JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

16 December 2008 *

In Joined Cases T-225/06, T-255/06, T-257/06 and T-309/06,

Budějovický Budvar, národní podnik, established in Česke Budějovice (Czech Republic), represented by F. Fajgenbaum and C. Petsch, lawyers,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of OHIM, intervener before the Court of First Instance, being

* Language of the case: English.

Anheuser-Busch, Inc., established in Saint Louis, Missouri (United States), represented initially by V. von Bomhard, A. Renck, B. Goebel and A. Pohlmann, and subsequently by von Bomhard, Renck and Goebel, lawyers,

ACTIONS brought against decisions of the Second Board of Appeal of OHIM of 14 June 2006 (Case R 234/2005-2), 28 June 2006 (Cases R 241/2005-2 and R 802/2004-2) and 1 September 2006 (Case R 305/2005-2) relating to opposition proceedings between Budějovický Budvar, národní podnik and Anheuser-Busch, Inc.,

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (First Chamber),

composed of V. Tiili, President, F. Dehousse (Rapporteur) and I. Wiszniewska-Białecka, Judges,

Registrar: K. Pocheć, Administrator,

having regard to the applications lodged at the Registry of the Court on 26 August (Case T-225/06), 15 September (Cases T-255/06 and T-257/06) and 14 November 2006 (Case T-309/06),

having regard to the responses lodged by OHIM at the Registry of the Court on 30 January (Case T-225/06), 20 February (Case T-257/06), 26 April (Case T-255/06) and 27 April 2007 (Case T-309/06),

having regard to the responses lodged by Anheuser-Busch, Inc. at the Registry of the Court on 30 January (Case T-225/06), 28 February (Case T-257/06), 7 May (Case T-255/06) and 24 May 2007(Case T-309/06),

having regard to the order by the President of the First Chamber of the Court of 25 February 2008 joining the present Cases for the purposes of the oral procedure, pursuant to Article 50 of the Court's Rules of Procedure,

further to the hearing on 1 April 2008,

gives the following

Judgment

Legal context

A — *International law*

1 Articles 1 to 5 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration ('the Lisbon Agreement') adopted on 31 October 1958,

as revised at Stockholm on 14 July 1967 and as amended on 28 September 1979, provides as follows:

'*Article 1*

(1) The countries to which this Agreement applies constitute a Special Union within the framework of the Union for the Protection of Industrial Property.

(2) They undertake to protect on their territories, in accordance with the terms of this Agreement, the appellations of origin of products of the other countries of the Special Union, recognised and protected as such in the country of origin and registered at the International Bureau of Intellectual Property … referred to in the Agreement establishing the World Intellectual Property Organisation …

Article 2

(1) In this Agreement, "appellation of origin" means the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

(2) The country of origin is the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its reputation.

Article 3

Protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as “kind”, “type”, “make”, “imitation”, or the like.

Article 4

The provisions of this Agreement shall in no way exclude the protection already granted to appellations of origin in each of the countries of the Special Union by virtue of other international instruments, such as the Paris Convention of March 20, 1883, for the Protection of Industrial Property and its subsequent revisions, and the Madrid Agreement of April 14, 1891, for the Repression of False or Deceptive Indications of Source on Goods and its subsequent revisions, or by virtue of national legislation or court decisions.

Article 5

(1) The registration of appellations of origin shall be effected at the International Bureau, at the request of the Offices of the countries of the Special Union, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations.

(2) The International Bureau shall, without delay, notify the Offices of the various countries of the Special Union of such registrations, and shall publish them in a periodical.

(3) The Office of any country may declare that it cannot ensure the protection of an appellation of origin whose registration has been notified to it, but only in so far as its declaration is notified to the International Bureau, together with an indication of the grounds therefor, within a period of one year from the receipt of the notification of registration, and provided that such declaration is not detrimental, in the country concerned, to the other forms of protection of the appellation which the owner thereof may be entitled to claim under Article 4, above.

…'

2 Rules 9 and 16 of the Regulations under the Lisbon Agreement, as in force on 1 April 2002, provide as follows:

'*Rule 9*

Declaration of refusal

(1) A declaration of refusal shall be notified to the International Bureau by the competent authority of the contracting country for which the refusal is issued and shall be signed by that authority.

…

Rule 16

Invalidation

(1) Where the effects of an international registration are invalidated in a contracting country and the invalidation is no longer subject to appeal, the invalidation shall be notified to the International Bureau by the competent authority of that contracting country.

…'

3 Articles 1 and 2 of the Treaty on the protection of indications of source, appellations of origin and other designations referring to the source of agricultural and industrial products, signed on 11 June 1976 by Austria and the Czechoslovak Socialist Republic, and latterly incorporated into the legal order of the Czech Republic ('the bilateral convention') provides as follows:

'*Article 1*

Each of the contracting States undertakes to take all the necessary measures to ensure effective protection against unfair competition in the course of trade for indications of source, designations of origin and other designations referring to the source of the agricultural and industrial products in the categories referred to in Article 5 and listed

in the agreement provided for in Article 6, and the names and illustrations referred to in Articles 3, 4 and 8(2).

Article 2

Indications of source, designations of origin and other designations referring to the source within the meaning of this agreement mean all indications which relate directly or indirectly to the source of a product. Such an indication generally consists of a geographical designation. However, it may also consist of other information, if in the relevant consumer circles of the country of origin this is perceived, in connection with the product thus designated, as a reference to the country of production. In addition to the indication of source from a particular geographical area, the abovementioned designations may also contain information on the quality of the product concerned. These particular features of the product shall be determined solely or predominantly by geographical or human influences.'

4 Point 2 of Article 5(1)B of the bilateral convention refers to beers as one of the categories of Czech products concerned by the protection established by that convention.

5 Under Article 6 of the bilateral convention, 'designations of the individual products meeting the conditions laid down in Articles 2 and 5 which enjoy protection under the agreement and which are therefore not generic names will be listed in an agreement to be concluded between the Governments of the two contracting States'.

6 Article 16(3) of the bilateral convention provides that the two contracting parties may denounce the agreement by giving notice of at least one year, issued in writing and through diplomatic channels.

7 In accordance with Article 6 of the bilateral convention, an agreement on its application ('the bilateral agreement') was concluded on 7 June 1979. Annex B to the bilateral agreement includes, under the heading 'Czechoslovak designations for agricultural and industrial products' in the category 'beer', the appellation 'Bud'.

B — *Community law*

8 Articles 8 and 43 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, are worded as follows:

'*Article 8*

Relative grounds for refusal

…

4. Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied

for shall not be registered where and to the extent that, pursuant to the law of the Member State governing that sign:

(a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;

(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.

…

Article 43

Examination of opposition

1. In the examination of the opposition [OHIM] shall invite the parties, as often as necessary, to file observations, within a period set them by the Office, on communications from the other parties or issued by itself.

2. If the applicant so requests, the proprietor of an earlier Community trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the Community trade mark application, the earlier Community trade mark has been put to genuine use in the Community in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier Community trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. If the earlier Community trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services.

3. Paragraph 2 shall apply to earlier national trade marks referred to in Article 8(2)(a), by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.

…'

Background to dispute

A — *Community trade mark applications lodged by Anheuser-Busch*

9 On 1 April 1996, 28 July 1999, 11 April and 4 July 2000 Anheuser-Busch, Inc. filed four applications for registration of a Community trade mark (respectively Nos 24711,

1257849, 1603539 and 1737121) at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) under Regulation No 40/94.

10 One application for registration, No 1257849 ('registration application No 1') concerned the following figurative mark:



11 The goods in respect of which registration of the figurative mark was sought are in Classes 16, 21, 25 and 32 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, and correspond, for each of those classes, to the following description:

— Class 16: 'Paper, cardboard and goods made from these materials, (included in class 16); printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (included in class 16); playing cards; printers' type; printing blocks;

— Class 21: 'Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-

making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware (included in class 21)';

— Class 25: 'Clothing, footwear, headgear';

— Class 32: 'Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages'.

12 The application for registration of the figurative mark was published in the *Community Trade Marks Bulletin* No 34/00 of 2 May 2000.

13 Three registration applications, Nos 24711, 1603539 and 1737121 (respectively, 'registration application No 2', 'registration application No 3' and 'registration application No 4') related to the word mark BUD.

14 The goods and services in respect of which registration of the word mark was sought are within Class 32 (registration application No 2), Classes 32 and 33 (registration

application No 3), and Classes 35, 38, 41 and 42 (registration application No 4) of the Nice Agreement and correspond, for each of those classes, to the following description:

— Class 32: 'Beer, ale, porter, malted alcoholic and non-alcoholic beverages' (registration application No 2) and 'Beers' (registration application No 3);

— Class 33: 'Alcoholic beverages';

— Class 35: 'Setting up databases, gathering data and information in databases';

— Class 38: 'Telecommunications, namely making available and supplying data and information, supplying and communicating information stored in databases';

— Class 41: 'Education, entertainment';

— Class 42: 'Restaurant, bar and pub services; operating a database'.

15 The applications for registration of the word mark BUD were published in the *Community Trade Marks Bulletin* No 93/98 of 7 December 1998 (registration application No 2), No 19/01 of 26 February 2001 (registration application No 3), and No 22/01 of 5 March 2001 (registration application No 4).

B — *Notices of opposition filed against the Community trade mark applications*

16 On 1 August 2000 (registration application No 1), 5 March 1999 (registration application No 2), 22 May 2001 (registration application No 3) and 5 June 2001 (registration application No 4), Budějovický Budvar, národní podnik, a company established in the Czech Republic ('Budvar'), filed notices of opposition under Article 42 of Regulation No 40/94 in respect of all the goods specified in the applications for registration.

17 In support of its opposition Budvar relied, first of all, under Article 8(1)(b) of Regulation No 40/94, on an international figurative mark No 361 566 registered for 'all types of light and dark beer', effective in Austria, Benelux and Italy, and represented as follows:



18 Budvar also relied, under Article 8(4) of Regulation No 40/94, on an appellation of origin 'bud' (appellation of origin No 598), registered, under the Lisbon Agreement, on 10 March 1975 with the World Intellectual Property Organisation (WIPO) in respect of beer and effective in France, Italy and Portugal.

19 In addition, in relation to the registration applications Nos 1, 2 and 3, Budvar also relied on an appellation of origin 'bud' protected in Austria, in respect of beer, under the bilateral convention.

C — *Decisions of the Opposition Division*

20 By decision of 16 July 2004 (No 2326/2004) in relation to registration application No 4, the Opposition Division partially upheld the opposition filed against registration of the trade mark applied for.

21 First, the Opposition Division considered that Budvar had demonstrated that it had a right to the appellation of origin 'bud' in France, Italy and Portugal.

22 Secondly, as regards Italy and Portugal, the Opposition Division held that the arguments put forward by Budvar were not specific enough to determine the scope of the protection relied on under the national law of those two Member States.

23 Thirdly, the Opposition Division held that the 'restaurant, bar and pub services' covered by registration application No 4 (Class 42), were similar to the 'beer' covered by the appellation of origin 'bud', and concluded that there was a likelihood of confusion given that the signs concerned were identical.

24 Fourthly, in respect of the other goods, and in the context of the applicable French law, the Opposition Division stated that Budvar had failed to demonstrate how the use of the mark applied for was likely to weaken or undermine the reputation of the appellation of origin concerned, when the goods covered were different.

25 Consequently, the Opposition Division upheld the opposition filed by Budvar in respect of 'restaurant, bar and pub services' (Class 42), covered by registration application No 4.

26 By decisions of 23 December 2004 (Nos 4474/2004 and 4475/2004) and 26 January 2005 (No 117/2005), the Opposition Division dismissed the oppositions filed against the registration of the trade marks covered by applications for registration Nos 1, 3 and 2 respectively.

27 The Opposition Division considered, in essence, that evidence had not been adduced to establish that the appellation of origin 'bud', in the case of Austria, France, Italy and Portugal, was a sign used in the course of trade of more than mere local significance. In reaching that conclusion, the Opposition Division held that it was necessary to apply the same criteria as those laid down in Article 43(2) of Regulation No 40/94, interpreted in the light of Rule 22(2) and (3) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 (OJ 1995 L 303, p. 1), relating to proof of the 'genuine use' of earlier marks on which an opposition is based.

D — *Decisions of the Second Board of Appeal of OHIM*

28 On 21 February and 18 March 2005, Budvar brought three appeals against the decisions of the Opposition Division dismissing the oppositions filed in respect of registration applications Nos 1, 2 and 3 (respectively Opposition Division decisions Nos 4474/2004, 117/2005 and 4475/2004).

29 On 8 September 2004 Anheuser-Busch filed an appeal against the decision of the Opposition Division partially upholding, in respect of 'restaurant, bar and pub services' (Class 42), the opposition filed in relation to registration application No 4 (Opposition Division decision No 2326/2004). Budvar responded with a claim that that decision of the Opposition Division should be annulled, in so far as it rejected the opposition in relation to other services covered by Classes 35, 38, 41 and 42.

30 By three decisions of 14 June (Case R 234/2005-2), 28 June (Case R 241/2005-2) and 1 September 2006 (Case R 305/2005-2), the Second Board of Appeal of OHIM dismissed the appeals brought by Budvar in relation to registration applications No 1, 2 and 3.

31 By a decision of 28 June 2006 (Case R 802/2004-2) the Board of Appeal upheld the appeal brought by Anheuser-Busch in relation to registration application No 4 and dismissed the opposition filed by Budvar in its entirety.

32 The decisions of 28 June (Cases R 241/2005-2 and R 802/2004-2) and 1 September 2006 (Case R 305/2005-2) referred to the reasoning contained in the decision of 14 June 2006 (Case R 234/2005-2).

33 In the four decisions ('the contested decisions'), the Board of Appeal stated first of all that Budvar no longer appeared to refer to the international figurative mark No 361 566 as the basis of its opposition, but solely to the appellation of origin 'bud'.

34 The Board of Appeal then held, in essence, first, that it was difficult to see how the sign BUD could be considered to be an appellation (or designation) of origin, or even an indirect indication of geographical origin. The Board of Appeal concluded that an opposition could not succeed under Article 8(4) of Regulation No 40/94 on the basis of a right that was presented as an appellation of origin, but was in fact not one at all.

35 Secondly, the Board of Appeal held, applying by analogy the provisions of Article 43(2) and (3) of Regulation No 40/94 and of Rule 22 of Regulation No 2868/95, that the evidence provided by Budvar to show use of the appellation of origin 'bud' in Austria, France, Italy and Portugal was insufficient.

36 Thirdly, the Board of Appeal held that the opposition had also to be rejected on the ground that Budvar had not demonstrated that the appellation of origin in question gave it the right to prohibit use of the word 'bud' as a trade mark in Austria or France.

Procedure and forms of order sought by the parties

37 Upon hearing the report of the Judge Rapporteur, the Court (First Chamber) decided to open the oral procedure and, by way of measures of organisation of procedure, requested the parties to reply to certain questions. The parties complied with that request within the period allowed.

38 The parties presented their oral arguments and their replies to oral questions put by the Court at the hearing on 1 April 2008.

39 Budvar claims, in Cases T-225/06, T-255/06 and T-309/06, that the Court should:

— declare that OHIM should not have published the applications for registration concerned, because of the existence of absolute grounds for refusal.

40 Moreover, in each of the cases, Budvar claims that the Court should:

— rule that the Board of Appeal did not have jurisdiction to assess the 'substantive' validity of the earlier rights relied on in an opposition;

— declare that the contested decision is vitiated by illegality and infringes the principle of equal treatment before OHIM, because of the misinterpretation of the concept of 'another sign used in the course of trade', as referred to in Article 8(4) of Regulation No 40/94;

— consequently, declare that the documents produced in the proceedings prove use of the sign BUD as an appellation of origin and, as necessary, that the appellation of origin 'bud' does constitute a sign used in the course of trade, within the meaning of Article 8(4) of Regulation No 40/94;

— declare that the conditions for the application of Article 8(4) of Regulation No 40/94 are satisfied;

— rule as follows:

— annul the contested decision;

— order that the application for registration of the Community trade mark concerned is rejected;

— transmit the judgment of the Court to OHIM;

— order Anheuser-Busch to pay the costs.

41 At the hearing, Budvar made the additional claim that OHIM and Anheuser-Busch be ordered to pay the costs.

42 In each of the cases, OHIM and Anheuser-Busch contend that the Court should:

— dismiss the action;

— order Budvar to pay the costs.

43 Having heard the parties at the hearing on the possible joinder of the cases for judgment, the Court considers it appropriate to order such joinder in accordance with Article 50 of the Court's Rules of Procedure.

Law

A — *Admissibility and relevance of certain heads of claim by Budvar*

44 First, as pointed out by OHIM in its written pleadings, Budvar asks the Court, in Cases T-225/06, T-255/06 and T-309/06, to declare that OHIM should not have published the applications for registration concerned, because of the existence of absolute grounds for refusal. However, it is clear that the absolute grounds for refusal referred to in Article 7 of Regulation No 40/94 do not fall to be examined as part of an opposition procedure and that that article is not one of the provisions in relation to which the legality of the contested decision must be appraised (Case T-224/01 *Durferrit* v *OHIM — Kolene (NU-TRIDE)* [2003] ECR II-1589, paragraphs 72 and 75). It follows that Budvar's head of claim to that effect is inadmissible.

45 Next, by its first, second, third and fourth pleas in all the cases, Budvar seeks, in reality, a declaration by the Community judicature that certain submissions put forward in support of its action are well founded. However, it is settled case-law that claims for such a declaration are inadmissible (Case 108/88 *Jaenicke Cendoya* v *Commission* [1989] ECR 2711, paragraphs 8 and 9; Case T-358/94 *Air France* v *Commission* [1996] ECR II-2109, paragraph 32; and order of 14 May 2008 in Case T-29/07 *Lactalis Gestion Lait and Lactalis Investissements* v *Council*, paragraph 16). It follows that Budvar's heads of claim to that effect are inadmissible.

46 In addition, as submitted by OHIM in its written pleadings, it is clear that, by its sixth head of claim in all the cases, seeking 'rejection of the application for registration of the Community trade mark concerned' Budvar asks the Court, in essence, to issue a direction to OHIM. However, under Article 63(6) of Regulation No 40/94, OHIM is to take the measures necessary to comply with judgments of the Community judicature.

Accordingly, it is not for the Court of First Instance to issue directions to OHIM (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld* v *OHIM (Giroform)* [2001] ECR II-433, paragraph 33; Case T-34/00 *Eurocool Logistik* v *OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 12, and Case T-388/00 *Institut für Lernsysteme* v *OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 19). It follows that Budvar's head of claim to that effect is inadmissible.

47 Lastly, by its seventh head of claim in all the cases, Budvar asks the Court to transmit its judgment to OHIM. However, it is clear from Article 55 of the Statute of the Court of Justice, regardless of the claims made by the parties in that regard, that 'final decisions of the Court of First Instance, decisions disposing of the substantive issues in part only or disposing of a procedural issue concerning a plea of lack of competence or inadmissibility, shall be notified by the Registrar of the Court of First Instance to all parties …'. Moreover, Article 82(2) of the Rules of Procedure of the Court of First Instance state that 'the original of the judgment, signed by the President, by the Judges who took part in the deliberations and by the Registrar, shall be sealed and deposited at the Registry; the parties shall be served with certified copies of the judgment'. It follows that Budvar's head of claim in that regard is irrelevant.

B — *Substance*

48 After giving a summary of the historical background of the dispute between the parties in these proceedings, Budvar relies, in essence, on a single plea in law alleging an infringement of Article 8(4) of Regulation No 40/94.

49 Budvar's single plea in law has two parts. In the first part, Budvar challenges the Board of Appeal's conclusion that the sign BUD could not be considered to be an appellation of origin. In the second part, Budvar disputes the Board of Appeal's assessment that the conditions of Article 8(4) of Regulation No 40/94 are not satisfied in the present case.

1. *The first part: the validity of the appellation of origin 'bud'*

(a) Arguments of the parties

50 Referring to the terms of paragraphs 19 to 22 of the decision given in Case R 234/2005-2, Budvar states that the Board of Appeal affected to examine the sign BUD in order to declare that it was 'not in fact an appellation of origin at all'.

51 On that basis, the Board of Appeal rejected the opposition, and did not even examine whether the conditions of Article 8(4) of Regulation No 40/94 were satisfied.

52 That manner of proceeding, which is contrary to Regulation No 40/94, means that the contested decisions are vitiated by illegality and should therefore be annulled.

53 In addition, Budvar submits that the appellation of origin 'bud' is not only valid, but also in force.

54 In that regard, Budvar considers, first, that the Board of Appeal had no jurisdiction to rule on the validity of the appellation of origin in question. The powers of the Board of Appeal are limited to determining whether an application for registration of a Community trade mark may infringe earlier rights, as provided in Article 8 of Regulation No 40/94. The Community trade mark legislation does not provide for any assessment by OHIM of the substantive validity of the earlier right relied on in opposition proceedings. In such proceedings, in accordance with Article 20 of Regulation No 2868/95 the opposing party must prove 'the existence, validity and scope of the protection of his earlier mark or earlier right'. That provision therefore lays down that the opposing party is only required to produce proof of the formal validity of the title opposed to the application for registration. By carrying out an examination of the sign BUD, in order to establish whether it might or might not be classified as an appellation of origin, the Board of Appeal consequently infringed the relevant Community provisions. Budvar adds that, in the present case, it provided all the necessary documents which could establish the existence and validity of the appellation of origin 'bud'.

55 Secondly, in any event, Budvar states that the sign BUD does constitute an appellation of origin. Referring to paragraph 20 of the Board of Appeal's decision in Case R 234/2005-2, Budvar states that there is no provision to the effect that the sign constituting an appellation of origin must of necessity entirely reproduce a geographical name. In the present case, it is first of all indisputable that the word 'Budweis' (which is the German name of Česke Budějovice) corresponds to the name of the city where the beer concerned is brewed, in other words the place where it is produced. The national registration certificate defines the appellation of origin 'bud' as designating, inter alia, a 'light beer', the qualities and characteristics of which consist of its being 'mildly bitter, with a sweetish taste and a distinctive aroma', coming from Česke Budějovice. Moreover, Budvar argues that an appellation of origin may well be an abbreviation of a geographical name, and even a fanciful expression or an expression of common parlance, provided that the place where it is produced corresponds to an identifiable geographical area. Budvar refers, in that regard, to Article 2(3) of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical

indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1), as applicable at the material time, to Joined Cases C-465/02 and C-466/02 *Germany and Denmark* v *Commission* [2005] ECR I-9115, and to certain appellations of origin registered in France or at Community level. In the circumstances, it cannot validly be maintained that the sign BUD does not constitute a valid appellation of origin on the ground that the word 'bud' does not strictly correspond to a geographical place.

56 Thirdly, Budvar states that the appellation of origin concerned is in force both in France and, in connection with Cases T-225/06, T-255/06 and T-309/06, in Austria. Budvar notes in that regard that on 27 January 1975 the Czech Ministry of Agriculture and Food granted to BUD beer a classification as an appellation of origin. Pursuant to the international commitments concluded by the Czech Republic, the protection attached to classification as an appellation of origin has been granted to the BUD sign, inter alia, in France (under the Lisbon Agreement) and in Austria (under the bilateral convention). Although that appellation of origin is disputed by Anheuser-Busch, it remains protected in France and Austria and continues to be effective there.

57 As regards France, Budvar states that, as long as an appellation of origin is recognised and protected as such in its country of origin, the contracting parties to the Lisbon Agreement are obliged, in accordance with Article 1(2) of that agreement, to protect the appellation of origin concerned on their territories. France has not notified any declaration of refusal to protect the appellation of origin 'bud' under Article 5(3) of the Lisbon Agreement. Moreover, as regards the fact that the Tribunal de grande instance in Strasbourg (France) ruled on 30 June 2004 that registration of the appellation of origin 'bud' under the Lisbon Agreement had no validity on French territory, Budvar states that that judgment is currently subject to appeal before the Cour d'appel in Colmar (France). The judgment of the Tribunal de grande instance in Strasbourg is therefore not final. The appellation of origin 'bud' remains effective in France. Budvar argues, in that context, that French law does not provide for an action to have an appellation of origin declared invalid, and submits, on that point, the opinion of a professor of law. In addition, Budvar states that, following the judgment of the Tribunal de grande instance in Strasbourg, the French Institut national de la propriété industrielle ('INPI') (National Institute of Industrial Property) refused, on 19 May 2005,

to register an application for the word mark BUD to designate beers, which had been filed on 30 September 2004 by Anheuser-Busch. That decision has not been challenged by Anheuser-Busch.

58 As regards Austria, and so far as concerns Cases T-225/06, T-255/06 and T-309/06, Budvar states that the ongoing dispute in that Member State has not been resolved by any judicial decision which has the force of *res judicata*. Budvar produces in that connection three recent judicial decisions, the last delivered on 10 July 2006 by the Oberlandesgericht Wien (Higher Regional Court, Vienna). That decision ordered the appointment of an expert to determine, in essence, whether Czech consumers associate the term 'bud' with a beer and, if so, whether that designation may be perceived as referring to a particular place, region or country as the beer's place of origin. It is therefore incontestable that, contrary to the assertions of the Board of Appeal, the appellation of origin 'bud' remains protected in Austria.

59 As a preliminary point, OHIM states that in the course of proceedings before the Board of Appeal Budvar abandoned the international figurative mark No 361 566, which it had initially relied on, as the basis of its opposition. Further, as regards the appellation of origin 'bud', it submits that Budvar is maintaining its opposition solely in relation to the protection afforded to that appellation in France and Austria. The rights initially relied on, as regards Italy and Portugal, have therefore been abandoned as bases of opposition.

60 OHIM then states, first, that it does not in fact have competence to rule on the validity of an earlier right relied on in support of an opposition.

61 However, in the present case, the Board of Appeal did not rule on the validity of the earlier appellation of origin. The Board merely assessed the extent of its protection. That is a question of law which must be examined by OHIM of its own motion, even if the parties have not presented any argument on the subject (Case T-57/03 *SPAG* v *OHIM — Dann and Backer (HOOLIGAN)* [2005] ECR II-287, paragraph 21, and Case T-153/03 *Inex* v *OHIM — Wiseman (Representation of a cowhide)* [2006] ECR II-1677, paragraph 40).

62 Moreover, the distinction between the validity and the enforceability of an earlier right is foreseen by the Community legislation (OHIM refers more specifically to Article 53(1), Article 43(2) and (3), Article 78(6) and Article 107(3) of Regulation No 40/94). There may accordingly be situations where an earlier right, albeit valid, cannot be enforced. In cases involving Article 8(4) of Regulation No 40/94, OHIM must interpret and apply the national law as a national court would do.

63 Secondly, as regards protection of the appellation of origin 'bud' in France under the Lisbon Agreement, referring to paragraph 20 of the Board of Appeal's decision in Case R 234/2005-2, OHIM points out that it is a requirement of both Article 2(1) of that agreement and Article L. 641-2 of the French Rural Code ('the Rural Code') that the appellation of origin concerned consist of a 'geographical name'. Budvar acknowledges that the word 'bud' is not a geographical name, even if it derives from a geographical name. As regards Budvar's reference to Article 2(3) of Regulation No 2081/92, since replaced by Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 2006 L 93, p. 12), OHIM submits that that regulation was not relied on in support of the oppositions. OHIM concludes that a French court would hold that an abbreviation of a geographical name such as 'bud' cannot be relied on as the basis for opposition to use of an identical mark, irrespective of whether that word is protected under the Lisbon Agreement.

64 OHIM adds that, even though the Lisbon Agreement normally prevails over national law, Article 8 thereof provides that legal action required for ensuring the protection of appellations of origin may be taken 'under the provisions of national legislation'. Moreover, the distinction between the validity and the enforceability of an appellation of origin which is not a geographical name is fully justified. First, that distinction is envisaged by Rule 16(1) of the Regulations under the Lisbon Agreement, which provides that the 'effects' of an international registration (and not the registration itself) may be invalidated in a contracting country. Secondly, that distinction would be justified in order to avoid any distortion of competition if, as Budvar maintains, French law were not to provide for the possible invalidation of the effects of the appellation of origin 'bud' in France.

65 Thirdly, as regards the protection of the appellation of origin 'bud' in Austria pursuant to the bilateral convention relied on in Cases T-225/06, T-255/06 and T-309/06, OHIM submits that Article 2 of that convention suggests that the protected indication must be geographical, even though it may also 'contain' other data (such as non-geographical information). A non-geographical indication alone cannot qualify for protection. OHIM notes however that in Case C-216/01 *Budejovický Budvar* [2003] ECR I-13617 the Court of Justice's translation of Article 2 was slightly different. In particular, the translation of that article adopted by the Court was to the effect that the indication concerned may 'consist of' other information.

66 In any event, OHIM considers that an Austrian court would require proof that in the country of origin (that is, the Czech Republic) the sign BUD, when displayed on beers, is perceived by consumers as a reference to the city of Česke Budějovice. That assumption is moreover supported by *Budejovický Budvar*, where the Court of Justice held that 'if the findings of the national court show that according to factual circumstances and perceptions in the Czech Republic the name Bud designates a region or a place located on the territory of that State and its protection is justified there on the basis of the criteria laid down in Article 30 EC, that does not preclude such protection from being extended to the territory of a Member State such as, in this case, the Republic of Austria' (paragraph 101). However, OHIM's view is that the Board of Appeal was correct to observe that there is no evidence, in the present case, that the name of the city of Česke Budějovice has been abbreviated to 'Bud'. It is therefore difficult to imagine that

consumers of beer in the Czech Republic will see the word 'bud' as an indication that the beer was brewed in a specific geographical area of that country.

67 Fourthly, referring to paragraphs 21 and 29 of the decision in Case R 234/2005-2, OHIM states that the Board of Appeal considered that Budvar had shown use of the word 'bud' as a trade mark, but not as an appellation of origin. On that point, as regards Budvar's argument that it used the word 'bud' both as a trade mark and as an appellation of origin, OHIM points out that each intellectual property right pursues an essential function which is specific to it. In some cases, the essential functions of certain rights cannot be reconciled. The essential function of an appellation of origin is to guarantee that a product coming from a country, region or locality possesses qualities and characteristics which are attributable exclusively or essentially to the geographical environment, including both natural and human factors. The essential function of a trade mark is to guarantee the commercial origin of the product. Since Budvar does not dispute that the word 'bud' is used as a trade mark, it does not perform the essential function of an appellation of origin and cannot enjoy the protection associated with the latter. The Board of Appeal considered, in that context, that French and Austrian courts would have come to the same conclusion and would not have granted Budvar protection against use of a trade mark identical to the earlier right claimed.

68 Fifthly, OHIM refers to judicial decisions given in Austria and France.

69 In relation to Austria, in the context of Cases T-225/06, T-255/06 and T-309/06, OHIM observes that the Court of Justice stated in *Budejovický Budvar,* paragraph 65 above, that a 'simple and indirect indication of geographical origin' (such as 'bud', according to OHIM) might be protected under the bilateral convention concerned except where that indication is made up of a 'a name which in that country does not directly or indirectly

refer to the geographical source of the product that it designates' (paragraphs 107 and 111). The Handelsgericht Wien (Commercial Court, Vienna) and the Oberlandesgericht Wien, on appeal, have not granted protection to the earlier appellation of origin against the use by Anheuser-Busch of the sign at issue in respect of beers. The fact that, by judgment of 10 July 2006, the Oberlandesgericht Wien instructed an expert to determine whether the word 'bud' might be considered as directly or indirectly referring to a geographical source of the beer, does not affect the outcome of the present proceedings before the Court of First Instance. First, a positive answer by the Oberlandesgericht Wien to that question would not affect the lawfulness of the contested decisions since it would occur after the decisions were made. Second, the burden of proof that Austrian law protects the claimed earlier right lies with Budvar. Budvar should accordingly have proved, before OHIM's bodies, that the conditions laid down by the Court of Justice in *Budejovický Budvar* were satisfied. In the absence of such proof, the Board of Appeal's conclusion was well founded. Lastly, the judgment of the Handelsgericht Wien of 22 March 2006 produced by Budvar to the Court states that, on the basis of the documents put in evidence, the word 'bud' is not associated with a specific geographic name in the Czech Republic.

70 In relation to France, OHIM states, first, that the fact that the judgment of 30 June 2004 of the Tribunal de grande instance of Strasbourg is under appeal does not affect the Board of Appeal's conclusion that Budvar 'has so far been unable to prevent [Anheuser-Busch's] distributor from selling beer in France under the BUD trade mark' (paragraph 34 of the decision in Case R 234/2005-2). That judgment supports, moreover, the conclusion that the word 'bud' is a simple and indirect indication of the geographical origin of the product, in other words a name with which there is associated no particular quality, reputation or characteristic attributable to geographical origin. The Tribunal de grande instance in Strasbourg held, for that reason, that the word 'bud' did not come within the scope of Article 2(1) of the Lisbon Agreement, and found it unnecessary to determine whether the word 'bud' could designate a specific geographical place. If the Cour d'appel were to set aside that judgment, that would not affect the lawfulness of the contested decisions since the appeal judgment would be given after the decision was made. As regards the decisions of the INPI, relied on by Budvar, those decisions do not affect the contested decisions because (i) they adjudicate on the registration and not on the use of a mark, (ii) there is no indication that they are final and (iii) such administrative decisions have less weight than a judgment delivered by a civil court.

71 Anheuser-Busch makes certain preliminary remarks in connection with Case T-257/06 which relates to registration application No 4. First, Anheuser-Busch states that Budvar did not base its opposition on any appellation of origin 'bud' protected in Austria, contrary to what is stated by the Board of Appeal in its decision of 28 June 2006 (Case R 802/2004-2). Secondly, as regards services covered by registration application No 4, Anheuser-Busch states that final registration has already been granted for goods within Classes 35, 38 and 41, and for 'operating a database' services within Class 42. The proceedings before the Board of Appeal only related to 'restaurant, bar and pub services' within Class 42, as the Opposition Division had upheld the opposition only in that respect and Anheuser-Busch had been the only party to bring an appeal against that decision. Therefore, the Opposition Division's decision has become final in relation to rejection of the opposition with respect to services within Classes 35, 38 and 41, and 'operating a database' services within Class 42.

72 Anheuser-Busch also makes the preliminary point in all the cases that, before the Board of Appeal, Budvar referred to appellations of origin 'bud' in Portugal and Italy, even though those rights had been declared invalid in those countries and the Opposition Division concluded that the existence of those rights had not been proved. Anheuser-Busch notes that, before this Court, Budvar confines itself to relying on the appellations of origin 'bud' in France and, in connection with Cases T-225/06, T-255/06 and T-309/06, in Austria. Anheuser-Busch concludes that the basis of the opposition is effectively limited to those rights.

73 Anheuser-Busch then offers its interpretation of Article 8(4) of Regulation No 40/94. In particular, it considers that that provision relates essentially to unregistered rights, rights which come into existence and subsist because of their actual use on the market. In contrast, the existence and validity of registered marks arises from the very act of registration. In that connection, the Community legislature has chosen not to refer solely to national law with respect to signs used in the course of trade, but to refer to national law only with respect to the existence and scope of the rights arising from the 'use' of those signs. Those principles were followed by the High Court of Justice of England and Wales in the 'COMPASS' case (24 March 2004). In accordance with those

principles, OHIM is not only entitled, but also obliged, to rule on the validity of earlier rights within the meaning of Article 8(4) of Regulation No 40/94. Anheuser-Busch also refers to the Guidelines of OHIM relating to opposition proceedings (Part C, chapter 4, section 5.3.4). While Article 8(4) of Regulation No 40/94 does not lay down any substantive requirements on the extent of such 'use', it is clear from the system and structure of Article 8 that the intention of the Community legislature was to impose higher requirements for the protection of unregistered rights than for registered trade marks. In that respect, the requirement for genuine use under Articles 15 and 43 of Regulation No 40/94 must be seen as the absolute minimum threshold for use within the framework of Article 8(4) of Regulation No 40/94.

74 As to the substance, Anheuser-Busch states, first, that the Board of Appeal did not rule on the validity of the appellations of origin concerned. The Board of Appeal considered that, in the present case, no appellation of origin existed.

75 Secondly, Anheuser-Busch contends that the word 'bud' is not a place name and refers, in particular, to certain documents which it submitted to OHIM. In particular, Anheuser-Busch states that the registration of an appellation of origin cannot give a geographical connotation to a word which lacks it. Moreover, even on the assumption that the German name 'Budweis' can be associated with the city of Česke Budějovice — which Budvar has not proved — the consumer would have to engage in a further mental exercise. It is accordingly not obvious that the word 'bud' is understood to mean 'Budweis' and is associated with the city of Česke Budějovice. Moreover, even if it were true that abbreviations of geographical terms can inherit the geographical quality of the term in full, that could only be the case where the abbreviation were indeed a common abbreviation. However, no argument and no evidence has been offered to show that the word 'bud' is used and understood as an abbreviation of Česke Budějovice. The same reasoning should hold good in relation to fanciful terms which, in any case, do not satisfy the conditions of the Lisbon Agreement, Article 2(1) of which applies to existing

places. In any event, fanciful terms can be protected only where they are understood in a geographical sense, and that is not the case here.

76 Thirdly, Anheuser-Busch considers that the Board of Appeal had competence to rule on whether the word 'bud' was, or was not, an appellation of origin. In that regard, the Board of Appeal was not bound by either the Lisbon Agreement or the bilateral convention. Under Article 8(4) of Regulation No 40/94, OHIM must establish that all the conditions required for admission of a relative ground for refusal are satisfied. In contrast to the situation of registered trade marks, OHIM is not bound by any earlier national administrative decisions, such as the registration of a title. OHIM is competent to rule on the existence and validity of the right embodied in such a title and has the same jurisdiction as the national courts. By declaring that the claimed geographical indication protection is invalid, the Board is not invalidating that right, it is merely stating that the claimed right cannot serve as a bar to registration of a Community trade mark.

77 Fourthly, French and Austrian courts have held that the word 'bud' enjoys no protection as an appellation of origin. Although those judicial decisions are not yet final and binding, they confirm that the evaluation of the facts as carried out by the Board in the contested decisions was entirely correct.

78 Anheuser-Busch adds, in connection with Cases T-255/06, T-257/06 and T-309/06, that the INPI decision, notified on 19 May 2005 and relied on by Budvar in its actions, was not brought to the attention of OHIM and should therefore be held to be inadmissible. In any event, the INPI decision referred to by Budvar was only provisional, and the final refusal of registration was based on a procedural, not a substantive, matter. Anheuser-Busch refers, in that regard, to its statement of 6 April 2006 filed with the Board of Appeal in connection with the proceedings giving rise to Case T-257/06.

(b) Findings of the Court

79 Article 8(4) of Regulation No 40/94 allows for opposition proceedings to be brought against an application for a Community trade mark on the basis of a sign other than an earlier trade mark, the latter situation being covered by Article 8(1) to (3) and (5) (Joined Cases T-57/04 and T-71/04 *Budějovický Budvar and Anheuser-Busch* v *OHIM (AB GENUINE Budweiser KING OF BEERS)* [2007] ECR II-1829, paragraph 85). Under Article 8(4) of Regulation No 40/94, pursuant to the Community legislation or the law of the Member State governing that sign, the rights derived from the sign must have been acquired prior to the date of the application for registration of the Community trade mark or to the date of priority claimed for the Community trade mark application. Again, pursuant to the Community legislation or the law of the Member State governing the sign, the sign must confer on its proprietor the right to prohibit use of a subsequent trade mark.

80 In that connection, a notice of opposition is to contain, pursuant to Rule 15(2) of Regulation No 2868/95, as applicable at the time when Budvar's notice of opposition was filed, inter alia a reference to the earlier right and the name of the Member State or States in which that right exists, and a representation and, where appropriate, a description of the earlier right. Moreover, pursuant to Rule 16(2) of Regulation No 2868/95, as applicable at the time when Budvar's notice of opposition was filed, the notice of opposition is preferably to be accompanied by evidence of the acquisition of that right and the scope of its protection.

81 In the present case, the Board of Appeal decided, essentially, that it should first determine whether the sign BUD was indeed an appellation of origin. In that regard, the Board of Appeal first stated that an appellation of origin is a geographical indication which informs consumers that a product comes from a specific place, region, or

territory and that it possesses certain characteristics attributable to the geographical environment in which it was produced, including natural and human factors. Secondly, the Board decided that it was difficult to see how the sign BUD could be regarded as an appellation of origin, or even as an indirect indication of geographical origin. In particular, the Board of Appeal considered that the word 'bud' did not correspond to the name of any place in the Czech Republic. There was no evidence that the name of the city where Budvar is established (namely České Budějovice, whose German name is 'Budweis') was abbreviated to 'Bud'. It was therefore difficult to imagine that consumers in France, Italy, Portugal and Austria could perceive the word 'bud' as an appellation of origin, that is as a beer brewed in a specific geographical place in the Czech Republic and with certain characteristics attributable to its geographical environment. Moreover, the Board of Appeal observed that Budvar had used the sign BUD as a trade mark and not as an appellation of origin. Moreover, it was not apparent that any other business in České Budějovice (where Budvar is established) has the right to brew beer under the appellation of origin 'bud'. Lastly, in light of those considerations, the Board of Appeal held that the question whether the sign BUD was treated as a protected appellation of origin in Austria, pursuant to a bilateral convention between that Member State and the Czech Republic, or in France, Italy and Portugal, pursuant to the Lisbon Agreement, was of secondary importance. Even if the sign BUD was treated as an appellation of origin in one of those countries, it was obvious that an opposition could not succeed under Article 8(4) of Regulation No 40/94 on the basis of a right presented as an appellation of origin, but which was in fact not one (Board of Appeal decision of 14 June 2006 (Case R 234/2005-2), paragraphs 19 to 22, and by reference thereto in the other contested decisions).

82 When examining the contested decisions it is necessary to make a distinction made between the appellation of origin 'bud' registered under the Lisbon Agreement and the appellation 'bud' protected under the bilateral convention. The European Community is not a party to either the Agreement or the convention.

The appellation of origin 'bud' registered under the Lisbon Agreement

83 The contested decisions state that the Board of Appeal examined whether the sign BUD 'is an appellation of origin at all'. In that connection, the Board of Appeal held that the opposition at issue could not succeed under Article 8(4) of Regulation No 40/94 on the basis of a right 'presented as an appellation of origin', but which in fact 'is not … an appellation of origin at all'. Further, the Board of Appeal held that the question whether the sign BUD was treated as a protected appellation of origin, inter alia in France pursuant to the Lisbon Agreement, 'is of secondary importance'. It follows that the Board of Appeal ruled on the very classification as an 'appellation of origin', without examining the extent of the protection of the appellation of origin at issue in the light of the claimed national rights.

84 First — without needing to examine, in connection with the first part of the plea, the effects of the Lisbon Agreement on the protection of the claimed earlier right under French law — the Court points out that the registration of appellations of origin under that agreement is made at the request of the authorities of the contracting countries, in the name of natural or legal persons, public or private, having, according to their national legislation, a right to use such appellations. In that context, the authorities of the contracting countries may, within a period of one year from the receipt of the notification of registration, make a declaration, with an indication of the grounds therefor, that they cannot ensure the protection of an appellation of origin (Article 5(1) and (3) of the Lisbon Agreement).

85 Secondly, the appellation of origin registered under the Lisbon Agreement cannot be deemed to have become generic for as long as it is protected as an appellation of origin in the country of origin. Where that is the case, the protection conferred on the appellation of origin is ensured, and it is unnecessary to seek any renewal (Article 6 and Article 7(1) of the Lisbon Agreement).

86 Thirdly, under Rule 16 of the Regulations under the Lisbon Agreement, when the effects of an international registration are invalidated in a contracting country and the invalidation is no longer subject to appeal, that invalidation must be notified to the International Bureau by the competent authority of the contracting country. In that event, the notification is to indicate the authority which pronounced the invalidation. It follows that, under the Lisbon Agreement, the effects of a registered appellation of origin can be declared invalid only by an authority in one of the contracting countries party to that agreement.

87 In the present case, the appellation of origin 'bud' (No 598) was registered on 10 March 1975. France did not declare, within the period of one year from the date of receipt of notification of the registration, that it could not ensure the protection of that appellation of origin. When the contested decisions were adopted, the effects of the appellation of origin had been declared invalid by a judgment of the Tribunal de grande instance in Strasbourg of 30 June 2004. However, as is clear from the documents placed on the file, Budvar has lodged an appeal, the effect of that appeal being to suspend the effect of that judgment. It follows that, when the contested decisions were adopted, the effects of the appellation of origin at issue had not been declared invalid, in France, by a decision against which there is no appeal.

88 As is apparent from the fifth recital in the preamble to Regulation No 40/94, Community law relating to trade marks does not replace the laws of the Member States on trade marks (Case T-318/03 *Atomic Austria* v *OHIM — Fabricas Agrupadas de Muñecas de Onil (ATOMIC BLITZ)* [2005] ECR II-1319, paragraph 31). Accordingly, the Court of First Instance has held that the validity of a national trade mark may not be called in question in proceedings for registration of a Community trade mark (Case T-6/01 *Matratzen Concord* v *OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 55; Case T-186/02 *BMI Bertollo* v *OHIM — Diesel (DIESELIT)*

[2004] ECR II-1887, paragraph 71; Case T-269/02 *PepsiCo* v *OHIM — Intersnack Knabber-Gebäck (RUFFLES)* [2005] ECR II-1341, paragraph 26; and Case T-364/05 *Saint-Gobain Pam* v *OHIM — Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 88).

89 It follows that the system set up by Regulation No 40/94 presupposes that OHIM takes into account the existence of earlier rights which are protected at national level. Accordingly, Article 8(1), read in conjunction with Article 8(4) of Regulation No 40/94, provides that the proprietor of another sign used in the course of trade of more than mere local significance and which is effective in a Member State may, subject to the specified conditions, oppose the registration of a Community trade mark (see, by analogy, *ATOMIC BLITZ*, paragraph 88 above, paragraphs 31 and 32). To ensure that protection, Article 8(4) of Regulation No 40/94 refers specifically to 'the law of the Member State governing' the claimed earlier right.

90 Since the effects of the appellation of origin 'bud' have not been declared definitively to be invalid in France, the Board of Appeal ought, under Article 8(4) of Regulation No 40/94, to have taken account of the relevant national law and the registration made under the Lisbon Agreement, and did not have the power to call in question the fact that the claimed earlier right was an 'appellation of origin'.

91 It should be added that if the Board of Appeal had serious doubts as to whether the earlier right could be classified as an 'appellation of origin' and therefore as to the protection to be afforded to it under the national law relied on, when that issue was in fact the subject of court proceedings in France, the Board was entitled, under Rule 20(7)(c) of Regulation No 2868/95, to suspend the opposition proceedings until a final judgment on the matter was delivered.

92 In the light of the foregoing, it must be held that the Board of Appeal infringed Article 8(4) of Regulation No 40/94 by holding, first, that the claimed earlier right registered under the Lisbon Agreement was not an 'appellation of origin' and, second, that the question whether the sign BUD was treated as a protected appellation of origin, in France in particular, was of 'secondary importance', and by concluding that an opposition based on that right could not succeed.

The appellation 'bud' protected under the bilateral convention

93 It is clear from the wording of Annex B of the bilateral agreement that the word 'bud' was described as being an 'indication'. It is not clear from that agreement that the indication 'bud' was specifically designated as an 'appellation of origin'. Moreover, it is not clear from that agreement that the word 'bud' was considered to be a geographical name or to refer to particular qualities of the product concerned.

94 It must be pointed out, in that regard, that, under Article 2 of the bilateral convention, if the indications or appellations concerned relate directly or indirectly to the source of a product, that is sufficient to permit it to be listed under the bilateral convention and thereby to enjoy the protection conferred by the bilateral convention. That definition is, in that respect, wider than that adopted by the Board of Appeal. The Board held that an 'appellation of origin' is a 'geographical indication which informs consumers that a product originates from a specific place, region or territory and that it possesses certain characteristics attributable to the geographical environment in which it was produced,

including natural and human factors' (the Board of Appeal's decision of 14 June 2006 (Case R 234/2005-2), paragraph 19, and by reference thereto in the other contested decisions).

95 In light of the foregoing, it must be held that the Board of Appeal made two errors. First, the Board held, wrongly, that the protection of the name 'bud' was specifically attached to its status as an 'appellation of origin' under the bilateral convention. Secondly, on any view of the matter, the Board employed a definition of 'appellation of origin' which does not correspond to the definition of the indications protected under that convention.

96 The fact that Budvar may have presented the claimed right as an 'appellation of origin' did not prevent the Board of Appeal from undertaking a comprehensive assessment of the facts and documents presented (see, to that effect, *ATOMIC BLITZ*, paragraph 88 above, paragraph 38). That is particularly important when the appropriate classification of an earlier right may impact on the effects of that right within opposition proceedings. It must be recalled, in that regard, that OHIM may be required to take into account, inter alia, the national law of the Member State where the earlier mark on which opposition is based is protected. In that event, OHIM must of its own motion obtain information, by whatever means appear to it to be necessary for that purpose, on the national law of the Member State concerned, if such information is necessary to assess the applicability of the ground for refusal of registration at issue and, in particular, to assess the correctness of the facts pleaded, and the probative value of the evidence submitted by the parties. The restriction of the factual basis of the examination by OHIM does not preclude it from taking into consideration, in addition to the facts expressly put forward by the parties to the opposition proceedings, facts which are well known, that is, which are likely to be known by anyone or which may be learnt from generally accessible sources (Case T-185/02 *Ruiz-Picasso and Others* v *OHIM — DaimlerChrysler (PICARO)* [2004] ECR II-1739, paragraph 29, and *ATOMIC BLITZ*, paragraph 88 above, paragraph 35). Those principles apply to the present case. The Board of Appeal had the information needed to undertake a comprehensive assessment of the facts.

97 In light of the foregoing, it must be held that the Board of Appeal infringed Article 8(4) of Regulation No 40/94 by holding, first, that the claimed earlier right, protected under the bilateral convention, was not an 'appellation of origin' according to the definition adopted by the Board of Appeal, second, that whether the sign BUD was treated as a protected appellation of origin, inter alia in Austria, was of 'secondary importance', and by concluding that an opposition on that basis could not succeed.

98 Furthermore, the bilateral convention is still effective in Austria for the purposes of protecting the appellation 'bud'. In particular, the documents lodged in the proceedings do not show that the Austrian courts have held that Austria or the Czech Republic did not intend to apply the principle of the continuity of treaties to the bilateral convention, following the break-up of the Czechoslovak Socialist Republic. Moreover, there is no indication that Austria or the Czech Republic have denounced that convention. In addition, the ongoing proceedings in Austria have not led to the adoption of a final judicial decision. In those circumstances, for the same reasons as set out in paragraphs 88 and 89 above, the Board of Appeal ought to have taken into account, pursuant to Article 8(4) of Regulation No 40/94, Budvar's claimed earlier right without calling in question the actual classification of that right.

99 It follows from the foregoing that the first part of the single plea in law must be upheld as being well founded.

100 Since the contested decisions are based on other additional considerations, which are the subject of the second part, it is appropriate to examine them below.

2. *The second part: whether the conditions of Article 8(4) of Regulation No 40/94 are met*

(a) Arguments of the parties

Arguments of Budvar

101 First, Budvar states that it is the proprietor of the claimed earlier right. Secondly, it disputes the Board of Appeal's conclusion that the sign BUD was not used in the course of trade. Thirdly, it considers that the Board of Appeal erred by concluding that it had not been demonstrated that the appellation at issue conferred on Budvar the right to prohibit use of the word 'bud' as a trade mark in Austria or France.

— The condition that the opposing party must be proprietor of the claimed earlier right

102 Budvar claims that, as regards Article 8(4) of Regulation No 40/94, it is the proprietor of the claimed earlier right. Contrary to the Board of Appeal's apparent suggestion in paragraph 21 of the decision of 14 June 2006 in Case R 234/2005-2, Budvar states that the fact that it is the sole proprietor of the right to use the appellation of origin 'bud' is not incompatible with that sign being classified as an appellation of origin, since collective use of such an appellation is not compulsory. In the present case, the appellation of origin at issue is registered in Budvar's name at the Czech Ministry of Agriculture and at WIPO, which enables Budvar to rely on it in connection with these proceedings.

— The condition that the claimed earlier right must be used in the course of trade

103 Referring to paragraphs 23 and 24 of the decision in Case R 234/2005-2, Budvar claims that the Board of Appeal could not apply, by analogy, the provisions of Article 43(2) and (3) of Regulation No 40/94 and of Rule 22 of Regulation No 2868/95 in order to determine whether the appellation of origin 'bud' was used 'in the course of trade'.

104 First, Budvar emphasises that under Article 8 of Regulation No 40/94, only the proprietors of registered earlier trade marks may, in the course of an opposition, be required to prove use of their right. The rules relating to furnishing that proof are laid down in Rule 22 of Regulation No 2868/95. No other claimed earlier right can be subject to the prior requirement of proof of its use, in accordance with the criteria of Article 43 of Regulation No 40/94.

105 Secondly, Budvar refers to the sixth and ninth recitals in the preamble to Regulation No 40/94 and states that registration of a Community trade mark is to be refused when it is likely to infringe an 'earlier right'. However, when the earlier right is a trade mark, the mark must be genuinely used if the mark is to constitute a right capable of being relied on in opposition to an application for registration of a Community trade mark. If the opposing earlier right is not a trade mark, there is no provision of Regulation No 40/94 which requires proof of 'use' of that sign in the course of trade. Moreover, Regulation No 40/94 does not contain any other provision derogating from the principle of protection of earlier rights which creates a requirement to prove the extent of the use in the course of trade. In connection with Case T-225/06, Budvar states that proof of actual and genuine use in the course of trade is sufficient. In connection with the other cases, Budvar states that proof of use in the course of trade is sufficient.

106 Thirdly, Budvar analyses Article 43 of Regulation No 40/94 and states that the opposing party may be invited by OHIM to furnish proof of the actual and genuine use of the trade mark relied on, if the applicant for a Community trade mark has so requested. In the present case, Anheuser-Busch availed itself of that possibility solely in relation to the international trade mark initially relied on by Budvar in support of its opposition (international trade mark No 361 566). OHIM therefore had no power to require, on its own initiative, proof of use of the earlier trade mark, since that right belongs solely to the applicant for the Community trade mark. *A fortiori*, OHIM was not entitled to convert proof of use of the appellation of origin into a condition which it held was not satisfied and therefore justified rejection of the opposition. Moreover, Budvar submits that the discretionary power, in the context of an opposition, to request that proof of use of the earlier trade mark be furnished is a logical and necessary corollary of the rules on revocation of marks laid down in Article 10 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), and Article 50 of Regulation No 40/94.

107 Fourthly, Budvar claims that the Board of Appeal's reasoning is contrary to the Community case-law on the concept of 'use in the course of trade', as developed in Articles 4 and 5 of Directive 89/104 and in Article 9(1) of Regulation No 40/94. Budvar refers in particular to paragraph 40 of Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273 and to paragraph 114 of Case T-279/03 *Galileo International Technology and Others* v *Commission* [2006] ECR II-1291. For Budvar, the 'qualitative' criterion of use is the only criterion accepted by the case-law, and any 'quantitative' criterion is irrelevant. Accordingly, it is only the commercial nature of the use which is critical, and not a use which is quantitatively extensive.

108 Fifthly, Budvar considers that the Board of Appeal's reasoning is incompatible with OHIM's previous practice. Budvar refers in that regard to several decisions by OHIM in which there was no requirement that use of the earlier right be quantitatively extensive. Moreover, in Joined Cases T-60/04 to T-64/04 *Budějovický Budvar* v *OHIM — Anheuser-Busch (BUD)*, which related to the word sign BUD, and which gave rise to a judgment of 12 June 2007, OHIM was fully aware of the legal status of an appellation of

origin. Budvar refers in that regard to procedural documents lodged in those cases, and which are annexed to the application. Budvar submits that it is clear from those documents that the practice of OHIM when making decisions is to interpret the concept of 'sign used in the course of trade' qualitatively, and not quantitatively. Budvar claims that the Court should not only rule that the contested decisions are unlawful, but also hold that they infringe the principle of equal treatment. Budvar refers, in that regard, to paragraph 70 of Case T-123/04 *Cargo Partner* v *OHIM (CARGO PARTNER)* [2005] ECR II-3979.

109 Having regard to of all of those factors and the fact that the Board of Appeal's requirement of proof of use of the earlier sign is contrary to Community legislation, Budvar claims that, in the present case, proof was provided to the Board of Appeal to demonstrate that Budvar used the appellation of origin 'bud' in the course of its commercial activity and not as a private matter. Budvar has again, in connection with the present proceedings, produced the documents concerned, namely, in respect of France, several invoices, and in respect of Austria, in connection with Cases T-225/06, T-255/06 and T-309/06, several affidavits, invoices and press extracts.

110 As regards the Board of Appeal's assessment that the documents produced during the administrative proceedings could not prove use of the appellation of origin 'bud', but only use of the trade mark BUD, Budvar states that the concept of 'use' does not apply to an appellation of origin, since such a right is not intended to individualise a product. Budvar adds that, in the present case, the mere affixing of the sign BUD constitutes both use of the mark and use of the appellation of origin. Lastly, Budvar states that, in Joined Cases T-60/04 to T-64/04 *BUD*, paragraph 108 above, OHIM acknowledged that the use of that appellation of origin was satisfactory.

— The condition relating to the right arising from the appellation concerned

111 Budvar submits that it has the right to prohibit use of the mark applied for both in France and, in connection with Cases T-225/06, T-255/06 and T-309/06, in Austria.

112 As regards France, Budvar relies on several provisions of French law according to whether the goods and services applied for are identical to or similar to or different from beer.

113 When the goods concerned are identical or similar to beer (those being, according to Budvar, the goods concerned in connection with Case T-225/06 and Case T-309/06 and the goods within Class 32 in Case T-255/06), Budvar relies on Article L. 115-8(1) and Article L. 115-16(1) and (4) of the French Code de la consommation ('the Consumer Code') which provide, in essence, that the illegal use of an appellation of origin can be prohibited and may be penalised. In the present case, since the mark applied for (Cases T-225/06 and T-309/06) or the dominant sign in the mark applied for (Case T-255/06) are identical to the appellation of origin concerned and since the goods concerned are identical or similar, use by Anheuser-Busch of the sign BUD infringes that appellation of origin.

114 Where the services concerned are identical or similar to beer (those being, according to Budvar, the 'restaurant, bar and pub services' within Class 42 in connection with Case T-257/06), Budvar relies on Article L. 641-2 of the Rural Code, reproduced in Article L. 115-5 of the Consumer Code, which provides that 'a geographical name which constitutes an appellation of origin or any other indication suggesting it may not be used for any similar product … or for any other product or service if that use is likely to misappropriate or weaken the reputation of the appellation of origin'. Budvar states that, in order to promote their goods and diversify their activities, breweries open restaurants, bars or pubs under the name of their trade mark. Budvar claims moreover that Anheuser-Busch's apparent intention is to open an establishment where its own goods might be consumed, since not only did it file the contested BUD application for

goods within Class 32, but it also filed an application for a Community trade mark BAR BUD. Further, the main purpose of restaurant services is the preparation and provision of meals, generally accompanied by beverages, such as wine or beer. Accordingly, registration of the trade mark BUD for 'restaurant, bar and pub services' within Class 42 would enable Anheuser-Busch to open such establishments, misleading consumers who come there to consume the Czech beer BUD and in fact consume a different beer.

115 Where the goods or services concerned are different from beer (those being, according to Budvar, goods within Classes 16, 21 and 25 in Case T-255/06 and services other than 'restaurant, bar and pub services' within Class 42 Case T-257/06), Budvar relies on Article L. 641-2 of the Rural Code, referred to above, and claims that reproduction of the geographical name constituting the appellation of origin, without any additional wording, is prohibited in the case of goods which are identical, similar or different. In the present case, both the reputation of the appellation of origin 'bud' and the likelihood of that reputation being weakened or misappropriated should be considered as established fact. First, referring to Article 2 of the Lisbon Agreement, Budvar states that the reputation of the beer brewed in Budweis has necessarily been demonstrated in the Czech Republic in order to obtain the appellation of origin 'bud'. Under Article 1(2) of the Lisbon Agreement, an appellation of origin registered under that agreement has the same protection on French territory as national appellations, and there is no requirement to demonstrate that it actually has a reputation. Consequently, the intrinsic reputation of the appellation of origin of which Budvar is the proprietor is likely to be misappropriated or weakened by registration of the marks concerned. There is no French legislation which requires that that intrinsic reputation be particularly high in order for its protection to extend to dissimilar goods. Furthermore, such a requirement is contrary to Article 3 of the Lisbon Agreement which lays down an absolute protection of appellations of origin, without any condition relating to the reputation of the appellation or to whether the goods on which the infringing sign is fixed are identical to or similar to the goods protected by the appellation of origin. The principle of the hierarchy of norms requires that Article L. 641-2 of the Rural Code be interpreted in the light of Article 3 of the Lisbon Agreement. Secondly, Budvar claims that the likelihood that the reputation of the appellation of origin may be misappropriated or weakened may be assessed in the light of the attitude of the applicant for the contested mark. The trade mark applications were made by one of Budvar's direct competitors, which was necessarily aware of the reputation of the appellation of origin concerned, not least in Czech territory. The circumstances in which the applications for registration concerned were made therefore reveal both an

obvious and unambiguous intention on the part of the applicant to impair the reputation of the appellation of origin concerned, by rendering the name 'bud' commonplace and thereby weakening it and destroying its uniqueness, and an attempt to misappropriate that appellation of origin by obtaining a BUD trade mark.

116 Budvar also relies, in all the cases, on Articles L. 711-3 and L. 711-4 of the French Code de la propriété intellectuelle ('the Intellectual Property Code').

117 As regards Article L. 711-3 of the Intellectual Property Code, Budvar states that it is there provided, in essence, that a sign may not be adopted as a trade mark when it is contrary to public policy or when its use is prohibited by law. Consequently, on the basis of Article L. 714-3 of that code, Budvar is entitled to obtain a declaration that the word mark BUD is invalid and an order prohibiting its use. Budvar refers, moreover, in Cases T-225/06, T-255/06 and T-309/06, to several French judicial decisions according to which the protection afforded to appellations of origin is a matter of public policy. Consequently, in accordance with Article L. 711-3(b) of the Intellectual Property Code, an application for registration as a trade mark of a sign which reproduces or imitates an appellation of origin must be deemed to be contrary to public policy, since it is contrary to the provisions governing appellations of origin. In accordance with Article L. 714-3 of the Intellectual Property Code, Budvar could obtain a declaration that the word mark BUD is invalid and an order prohibiting its use. In that regard, the INPI informed Anheuser-Busch that the application for registration of the mark BUD, lodged on 10 September 1987 to designate goods in Class 32 (beers), was likely to 'be caught' by the French legislation, because it was 'contrary to public policy'. In addition, Article L. 711-3(b) of the Intellectual Property Code also prohibits registration of a mark whose use is prohibited by law. Pursuant to Article L. 115-8 of the Consumer Code, Budvar is entitled, in France, to expect that any use by Anheuser-Busch of the sign BUD to designate beers and other beverages similar to beer would be subject to sanctions. Such a mark should therefore be deemed to be prohibited by law (even when designating goods different from beer) within the meaning of Article L. 711-3(b) of the Intellectual Property Code. In that regard, Budvar states that the INPI informed Anheuser-Busch

that its application for registration of the mark BUD, lodged in 2001 to designate beer, was likely to 'be caught' by Article L. 711-3(b) of the Intellectual Property Code. In response to that objection, Anheuser-Busch withdrew its trade mark registration application. Another trade mark registration application by Anheuser-Busch relating to the word sign BUD to designate beer was refused by the INPI on the same basis on 19 May 2005. French law provides therefore several legal remedies permitting Budvar to obtain the prohibition of Anheuser-Busch's use of the mark BUD.

118 As regards Article L. 711-4 of the Intellectual Property Code, Budvar states that registration of a trade mark is impossible when it may infringe an appellation of origin which is protected in France, regardless of whether the application does or does not engender a likelihood of confusion with the earlier appellation of origin concerned. Budvar refers also to several French judicial decisions annulling trade marks which either pre-date or post-date appellations of origin. Budvar argues therefore that it is justified in requesting that a word mark BUD be declared invalid and its use prohibited, whatever the goods or services concerned.

119 Moreover, Budvar claims that the Board of Appeal states incorrectly that the Tribunal de grande instance in Strasbourg had held that the applicant's attempt to prevent Anheuser-Busch's French distributor from selling BUD beer constituted unfair competition. Budvar claims that the finding of unfair competition on its part, quantified at a token one euro compensation, related to the fact that it had waited until 2002 before invoking its rights in the appellation of origin 'bud' against Anheuser-Busch's distributor. Moreover, the judgment in question is now under appeal and is not final.

120 As regards Austria, in connection with Cases T-225/06, T-255/06 and T-309/06, Budvar states that the appellation of origin 'bud' is protected under the bilateral convention. That appellation of origin remains effective, notwithstanding the fact that the validity of that right is at issue in ongoing proceedings before the Oberlandesgericht Wien. In the absence of a final decision in that dispute, the appellation of origin 'bud' remains in force in Austria. Accordingly, on the basis of Article 7 and Article 9(1) of the bilateral convention, use by Anheuser-Busch of the word mark BUD to designate goods identical to or similar to beer could be the subject of sanctions.

Arguments of OHIM

121 Contrary to what is claimed by Budvar, OHIM did not, in connection with Joined Cases T-60/04 to T-64/04 *BUD*, paragraph 108 above, take any position on the use of the word 'bud' as an appellation of origin. In those cases neither the Board of Appeal nor the parties questioned the fact that the appellation of origin 'bud' was an earlier right based on a use of more than mere local significance. OHIM only expressed its agreement with that delimitation of the dispute.

122 In the present case, the protection provided by Article 8(4) of Regulation No 40/94 must be denied if it is not proved that the earlier right was 'used in the course of trade of more than mere local significance'. That issue, which is a question of Community law, is independent of whether national law does or does not require that the earlier right be used. In the present case, the Board of Appeal, approving the reasoning of the Opposition Division, applied by analogy the provisions of Article 43(2) and (3) of Regulation No 40/94 on the genuine use of earlier marks, and stated that the evidence required by those provisions is a minimum standard (OHIM refers, in that regard to Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 39, and to the order in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 21). The application of such a standard is therefore not unfair to Budvar.

123 As regards Budvar's claim that the concept of use in the course of trade is purely qualitative and not quantitative and that it was sufficient to prove only that the use was commercial in nature, OHIM sees no contradiction between the Board of Appeal's position and that of Budvar. Budvar moreover accepts, in paragraph 27 of its application in Case T-225/06, that proof of actual and genuine use in the course of trade is sufficient to substantiate the existence of a right under Article 8(4) of Regulation No 40/94.

124 By referring in the same sentence to a 'sign used in the course of trade' and to the 'law of the Member State governing that sign', Article 8(4) of Regulation No 40/94 clearly provides that use in the course of trade must be shown in the territory of the Member State concerned, in other words, in the present case, France and Austria. Given the Board of Appeal's reference to Article 43(2) and (3) of Regulation No 40/94, the question whether such proof has been provided must be assessed in the light of the requirements laid down by Rule 22 of Regulation No 2868/95. In that regard, the place of use, its duration and its importance are interdependent factors that need to be taken into account together. The weakness of one factor can be counterbalanced by another (OHIM refers, on that point, to Case C-416/04 P *Sunrider* v *OHIM* [2006] ECR I-4237, paragraph 76)

125 In the present case, for the reasons set out in the contested decisions, Budvar did not provide evidence that the use of the appellation of origin 'bud' was of more than mere local significance, either in France or, as regards Cases T-225/06, T-255/06 and T-309/06, in Austria.

126 Moreover, Budvar challenges the Board of Appeal's conclusion only to the extent that it was the result of an assessment of 'genuine use', within the meaning of trade mark law. Budvar has not put forward any argument capable of calling into question the Board of Appeal's conclusion, if it is accepted that the application, by analogy, of Article 43(2) and (3) of Regulation No 40/94 was justified.

127 Since the 'Community' requirement laid down by Article 8(4) is not met, the opposition could not succeed, even if the 'national' requirement (namely that the law of the Member State governing the sign in question gives its proprietor the right to prohibit use of a subsequent mark) is satisfied.

128 Lastly, OHIM states, following the Board of Appeal, that it is regrettable that the Opposition Division, in earlier cases, took a different approach to the use in France of the appellation of origin 'bud'. However, the lawfulness of the contested decisions can be assessed only on the basis of Regulation No 40/94 and not on the basis of previous practice in taking decisions. Moreover, if Budvar's argument is to be understood as claiming that the principle of equal treatment was infringed, it must be rejected. The circumstances of the various cases are not identical. Furthermore, if the earlier decisions are vitiated by illegality, no one can invoke, for his own benefit, an illegality committed in favour of another.

Arguments of Anheuser-Busch

129 First, Anheuser-Busch considers that it is difficult to know whether Budvar's claim is that the requirement of use does not exist or rather that that requirement is merely subject to less stringent standards than those applied by the Board of Appeal.

130 Further, Anheuser-Busch states that the use requirement provided for in Article 8(4) of Regulation No 40/94 constitutes an autonomous rule of Community law, which is applicable irrespective of any requirements created by the relevant national law. In that regard, it is very clear from that provision that the requirement is that there be actual use in the course of trade. Moreover, that actual use must have given to the sign a

significance which is more than merely local. Anheuser-Busch adds, in connection with Case T-309/06, that the actual use of the right at issue must precede the application for registration of the Community trade mark.

131 On the substance, Anheuser-Busch contends, first, that Rule 22 of Regulation No 2868/95 must apply, *mutatis mutandis*, to the use requirement laid down in Article 8(4) of Regulation No 40/94. In that regard, Anheuser-Busch claims that if use of a sign has to be proved in order that there should be rights in a specific jurisdiction vis-à-vis a subsequent mark, the information to be provided will have to constitute evidence that the sign was used within that jurisdiction (place) during the time required (time), that use was made of the sign as claimed (nature) and lastly that use occurred in the market (extent). In other words, there is nothing to prevent the analogous application of Rule 22 of Regulation No 2868/95 in the context of Article 8(4) of Regulation No 40/94.

132 Secondly, as regards the quantitative criteria of use, Anheuser-Busch states that Article 8(4) of Regulation No 40/94 does not reproduce the word 'genuine' contained in Article 43(2) of the same regulation. However, the reference to 'another sign used in the course of trade of more than mere local significance' implies that the use must be visible on the market. The evidence in relation to a right based on use should not therefore be inferior to that in relation to a registered trade mark. Anheuser-Busch refers, in that regard, to an interpretation of Article 8(4) of Regulation No 40/94 by the High Court of Justice of England and Wales in the 'COMPASS' case (24 March 2004). OHIM consequently was correct to conclude that Article 8(4) of Regulation No 40/94 contains quantitative criteria which are, indeed, more stringent that those relating to registered marks.

133 As regards Budvar's claim that the intervener had not formally requested proof of use of the appellation of origin in question, Anheuser-Busch contends that it stated, in each of its written pleadings, that Budvar had to produce such proof. Furthermore, a 'formal'

request to that effect, as required by Article 22(5) of Regulation No 2868/95, does not apply in relation to Article 8(4) of Regulation No 40/94. That provision refers to use in the course of trade as a statutory requirement for an opposition to be successful. In contrast, the use of registered marks need be shown only if such proof is formally requested. Budvar's analogy with Article 43(2) and (3) of Regulation No 40/94 is therefore a nonsense.

134 As regards Budvar's reference to Articles 4 and 5 of Directive 89/104 and Article 9(1) of Regulation No 40/94, Anheuser-Busch states that those provisions cover use which is 'infringing'. Interpretation of the concept of 'use in the course of trade' varies according to the provisions applicable in the particular case. Budvar's references to case-law in that regard are consequently irrelevant.

135 Moreover, the use requirement relating to trade marks, as interpreted by the Court of Justice (in particular the fact that there is no 'minimum' threshold for the genuine use of a trade mark), cannot be applied to rights based on use which are covered by Article 8(4) of Regulation No 40/94. Where the opposition is based entirely on use, it is perfectly correct to apply more stringent criteria and to require a more visible use of the sign on the market than in the case of registered marks. In the present case, the Opposition Division and the Board of Appeal did not even apply more stringent criteria, but applied, by analogy, the requirements set out in Article 43(2) and (3) of Regulation No 40/94.

136 Thirdly, Anheuser-Busch contends that, in the present case, Budvar did not produce evidence of use in the course of trade of more than merely local significance, within the meaning of Article 8(4) of Regulation No 40/94.

137 In connection with Case T-225/06, concerning France, the evidence produced was inadequate to demonstrate any use whatsoever in the course of trade. As regards Austria, Anheuser-Busch contends that the little use relates only to a product on which were displayed the words 'bud super strong' and which was supplied only to a single distributor. There is no proof that that distributor sold a product marked 'bud' to the consumer. Anheuser-Busch adds, in that regard, that the word 'bud' was, quite obviously, used as a trade mark. Moreover, putting aside the fact that the word 'bud' is not a geographical name, that word, associated with the English words 'super strong', could refer to a beer from the United States or an English-speaking country, but certainly not to a Czech town or city.

138 In connection with Case T-255/06, Anheuser-Busch contends that, first, as regards Austria, Budvar submitted evidence of use outside the time-limits required by OHIM. In accordance with Rule 19(4) of Regulation No 2868/95 and OHIM's practice, that evidence should therefore be disregarded. In any event, that evidence, and also the evidence produced in relation to France, was insufficient to demonstrate any use whatsoever in the course of trade. In that regard, Anheuser-Busch contends that the evidence of use relates only to a product on which were displayed the words 'bud super strong' and puts forward similar arguments to those set out in Case T-225/06, paragraph 137 above. Moreover, as regards France in particular, Anheuser-Busch contends that the four 'invoices' submitted by Budvar are obviously delivery notes for complimentary shipments, as is shown by the indication 'Free of charge'. In addition, only two of the invoices concerned pre-date the Community trade mark application and one of them does not name the addressee. Taken together, those invoices relate to only 70 litres of the product on which the words 'bud super strong' are displayed, in other words approximately what is consumed by two average French consumers in a year. As regards Austria, the documents produced show deliveries to a single distributor, amounting to only 35 hectolitres, of a product on which are displayed the words 'bud super strong'.

139 In connection with Case T-257/06, and as regards France, Anheuser-Busch again states that the four 'invoices' submitted by Budvar are obviously delivery notes for complimentary shipments, as is shown by the indication 'Free of charge'. In addition, one of the four invoices concerned post-dates the Community trade mark application. Furthermore, Anheuser-Busch contends that the proof of use relates only to a product

on which the words 'bud super strong' are displayed and puts forward similar arguments to those set out in connection with Case T-225/06, paragraph 137 above.

140 In connection with Case T-309/06, Anheuser-Busch contends that the proof of use relates only to a product on which the words 'bud super strong' are displayed and puts forward similar arguments to those set out in connection with Case T-225/06, paragraph 137 above.

141 As regards Budvar's claim that OHIM had accepted before the Court of First Instance in Case T-62/04 that sufficient use of the sign BUD in France had been shown, that is incorrect. OHIM merely sought to confirm in that case which, incidentally, concerned different goods that appellations of origin qualified in principle as signs within the meaning of Article 8(4) of Regulation No 40/94.

142 Fourthly, Anheuser-Busch considers that Budvar has failed to establish adequately that it had the right to prohibit the mark applied for.

143 As regards French law, Anheuser-Busch states, in general, that Budvar's citation of a large number of provisions of French law in a very vague fashion does not meet the burden of proof which lies on the opposing party under Article 8(4) of Regulation No 40/94.

144 More specifically, as regards the provisions of the Intellectual Property Code relied on by Budvar, Anheuser-Busch states that they cover the registration of trade marks in France. They are therefore of no relevance in connection with Article 8(4) of Regulation No 40/94 which refers to the right to prohibit the use of a trade mark.

145 As regards the provisions of the Consumer Code relied on, Anheuser-Busch states that Budvar is citing for the first time, in Cases T-225/06 and T-309/06, Article L. 115-8 of that code. Anheuser-Busch adds, in Case T-225/06, that since questions of national law are issues of fact, reliance on that provision is a new fact and, consequently, cannot be taken into account by the Court of First Instance.

146 As regards Article L. 641-2 of the Rural Code, reproduced in Article L. 115-5 of the Consumer Code, Anheuser-Busch contends, first, in Cases T-255/06, T-257/06 and T-309/06, which relate entirely or in part to different goods or services, that Budvar has not provided any evidence that the appellation of origin in question has any reputation whatsoever in French territory. Anheuser-Busch refers, in that regard, to the statement lodged with the Court of First Instance in Case T-60/04, which is annexed to its response. Secondly, Anheuser-Busch considers, in Case T-257/06 which, according to Budvar, relates to, inter alia, services 'similar' to beer that Budvar's allegations are unfounded. In particular, Anheuser-Busch contends that 'services' (such as 'restaurant, bar and pub services' within Class 42 referred to by Budvar) cannot be 'similar products' within the meaning of Article L. 641-2 of the Rural Code. That is in line with the World Trade Organisation (WTO) Agreement on trade-related aspects of intellectual property rights (TRIPs) which only protects geographic indications in relation to goods. The word 'similar' in Article L. 641-2 of the Rural Code covers goods which belong to the same category of goods, but do not comply with the same qualitative criteria as those of an appellation of origin. This is therefore a narrower concept than that of similarity in the context of likelihood of confusion in trade mark law. In the latter context, a low similarity of goods or services concerned may nonetheless lead to a

likelihood of confusion. In any event, 'restaurant, bar and pub services' within Class 42 are not similar to beer. Anheuser-Busch refers in particular, in that regard, to Case T-33/03 *Osotspa* v *OHIM — Distribution & Marketing (Hai)* [2005] ECR II-763.

147 As regards Austrian law and in connection with Cases T-225/06, T-255/06 and T-309/06, Anheuser-Busch contends that Budvar has not specified the relevant provisions on which it relies. Article 7(1) of the bilateral convention, to which Budvar has repeatedly referred, clearly states that 'resort shall be had to all judicial and administrative remedies that are provided under the law of the contracting State … subject to the conditions laid down in that law'. The fact alone that Article 9(1) of the convention allows court actions to be brought directly obviously cannot replace the legal ground for the action.

(b) Findings of the Court

148 As a preliminary matter, the Court notes that Budvar's arguments intended to show that it is the proprietor of the right relied on relate, in reality, to a finding of fact which led the Board of Appeal to conclude that the appellation 'bud' was not an appellation of origin. Since that conclusion of the Board of Appeal was the subject of the first part of the single plea in law, it is unnecessary to examine Budvar's arguments in the context of the second part.

149 Otherwise, Budvar raises two grounds of complaint concerning the Board of Appeal's application of the requirements laid down by Article 8(4) of Regulation No 40/94. By its first complaint, Budvar challenges the Board of Appeal's application of the requirements relating to use in the course of trade of a sign of more than mere local

significance. By its second complaint, Budvar challenges the Board of Appeal's application of the requirement relating to the right conferred by the sign relied on in support of the opposition.

The first complaint: use in the course of trade of a sign of more than mere local significance

150 First, in connection with Case T-255/06, Anheuser-Busch states, as regards Austria, that evidence of use of the right relied on was submitted by Budvar outwith the time-limits required by OHIM. Anheuser-Busch contends that, pursuant to Rule 19(4) of Regulation No 2868/95 and OHIM's practice, that evidence should be disregarded.

151 However, even if Anheuser-Busch's arguments are to be construed as an independent plea based on Article 134(2) of the Rules of Procedure, that plea is incompatible with the form of order sought by the intervener and must therefore be rejected (see, to that effect, judgment of 16 November 2006 in Case T-278/04 *Jabones Pardo* v *OHIM — Quimi Romar (YUKI)*, paragraphs 44 and 45, and *AB GENUINE Budweiser KING OF BEERS*, paragraph 79 above, paragraph 220). The arguments put forward by Anheuser-Busch seek, in essence, to challenge an aspect of the contested decision, since the Board of Appeal did not, unlike the Opposition Division, hold that the documents concerned had to be disregarded. However, Anheuser-Busch has not sought either the annulment or alteration of that decision under Article 134(3) of the Rules of Procedure.

152 In any event, even if Rule 19 of Regulation No 2868/95 and, in particular, Rule 19(4) in the version relied on by Anheuser-Busch in support of its claims, were applicable in

relation to Article 8(4) of Regulation No 40/94, it must be observed that that rule was introduced by Commission Regulation (EC) No 1041/2005 of 29 June 2005 amending [Regulation No 2868/95] (OJ 2005 L 172, p. 4), which came into force on 25 July 2005, in other words after the date when Budvar filed its notice of opposition and the evidence relating to use in Austria of the right claimed. It must be recalled that, as a general rule, the principle of legal certainty precludes a community measure from taking effect from a point in time before its publication; it may, exceptionally, be otherwise where the purpose to be achieved so demands and where the legitimate expectations of those concerned are duly respected (Case 98/78 *Racke* [1979] ECR 69, paragraph 20, and Joined Cases 212/80 to 217/80 *Meridionale Industria Salumi and Others* [1981] ECR 2735, paragraph 10). That rule also applies, as the Court has stated, where the retroactivity is not expressly laid down by the measure itself but is the result of its content (Case C-368/89 *Crispoltoni* [1991] ECR I-3695, paragraph 17; Joined Cases C-487/01 and C-7/02 *Gemeente Leusden and Holin Groep* [2004] ECR I-5337, paragraph 59; Case C-376/02 *'Goed Wonen'* [2005] ECR I-3445, paragraph 33; and Case T-357/02 *Freistaat Sachsen* v *Commission* [2007] ECR II-1261, paragraph 95). In the present case, nothing in the wording or general structure of Regulation No 1041/2005 allows the conclusion that the provisions introduced by that regulation ought to have retroactive effect.

153 Moreover, as is clear from the wording of Article 74(2) of Regulation No 40/94, OHIM may disregard facts or evidence not submitted in due time by the parties. It can be inferred from such wording that, as a general rule and unless otherwise specified, the submission of facts and evidence by the parties remains possible after the expiry of the time-limits governing such submission provided for in Regulation No 40/94 and that OHIM is in no way prohibited from taking account of facts and evidence which are submitted late (Case C-29/05 P *OHIM* v *Kaul* [2007] ECR I-2213, paragraphs 41 and 42). In the present case, Anheuser-Busch does not assert, in support of its claims, that the Board of Appeal infringed Article 74(2) of Regulation No 40/94. Apart from Rule 19 of Regulation No 2868/95, as introduced by Regulation No 1041/2005, Anheuser-Busch makes no reference to provisions of other regulations which could suggest that the Board of Appeal was obliged to disregard the documents produced by Budvar in relation to Austria.

154 It follows from the foregoing that it is necessary to reject Anheuser-Busch's arguments seeking a finding that, as regards Austria, Budvar's submission of evidence of use of the right relied on was outwith the time-limits required by OHIM.

155 On the substance, it must be recalled that under Article 8(4) of Regulation No 40/94 the opposition is based on a 'sign used in the course of trade of more than mere local significance'.

156 Two conditions, both of which must be met, flow from that provision. First, the sign concerned must be used 'in the course of trade'. Second, the sign concerned must have a 'significance' which is not merely local.

157 In the present case, the Board of Appeal held that it was to be inferred from the wording of Article 8(4) of Regulation No 40/94 that the sign concerned had to be 'effectively' used in trade.

158 In that regard, the Board of Appeal held that it was not unreasonable to apply, by analogy, the provisions of Article 43(2) and (3) of Regulation No 40/94, and of Rule 22 of Regulation No 2868/95. In particular, the Board of Appeal endorsed the approach taken by the Opposition Division requiring that a 'genuine' use of the earlier right be proved. On that basis, the Board of Appeal considered, in essence, that the evidence produced by Budvar in relation to use of the appellation of origin 'bud', in Austria, France, Italy and Portugal was insufficient (decision of the Board of Appeal of 14 June 2006 (Case R 234/2005-2), paragraphs 24 to 31, and by reference thereto in the other contested decisions).

159 A distinction must be drawn, in order to examine the contested decisions, between the requirement that the sign concerned be used in the course of trade and the requirement that it have significance.

— The requirement that the sign concerned be used in the course of trade

160 Given that the Board of Appeal applied, by analogy, provisions of Community law relating to the genuine use of an earlier trade mark, it must be recalled that Article 43(2) and (3) of Regulation No 40/94 provide that an applicant for a Community trade mark which is opposed may require proof that an earlier trade mark was put to genuine use, in the territory in which it is protected, during the period of five years preceding the date of publication of the Community trade mark application. Under Rule 22 of Regulation No 2868/95, the indications and evidence for the furnishing of proof of use of the mark are to consist of indications concerning the place, time, extent and nature of use of the earlier mark for the goods and services in respect of which it is registered and on which the opposition is based.

161 There is genuine use of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the registration (see Case C-234/06 P *Il Ponte Finanziaria* v *OHIM* [2007] ECR I-7333, paragraph 72 and case-law cited). It is not necessary that use of the earlier mark always be quantitatively significant in order to be described as genuine. That use must, however, be quantitatively sufficient (see, to that effect, the order in *La Mer Technology*, paragraph 122 above, paragraphs 21 and 22, and *Il Ponte Finanziaria* v *OHIM*, paragraph 73).

162 The significance of the requirement that the earlier trade mark has been put to genuine use is that, if there is no proof to that effect, the opposition is to be rejected. If the earlier Community trade mark has been used in relation to part only of the goods or services for which it is registered it is, for the purposes of the examination of the opposition, to be deemed to be registered in respect only of that part of the goods or services (Article 43(2) of Regulation No 40/94). It must also be observed that a failure, without good reason, to put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered may result in its revocation (Article 15(1) and Article 50(1)(a) of Regulation No 40/94). Article 12 of Directive 89/104 contains similar provisions in relation to national trade marks.

163 However, the objectives and requirements associated with proof of genuine use of an earlier trade mark are not the same as those relating to proof of use, in the course of trade, of a sign covered by Article 8(4) of Regulation No 40/94, particularly when, as in the present case, the sign is an appellation of origin registered under the Lisbon Agreement or an appellation protected under the bilateral convention.

164 In that regard, it must be observed, first, that Article 8(4) of Regulation No 40/94 does not refer to the 'genuine' use of the sign relied on in support of the opposition.

165 Secondly, in connection with Article 9(1) of Regulation No 40/94 and Articles 5(1) and 6(1) of Directive 89/104, the Court of Justice and the Court of First Instance have consistently held that a sign is used in the 'course of trade' when that use occurs in a commercial activity with a view to economic advantage and not as a private matter (*Arsenal Football Club*, paragraph 107 above, paragraph 40; Case C-48/05 *Adam Opel* [2007] ECR I-1017, paragraph 18; order of 20 March 2007 in Case C-325/06 P *Galileo International Technology and Others* v *Commission,* paragraph 32; Case C-17/06 *Céline* [2007] ECR I-7041, paragraph 17; Case T-195/00 *Travelex Global and Financial Services and Interpayment Services* v *Commission* [2003] ECR II-1677, paragraph 93;

and *Galileo International Technology and Others* v *Commission*, paragraph 107 above, paragraph 114). The issue is in fact whether the sign concerned is used in trade (Opinion of Advocate General Ruiz-Jarabo Colomer in *Arsenal Football Club*, paragraph 107 above, point 62).

166 Thirdly, under Article 8(4) of Regulation No 40/94, it is possible for certain signs not to lose the rights attached to them, notwithstanding the fact that no 'genuine' use is made of them. On that point, the Court notes that an appellation of origin registered under the Lisbon Agreement cannot be deemed to have become generic, as long as it is protected as an appellation of origin in the country of origin. Moreover, the protection conferred on the appellation of origin is ensured without renewal of registration (Articles 6 and 7(1) of the Lisbon Agreement). That does not mean that it is possible not to use the sign relied on pursuant to Article 8(4) of Regulation No 40/94. However, the opposing party need do no more than show that the sign concerned was used in the context of a commercial activity with a view to economic advantage, and need not prove that the sign has been put to genuine use within the meaning and according to the requirements of Article 43(2) and (3) of Regulation No 40/94 and Rule 22 of Regulation No 2868/95. A contrary interpretation would impose on signs covered by Article 8(4) requirements specifically linked to trade marks and the extent of their protection. It must be added that under Article 8(4) of Regulation No 40/94, unlike under Article 8(1)(b) of Regulation No 40/94, the opposing party must still show that the sign concerned gives him the right, according to the law of the Member State concerned, to prohibit use of a subsequent mark.

167 Fourthly, and lastly, by applying by analogy Article 43(2) and (3) of Regulation No 40/94 and Rule 22 of Regulation No 2868/95 to the present case, the Board of Appeal analysed, inter alia, use of the sign concerned in each of Austria, France, Italy and Portugal separately, in other words in each of the territories where, according to Budvar, the appellation 'bud' is protected. That also caused the Board of Appeal to disregard the evidence produced by Budvar in the proceedings leading to the Board of Appeal's decision of 14 June 2006 (Case R 234/2005-2), which was the basis for the other contested decisions relating to the use of the appellations concerned in Benelux, Spain

and the United Kingdom. However, it does not follow from the wording of Article 8(4) of Regulation No 40/94 that the sign concerned must be used in the territory whose law is invoked in support of the protection of that sign. In that regard, the signs referred to in Article 8(4) of Regulation No 40/94, in particular the appellations concerned in the present case, may enjoy protection in a particular territory, even though they are not used in that particular territory, but only in another territory.

168 In light of the foregoing, the Board of Appeal made an error of law by deciding to apply, by analogy, the provisions of Community law relating to the 'genuine' use of an earlier trade mark, in particular to determine whether the signs concerned had been used 'in the course of trade' in each of Austria, France, Italy and Portugal, and to do so separately. The Board of Appeal ought to have determined whether the evidence provided by Budvar in the course of the administrative proceedings reflected use of the signs concerned in the context of a commercial activity with a view to economic advantage, and not as a private matter, whatever the territory concerned by that use. That said, the error in method made by the Board of Appeal could justify the annulment of the contested decisions only if Budvar established that the signs concerned were used in the course of trade.

169 In that regard, it must be emphasised that, according to Article 8(4) of Regulation No 40/94, the opposition is to be based on a sign 'used' in the course of trade. It does not follow from that provision, contrary to what is claimed by Anheuser-Busch, that the opposing party must show that the sign concerned was used prior to the Community trade mark application. At most it may be required, as for earlier trade marks, and to avoid situations where the earlier right is used solely because of opposition proceedings, that the sign concerned was used before publication of the trade mark application in the *Community Trade Marks Bulletin*.

170 In the present case, the Community trade mark applications were published on 7 December 1998 (registration application No 2), 2 May 2000 (registration application No 1), 26 February 2001 (registration application No 3) and 5 March 2001 (registration application No 4).

171 The documents submitted by Budvar, referred to in the Board of Appeal's decision of 14 June 2006 (Case R 234/2005-2), consist of Austrian press cuttings (1997), invoices issued in Austria, France and Italy (from 1997 to 2000) accompanied, as appropriate, by affidavits from Budvar's employees or customers.

172 It must be added that, apart from those documents, Budvar provided to OHIM, on 31 January 2002, in connection with the procedure which led to the Board of Appeal's decision of 14 June 2006 (Case R 234/2005-2), which was the basis of the other contested decisions, invoices issued in Spain (2000) and in the United Kingdom (1998), and also awards made by the International Institute for Quality Selections ('Monde Sélection'), established in Brussels (from 1999 to 2001).

173 The documents produced by Budvar cover, therefore, periods from 1997 to 2001. The documents relating to the years 1997 and 1998 can be used in the context of the registration application No 2. The documents relating to the year 1999 can also be used in relation to registration application No 1. The remaining documents can also be used for the other applications for registration. It follows that those documents are capable of showing, if their probative value is sufficient, that the sign concerned was 'used' in the course of trade.

174 On the substance, it is clear, first, that those documents refer to a product on which are displayed the words 'bud strong' or 'bud super strong' and not only 'bud', as correctly observed by the Board of Appeal. However, the meaning of the words 'strong' or 'super

strong' used in association with the word 'bud' can readily be understood by the consumer — whether an English speaker or not. The consumer will perceive those expressions as descriptive of certain qualities which the producer wishes to associate with the goods concerned, namely beers. In addition, the beer bottle labels which were produced show clearly that the word 'bud' is printed in large letters and centrally while the words 'super' and 'strong' are printed below the word 'bud' and in small letters. In those circumstances, the addition of the words 'super' and 'strong' cannot change the function which Budvar claims is served by the word 'bud' in the appellations concerned, namely to indicate the geographical origin of the goods concerned.

175 Second, an indication which serves to indicate the geographical origin of a product may be used, like a trade mark, in the course of trade (see, to that effect, Case C-100/02 *Gerolsteiner Brunnen* [2004] ECR I-691). That does not however mean, as stated by the Board of Appeal in the contested decisions, that the appellation concerned is used 'as a trade mark' and consequently loses its primary function. That conclusion is unaffected by the fact, noted by the Board of Appeal, that Budvar is also proprietor of a trade mark BUD (which, incidentally, has no part in the legal or factual framework of the present proceedings). Under Article 8(4) of Regulation No 40/94, it is sufficient to find that the sign relied on in support of the opposition is used in the course of trade. The fact that that sign is identical to a trade mark does not mean that it is not used in the course of trade. Moreover, OHIM and Anheuser-Busch do not clearly specify how the sign BUD had been used 'as a trade mark'. In particular, there is no evidence that the expression 'bud', displayed on the goods in question, refers to the commercial origin of the product more than, as Budvar claims, to its geographical origin. It must be pointed out, in addition, that the labels on the goods in question, as they appear from OHIM's file and as was confirmed at the hearing, also reproduce, below the expression 'bud', the name of the producer, in this case Budějovický Budvar.

176 Lastly, as regards Anheuser-Busch's argument that some invoices bear the expression 'Free of charge', suffice it to say that that expression features on only some of the documents submitted by Budvar. That leaves intact the probative value of the other documents produced. In any event, even if the deliveries concerned were made without

charge, that does not therefore mean that they are a private matter. Since the deliveries concerned were made to traders, as is clear from the headings of the invoices concerned and is not disputed by Anheuser-Busch, those deliveries could have been made in the context of a commercial activity with a view to economic advantage, namely to acquire new outlets.

177 In light of the foregoing, and taking account of all the documents submitted by Budvar to OHIM, it must be held that Budvar has provided proof that the signs concerned were used in the course of trade, within the meaning of Article 8(4) of Regulation No 40/94, contrary to the conclusion of the Board of Appeal.

178 Budvar's complaint to that effect must therefore be upheld.

— The requirement relating to the significance of the sign concerned

179 Although the Board of Appeal did not expressly address the significance of the sign concerned, it linked that requirement and the requirement relating to proof of use of the sign. In particular, in its analysis of the use, in France, of the appellation of origin 'bud' registered under the Lisbon Agreement, the Board of Appeal held that 'the evidence of use in France is insufficient to establish the existence of a right of more than merely local significance' (decision of the Board of Appeal of 14 June 2006 (Case R 234/2005-2), paragraph 30, and by reference thereto in the other contested decisions).

180 However, it can be inferred from a reading of Article 8(4) of Regulation No 40/94 that that provision refers to the significance of the sign concerned and not to the significance of its use. The significance of the sign concerned covers, under Article 8(4) of Regulation No 40/94, the geographical extent of its protection. The latter must not be merely local. If it is, any opposition to a Community trade mark application is bound to fail. Article 107 of Regulation No 40/94, which is headed 'Prior rights applicable to particular localities', specifies moreover that '[t]he proprietor of an earlier right which only applies to a particular locality may oppose the use of the Community trade mark in the territory where his right is protected in so far as the law of the Member State concerned so permits'. The significance of the right is therefore closely bound up with the territory where that right is protected.

181 In those circumstances, the Board of Appeal also made an error of law when, as regards France, it linked proof of use of the sign concerned to the requirement that the right concerned must have a significance which is not merely local. It suffices to find, in that regard, that the earlier rights relied on have a significance which is not merely local inasmuch as their protection, under Article 1(2) of the Lisbon Agreement and Article 1 of the bilateral convention, extends beyond their territory of origin.

182 For the foregoing reasons, the first complaint in the second part of the single plea in law must be upheld as being well founded.

183 Since the Board of Appeal also held that Budvar had not provided proof that the signs concerned gave it the right to prohibit use of a subsequent mark, and since that conclusion of the Board of Appeal could justify rejection of the opposition, it is necessary next to analyse the second complaint in the second part of the single plea in law.

The second complaint: the right arising from the sign relied on in support of the opposition

184 It must be recalled that, under Article 8(4) of Regulation No 40/94, the sign relied on must confer on its proprietor the right to prohibit the use of a subsequent trade mark, pursuant to the Community legislation or the law of the Member State governing that sign.

185 Since Article 8 of Regulation No 40/94 deals with relative grounds for refusal, and given the terms of Article 74 of that regulation, the burden of proving that the sign concerned confers the right to prohibit use of a subsequent trade mark lies on the party bringing an opposition before OHIM.

186 In the present case, Budvar relied on provisions of national law in support of its opposition. Budvar did not rely on any Community legislation.

187 In that context, it is necessary to have regard, in particular, to the national rules relied on and the judicial decisions delivered in the Member State concerned. On that basis, the opposing party must establish that the sign concerned falls within the scope of application of the law of the Member State relied on and that it allows that party to prohibit use of a subsequent mark. It must be emphasised that, in the context of Article 8(4) of Regulation No 40/94, the opposing party must establish those matters with regard to the Community trade mark for which registration is sought (*AB GENUINE Budweiser KING OF BEERS*, paragraph 79 above, paragraphs 85 to 89).

188 In the present case, the Board of Appeal held that the opposition had additionally to be rejected on the ground that Budvar had not established that the signs concerned

conferred on it the right to prohibit use of the word 'bud', as a trade mark, in Austria or France.

189 More specifically, as regards Austria, the Board of Appeal states that, by its judgment of 8 December 2004, the Handelsgericht Wien dismissed an action for an injunction prohibiting use of the word 'bud' in relation to the beer marketed by Anheuser-Busch. That judgment was upheld by the Oberlandesgericht Wien on 21 April 2005. Those judgments were based on the finding that the word 'bud' is not a place name and is not understood by consumers in the Czech Republic as designating a beer from České Budějovice. Although the judgment of the Oberlandesgericht Wien is subject to appeal to the Oberster Gerichtshof (Supreme Court, Austria), the Board of Appeal states that that judgment is based on *Budejovický Budvar*, paragraph 65 above, a judgment given on a reference for a preliminary ruling, and on findings of fact which a court of last instance is unlikely to revisit. The Board of Appeal's conclusion was that Budvar does not have the right to prohibit Anheuser-Busch from using the mark BUD in Austria (decision of the Board of Appeal of 14 June 2006 (Case R 234/2005-2), paragraph 32, and by reference thereto in the other contested decisions).

190 As regards France, the Board of Appeal states that the appellation of origin 'bud' was declared invalid by the Tribunal de grande instance in Strasbourg on 30 June 2004, on the ground that beer is an industrial product which can be manufactured anywhere in the world. Although that judgment is under appeal, the Board of Appeal concludes that Budvar was unable, at that time, to prevent Anheuser-Busch's distributor from selling beer in France under the BUD trade mark (decision of the Board of Appeal of 14 June 2006 (Case R 234/2005-2), paragraphs 33 and 34, and by reference thereto in the other contested decisions).

191 As a preliminary matter, the Court points out that the following reasoning relating to Austria applies in all the Cases, with the exception of Case T-257/06 where the bilateral convention was not in issue.

192 First, the Court notes that the Board of Appeal solely referred to the judicial decisions delivered in Austria and France in order to conclude that Budvar had not provided evidence that the sign concerned conferred on it the right to prohibit use of a subsequent mark. However, while the judicial decisions delivered in the countries concerned have, as has been stated above, a particular importance, account must be taken of the fact that, in the present case, no judicial decision, handed down in Austria or in France, has acquired the authority of *res judicata*. That being the case, the Board of Appeal could not rely solely on those decisions as the basis for its conclusion. The Board of Appeal should also have taken account of the provisions of national law relied on by Budvar, including the Lisbon Agreement and the bilateral convention. As regards France, Budvar relied before OHIM on several provisions of the Rural Code, the Consumer Code and the Intellectual Property Code. As regards Austria, OHIM had available to it judicial decisions hitherto handed down in that Member State and therefore, as a consequence, contrary to what is claimed by Anheuser-Busch, had the basis in law for the actions brought by Budvar under the national law relied on. In addition, Budvar stated, in the course of proceedings before OHIM, that, under Article 9 of the bilateral convention, it had the right to bring an action directly before the Austrian courts. Moreover, Budvar made reference, in its opposition, to the provisions of the Austrian legislation on trade marks and unfair competition.

193 Secondly, as regards Austria, the Board of Appeal stated that the judgment of the Oberlandesgericht Wien of 21 April 2005 held that the word 'bud' was not a place name and was not understood by consumers in the Czech Republic as designating a beer from České Budějovice. According to the Board of Appeal, that judgment was based on findings of fact which a court of last instance would be unlikely to revisit. However, as is clear from the documents in the file, the judgment of the Oberlandesgericht Wien has in fact been quashed by the Oberster Gerichtshof in a judgment delivered on 29 November 2005, in other words before the date of adoption of the contested decisions (Annex 14 to the application in Case T-225/06, page 297 and following). In that judgment, the Oberster Gerichtshof held that the court of first instance and the appeal court had not determined whether Czech consumers interpret the word 'bud', in relation to beer, as indicating a place or a region, and had only made the finding that the name 'bud' was not associated in the Czech Republic with any specific region or locality. It follows that the reasoning of the Board of Appeal is based on findings of fact by the Oberlandesgericht Wien which were overturned by the Oberster Gerichtshof. True, the judgment of the Oberster Gerichtshof was not transmitted to the Board of Appeal, given that the last written procedural document lodged by Budvar with the Board of Appeal, namely the reply, was dated 14 November 2005. Budvar did however provide to the Board of Appeal, as is clear from OHIM's file, a copy of its appeal to the Oberster Gerichtshof. It must be recalled in that regard that OHIM must of its own motion

acquaint itself, by whatever means appear necessary for that purpose, with the national law of the Member State concerned if that information is required in order to assess whether the conditions for application of a ground for refusal of registration at issue have been met and, in particular, to assess the correctness of the facts pleaded and the probative value of the documents submitted by the parties. The restriction of the factual basis of the examination by OHIM does not preclude it from taking into consideration, in addition to the facts expressly put forward by the parties to the opposition proceedings, facts which are well known, that is, facts which are likely to be known by anyone or which may be learnt from generally accessible sources (*PICARO*, paragraph 96 above, paragraph 29, and *ATOMIC BLITZ*, paragraph 88 above, paragraph 35). It was therefore open to the Board of Appeal to inform itself through the parties, or by any other means, of the outcome of the proceedings brought before the Oberster Gerichtshof.

194 It must be added that the Oberster Gerichtshof remitted the case concerned to the court of first instance, which again dismissed Budvar's action by a judgment of 22 March 2006, in other words also before the date of adoption of the contested decisions (Annex 14 to the application in Case T-225/06, page 253 and following). However, by a judgment on appeal of 10 July 2006, that is before the last of the contested decisions, the Oberlandesgericht Wien held that the court of first instance had erred by rejecting Budvar's application that an expert opinion be obtained. Accordingly, the Oberlandesgericht Wien remitted the case to the court of first instance with a direction that an expert should be instructed in order to determine, in essence, whether Czech consumers associate the indication 'bud' with beer and, if the answer is yes, whether that indication is likely to be perceived as referring to a particular place, region or country, in relation to the origin of the beer (Annex 14 to the application in Case T-225/06, page 280 and following).

195 Thirdly, as regards France, the Board of Appeal relied on the fact that Budvar had not hitherto been able to prevent Anheuser-Busch's distributor from selling beer in France under the BUD trade mark. However, it does not follow from the wording of Article 8(4) of Regulation No 40/94 that the opposing party must establish that he has in fact already been able to prohibit use of a subsequent mark. The opposing party must only establish that he has such a right available to him.

196 Moreover, contrary to what is stated by the Board of Appeal, the appellation of origin 'bud' registered under the Lisbon Agreement has not been declared invalid by the Tribunal de grande instance in Strasbourg. As the judgment of the Tribunal makes clear, only the 'effects' on French territory of the appellation of origin 'bud' were declared to be invalid in accordance with the relevant provisions of the Lisbon Agreement. It must also be borne in mind that the judgment of the Tribunal de grande instance in Strasbourg is under appeal and that the appeal has suspensive effect.

197 Furthermore, in the cases which gave rise to the *BUD* judgment, paragraph 108 above, the Second Board of Appeal of OHIM had previously ruled on the relevant provisions of French law, which permitted the protection, in appropriate cases, of the appellation of origin 'bud' in France.

198 Lastly, as is clear from documents lodged with the adjudicating bodies of OHIM, the INPI issued, in France, at least two objections (notified on 3 December 1987 and 30 April 2001) to two applications for registration of the mark BUD by Anheuser-Busch for beer. That being the case, Anheuser-Busch withdrew its applications for registration, as regards beer. Those objections, even though they were by administrative bodies and even though they did not specifically relate to proceedings seeking prohibition of use of a subsequent mark, are not without relevance to an understanding of the national law concerned.

199 For all of those reasons, it must be held that the Board of Appeal made an error by not taking into account all the relevant elements of fact and law in determining whether, under Article 8(4) of Regulation No 40/94, the law of the Member State concerned confers on Budvar the right to prohibit use of a subsequent mark.

200 It must be added that, while the Board of Appeal analysed Austrian and French law although it held that there had been no 'genuine' use of the appellations concerned in Austria and France it did not do the same in relation to Italy and Portugal. It must be stated, in that regard, that, contrary to the contentions of OHIM and Anheuser-Busch in their written pleadings, there is no basis for the conclusion that Budvar has, in relation to the opposition, abandoned before the Court of First Instance the rights initially relied on as regards Italy and Portugal. Budvar merely challenged the legality of the contested decisions, which were confined to an analysis of Austrian and French law.

201 For all of those reasons, the second part of the single plea in law must be accepted as being well founded and, consequently, the single plea and the action as a whole must be upheld.

202 Accordingly, the contested decisions must be annulled.

Costs

203 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Moreover, under the same article, where there are several unsuccessful parties the Court of First Instance shall decide how the costs are to be shared.

204 In the present case OHIM and Anheuser-Busch have been unsuccessful, since the contested decisions are to be annulled, as sought by Budvar.

205 In its written pleadings before the Court of First Instance Budvar did not ask the Court to order OHIM to pay the costs. Budvar nonetheless stated at the hearing that it was asking that OHIM and Anheuser-Busch be ordered to pay the entire costs.

206 According to settled case-law the fact that the successful party did not ask for costs until the hearing does not debar the Court from awarding them (Case 113/77 *NTN Toyo Bearing and Other*s v *Council* [1979] ECR 1185; Case T-64/89 *Automec* v *Commission* [1990] ECR II-367, paragraph 79; *YUKI*, paragraph 151 above, paragraph 75; and Case T-291/03 *Consorzio per la tutela del formaggio Grana Padano* v *OHIM — Biraghi (GRANA BIRAGHI)* [2007] ECR II-3081, paragraph 92).

207 In those circumstances, OHIM must be ordered to bear its own costs and to pay two thirds of Budvar's costs and Anheuser-Busch must be ordered to bear its own costs and to pay one third of Budvar's costs.

On those grounds,

THE COURT OF FIRST INSTANCE (First Chamber)

hereby:

1. Orders the joinder of Cases T-225/06, T-255/06, T-257/06 and T-309/06 for the purposes of the judgment;

2. **Annuls the decisions of the Second Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs (OHIM) of 14 June (Case R 234/2005-2), 28 June (Cases R 241/2005-2 and R 802/2004-2) and 1 September 2006 (Case R 305/2005-2) relating to opposition proceedings between Budějovický Budvar, národní podnik and Anheuser-Busch, Inc.;**

3. **Orders OHIM to bear its own costs and to pay two thirds of the costs of Budějovický Budvar, národní podnik;**

4. **Orders Anheuser-Busch to bear its own costs and to pay one third of the costs of Budějovický Budvar, národní podnik.**

Tiili Dehousse Wiszniewska-Białecka

Delivered in open court in Luxembourg on 16 December 2008.

[Signatures]

Table of contents

Legal context . . . . . II - 3564

A — International law . . . . . II - 3564

B — Community law . . . . . II - 3570

Background to dispute . . . . . II - 3572

A — Community trade mark applications lodged by Anheuser-Busch . . . . . II - 3572

B — Notices of opposition filed against the Community trade mark applications . . II - 3576

C — Decisions of the Opposition Division . . . . . II - 3577

D — Decisions of the Second Board of Appeal of OHIM . . . . . II - 3579

Procedure and forms of order sought by the parties . . . . . II - 3581

Law . . . . . II - 3584

A — Admissibility and relevance of certain heads of claim by Budvar . . . . . II - 3584

B — Substance . . . . . II - 3585

1. The first part: the validity of the appellation of origin 'bud' . . . . . II - 3586

(a) Arguments of the parties . . . . . II - 3586

(b) Findings of the Court . . . . . II - 3597

The appellation of origin 'bud' registered under the Lisbon Agreement . II - 3599

The appellation 'bud' protected under the bilateral convention . . . . . II - 3602

2. The second part: whether the conditions of Article 8(4) of Regulation No 40/94 are met . . . . . II - 3605

(a) Arguments of the parties . . . . . II - 3605

Arguments of Budvar . . . . . II - 3605

— The condition that the opposing party must be proprietor of the claimed earlier right . . . . . II - 3605

— The condition that the claimed earlier right must be used in the course of trade . . . II - 3606

— The condition relating to the right arising from the appellation concerned . . . II - 3609

Arguments of OHIM . . . II - 3613

Arguments of Anheuser-Busch . . . II - 3615

(b) Findings of the Court . . . II - 3621

The first complaint: use in the course of trade of a sign of more than mere local significance . . . II - 3622

— The requirement that the sign concerned be used in the course of trade . . . II - 3625

— The requirement relating to the significance of the sign concerned II - 3631

The second complaint: the right arising from the sign relied on in support of the opposition . . . II - 3633

Costs . . . II - 3638