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ECJ: 'third party' under Article 9(1) includes owner of later registered CTM
 European Union - Casalonga & Associés

Cancellation
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In *Fédération Cynologique Internationale v Federación Canina Internacional de Perros de Pura Raza* (Case C-561/11, February 21 2013), the Court of Justice of the European Union (ECJ) has followed the opinion delivered by Advocate General Mengozzi on November 15 2012:

"Article 9(1) of Council Regulation (EC) 207/2009 on the Community trademark must be interpreted as meaning that the exclusive right of the proprietor of a Community trademark to prohibit all parties from using, in the course of trade, signs identical with or similar to its trademark extends to a third party proprietor of a latter registered Community trademark, without the need for the latter mark to be declared invalid beforehand."

The Juzgado de lo Mercantil No 1 de Alicante (Commercial Court No 1 of Alicante, Spain) had referred to the ECJ a question concerning the interpretation of Article 9(1) of the [Community Trademark Regulation](#) (207/2009). The ECJ was asked to define the concept of 'third parties' against whom, under the law currently in force, the holder of a registered Community trademark (CTM) may bring infringement proceedings.

The ECJ had recently [delivered a judgment](#) in a reference for a preliminary ruling - also submitted by the Commercial Court No 1 of Alicante - concerning a very similar question on the interpretation of "any third party" in Article 19(1) of the [Council Regulation on Community Designs](#) (6/2002) (*Celaya Emparanza y Galdos Internacional* (Case C-488/10)). However, the advocate general had pointed out that, given the significant differences between the registration procedure for Community designs and the registration procedure for CTMs, the considerations set out in relation to one sector could not automatically be applied to the other sector.

The applicant in the main proceedings, the [Fédération Cynologique Internationale](#), is the proprietor of a semi-figurative CTM (Registration No 443875) for services in Classes 35, 41, 42 and 44 of the [Nice Classification](#):



The defendant, the [Federación Canina Internacional de Perros de Pura Raza](#), is the proprietor of three Spanish word and semi-figurative trademarks registered for a number of products in Class 16. On February 12 2009 it filed CTM Application No 7597529 in connection with products in Class 16:



On February 5 2010 the Fédération Cynologique Internationale filed a notice of opposition against this application. However, as a result of a formal irregularity involving a failure to pay the opposition fee, the opposition was rejected and, consequently, on September 3 2010, CTM No 7597529 was registered.

On June 18 2010 the Fédération Cynologique Internationale brought before the Commercial Court No 1 of Alicante:

- an action for a declaration of invalidity of the Federación Canina Internacional's national trademarks,

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- alleging a likelihood of confusion with its CTM No 4438751; and
- an action for infringement of the latter trademark.

In those proceedings, the Federación Canina Internacional:

- denied that there was any likelihood of confusion between its national trademarks and CTM No 4438751; and
- brought a counterclaim seeking to have the latter CTM declared invalid on the ground that it had been registered in bad faith and created a likelihood of confusion with its earlier national trademark No 2614806.

On November 18 2010 the Fédération Cynologique Internationale requested that OHIM cancel CTM No 7597529 registered by the Federación Canina Internacional. However, on September 20 2011, having regard to the case pending (which has given rise to these proceedings for a preliminary ruling), OHIM stayed the proceedings before it at the request of the Federación Canina Internacional.

The referring court took the view that, in the proceedings pending before it, it would be necessary to establish whether the exclusive right which Article 9(1) of the regulation confers on the proprietor of a CTM (in this case the Fédération Cynologique Internationale) may not be enforced against a third party, which is itself the proprietor of a later registered CTM (in this case the Federación Canina Internacional) to the extent that the later CTM has not been declared invalid beforehand.

In this context, the Commercial Court No 1 of Alicante stayed the proceedings and referred the question to the ECJ for a preliminary ruling.

The ECJ first noted that Article 9(1) of the regulation does not make any distinction on the basis of whether the third party is the proprietor of a CTM or not. Thus, the provision grants the proprietor of a CTM an exclusive right to prevent any third party, not having its consent, from using, in the course of trade, any sign liable to infringe its trademark. In this respect, it referred to *Celaya Emparanza y Galdos Internacional*.

The ECJ confirmed Advocate General Mengozzi's opinion of November 15 2012 by concluding that, despite the differences in the registration procedures for CTMs and for Community designs, it was clear that only an interpretation of the term 'third party' under Article 9(1) of Regulation 207/2009 consistent with the priority principle and including *any* third party should be maintained.

Further, the ECJ reiterated that it was important to emphasise the essential function of a trademark, which is to guarantee to consumers the origin of the goods. In this respect, the exclusive right under Article 9(1) of the regulation was conferred in order to enable the trademark proprietor to protect its specific interests as proprietor of the trademark - that is to say, to ensure that the trademark can fulfil its own function.

The ECJ held - as the advocate general had pointed out - that if the proprietor of an earlier trademark, in order to prevent the use by a third party of a sign that is liable to affect the functions of the trademark, were required to await the declaration of invalidity of the CTM held by that third party, the protection accorded to it by Article 9(1) of the regulation would be significantly weakened.

In light of the above, the ECJ decided that Article 9(1) of the regulation must be interpreted as meaning that the exclusive right of the proprietor of a CTM to prohibit all third parties from using, in the course of trade, signs identical with, or similar to, its trademark extends to a third-party proprietor of a latter registered CTM, without the need for the latter to have been declared invalid beforehand.

This interpretation is in line with the preliminary ruling rendered in Case C-488/10, which concerned Community designs.

Arguably, it is a positive development in trademark law that the ECJ has decided to follow Advocate General Mengozzi's opinion. Imposing on the owner of the earlier mark the obligation to bring an action for infringement contingent on a declaration of invalidity in respect of the later mark would entail the risk of delaying the infringement proceedings disproportionately - in addition to awaiting OHIM's decision on invalidity, which will not be reached until the two stages of internal administrative review have been completed, the proprietor of the earlier CTM might have to await the outcome of any action brought before the General Court and, possibly, on appeal before the ECJ.

In light of the above, the earlier trademark and the allegedly infringing trademark could co-exist on the market for several years, with potentially serious adverse effects for the proprietor of the earlier mark. Following the preliminary ruling of the ECJ in this case, the issue has been now clarified in connection with

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both Community designs and CTMs.

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