



European Communities Trade Mark Association

ECTA Council Meeting

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BAVARIA

European Court of Justice (4th Chamber – 5 Judges) – Case C-343/07 of 2 July 2009

Opinion of Advocate General Mazák of 18 December 2008

The parties Bavaria NV, Bavaria Italia Srl v Bayerischer Brauerbund eV

Intervention of the following Governments: Italy, Czech Republic, Germany, Greece, The Netherlands

Intervention of the Council of the European Union and the Commission.

BAVARIA or the conflict between a trade mark and a geographical indication on foodstuff

Summary

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Introduction

1. The original Regulation 2081/1992 of 14 July 1992, which is applicable in the present dispute, has often been amended (1997, 1997, 2000, 2003, 2003 and 2004) and has now been replaced by Regulation 510/2006 of 20 March 2006. The numerous changes are, in my opinion, an evidence of the rather loose way the original Regulation was drafted.

The last amendment was mainly brought about when the European Union (EU) lost its case before a WTO Panel against the United States (U.S.A.) and Canada.

2. The Articles which will be discussed are those of Regulation 2081/1992. However, often enough, reference will be made to the new numbering of Regulation 510/2006.



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3. Geographical indications (GIs) are without any doubt part of industrial property, such as stated in the Paris Convention, which is under the umbrella of WIPO and confirmed by TRIPS, under the umbrella of WTO. It is more than apparent that the DG AGRI that is in charge of Regulations dealing with GIs, has a very low knowledge of industrial property and in fact, prefers to ignore it. Many examples can be given. I will only give two.

There are two other Regulations dealing with GIs, namely Regulation on wines and Regulation on spirits (see further on). In one of them, the Regulation spoke about “*brands*” (now replaced by “*trade marks*” in the latest version).

Another example is that the Foodstuff Regulation, as to the possibility of registering GIs from non-EU countries, applies the principle of reciprocity, which means that when an entity outside the EU wants to register an EU GI, it had to prove that its country provided for the same kind of protection for GIs in favour of a possible EU entity. Everybody knows that one of the basics of industrial property is the national treatment, which means that non-EU entities must be treated in the EU for what concerns GIs, exactly the same way as entities vested inside the EU, whether or not their own country afforded a (similar) protection for GIs. This principle is now embodied in the latest version of the Regulation.

4. There are two other Regulations on geographical indications, namely one on spirits (Regulation 110/2008 of 15 January 2008) and one on wines (Regulation n°479/2008 of 29 April 2008). Both these Regulations are older and have been more than often amended. The spirit Regulation already started in 1989, the wine Regulation already in 1999.

5. In contrast with the Lisbon Agreement on appellation of origin, there is no possibility of protecting GIs in the EU outside wines, spirits and foodstuff. For instance, “*Porcelaine de Limoges*”, which is a Lisbon protected appellation of origin, cannot be protected by a GI in the EU.

6. These three Regulations have many Articles that serve the same purpose. For unknown reasons, they are not identical, sometimes similar and sometimes even different. For instance, protected designations of origin are foreseen in the food and wine Regulation and not in the spirit Regulation.

It is to be noted that the Commission envisages, in my opinion rightfully, to merge these three Regulations in one version. There is however, a strong resistance.

7. The foodstuff Regulation provides for in its Article 2 two kinds of so-called “*protected names*”, namely “*protected designation of origin*” (PDO) and “*protected geographical indications*” (PGI). PGI may be considered as a lower kind of protected name.

Peculiar enough, outside Article 2, in the other eighteen now existing Articles, there is absolutely no difference in treatment or protection between the two protected names.



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The Commission, in its wisdom, envisages consequently to merge these two protected names in one. They are indicated by two different nearly identical logos that in practice only differ by their colour: red for PDOs and blue for PGIs. Needless to say that the consuming public concerned by these quality denominations sees absolutely no difference between the two.

For the facility, I will use in my discussion the acronym *GI* when referring to these two protected names.

8. The present decision of the European Court of Justice (ECJ), a preliminary ruling, is extremely interesting and this for many reasons. First of all, it looks into the way a GI must be registered. Secondly, it looks into the way to settle a typical conflict between a (prior?) trade mark and a (later?) GI. In the present case, it concerns a PGI, but this bears no weight in the decision. It also indicates the respective roles of the national courts and the ECJ in GI-matters.

I have put the words “*prior*” and “*later*” within brackets and with a question mark, because whilst it is clear that the trade mark BAVARIA has been used and registered many years before the EU, the PGI Bayerisches Bier, on the other hand, has been used in Germany and indeed in Bavaria since at least 1917. So, which one is the oldest?

9. A final observation: it is evident that matters concerning GIs have a highly economical impact and are consequently also politically important, especially when they effect an important product such as beer in the whole of Bavaria.

In the present case, this situation is demonstrated by the unusual number of official observations, submitted to the Court by five governments of Member States (see headings of the present paper) and the Commission, who intervenes very often and finally the Council that very rarely appears.

1. The parties and their protected signs – trade marks and a PGI

Bavaria NV is a Dutch brewing company that started to use the word BAVARIA as its company name since 1925. Bavaria Italia Srl (BI) is a daughter company of Bavaria NV and for a rather mysterious reason, the proceedings concerning this matter took place in Torino (Italy) and mainly concerned BI. The same dispute initiated by Bayerischer Brauerbund eV (BB) took place in other EU Member States. Many trade mark registrations were obtained containing the mark BAVARIA, starting in 1947. (17)

BB that took the initiative of the present dispute, is a German association with the objective of protecting the common interest of Bavarian brewers. Its status goes back to 7 December 1917. (16)



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Concerning the name Bayerisches Bier,

- it was covered by 5 bilateral agreements with France (1961), Italy (1963), Greece (1964), Switzerland (1967) and Spain (1970) and this as an appellation of origin (apparently not filed as an appellation of origin under the Lisbon Agreement). (18)
- It was filed as a collective mark in 1968. (16)
- It became a registered EU PGI under Regulation 1347/2001.

This occurred according to the following procedure, which is interesting to analyse because it follows the traditional procedure to register a PGI. (26)

Before starting, it must be underlined that the Bayerisches Bier was filed according to a special procedure – the so-called “*simplified procedure*” – originally foreseen in Article 17 of Regulation 2081/1992, which has now disappeared, because it was a transitory measure, only valid for six months. It reads as follows:

“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).

The conformity of this Article is being challenged by Bavaria NV.

Paragraph 2 of the Article provides for that, in contrast with the normal procedure, those PGIs are not submitted to the “*opposition procedure*” foreseen in Article 7 which foresees that, within six months after the date of publication (of the registration) in the Official Journal (OJ) of the European Community, any Member State may object to the registration. The same applies to natural or legal persons, but who must go through their Member State. (Article 7(3))

Therefore, Bavaria NV did not have the opportunity to “*oppose*” the GI at that level.

I have called this an “*opposition*” procedure, although this word is not used in Article 17 of the Regulation. Important to underline is that, after the PGI has finally been registered, it is according to my understanding not possible to request the annulment of a registered GI on basis of the existence of a prior trade mark or other sign. It is for this reason that I have called it an opposition. The GI becomes incontestable (as trade marks in the U.S.A.).

The question of refusal of registration of a GI is settled in Article 14(3), which has now switched in the new text to Article 3(4).

The procedure to register Bayerisches Bier was the following, in accordance with Articles 5, 6, 7 and 17 of the Regulation of 1992. (19-36)

- 28 September 1993: BB submitted the application for registration of Bayerisches Bier as a PGI, pursuant to Article 17(1) and this to the German government.



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- 20 January 1994: The German government notified the Commission just in time – within the six months period – provided for in Article 17(1), expiring the 24 January 1994.
- 20 May 1997: After many enquiries, the file was considered as complete.
- 28 March 2000: Final version of the specification sent to the Commission (exclusion of five varieties of beer).
- 5 May 2000: The Commission finds the request well founded. It made a draft Regulation and sent it for opinion to the Regulatory Committee, as provided for in Articles 4(5) and 15 (this procedure is not obligatory, but usually done in complicated cases).
A number of Member States objected to the registration and a number of enquiries were undertaken by the Commission.
- 30 March 2001: A second draft was submitted to the Committee, which was unable to give an opinion because the necessary majority of votes foreseen in Article 15 could not be reached.
- 28 June 2001: On that date, the Council took the decision to register the PGI and this, as usual, under the form of a Regulation 1347/2001.

Comments

The above mentioned explanation evidences the difficulties encountered with the registration of Bayerisches Bier:

- It took nearly eight years to register, which is very unusual.
- Quite a few countries objected to the registration due to existence of trade marks and due to the fact that in quite a few countries, Bayerisches Bier or translation thereof had become generic.
- The Commission had to make special additional enquires and had to make a second draft due to the objections and observations of some Member States.
- The Committee was unable to reach the necessary majority.
- Finally, let us observe that BB could only apply for a GPI and not for a PDO, which is the higher quality GI.

In my opinion, the present case is evidently very political, just as the famous FETA case, which was only disputed on its genericness, the fact that it extended to practically the whole of Greece and not on the existence of prior trade marks.



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2. Analysis of Council Regulation 1347/2001 of 28 June 2001

There are quite a few reasons for analysing this Regulation.

- First, it is the basis of the present dispute.
- The Regulation was not disputed by Bavaria NV (see further on).
- Most of the contents of the Regulation were challenged in the present dispute.
- The conclusions of the ECJ are practically the same as those reached by the Regulation.
- Each party is sent back to the situation as it was with the Regulation.
- Obviously, as in all cases with preliminary rulings, we will have to wait for the decision of the national Court of Appeal of Torino (Italy). Let us also see what will happen in the other Member States where BB initiated court actions against Bavaria NV.

As indicated, this Council Regulation foresees the registration of Bayerisches Bier as a PGI.

1. The Commission admits that additional information had been requested, but it did not lead to the conclusion that the basic requirements foreseen in Articles 2 and 4 were complied with. (1)
2. Dutch and Danish authorities informed the Commission of the existence of prior identical trade marks, "used" for beer, including the name Bayerisches Bier. (2)
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.*" If it would have been the case, Bayerisches Bier could have been refused in application of Article 14(3), now Article 3(4).(3)
4. Dutch trade mark BAVARIA may continue to be used, notwithstanding the registration of Bayerisches Bier (4): co-existence.
5. Certain Member States had underlined and proven the generic nature of Bayerisches Bier or its translation in their country. However, genericness was not demonstrated in a sufficient number of Member States (the same occurred in the FETA decision). (5)
6. As a remark, it is stated that the Committee established under Article 15, had not delivered its opinion in time. What they should have said, is that they were unable to reach the requested majority. (6)

Conclusions

1. There is now co-existence of the trade mark BAVARIA and the GI Bayerisches Bier, situation foreseen in Article 14(2).
2. Bavaria NV did not bring an action against Regulation 1347/2001, which means that they apparently were satisfied with the result, namely co-existence. It is in fact BB that took the initiative of this present dispute in Italy.



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

a) Definitions and conditions (Articles 1 and 2)

Definitions and conditions are foreseen in Articles 2 and 4. Without going into details, it is of paramount importance, that there must be a proven link between the 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 are foreseen: “*protected designation of origin*” (PDO) and “*protected geographical indication*” (PGI). The essential difference is that for a PGI, the link is not so close: “*characteristics attributable*”, whilst for a PDO “*characteristics essentially and exclusively due*”.

It is obvious that the limits of the geographical area of production must be stated for each GI. In the present case, Bavaria is quite a big region (see further on). It is one of the main reasons FETA also encountered difficulties, because it is obviously impossible that the geographical area constituted by the whole of Greece can lead to a uniform or a specific quality.

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

The Regulation provides for a system of registration that, if successful, will each time lead to a specific Regulation.

We will not review this entirely as the scenery of the registration concerning Bayerisches Bier has been described above. I will only underline one or two aspects that fall outside the way Bayerisches Bier was registered.

Originally, the request must come from a group of persons.

There is now a double system. First registration of a GI for a name inside the EU. (Article 5(1)) If the GI comes from a EU country and wants to be registered, the name and/or all the conditions to be fulfilled must be sent to the Member State involved. (Article 5(4)) After due examination (Article 5(5)), the proposal is sent to the Commission. (Article 5(7))

Protection of GIs from outside the EU was practically impossible with the original text of 1992. (Article 12) An improved possibility was only added recently.

If the GI comes from a country outside the EU ([Article 5.9](#)), it must be sent directly to the Commission (no State interventions). One must underline that following a Panel decision of the WTO between the EU, the U.S.A. and Australia, the situation of GIs coming from outside the EU has been drastically improved and one can consider that they are now practically on the same level as GIs coming from inside the EU.



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c) Objection on registration: Opposition (Article 7 and 14(3), now Article 3(4))

There is a possibility of lodging an opposition (the word “*opposition*” is not used in the Regulation), either by a Member State or by an interested party – but through its own State – (Article 7) and this within six months after the publication in the OJ. The latest text provides for a possible opposition from outside the EU, which must be sent to the Commission directly. The Commission will undertake the examination. All questions relating to the objections are to be found in Article 7, which is the longest article of the Regulation.

It must be reminded that Article 17, which has now been cancelled, provided for a derogation of opposition for the so-called “*simplified procedure*”. This was foreseen for already existing GIs in the Member State existing at the date of the entry into force of the Regulation. The application had to be made within six months of that day. The registration had to comply, as with the normal application, with all requirements, but with one major exception, namely Article 7 which provided for the possibility of lodging an objection.

d) Protection afforded to the geographical indication (Article 13)

As for any intellectual property right, Articles are dedicated to the protection of the GIs. It is foreseen in Article 13. There is also a special Article 14 dedicated to “*relations between trade marks, designations of origin and geographical indications*” (see hereunder).

The main part of the protection aspect is dealt with in Article 13(1), which is a real patch work of very difficult to understand items, in sharp contrast with the clear way in which trade marks are protected in the Trade Mark Regulation (Article 9) and the Trade Mark Directive (Article 5).

I will try to summarise them and I will replace each time the word “*name*” by “*trade mark*” for the facility and understanding.

Protection is given against:

- a) 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.
- b) 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.
- c) 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.
- d) 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

Article 14(1): In the situation described in Article 13 (see above), a trade mark applied for after the corresponding GI has been published (for opposition) by the Commission, 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 (according to the Trade Mark Regulation and the Trade Mark Directive),
- if it is a trade mark inside the EU,
- if the trade mark has been applied for before the date of protection of the GI in the country of origin (how can one know about this date when protection derives from use only and see the difference in the situation?),
- or before 1 January 1996 (date of entry of the Trade Mark Regulation). This condition has only appeared recently.

Under those conditions, and within the situations laid down in Article 13(1), the trade mark may continue to be used.

This will be the case for BAVARIA. That was also the case of the famous Spanish mark TORRES v. the new Portuguese GI TORRES VEDRA.

Exception: the GI can be refused, but cannot be cancelled (Article 14(3), now Article 3(4)).

As provided for in this Article 3(4), a GI can, under certain circumstances, be refused, but there appears to be no possibility for cancellation.

*"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."*

It is interesting to observe that a GI is protected against four kinds of different "*infringements*" cited under Article 13(1)(a), (b), (c), and (d). But when a prior trade mark is confronted with a later GI, it can only have the GI refused under the circumstance recited under (d) and not under (a), (b) and (c): obvious discrimination of the trade mark vs GI.

The 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. If the trade mark does not benefit from these conditions, there can be no refusal of the later GI, but maybe co-existence if Article 14(2) applies. Unfortunately, there are loopholes.



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

Genericness before registration

Article 3(1) provides for that “*names that have become generic may not be registered*”. The definition of genericness is the following: “*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*”.

To make this determination, one must look at, on the one side, the situation in the Member State concerned and on the other side, the situation in the other Member States of the EU. This question will be put forward by Bavaria NV.

Genericness after registration

Article 13(3) (today Article 13(2)) is very clear: “*protected names may not become generic*”. One will immediately perceive the difference with trade marks, which under circumstances, can become generic (see Trade Mark Regulation, Article 50(1)(b)).

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 and the name Bavaria Italia in Italy. The same kind of proceedings were brought in different European Member States, but the present case relates to the situation in Italy.

The dispute was therefore initiated by BB in contradiction with what it had obtained in Regulation 1347/2001. On the other had, all the questions of the preliminary ruling had been put forward by Bavaria NV in its counterclaim before the Italian Court of Appeal of Torino.

BB took the view that the name BAVARIA was in conflict with Article 13 (protection of GIs) and 14 (relation with trade marks) of the foodstuff Regulation 2081/1992. Furthermore, it contained indications that were generic and misleading as the beer was Dutch.

As of 30 November 2006, the Italian judge partially upheld the application of BB and forbid the use of the trade mark BAVARIA in Italy (Advocate General, 27) on the grounds that it was misleading and in conflict with the PGI Bayerisches Bier.

Both parties brought an appeal before the Torino Court in Italy. The Court of Appeal stayed the proceedings and referred two questions to the ECJ. But meanwhile, it had analysed the reference of a number of arguments put forward by both parties in order first of all for BAVARIA to challenge Regulation 1347/2001, which registers Bayerisches Bier as a GI. The court of Torino already decided that it cannot make a preliminary ruling on basis of Article 234 in annulment of the validity of Regulation 1347/2001 because Bavaria NV should have contested the Regulation within two months after its publication according to Article 230 EC.



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5. The ECJ procedure: the questions and the answers

a) Incident of procedure before the ECJ

A first incident is to be noted: as usual, in such matters, the Advocate General (AG), in the present case, Mr. MAZAK, delivered his opinion on 18 December 2008. A very well established opinion, containing 162 numbered paragraphs and 52 footnotes.

On 21 January 2009, Bavaria NV and BI made written observations on the opinion of the AG and requested the Court to “*lodge a reply to that opinion*”. (31)

The Court noted that the neither the Statutes of the ECJ nor its rules allowed such possibility. The Court therefore rejected the application. The same applied to the possibility of reopening the oral procedure. (32)

As provided for, the Court however, declared that, on its own motion or on the proposal of the Advocate General or on request of the parties, it may reopen the oral procedure, but at the condition that the Court lacks sufficient information. In the present case, after consulting the AG, the Court decided that it had all the necessary information to reply to the questions and therefore it refused to reopen the oral procedure. (34-35)

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: registration of Bayerisches Bier as a PGI on the basis of the following numerous agreements (10 questions, some are sub questions):

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 in accordance with Article 230 EC. However, the ECJ declares that the condition laid down in the fourth paragraph of Article 230 EC would not have been fulfilled, namely that Bavaria NV was not “*undoubtedly directly and individually concerned by Regulation 1347/2001.*” (41)

In view of those circumstances, Bavaria NV is “*entitled in an action brought in accordance with national law, to plead the invalidity of that Regulation ...*” (46)

The complaint of Bavaria NV before the national Court of Torino in counterclaim of the action undertaken by BB is admissible.

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

Bavaria NV and BI challenge that beer, being an alcoholic beverage, should not be regarded as foodstuff within the meaning of Article 1(1) of Regulation 2081/1992.



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The more so that beer is not an “*agricultural*” product, included in Annex 1 to the Treaty, Articles 32 EC and 37 EC.

Answer of the Court: no definition is given for foodstuff and consequently beer must in principle not be excluded.

Whilst it is true that beer is not mentioned in Article 32 EC, most ingredients of beer are agricultural products.

In other EC Regulations, beer is considered as a foodstuff. Consequently, there is no reason why beer should not have been included in Regulation 2081/1992.

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

The third argument of Bavaria NV is that Article 17 of the Regulation, that provides for a so-called “*simplified procedure*”, is illegal because it does not allow third parties to make a formal opposition as provided for in Article 7.

The Court says that during the examination procedure, whilst this is true, the parties had the possibility to make an objection before their Member State, with a further relay to the Commission (case law *Carl Kühne and Others*, § 52 & 53, on the interpretation of Article 17).

In any event, all the objections to registration raised by Bavaria NV were discussed within the Committee, mainly upon proposal of the government of the Netherlands and as stated in recital 2 of the Regulation registering the PGI. (58)

The fact that the “*simplified procedure*” was abolished in a later Regulation 692/2003 did not render Article 17 illegal, as this Article provided for a transitional situation, available up to six months after the entry into force of the Regulation. (59)

4) *The German government and the Commission did not properly carry out their task in examining the request for registration of GI Bayerisches Bier, taking amongst other into account the great number of amendments that took place after the application for registration (62 – 72)*

The ECJ makes an analysis of the examination made by the Member State and the Commission ([Article 5](#)).

The main burden is on the Member State of the applicant. (Article 5(5)) It must verify that the application is justified and that it fulfils all the conditions laid down in the Regulation and especially Articles 2 and 4. This is normal because “*a certain number of conditions have to be met which require ... detailed knowledge of matters, particular to the Member State.*” (66)

If satisfied, it transmits the request to the Commission (Article 6(1), (2), (4) and Article 7) that only makes a formal examination, amongst other the following: compliance with Article 4, presence of required information, no obvious mistakes, and fulfilment of requirement of Article 2(2) (case *Carl and Kühne*, § 54).

It is for the ECJ to analyse whether the name complies with Regulation 2081/1992 and it is for the national Court alone to review the verification of the conditions. (70)



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Obviously, it is for the ECJ to review whether the Council and the Commission have properly carried out their task. (71)

The ECJ, after necessary verification, is of the opinion that the Council and the Commission “properly carried out their task ... after a lengthy procedure.” (72)

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

In view of the number of amendments that took place, in fact the application for the PGI under Article 17, was not submitted in good time. The time was six months after the entry into force of the Regulation.

The Court says that the German Government applied for the registration in due time, namely on 20 January 1994 before the expiry of the six months period. Consequently, what must be examined is whether there were significant amendments of the request between the original application and a period of several years after the expiry of the six months period.

Article 17 only left six months time for Member States to notify GIs which already existed in their country. However, in this short period, one cannot expect, especially for countries in the North of Europe that are not familiar with the GI system, to provide all the necessary information within this six months period. Consequently, the amendments brought to the application did not make the original application untimely or unlawful. (78)

Interesting to note is that the ECJ did not analyse the differences between the original application and the final GI registration so as to verify whether the differences were significant.

- 6) *Regulation 1347/2001 is not valid because it does not comply with a certain number of substantive conditions laid down by the Regulation: four sub questions (80-115)*

Five different questions were put forward concerning the validity of Regulation 1347/2001 to comply with substantive conditions of the Regulation 2081/1992.

- a) Article 17(1): the name was not legally protected or established by usage in Germany. (86-91)
- b) The name of the country Bavaria is not entitled to an exception foreseen in [Article 2\(2\)](#). (94)
- c) 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). (95-99)
- d) Bayerisches Bier is in fact generic. (100-110)
- e) Bayerisches Bier should have been refused as basis of the pre-existence of the trade mark BAVARIA. (Article 14(3))

General comment of the ECJ (81): “... *lawfulness of a measure adopted ... can be affected, only if the measure is manifestly inappropriate, ...*”

Review by the Court is limited whether the measure is vitiated by “*any manifest error or misuse of power*” (De minimis non curat praetor?). (81)

- a) Article 17(1): the name was not legally protected or established by usage in Germany. (86-91)



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Answer of the ECJ: The verification by German authorities was not challenged before a national Court. (89)

Five bilateral agreements were signed with different Member States and Switzerland. The Council or the Commission could rightfully assume that the PGI satisfied the foreseen conditions.

7) *The name of the country Bavaria is not entitled to an exception foreseen in Article 2(2)(b) (in exceptional cases, a country). (94)*

Exception for the name of a country to be admitted as a PGI is not justified. Greece was nevertheless admitted for the GI FETA.

Answer of the ECJ: Bavaria is not a Member State, but only an infra-State body.

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). (95-99)*

According to Bavaria NV, the reputation of Bayerisches beer is due to the law on purity of beer (Reinheitsgebot) and a new way of beer fermentation brewing. Many years ago, both have spread out throughout the whole world. There is therefore no link anymore.

Answer of the ECJ: It is the reputation of the beer originating in Bavaria which was determinative and not the above two qualities. It is not because these two qualities have spread out throughout the world, that the reputation of that beer has disappeared. Consequently, the establishment of the direct link between the Bavarian beer and its geographical origin cannot be regarded as manifestly inappropriate. (99)

9) *Bayerisches Bier is in fact generic (100-110)*

Bavaria NV puts forward that at the time of the application, 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 ...". (104)

"Furthermore, the registration of a PGI under Regulation N°2081/1992 is designed, among other objectives, to prevent the improper use of a name by third parties seeking to profit from the reputation which it has acquired and, moreover, to prevent the disappearance of that reputation as a result of popularisation ..." (106)

Conclusion: Bayerisches Bier is not generic.

10) *Bayerisches Bier should have been refused on basis of the pre-existence of the trade mark BAVARIA in accordance with Article 14(3) of Regulation 2081/1992 (now Article 3(4)) (111-115).*

Answer of the ECJ: As indicated in 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 ..." (112) versus the pre-existing trade mark.

There is no reason to revise this conclusion.



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This is the end of the first question put forward by the Court of Appeal of Torino, which requested in essence the validity of Regulation 1347/2001 on basis of 10 different arguments.

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?”

This question is very difficult to understand and comprises two peculiar words:

- *“adverse effects”*: The word *“adverse”* does not appear anywhere in the Opinion of the AG, nor in its analyses nor its proposed answer. Neither does it appear in the decision, in paragraph 116 of the judgment where the Court puts forward the second question. However, the word *“adverse”* appears in paragraph 126, where the Court rules.
The word *“adverse”* does not appear in the French translation of the judgment. It is to be reminded that the language of the decision is Italian, which I did not check. I personally think that the word *“adverse”* has no real meaning and should be taken out.
- *“marks of third parties”*: The dispute concerns Bavaria NV and BB. Where there other companies owning a trade mark containing the word BAVARIA? Or does *“third parties”* just mean Bavaria NV and its daughter companies?

My understanding of the question was that Bavaria NV wanted to have the assurance that the contents of Regulation 1347/2001 and its preambles led to the certainty that the trade mark BAVARIA was valid and that there was co-existence.

Interesting to observe is also the very long analysis made by the AG on that specific item. (136-161)

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

- 1) Article 14(3) provides for that when a trade mark is prior to the GI and that the later GI is *“liable to mislead the consumer as to the true identity of the product”* (words included in that sub Article), registration of the GI must be refused. There must therefore be an analysis made by the Community Institutions **prior to the registration** of the PDO or PGI. (118)
- 2) Article 14(2) has a different purpose and provides for the co-existence of a pre-existing trade mark and a later GI.

Conditions being the following:

- The trade mark must be pre-existing (the Court does not discuss the dates concerned, but they are to be found in Article 14(2)).
- The use of the trade mark must correspond to one of the four situations referred to in Article 13(1); the last one being *“liable to mislead the consumer as to the true origin of the product”* (compare these wordings with 14(3) above: *“true identity of*



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the product". What do all these words mean and what is the difference between the two?

- The trade mark must have been registered in good faith.
- There must be no ground for invalidity or revocation of the trade mark according to the Trade Mark Regulation or Directive.

Under those conditions, the use of the pre-existing trade mark may continue, notwithstanding the registration of the GI: *co-existence*.

Again, an analysis must be made by the Community Institutions, but **after registration** of the GI.

ECJ concludes: Preamble 3 of the Regulation says that "*Bayerisches Bier was not liable to mislead the consumer as to the true identity of the product*", whatever the five last words mean.

It is interesting to observe that both the AG (151-153) as well as the ECJ (124) seem to replace these words by "*no likelihood of confusion on the part of the consumer*". These words obviously come from the Trade Mark Regulation and Directive and do not appear in the Foodstuff Regulation.

As preambles of a Regulation are not legally binding, and as Article 13(1) foresees four possibilities of "*infringement*" of a GI, which must be taken into account in the analysis of Article 14(2), these four situations may still be looked upon by a national Court.

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 ...*"

6. Conclusion

Bayerisches Bier, for all reasons explained above, was a very problematic registration as a PGI, probably influenced by important economical and political issues, just as FETA for cheese in Greece.

Once Bayerisches Bier was admitted as a PGI, a GI of second order, it appeared that the co-existence between Bayerisches Bier and the trade mark BAVARIA was a reasonable conclusion, so much in view of the real facts of the matter as for the contents of Article 14.

It is rather surprising that after obtaining its GI, BB, that in my opinion was very well treated in the registration Regulation, nevertheless decided to sue Bavaria NV in different Member States so as to forbid the use of the trade mark BAVARIA for beer.

One must admire the number and the quality of the arguments put forward by the lawyers of Bavaria NV to defend BAVARIA and counterattack against Bayerisches Bier.



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Once again, it is of great interest to read the excellent opinion of AG MAZAK, who was entirely followed by the ECJ. This does not always happen, see for instance the much criticised decision PAGO after the excellent opinion of the AG in that case.

The decision of the ECJ is interesting for many reasons and especially maybe for educational purposes to understand the procedure of obtaining a GI and the analysis of the conflict of a GI against a trade mark.

The decision on preliminary ruling of the ECJ sends back both parties to Regulation 1347/2001. So, at first sight, BB has obtained nothing.

We however, have to wait for the decision of the Court of Appeal of Torino, following the preliminary ruling of the judge, which appears, following its response to the second question, to indicate that the use of BAVARIA and the co-existence with Bayerisches Bier does not derive from Regulation 1347/2001, but from application of Article 14(2), which must be done by a national Court.

Whilst it is generally thought that national Courts have a tendency to protect their nationals, in the present case, the Court of First Instance of Torino made the surprising decision to forbid the use of the trade mark BAVARIA in Italy, although this was in contradiction with preamble 4 of Regulation 1347/2001. It must however be reminded that a preamble is not legally binding. Its purpose is to explain one or other Article of the Regulation.

Finally, many interested stakeholders, a.o. in the wine sector, put forward that trade marks and GIs should be treated on equal footing. It must be admitted that, even though the situation has ameliorated in the last Regulation, the Foodstuff Regulation and even more so the two other Regulations, consider trade mark protection as secondary to GI protection. This should be remedied.

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