



European Communities Trade Mark Association

ECTA Council Meeting

Porto, Portugal – October 30, 2009

***An explanation on the basic requirements,
registration procedure of a geographical indication
and the conflict with a trade mark, based on the
BAVARIA decision of the European Court of Justice***

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BAVARIA

- *European Court of Justice (4th Chamber – 5 Judges) – Case C-343/07 of 2 July 2009 (Italian language)*
 - *The parties Bavaria NV, Bavaria Italia Srl v Bayerischer Brauerbund eV*
- *Intervention of the following Governments: Italy, Czech Republic, Germany, Greece, The Netherlands + the Commission + the Council*
- *BAVARIA or the conflict between a trade mark and a geographical indication on foodstuff*



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Summary

Introduction

1. The parties and their protected signs
2. Analysis of Council Regulation 1347/2001
3. Analysis of the Articles of Regulation 2081/1992 (Foodstuff Regulation)
4. The facts and the preliminary procedure
5. The ECJ procedure: the questions and the answers
6. Conclusion



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Introduction

1. The original Regulation 2081/1992 of 14 July 1992 has often been amended.
2. Last amendment: when European Union (EU) lost its case before a WTO Panel against United States (U.S.A.) and Canada. (510/2006)
3. Geographical indications (GIs): part of industrial property based on national treatment and not reciprocity.
4. Two other Regulations on geographical indications: one on spirits and one on wines.
5. No possibility of protecting GIs in the EU outside wines, spirits and foodstuff.



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6. The three Regulations: many Articles that serve same purpose → identical / sometimes similar / sometimes even different Articles.
7. Foodstuff Regulation (Article 2): “*protected names*”:
 - “*protected designation of origin*” (PDO),
 - “*protected geographical indications*” (PGI).PGI = lower kind of protected name.
8. Present decision of European Court of Justice (ECJ), a preliminary ruling, is extremely interesting and this for many reasons.
9. Observation: matters concerning GIs have a big economical impact and politically important!



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1. The parties and their protected signs

- Dutch brewing company Bavaria NV uses BAVARIA as its company name since 1925.
- Mark BAVARIA: 1947.
- Bayerischer Brauerbund (BB) is a German association going back to 1880. Objective = protecting common interest of Bavarian brewers.
- Name Bayerisches Bier was covered by 5 bilateral agreements.
- Bayerisches Bier was a GI filed according to “*simplified procedure*” (as foreseen in Article 17 of Regulation 2081/1992).



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Article 17

(Transitional Article, now cancelled)

- “1. Within **six months** of the entry into force of the Regulation, Member States shall inform the Commission which of **their legally protected names** or, in those Member States where there is no protection system, which of **their names established by usage** they wish to register pursuant to this Regulation.*
- 2. In accordance with the procedure laid down in Article 15, the Commission shall register the names referred to in paragraph 1 which comply with Articles 2 and 4. **Article 7 shall not apply.** However, generic names shall not be added.*
- 3. ...”*

(Emphasis added)



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Article 17

- Paragraph 2: these PGIs are not submitted to the “*opposition procedure*” foreseen in Article 7 which states that, within six months after the date of publication (of the registration), any Member State may object to the registration.
- Therefore, Bavaria NV did not have the opportunity to directly “*oppose*” the GI at that level.
- Not possible to request annulment of a registered GI on basis of the existence of a prior trade mark or other sign. The GI becomes incontestable (as trade marks in the U.S.A.).



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The procedure to register Bayerisches Bier:

- 28 September 1993: BB submitted application for registration of Bayerisches Bier to the German government.
- 20 January 1994: The German government notified the Commission just in time.
- 20 May 1997: After many enquiries, the file was considered as complete.



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- 5 May 2000: The Commission finds the request well founded. It made a draft Regulation and sent it for opinion to the Regulatory Committee.
 - Some Member States objected to registration.
 - Enquiries were undertaken by the Commission.
- 30 March 2001: Second draft submitted to the Committee: unable to give opinion because no majority of votes.
- 28 June 2001: Council registered PGI under the form of Regulation 1347/2001.



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Comments

Difficulties encountered with registration of Bayerisches Bier:

- It took nearly eight years to register.
- Quite a few countries objected to the registration.
- Commission had to make special additional enquires and had to make a second draft.
- The Committee was unable to reach the necessary majority.
- BB could only apply for a PGI and not for a PDO (= higher quality GI).

A very political decision



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2. Analysis of Council Regulation 1347/2001

Reasons for analysing the Regulation: it foresees the registration of Bayerisches Bier as a PGI (Article 1).

Five preambles:

1. Commission admits that additional information had been requested.
2. Dutch and Danish authorities informed the Commission of the existence of prior identical trade marks, “*used*” for beer.
3. Trade mark BAVARIA was considered as valid, but the registration of “*Bayerisches Bier was not liable to mislead the consumer as to the true identity of the product.*” (Art. 14(3))
4. Dutch trade mark BAVARIA may continue to be used: co-existence. (Article 14(2))



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5. Member States had proven the generic nature of Bayerisches Bier in their country, but it was not demonstrated in a sufficient number of Member States. (\approx FETA)

Conclusions

- Co-existence between trade mark BAVARIA & GI Bayerisches Bier.
- Bavaria NV did not bring an action against Regulation 1347/2001.



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3. Analysis of the Articles of Regulation 2081/1992 (Foodstuff Regulation) pertinent to the present case

a) Definitions & conditions (Articles 1 and 2)

- Foreseen in Articles 2 and 4: . Must be a proven link between quality or characteristics of the products with the “*geographical environment*”, the natural and human factors, the production process and preparation that take place in the defined geographical area.
- Two kinds of GIs: PDO & PGI.
 - For PGI, the link is not so close: “*characteristics attributable*”
 - For PDO “*characteristics essentially and exclusively due*”.
- Limits of the geographical area of production must be stated for each GI. In the present case, Bavaria is quite a big region.



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b) Registration of GIs (Articles 5, 6 and 7)

Regulation provides system of registration:

- The request must come from a group of persons.
- Double system:
 - Registration of a GI for a name inside EU: name and/or all conditions to be fulfilled must be sent to Member State involved. After examination, proposal is sent to Commission.
 - GIs from outside the EU: practically impossible with the original text of 1992, but now possible.
- GI from a country outside the EU: it must be sent directly to the Commission.



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- c) Objection on registration: Opposition (Article 7 and 14(3), now Article 3(4))
- Opposition by a Member State or interested party – but through its own State – within six months after the publication in the Official Journal (OJ). The latest text provides for a possible opposition from outside the EU.
 - The Commission will undertake the examination.
 - Article 17: “*simplified procedure*” = no opposition under Article 7.
- d) Protection afforded to the geographical indication (Article 13)
- Article 13(1) = main part of the protection aspect. It is a real patch work of very difficult to understand situations.



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- Protection is given against:
 - Any direct or indirect commercial use of a GI, even if the products are not covered by the registration, but the products must be comparable and the trade mark must “*exploit the reputation of the GI*”. This is somewhat comparable to Article 9(1)(c) of the Trade Mark Regulation, also concerned with reputation.
 - Any misuse or evocation of the GI, even if the true origin of the product is indicated and even if the trade mark is accompanied by expressions such as style, type, method, ... are also condemned translations.
 - Any **other** false or misleading indication as to the provenance, origin, nature or essential qualities, ... liable to convey a false impression as to its origin.
 - This is a wrap-up provision, which states the following: “*Any other practice liable to mislead the public as to the true origin of the product.*”



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e) Relation between trade marks and GIs (Article 14(1), (2) and (3) in today's text (3) is now Article 3(4))

Trade marks applied after a GI: refusal

- Trade mark applied for after the GI has been published under the situations of Article 13(1), must be refused or if it has been registered, must be invalidated.

Trade marks applied for before a GI: General rule co-existence

Article 14(2): A trade mark prior to a GI (registration or use):

- if in good faith,
- if there is no grounds for its invalidation or revocation,
- if the trade mark has been applied for before the date of protection of the GI in the country of origin,
- or before 1 January 1996: recent condition (Trade Mark Regulation).

Within the situations laid down in Article 13(1), the trade mark may continue to be used.



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- Exception: the GI can be refused (Article 14(3), now Article 3(4)).
- “A designation of origin or geographical indication shall not be registered, where, in the light of a trade mark’s **reputation and renown and the length of time** it has been used, registration is liable **to mislead the consumer as to the true identity of the product.**”
- GI is protected against four kinds of “*infringements*” cited under Article 13(1)(a), (b), (c), and (d). A prior trade mark confronted with a later GI can only have the GI refused under (d): discrimination of the trade mark vs GI.
- Conditions are extremely strict: only refusal, not cancellation.
- The trade mark must be reputed **and** renown and it must have been used for a certain time.



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f) Genericness (Articles 3(1) and 13(2))

Genericness before registration

- *“Names that have become generic may not be registered”*.
- Definition: “The name relates to the place or the region where this product or foodstuff was originally produced or marketed, **has become the common name** of an agricultural product or a foodstuff in the Community”.
- One must look at the situation in the Member State concerned and the situation in the other Member States of the EU.

Genericness after registration

- *“Protected names may not become generic”*. (compare with Trade Mark Regulation , Article 50(1)(b))



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4. The facts and the preliminary procedure (28)

- BB requested that the Tribunal di Torino as of 27 September 2004 ordered to stop the use of the name BAVARIA in Italy.
- The dispute was initiated by BB. All the questions of the preliminary ruling had been put forward by Bavaria NV in its defense.
- BB said that name BAVARIA was in conflict with Article 13 (protection of GIs) and 14 (relation with trade marks), was generic and misleading as the beer was Dutch.
- 30 November 2006: the Italian judge forbids the use of the trade mark BAVARIA in Italy.
- Both parties brought an appeal before the Torino Court in Italy that stayed the proceedings and referred two questions to the ECJ.



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5. The ECJ procedure: the questions and the answers

a) Incident of procedure before the ECJ

- 21 January 2009: Bavaria NV made written observations on the opinion of the AG and requested the Court to “*lodge a reply to that opinion*”.
- The Court does not allow such possibility.
- On its own motion, the Court may reopen the oral procedure, if it lacks sufficient information.
- It refused to reopen the oral procedure.



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b) Analysis of the two main questions put forward by the Court of Torino and the answers of the ECJ (30)

First main question

The first questions relate to the validity of Regulation 1347/2001.

1) Admissibility of the complaint of Bavaria NV in requesting annulment of Regulation 1347/2001 (37-46)

- Bavaria NV did not bring an action before the Commission in annulment of Regulation 1347/2001. The condition laid down in the fourth paragraph of Article 230 EC would not have been fulfilled: Bavaria NV was not “*undoubtedly directly and individually concerned by Regulation 1347/2001*”.
- Bavaria NV is therefore “*entitled in an action brought in accordance with national law, to plead the invalidity of that Regulation ...*”



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2) *Beer should not have been included in the Foodstuff Regulation, as it is an alcoholic drink (annex 1) (47-52)*

- Beer should not be regarded as foodstuff.
- In other EC Regulations, beer is considered as a foodstuff.
- Why not beer?

3) *The “simplified procedure” provided for in Article 17 is illegal. (53-61)*

- “Simplified procedure” is illegal. No possibility of formal opposition (Article 7).
- All the objections to registration of Bavaria NV were discussed within the Committee.



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4) *The German government and the Commission did not properly carry out their task in examining the request for registration of GI Bayerisches Bier*

- ECJ makes analysis of examination done by the Member State involved and the Commission (Article 5).
- Main burden is on the Member State of the applicant.
- If satisfied, it transmits the request to the Commission that makes a formal examination.
- ECJ has to analyse whether the name complies with Regulation 2081/1992.
- National Court has to review the verification of the conditions.
- The Council and the Commission “*properly carried out their task ... after a lengthy procedure.*”



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5) *In view of the major and numerous amendments made to the GI registration request, it was not submitted in good time (73-79)*

- The German Government applied for the registration in due time.
- What must be examined is whether there were significant amendments after the request.
- Impossible to provide all the necessary information within this six months period.
- ECJ did not analyse the differences between the original application and the final GI registration.
- ECJ: In time because many provisions were maintained.



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6) *Regulation 1347/2001 is not valid because it does not comply with a certain number of substantive conditions*

- Name was not legally protected or established by usage in Germany. (requirement of Article 17, “*Simplified procedure*”)
- Name of the country Bavaria is not entitled to an exception foreseen in Article 2(2).
- No direct link between the beer and Bayerisches Bier as to the quality, reputation and other characteristics foreseen in Article 2(2)(b).
- Bayerisches Bier is in fact generic.
- Bayerisches Bier should have been refused as basis of the pre-existence of the trade mark BAVARIA.



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- a) Article 17(1): the name was not legally protected or established by usage in Germany.
- Answer of the ECJ: The verification by German authorities was not challenged before a national Court.
 - Five bilateral agreements were signed with different Member States and Switzerland.
- 7) *The name of the country Bavaria is not entitled to an exception foreseen in Article 2(2)(b)*
- Answer of the ECJ: Bavaria is not a Member State, but only an infra-State body.



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8) *There is no direct link between the beer and Bayerisches Bier as to the quality, reputation and other characteristics foreseen in Article 2(2)(b).*

Law on purity of beer

- (Reinheitsgebot) and a new way of beer fermentation brewing.
- Both introduced by BB. Now spread out throughout the world → no link anymore.
- Answer of the ECJ: It is the reputation of the beer originating in Bavaria as such which was determinative. Consequently, the establishment of the direct link between Bayerisches Bier and its geographical origin cannot be regarded as manifestly inappropriate.



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9) *Bayerisches Bier is in fact generic*

- Bayerisches Bier had become generic in at least Denmark, Finland and Sweden and had become synonym of bottom-fermentation brewing method in the world, including in Germany.
- Answer of the ECJ: The Commission had made additional inquiries to that effect and came to the conclusion “... *as stated in recital 5 in the preamble to Regulation N° 1347/2001, that that name has not become generic in Community territory ...*”.
- Conclusion: Bayerisches Bier is not generic.

10) Bayerisches Bier should have been refused on basis of the pre-existence of the trade mark BAVARIA

- Answer of the ECJ: Recital 3 of the preamble to Regulation n° 1347/2001, the name “Bayerisches Bier was not liable to mislead the consumer as to the true identity of the product ...” (Article 14(3))

Second main question

- “ ...should ... Regulation No 1347/2001 ... be construed as meaning that recognition of the [PGI] “Bayerisches Bier” is to have no adverse effects on the validity or usability of pre-existing marks of third parties in which the word “Bavaria” appears?”
- “adverse effects”
- “marks of third parties”
- Bavaria NV wanted to have the assurance that the contents of Regulation 1347/2001 led to the certainty that the trade mark BAVARIA was valid and that there was co-existence.



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The Court makes an analysis and a comparison between the two sub Articles of Article 14(2) and 14(3)

- Article 14(3): Refusal of later GI. There must be an analysis **prior to the registration** of the PDO or PGI.
- Article 14(2): Co-existence of a pre-existing trade mark and a later GI.
- Conditions:
 - Trade mark must be pre-existing.
 - Use of the trade mark must correspond to one of the four situations in Article 13(1).
 - Trade mark registered in good faith.
 - No ground for invalidity or revocation of the trade mark according to the Trade Mark Regulation or Directive.
- Analysis must be made **after registration** of the GI.



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ECJ concludes:

- Preambles of a Regulation are not legally binding.
- Article 13(1) foresees four possibilities of “*infringement*” of a GI.
- Consequently, the answer to the question reads as follows: “... *that Regulation No 1347/2001 must be interpreted as having no adverse effects on the validity and the possibility of using, in one of the situations referred to in Article 13 of Regulation No 2081/92, pre-existing trade marks ...*”



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6. Conclusion

- Bayerisches Bier was a very problematic registration.
- Once Bayerisches Bier was admitted as a PGI, a GI of second order, co-existence was a reasonable conclusion.
- After obtaining its GI, why did BB decide to sue Bavaria NV in different Member States?
- Admiration for the number and the quality of the arguments.
- Excellent opinion of AG MAZAK, which was entirely followed by the ECJ.
- Interesting decision to understand the procedure of obtaining a GI and the analysis of the conflict of a GI against a trade mark.
- We have to wait for the decision of the Court of Appeal of Torino.
- Trade marks and GIs should be treated on equal footing. The GI Regulation considers trade mark protection secondary to GI protection.



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THANK YOU FOR YOUR ATTENTION

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