construction of Article 9(1) of Council Regulation No 207/2009 of 26 February 2009 on the Community trade mark, in proceedings for infringement of the exclusive right conferred by a Community trade mark, the right to prevent the use of that mark by third parties extends to any third party using a sign which creates a likelihood of confusion, including a third party who holds a later registered Community trade mark.

47 — See, among others, Case C-168/08 *Hadadi* [2009] ECR I-6871, paragraph 38; Case C-467/08 *Padawan* [2010] ECR I-10055, paragraph 32; and Case C-536/09 *Omejc* [2011] ECR I-5367, paragraph 19.

48 — Moreover, the Court has, on numerous occasions, interpreted in parallel Article 9 of Regulation No 207/2009 and the corresponding provision of Directive 2008/95/EC or, prior to it, of Directive 89/104/EEC. See Case C-323/09 *Interflora* [2011] ECR I-8625, paragraph 38 and the case-law cited.