

**Gerecht van Eerste Aanleg, 12 juni 2007, BUD**

BUD

**MERKENRECHT****Article 8(4)(b) CTM Regulation****Protection appellation of origin****for dissimilar good is subject to certain conditions under Lisbon Agreement and applicable French law**

By providing that the geographical name constituting an appellation of origin or any other reference suggesting it may not be employed for any similar product, those provisions allow appellations of origin registered under the Lisbon Agreement to benefit from the protection provided for in Article 3 of that agreement against any imitation or usurpation. In that context, if the products in question were identical or similar, the appellation of origin relied on by Budvar could be protected under French law, without its being necessary to demonstrate that the appellation possesses a reputation in France, nor a fortiori that that reputation is liable to be misappropriated or weakened. (...). In also providing that the geographical name constituting the appellation of origin or any other reference suggesting it may not be used for any other product or service when that use is liable to misappropriate or weaken the reputation of the appellation of origin, the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, allows appellations of origin registered under the Lisbon Agreement to benefit from more extensive protection than that provided for under that agreement. That more extensive protection is, however, subject to certain conditions.

**• Proof of reputation required under French law**

It follows from those elements that the Board of Appeal did not make an error in finding that Budvar should have furnished proof that the appellation of origin in question possessed a reputation in France. That proof should have, inter alia, made it possible to determine the image the appellation of origin in question had amongst French consumers. (...) It follows from all of the foregoing that the Board of Appeal did not err in finding that Budvar had not furnished proof that the appellation of origin possesses a reputation in France and that, accordingly, one of the elements for the application of the protection conferred by the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, was absent in the present case.

**• No evidence of likely misappropriation or weakening of reputation of the appellation of origin**

In the present case, the Court finds that Budvar did not produce before OHIM and, in particular, before the Board of Appeal, any evidence to show that the use of the geographical name in question, specifically for the products covered by the word trade mark applied for, was likely to misappropriate or weaken the reputation – assuming it had been established in France – of the ap-

pellation of origin concerned. Moreover, as a purely conjectural matter, it was for Budvar to formulate its application with sufficient precision to enable OHIM to provide a comprehensive ruling on Budvar's assertions.

Vindplaatsen: [curia.europa.eu](http://curia.europa.eu)**Gerecht van Eerste Aanleg, 12 juni 2007**

(M. Vilaras, M.E. Martins Ribeiro, F. Dehousse, D. Šváby and K. Jürimäe)

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fifth Chamber, Extended Composition)  
12 June 2007 (\*)*(Community trade mark – Opposition proceedings – Applications for a Community word mark BUD – Appellation of origin registered under the Lisbon Agreement – Article 8(4) of Regulation (EC) No 40/94 – Rejection of the opposition)*

In Joined Cases T-60/04 to T-64/04,

Budějovický Budvar, národní podnik, established in České Budějovice (Czech Republic), represented by F. Fajgenbaum, lawyer,  
applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Follard-Monguiral and I. de Medrano Caballero, acting as Agents,  
defendant,

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

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

ACTION for annulment of five decisions of the Second Board of Appeal of OHIM of 3 December 2003 (Cases R 107/2003-2, R 111/2003-2, R 114/2003-2, R 115/2003-2 and R 122/2003-2), concerning opposition proceedings between Budějovický Budvar, národní podnik and Anheuser-Busch, Inc.,

THE COURT OF FIRST INSTANCE OF THE EUROPEAN COMMUNITIES (Fifth Chamber, Extended Composition),

of M. Vilaras, President, M.E. Martins Ribeiro, F. Dehousse, D. Šváby and K. Jürimäe, Judges,

Registrar: I. Natsinas, Administrator,

having regard to the applications lodged at the Registry of the Court of First Instance on 10 February (Cases T-60/04 to T-63/04) and 11 February 2004 (Case T-64/04),

having regard to the Order of the President of the Fifth Chamber of the Court of First Instance of 15 February 2005 joining the present cases for the purposes of the written procedure, the oral procedure and the judgment, pursuant to Article 50 of the Rules of Procedure of the Court of First Instance,

having regard to the responses of OHIM lodged at the Court Registry on 16 August (Cases T-60/04 and T-

61/04) and 19 August 2004 (Cases T-62/04 to T-64/04),  
having regard to the responses of the intervener lodged at the Court Registry on 16 August 2004,  
having regard to the referral of the present cases to the Fifth Chamber, Extended Composition, of the Court of First Instance,  
further to the hearing on 13 October 2005,  
gives the following

### **Judgment**

#### **Legal framework**

##### **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, revised at Stockholm on 14 July 1967 and amended on 28 September 1979, provide 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 Convention 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. ...’

##### **B – Community law**

3 Article 8(4) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended and applicable at the material time, reads 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.

...’

##### **C – National law**

4 Article L. 641-2 of the French Code rural ('the Rural Code'), as applicable at the material time, provides:

'Agricultural or food products, raw or processed, may be given an exclusive, controlled appellation of origin. The provisions of Articles L. 115-2 to L. 115-4 and L. 115-8 to L. 115-15 of the Code de la consommation shall not apply to them.

Subject to the conditions set out below, those products may be given a controlled appellation of origin if they fulfil the requirements of Article L. 115-1 of the Code de la consommation, have a duly established reputation and are the subject of procedures for approval.

A controlled appellation of origin may never be considered as generic in nature and fall into the public domain.

The geographical name which constitutes an appellation of origin, or any other reference suggesting it, may not be used for any similar product, without prejudice to the legislative provisions or regulations in force on 6 July 1990, or for any other product or service if that use is likely to misappropriate or weaken the reputation of the appellation of origin.

The appellations of origin for higher-quality wines referred to in Article L. 641-24 and those which are in force on 1 July 1990 in the overseas departments retain their status.'

5 Article L. 115-5 of the French Code de la consommation ('the Consumer Code'), as applicable at the material time, provides:

'The procedure for allocating a controlled appellation of origin is laid down in Article L. 641-2 of the Rural Code, reproduced below ...'

6 Articles L. 711-3 and L. 711-4 of the French Code de la propriété intellectuelle ('the Intellectual Property Code'), as applicable at the material time, read as follows:

'Article L. 711-3

The following signs may not be adopted as a trade mark or element of a trade mark:

(a) those which are excluded by Article 6ter of the Paris Convention of March 20, 1883, as revised, for the Protection of Industrial Property or by Article 23(2) of Annex I C to the Agreement Establishing the World Trade Organisation;

(b) those which are contrary to public policy or to accepted principles of morality, or the use of which is prohibited by law;

(c) those which are likely to deceive the public, in particular as to the nature, quality or geographical origin of the goods or service.

Article L. 711-4

A sign may not be adopted as a trade mark if it interferes with prior rights, in particular:

(a) an earlier registered or well-known mark within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property;

(b) a business name or corporate name, if there is a likelihood of confusion on the part of the public;

(c) a commercial name or sign known throughout the national territory, if there is a likelihood of confusion on the part of the public;

(d) a protected appellation of origin;

(e) copyright;

(f) rights resulting from a protected design or model;

(g) the rights attaching to the personality of a third party, in particular his surname, pseudonym or image;

(h) the name, image or reputation of a local authority.'

#### **Background to the case**

#### **A – Applications for a Community trade mark lodged by Anheuser-Busch**

7 On 1 April 1996 and 5 February 1998 and on 5 February 1998 Anheuser-Busch, Inc. lodged five applications for registration of Community trade marks with OHIM, pursuant to Regulation No 40/94.

8 Those applications sought registration of the word mark BUD.

9 The goods in respect of which registration of the word mark BUD was sought are in Classes 9, 14, 16, 21, 25, 29 and 30 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 9: 'Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; recorded computer programs and software; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus';

– Class 14: 'Precious metals and their alloys and goods in precious metals or coated therewith (included in Class 14); jewellery, precious stones; horological and chronometric instruments';

– Class 16: 'Paper, cardboard and goods made from these materials (included in class 16); printed matter; bookbinding material; stationery; adhesives for stationery or household purposes; instructional and teaching material (except apparatus); plastic materials for packaging (included in class 16); playing cards';

– 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; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware (included in class 21)';

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

– Class 29: 'Preserved, dried and cooked fruits and vegetables; edible oils and fats; snack foods included in Class 29, including almonds, peanuts, other prepared nuts, potato chips and crisps';

– Class 30: ‘Flour and preparations made from cereals, bread, pastry and confectionery; ices; honey, treacle; yeast, baking powder; mustard; vinegar, sauces (condiments); spices; ice; snack foods included in Class 30’.

10 The dates on which the applications for registration of the word mark BUD were filed with OHIM and published in the Community Trade Marks Bulletin are the following:

- in respect of the goods in Classes 9 and 14: filed on 5 February 1998 (mark No 739102) and published on 26 April 1999 (‘application for registration A’);
- in respect of the goods in Class 16: filed on 1 April 1996 (mark No 24729) and published on 8 December 1997 (‘application for registration B’);
- in respect of the goods in Class 21: filed on 1 April 1996 (mark No 24737) and published on 8 December 1997 (‘application for registration C’);
- in respect of the goods in Class 25: filed on 1 April 1996 (mark No 24695) and published on 8 December 1997 (‘application for registration D’);
- in respect of the goods in Classes 29 and 30: filed on 1 April 1996 (mark No 24679) and published on 15 December 1997 (‘application for registration E’).

#### **B – Oppositions brought against the Community trade mark applications**

11 On 6 March 1998 (in respect of applications for registration B, C, D and E) and 26 July 1999 (in respect of application for registration A), Budějovický Budvar, národní podnik, a company established in the Czech Republic (‘Budvar’), brought oppositions pursuant to Article 42 of Regulation No 40/94 in respect of all the goods specified in the applications for registration.

12 In support of its oppositions, Budvar relied, on the basis of Article 8(4) of Regulation No 40/94, on the appellation of origin BUD (appellation of origin No 598), registered on 10 March 1975 for beer with the World Intellectual Property Organisation (WIPO), under the Lisbon Agreement.

13 Relying on that registration, Budvar claimed that the appellation of origin concerned was protected, in particular in France, and provided justification for the opposition based on Article 8(4) of Regulation No 40/94.

#### **C – Decisions of the Opposition Division**

14 By decisions Nos 3450/2002, 3451/2002 and 3452/2002 of 27 November 2002 and Nos 3474/2002 and 3504/2002 of 28 November 2002, given in connection with applications for registration D, C, E, B and A respectively, the Opposition Division rejected the oppositions filed against registration of the word mark applied for BUD.

15 The Opposition Division considered, in essence, that French law, relied on by Budvar, did not confer absolute protection on appellations of origin as regards dissimilar goods and services. The Opposition Division held *inter alia*, in the light of French law, that it was necessary to demonstrate that the use of such dissimilar goods and services was likely to misappropriate or weaken the reputation of the appellations of origin. Since no proof of the reputation of the appellations of

origin concerned in French territory had been submitted in these cases, the Opposition Division concluded that it had not been proved that that appellation conferred an exclusive right justifying opposition to the use of the trade marks sought.

#### **D – Decisions of the Second Board of Appeal of OHIM**

16 On 27 January 2003, Budvar brought five appeals against the Opposition Division decisions rejecting the oppositions filed against registration of the word mark applied for BUD.

17 By five separate decisions given on 3 December 2003 (Cases R 107/2003-2, R 111/2003-2, R 114/2003-2, R 115/2003-2 and R 122/2003-2) (‘the contested decisions’), the Second Board of Appeal of OHIM dismissed the appeals brought by Budvar against the decisions of the Opposition Division.

18 The Board of Appeal found that appellations of origin registered under the Lisbon Agreement enjoyed in France the protection conferred by Article L. 641-2 of the Rural Code, which provides that ‘[t]he geographical name which constitutes an appellation of origin, or any reference suggesting it, may not be used for any similar products ..., or for any other product or service if that use is likely to misappropriate or weaken the reputation of the appellation of origin’. The Board of Appeal added that, since the goods covered by the Community trade mark applications were different from the goods covered by the appellation of origin in question, the issue was whether the use in France of the word mark applied for was likely to misappropriate or weaken the reputation of that appellation of origin. The Board of Appeal stated in this regard that a reputation could not be misappropriated or weakened if it did not exist and that Budvar had not adduced any evidence to show that the appellation of origin in question possessed a reputation in France. The Board of Appeal considered that such a reputation could not, moreover, be presumed and that Budvar had failed to show how the reputation of the appellation of origin, assuming it existed, would be likely to be misappropriated or weakened if Anheuser-Busch were allowed to use the word mark applied for in respect of the goods in Classes 9, 14, 16, 21, 25, 29 and 30.

#### **Forms of order sought by the parties**

19 In the joined cases, Budvar claims that the Court should:

- annul the contested decisions;
- reject the applications for registration of the Community marks in question;
- notify the judgment of the Court to OHIM;
- order Anheuser-Busch to pay the costs.

20 In the joined cases, OHIM and Anheuser-Busch contend that the Court should:

- dismiss the actions;
- order Budvar to pay the costs.

#### **Law**

##### **A – Admissibility of Budvar’s second head of claim**

21 By its second head of claim, seeking rejection of the applications for registration, Budvar is essentially asking the Court to direct OHIM to refuse to register

the word mark applied for (see, to that effect, Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 18, and Case T-33/03 Osotspa v OHIM – Distribution & Marketing (Hai) [2005] ECR II-763, paragraph 14).

22 The Court notes, in this regard, that, under Article 63(6) of Regulation No 40/94, OHIM is to take the measures necessary to comply with judgments of the Community courts. Accordingly, the Court of First Instance is not entitled 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 ELS, cited in paragraph 21 above, paragraph 19).

23 It follows that Budvar's second head of claim is inadmissible.

#### **B – Substance**

24 Budvar's actions in Joined Cases T-60/04 to T-64/04 rest on a single plea in law, alleging essentially infringement of Article 8(4) of Regulation No 40/94.

25 Budvar begins by describing the system which in its view governs the protection of appellations of origin under French law.

26 Budvar states, *inter alia*, that the purpose of an appellation of origin is to attach to a product a geographical name which is a guarantee of its origin and its characteristics, in order to protect both the consumer and the producer of the product against misappropriations of the name. That objective justifies the fact that the provisions referring to the protection of appellations of origin in France appear both in the Intellectual Property Code and in the Rural Code, both of which refer to the Consumer Code. Budvar adds that an appellation of origin is defined by a decree defining the geographical area of production and determining the conditions of that production and of approval of the product.

27 Budvar states that appellations of origin have a public policy status and absolute protection and that there is, in French law, a primacy of appellations of origin over trade marks. That primacy is expressed by an absolute prohibition on filing an application for a trade mark which would interfere with an appellation of origin, and also by a prohibition of the use of any sign which, by reproducing the geographical name constituting that appellation of origin, would interfere with it. Budvar observes in this regard, first, that Article L. 115-5 of the Consumer Code provides that '[a] controlled appellation of origin may never be considered as generic in nature and fall into the public domain', second, that an appellation of origin is in essence the designation of a product originating in a determined area and, third, that an appellation of origin cannot lapse, unlike a trade mark which is not used.

28 Budvar infers therefrom that a trade mark may never be registered if it is likely to interfere with an appellation of origin protected in France, irrespective of the goods or services in respect of which that application for registration is made. Consequently, an appellation of origin cannot be used for any other

goods, irrespective of whether they are identical, similar or different.

29 In the light of the above factors, Budvar claims that the Board of Appeal made two errors in the present cases.

30 In one line of argument, Budvar submits that Article L. 641-2 of the Rural Code was not applicable and that the Board of Appeal should have referred to Articles L. 711-3 and L. 711-4 of the Intellectual Property Code to assess whether a sign consisting of the geographical name of a protected appellation may be registered as a trade mark.

31 In a second, alternative, line of argument, Budvar submits that the Board of Appeal in any event applied Article L. 641-2 of the Rural Code incorrectly.

32 The Court notes that the parties' arguments concern, more specifically, the relevance to the present case of the fourth paragraph of Article L. 641-2 of the Rural Code.

#### **1. First limb: inapplicability of the fourth paragraph of Article L. 641-2 of the Rural Code**

##### **a) Arguments of the parties**

Arguments of Budvar

33 Recalling the wording of Article 8(4) of Regulation No 40/94, Budvar states that it is not disputed that French law allows the holder of an appellation of origin to prohibit both the registration and the use of a subsequent trade mark, on the basis of the provisions of Article L. 711-4 of the Intellectual Property Code and Article L. 641-2 of the Rural Code.

34 In the present case, however, it is the registration of the 'Bud' name as a trade mark which is sought, the use of such a mark not being at issue.

35 Budvar accordingly refers to Articles L. 711-3 and L. 711-4 of the Intellectual Property Code, which lay down the bases justifying a refusal to register a trade mark.

36 On the basis of Article L. 711-4(d) of the Intellectual Property Code, which provides that '[a] sign may not be adopted as a trade mark if it interferes with prior rights, in particular ... a protected appellation of origin', Budvar submits that the holder of the right to use an appellation of origin may obtain a declaration of the nullity and prohibit the use of a mark reproducing or imitating it.

37 Budvar adds that appellations of origin constitute prior rights which preclude the validity of a trade mark, without its being necessary to demonstrate a risk of confusion or similarity of the goods, contrary to what is required for company or trading names, signs or trade names, or indeed earlier trade marks. On the latter point Budvar refers to Articles L. 716-1, L. 713-2 and L. 713-3 of the Intellectual Property Code. Accordingly, on the basis of Article L. 711-4 of the Intellectual Property Code, it must be considered that a sign which reproduces an appellation of origin may not be adopted as a trade mark, without its being necessary to take into account either the reputation of that appellation of origin, which exists by definition, or the goods covered by the trade mark applied for.

38 Budvar adds that registration may also be refused on the basis of being contrary to public policy, as permitted by Article L. 711-3(b) of the Intellectual Property Code, which provides that '[t]he following signs may not be adopted as a trade mark or element of a trade mark: ... those which are contrary to public policy or to accepted principles of morality, or the use of which is prohibited by law'. According to Budvar, since the public policy nature of appellations of origin has already been demonstrated, any application for registration of a trade mark which interferes with an appellation of origin must be refused on this basis. Budvar refers in particular to a judgment of the Cour d'appel de Paris (Paris Court of Appeal) of 15 February 1990, which held that public policy must be understood as including the mandatory rules of economic legislation, in particular those intended to protect consumers, and to a judgment of the French Cour de Cassation of 26 October 1993 establishing public policy protection for the appellations 'Fourme d'Ambert' and 'Fourme de Montbrison'.

39 Budvar states lastly that Article L. 711-3(c) of the Intellectual Property Code also prohibits the registration of any misleading or deceptive sign, stating that '[t]he following signs may not be adopted as a trade mark or element of a trade mark: ... those which are likely to deceive the public, in particular as to the nature, quality or geographical origin of the goods or service'. Thus, according to Budvar, the making available of goods in the classes concerned under the name 'Bud', which possesses a reputation for a number of products, including beers, would mislead the public or might deceive it as regards the characteristics of that product, in particular those connected with its place of production.

40 By contrast, the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in Article L. 115-5 of the Consumer Code, is not intended to prohibit registration of a trade mark which conflicts with an appellation of origin but rather prohibits only the use of the geographical name which constitutes in whole or in part an appellation of origin. According to Budvar, the provisions of the Intellectual Property Code do not have the same purpose as those of the Consumer Code. The former relate to the appropriation of signs in the field of intellectual property, whereas the latter directly concern consumer protection.

41 Consequently, in order to determine whether a sign constituted by the geographical name of a protected appellation may be adopted as a trade mark, regard must be had to Articles L.711-3 and L.711-4 of the Intellectual Property Code and not to the fourth paragraph of Article L.641-2 of the Rural Code, as did the Board of Appeal.

42 Budvar adds, in a letter of 24 August 2005 lodged in reply to a question put by the Court, that it referred before OHIM, and in particular before the Board of Appeal, to the fourth paragraph of Article L. 641-2 of the Rural Code as a basis for its oppositions. Budvar nevertheless maintains that it may henceforth, before the Court, rely on the inapplicability of that pro-

vision to the present case. Budvar submits, first, that it is not changing the subject-matter of the proceedings, as they consist of the oppositions brought against the registration of the trade mark applied for. Budvar states, second, that its reliance on Articles L. 711-3 and L. 711-4 of the Intellectual Property Code does not amount to taking new facts into account, as those articles form the basis of the actions before the Court. Regarding more specifically Article L. 711-4(d) of the Intellectual Property Code, Budvar states that it relied on that provision before OHIM. Lastly, referring to Case T-318/03 Atomic Austria v OHIM – Fabricas Agrupadas de Muñecas de Onil (ATOMIC BLITZ) [2005] ECR II-1319, Budvar considers, essentially, that OHIM should of its own motion have found out about the national law of the Member State concerned.

Arguments of OHIM

43 Before responding to the arguments put forward by Budvar in the first limb of its submissions, OHIM gives its interpretation of Article 8(4) of Regulation No 40/94, and in particular of the requirements it lays down.

44 First, OHIM points out that the earlier right must be based on use of more than mere local significance. In that regard, it states that registrations effected under the Lisbon Agreement constitute earlier rights falling within the scope of Article 8(4) of Regulation No 40/94. It also notes that proof of use of the earlier rights in France was furnished in this case by Budvar.

45 Second, OHIM submits that Article 8(4) of Regulation No 40/94 covers unregistered trade marks and similar earlier signs used in the course of trade for the designation of goods or services or of the business activity of the proprietor of the right. Geographical origin is a business-related factor because it is a key element which determines the choice and purchase of the goods in question. OHIM refers in this connection to the judgment of the Court of Justice in Case C-108/01 Consorzio del Prosciutto di Parma and Salumificio S. Rita [2003] ECR I-5121.

46 Third, OHIM notes that Article 8(4) of Regulation No 40/94 requires that the opponent be 'the proprietor of a non-registered trade mark or of another sign used in the course of trade'. OHIM points out in this connection that in some legal systems geographical indications are not business signs, because no individual rights are vested in those entitled to use them. Other legal systems, however, vest in natural persons or associations an exclusive right in a geographical indication, including the right to prohibit the use of a subsequent trade mark. In the latter case, which, in OHIM's view, covers the situation under the French legislation applicable to this case, the right based on the geographical indication falls within the scope of Article 8(4) of Regulation No 40/94.

47 Moreover, referring to Article 5(1) of the Lisbon Agreement, OHIM points out that appellations of origin are registered, albeit at the request of the competent offices, in the name of natural persons or legal entities, public or private. Furthermore, Article 8 of the Lisbon Agreement provides that legal action required for en-

sure the protection of appellations of origin may be taken under the provisions of the national legislation, either at the instance of the competent office or at the request of the public prosecutor, or by any interested party. In OHIM's view, the exclusive right to use a protected designation and the right to bring an action against improper use are sufficient to qualify as a right, or at least a position, of proprietor as referred to in Article 8(4) of Regulation No 40/94. That conclusion is confirmed by a reading of Article 5(3) of the Lisbon Agreement.

48 Fourth, OHIM states that the right in question must be protected under the national legislation before the date of filing of the contested trade mark application. In the present case, OHIM points out that the appellation of origin concerned was registered on 10 March 1975 and that its protection in France commenced with that registration. The rights in question thus pre-date the filing of the contested trade mark applications.

49 Fifth, OHIM turns its attention to the requirement that the earlier right must confer on its proprietor, under the applicable national legislation, the right to prohibit the use of the opposed trade mark.

50 OHIM replies here *inter alia* to the arguments relating to the French legislation relevant in this case advanced by Budvar in the first limb of its submissions.

51 OHIM maintains that it is common ground that French law contains a number of provisions relating to conflicts between appellations of origin and later signs.

52 Referring to the wording of the fourth paragraph of Article L. 641-2 of the Rural Code, OHIM points out that that provision is mentioned and reproduced in Article L. 115-5 of the Consumer Code.

53 As regards Budvar's argument that the relevant provisions in this case were Articles L. 711-3(b) and (c) and L. 711-4(d) of the Intellectual Property Code and not Article L. 641-2 of the Rural Code, contrary to what the Board of Appeal decided, OHIM points out that, in a case where Article 8(4) of Regulation No 40/94 is involved, the national law must be applied in the same manner as a national court would do. In that respect, the national case-law is vested with a special authority binding on OHIM.

54 OHIM notes that the national judgments cited by Budvar during the opposition proceedings or before the Court, which deal with conflicts between appellations of origin and later trade marks, all applied the fourth paragraph of Article L. 641-2 of the Rural Code rather than Article L. 711-4(d) of Intellectual Property Code. This demonstrates that neither Article L. 711-4(d) of the Intellectual Property Code nor any other provision in that code is applicable.

55 Analysing more specifically Article L. 711-4(d) of the Intellectual Property Code, OHIM disputes Budvar's claim that the protection of appellations of origin against later trade marks is absolute and unconditional. OHIM points out in that regard that Article L. 711-4(d) of the Intellectual Property Code refers to the prohibition on registering a sign conflicting with an appellation of origin, rather than a prohibition on using

such a sign. Given that Article 8(4) of Regulation No 40/94 expressly requires national law to confer 'the right to prohibit the use of a subsequent trade mark' rather than its registration, OHIM concludes that Article L. 711-4(d) of the Intellectual Property Code is not applicable.

56 Even assuming that the right to prohibit registration also confers the right to prohibit use of a later trade mark, regard should be had to the requirements for 'interference' with an appellation of origin to arise, as referred to in Article L. 711-4(d) of the Intellectual Property Code.

57 OHIM points out, as noted by Budvar, that the Intellectual Property Code is silent on this notion of 'interference' in regard to appellations of origin, whereas it is more explicit in regard to earlier trade marks, company names or trade names. In OHIM's view, this is not surprising, since the scope of protection of appellations of origin is specifically defined by the fourth paragraph of Article L. 641-2 of the Rural Code. The notion of 'interference' should therefore be interpreted in the light of the latter provision.

58 It follows from all those considerations that Article L. 711-4(d) of the Intellectual Property Code cannot augment, or diminish, the legal content of the fourth paragraph of Article L. 641-2 of the Rural Code. The latter provision is the only relevant one for determining the scope of the protection afforded to appellations of origin against the use of later signs, including trade marks.

59 As regards the reliance by Budvar on Article L. 711-3(b) and (c) of the Intellectual Property Code, OHIM submits that those provisions are not relevant because they deal with absolute grounds of refusal, namely the prohibition of signs which are contrary to public policy or which are liable to deceive the public, in particular as to the nature, quality or geographical origin of the goods or services. These provisions mirror Article 7(1)(f) and (g) of Regulation No 40/94. Referring to Case T-224/01 Durferrit v OHIM – Kolene (NU-TRIDE) [2003] ECR II-1589, OHIM points out that, in any case, national or Community provisions relating to absolute grounds for refusal may not be relied on in opposition proceedings before OHIM.

60 Moreover, OHIM states, in a letter of 9 August 2005 lodged in reply to a question put by the Court, that Budvar may not rely on the inapplicability of the fourth paragraph of Article L. 641-2 of the Rural Code to the present case, after having stated before OHIM that that provision formed the basis of the opposition proceedings in question.

Arguments of Anheuser-Busch

61 Anheuser-Busch points out first of all that, under Article 8(4) of Regulation No 40/94 and so far as the applicable national legislation is concerned, the relevant provisions of law, case-law and doctrine constitute part of the factual background. Those facts must be submitted and proved by the opponent, in accordance with Article 74(1) of Regulation No 40/94. In the present case, Budvar has not provided a coherent

explanation of the relevant law, let alone evidence for the positions that it has taken.

62 As regards the French legislation applicable here, Anheuser-Busch considers that Budvar's submissions throughout the various proceedings have been contradictory and unclear. Before OHIM, the oppositions were based predominantly on the fourth paragraph of Article L. 641-2 of the Rural Code. When the Board of Appeal rejected the oppositions on that basis, Budvar changed its view and stated, for the first time, that the fourth paragraph of Article L. 641-2 of the Rural Code did not apply (maintaining instead that Articles L.711-3 and L.711-4 of the Intellectual Property Code should be applied). Anheuser-Busch argues that that change of view and the contradictory presentation of the legal situation in France in themselves justify the dismissal of the present action. In particular, Anheuser-Busch maintains that Budvar is prevented from changing the legal basis of the claim at this stage of the proceedings and that the arguments submitted in that regard before the Court should be disregarded. That would be in line with the relevant practice of the Court (Case T-129/01 *Alejandro v OHIM – Anheuser-Busch (BUDMEN)* [2003] ECR II-2251, paragraph 67, and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraph 52).

63 Anheuser-Busch maintains, moreover, that the fourth paragraph of Article L. 641-2 of the Rural Code is relevant in this case. It points out that Budvar itself stated that Article L. 711-4 of the Intellectual Property Code 'prohibits the registration as a trade mark of a sign which would interfere with an appellation of origin' whereas, on the other hand, the fourth paragraph of Article L. 641-2 of the Rural Code 'prohibits only the use of the geographical name which constitutes wholly or in part an appellation of origin'. In other words, Article L. 711-4 of the Intellectual Property Code relates to the registration of French marks whereas the fourth paragraph of Article L. 641-2 of the Rural Code relates to the use of a subsequent mark. Consequently, bearing in mind the fact that Article 8(4) of Regulation No 40/94 concerns the 'right to prohibit the use of a subsequent trade mark', Anheuser-Busch concludes that only the fourth paragraph of Article L. 641-2 of the Rural Code is applicable.

64 Moreover, even if Budvar's arguments concerning Article L. 711-4 of the Intellectual Property Code are admissible and must be examined, Anheuser-Busch submits that those arguments are unfounded.

65 In particular, Anheuser-Busch points out that Article L. 711-4 of the Intellectual Property Code does not determine the scope of protection of all the earlier rights it mentions. By stating that such earlier rights prevent the registration of a trade mark if the mark infringes them, Article L. 711-4 of the Intellectual Property Code presupposes rather that the scope of protection is defined and regulated elsewhere. If Budvar's interpretation were correct, other earlier rights (such as well-known earlier trade marks, copyrights, industrial design rights or personality rights) would enjoy 'absolute protection' against subsequent trade marks,

irrespective of other requirements such as, for example, similarity of the rights in question.

66 The real question to be posed under Article L. 711-4 of the Intellectual Property Code is whether or not there has been interference with earlier rights. This can only be answered by taking into account the special rules and regulations applying to the earlier rights. In this respect, Anheuser-Busch notes that the Intellectual Property Code itself explicitly refers to the Rural Code. In particular, Title II of Book VII of the Intellectual Property Code, which concerns 'Appellations of Origin', contains only one article (L.721-1), which states that '[t]he rules relating to the determination of appellations of origin are laid down by Article L. 115-1 of the Consumer Code'. The relevant provisions for the protection of appellations of origin are therefore to be found in the Consumer Code, which in turn refers to the Rural Code. Anheuser-Busch thus disputes the position taken by Budvar that a sign which reproduces an appellation of origin may not be registered as a trade mark in any circumstances. In Anheuser-Busch's view, an appellation of origin is protected for a particular product. Since the products covered by the present cases are dissimilar, the use of the same term for those products cannot interfere with the appellations of origin, unless there are specific circumstances. Such circumstances are provided for only in the fourth paragraph of Article L. 641-2 of the Rural Code and not in Article L. 711-4 of the Intellectual Property Code. The latter provision is therefore irrelevant when determining whether or not French law gives Budvar a right under Article 8(4) of Regulation No 40/94.

67 Anheuser-Busch observes moreover that for the first time in six years of proceedings Budvar alleges infringement of Article L. 711-3(b) and (c) of the Intellectual Property Code. Anheuser-Busch sees no need to reply to those arguments, which are inadmissible and inapplicable. Those allegations are belated and, moreover, not supported by any facts or evidence. Anheuser-Busch also points out that the present cases result from oppositions concerning relative grounds for refusal. Article L. 711-3 of the Intellectual Property Code, however, relates to absolute grounds for refusing trade mark applications, and moreover applies only to trade mark applications filed in France.

#### **b) Findings of the Court**

68 The Court notes that 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, that situation being covered by Article 8(1) to (3) and (5).

69 According to the wording of Article 8(4) of Regulation No 40/94, that sign must be used in the course of trade and be of more than mere local significance. Pursuant to the law of the Member State governing that sign, the ensuing rights must have been 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. Also pursuant to the law of the

Member State governing that sign, the sign must confer on its proprietor the right to prohibit the use of a subsequent trade mark.

70 The question raised by Budvar before the Court relates to the last condition laid down by Article 8(4) of Regulation No 40/94, that is, whether, in the present case, it has been sufficiently established that the appellation of origin relied on confers the right, on the basis of the applicable French legislation, to prohibit the use of a subsequent trade mark.

71 Given that Article 8(4) of Regulation No 40/94 is in the part relating to relative grounds of refusal, and taking into account Article 74 of that regulation, the onus of proving that the sign in question confers the right to prohibit the use of a subsequent trade mark is on the opposing party before OHIM.

72 In that context, account must be taken, *inter alia*, of the national rules relied on and judicial decisions delivered in the Member State concerned. On that basis, the opposing party must demonstrate that the sign in question falls within the scope of application of the law of the Member State relied on and that it confers the right to prohibit the use of a subsequent trade mark. It must be emphasised that, in the context of Article 8(4) of Regulation No 40/94, the proof put forward by the opposing party must address the matter from the perspective of the Community trade mark for which registration is sought.

73 The Board of Appeal, after recalling the wording of Article 1(1) and (2), Article 2(1), Article 3, Article 5(1) and Article 8 of the Lisbon Agreement (paragraphs 16 to 20 of the contested decisions), held that '[a]ppellations of origin that are registered under the Lisbon Agreement enjoy in France the protection conferred by Article L. 641-2 of the [Rural Code]' (paragraph 21 of the contested decisions).

74 The Court notes that the fourth paragraph of Article L. 641-2 of the Rural Code is reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code.

75 The Court also notes that the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, was relied on by Budvar before OHIM, in particular in the appeals brought before the Board of Appeal.

76 It is only before this Court that Budvar has argued, for the first time, that Article L. 641-2 of the Rural Code was inapplicable to the present case and that the Board of Appeal should have referred to Article L. 711-3(b) and (c) and Article L. 711-4(d) of the Intellectual Property Code.

77 The Court notes as a preliminary point that, apart from Article L. 641-2 of the Rural Code, certain articles of the Intellectual Property Code were relied on by Budvar before OHIM. Regarding more specifically Article L. 711-4(d) of the Intellectual Property Code, the Court notes that that provision covers 'protected' appellations of origin. The applicant was therefore entitled to raise the issue of the role of Article L. 711-4(d) of the Intellectual Property Code in French law

and of the possible link between that provision and Article L. 641-2 of the Rural Code. For those reasons, the Court finds that Budvar is entitled to challenge the application made by the Board of Appeal of Article L. 641-2 of the Rural Code to the present case and the failure to take into account, *inter alia*, Article L. 711-4(d) of the Intellectual Property Code.

78 Turning to the substance, first, the Court notes that Budvar proceeds from the assumption that the fourth paragraph of Article L. 641-2 of the Rural Code is not applicable, since that provision contains a prohibition of the use of a geographical name which constitutes an appellation of origin, not a prohibition of registering a trade mark. Budvar's arguments must be understood as meaning that the fourth paragraph of Article L. 641-2 of the Rural Code is not applicable in proceedings concerning the registration of a Community trade mark. On this point, suffice it to note that Article 8(4) of Regulation No 40/94 provides that, pursuant to the applicable national law, the sign in question must confer on its proprietor the right to prohibit the 'use' of a subsequent trade mark. Article 8(4) of Regulation No 40/94 does not require that, pursuant to the applicable national law, the sign in question must confer on its proprietor the right to prohibit the 'registration of a trade mark'. Budvar's assumption is therefore unfounded. Accordingly, the possibility of taking account of the fourth paragraph of Article L. 641-2 of the Rural Code cannot be excluded on that ground.

79 Second, the Court notes that the fourth paragraph of Article L. 641-2 of the Rural Code covers situations in which a subsequent sign uses, directly or indirectly, the geographical name which constitutes an appellation of origin.

80 Article 2 of the Lisbon Agreement, pursuant to which the name in question was registered as an appellation of origin, provides that an appellation of origin, for the purposes of that agreement, 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.

81 In the present case, it is common ground that the trade mark for which registration is sought uses directly a geographical name which constitutes an appellation of origin within the meaning of Article 2 of the Lisbon Agreement.

82 Third, the fourth paragraph of Article L. 641-2 of the Rural Code forms part of Title IV relating to the development of agricultural and food products, in which it appears in Chapter 1, 'Appellations of origin'. Articles L. 641-1-1 to L. 641-4 of the Rural Code set out the framework for the procedures for recognition of appellations of origin, with the fourth paragraph of Article L. 641-2 specifying the extent of the protection conferred on appellations of origin where the geographical name which constitutes them or any other reference suggesting them is used. The protection conferred on appellations of origin, geographical

indications and certificates of specific character registered at Community level, is reproduced in Articles L. 642-1 to L. 642-4 of the Rural Code.

83 The fourth paragraph of Article L. 115-5 of the Consumer Code, which reproduces the fourth paragraph of Article L. 641-2 of the Rural Code, forms part of a section entitled 'Appellations of origin', itself part of a chapter relating to the development of products and services in a title relating to consumer information. The fourth paragraph of Article L. 115-5 of the Consumer Code refers to the procedure for attributing a controlled appellation of origin, as defined by Article L. 641-2 of the Rural Code, as well as the extent of the protection conferred on appellations of origin, pursuant to the fourth paragraph of that provision, where the geographical name which constitutes them or any other reference suggesting them is used.

84 It follows that the fourth paragraph of Article L. 641-2 of the Rural Code, as well as the fourth paragraph of Article L. 115-5 of the Consumer Code which reproduces it, are specific provisions which define the extent of the protection conferred on appellations of origin under French law, where the geographical name which constitutes them or any other reference suggesting them is used.

85 Article L. 711-4(d) of the Intellectual Property Code, as well as the other provisions of that code relied on by Budvar, are included in Title 1 relating to manufacturing, commercial and service trade marks and in Chapter 1, 'Elements constituting the trade mark'.

86 The Court notes on this point, first, that the provisions of the Intellectual Property Code relied on by Budvar, in contrast to the abovementioned provisions of the Rural Code and of the Consumer Code, do not appear in a part of the code specifically relating to appellations of origin.

87 The Court notes, next, that the provisions of the Intellectual Property Code relied on by Budvar concern the conditions for registration of trade marks under French law and not the conditions of their use for the purposes of Article 8(4)(b) of Regulation No 40/94.

88 Moreover, regarding specifically Article L. 711-4(d) of the Intellectual Property Code, it states that '[a] sign may not be adopted as a trade mark if it interferes with ... a protected appellation of origin'. In order to determine to what extent an appellation of origin is 'protected' and, where applicable, whether a sign 'interferes with' it, regard must be had, inter alia, to the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, where, as in the present case, the geographical name which constitutes that appellation of origin is used by the trade mark for which registration is sought.

89 Fourth, the Court notes that, when the contested decisions were adopted, the only French judicial decision which, like the present case, concerned the use, for a dissimilar product, of a geographical name constituting an appellation of origin registered in a third country and protected pursuant to the Lisbon Agreement, and was delivered after the introduction in 1990 of the

fourth paragraph of Article L. 641-2 of the Rural Code in French law, is a judgment of the Cour d'appel de Paris of 17 May 2000 giving effect to the Cuban appellations of origin Havana and Habanos to designate cigars and tobacco, either in leaf form or manufactured, and products made with that tobacco ('the Havana judgment'). That judgment was relied on by Budvar before OHIM.

90 That case concerned the trade mark Havana, registered and used in France, inter alia for perfume.

91 In that judgment, the Cour d'appel de Paris first examined the conditions laid down by the fourth paragraph of Article L. 115-5 of the Consumer Code, which reproduces the fourth paragraph of Article L. 641-2 of the Rural Code, and concluded that 'the risk of misappropriation of the reputation of the appellation of origin Havana [was] genuine and [was] thus sufficiently serious'.

92 Second, in a part entitled 'Measures to be taken', the Cour d'appel de Paris considered that, by application, inter alia, of Article L. 711-4(d) of the Intellectual Property Code, the claimant was 'entitled to seek annulment of the trade mark Havana filed in France'.

93 Moreover, without using as a basis the provisions of the Intellectual Property Code, the Cour d'appel de Paris stated that the claimant was 'also entitled to ask for an order prohibiting the companies [in question] from using the name Havana to designate all of the cosmetic products in their ranges'. Given the terms employed by the Cour d'appel de Paris, the prohibition on using the name 'havana' was based on the fourth paragraph of Article L. 115-5 of the Consumer Code, which reproduces the fourth paragraph of Article L. 641-2 of the Rural Code.

94 It follows that the Cour d'appel de Paris, in that case, examined the conditions laid down by the fourth paragraph of Article L. 115-5 of the Consumer Code, which reproduces the fourth paragraph of Article L. 641-2 of the Rural Code, in order to determine the protection which could be conferred on the appellations of origin in question, registered pursuant to the Lisbon Agreement, under French law.

95 It also follows that, by application of the abovementioned provisions of the Consumer Code, which reproduce those of the Rural Code, the Cour d'appel de Paris was able to prohibit the use of the geographical name which constituted the appellations of origin in question for the products concerned, and hence the use of the disputed trade mark. The application of the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, can therefore confer entitlement to prohibit the 'use' of a subsequent trade mark, for the purposes of Article 8(4) of Regulation No 40/94.

96 The Court notes that the approach adopted in the Havana judgment had already been used by the Cour d'appel de Paris, in the context of the protection of appellations of origin registered under French law, in a judgment of 15 December 1993 relating to the protection of the controlled appellation of origin Champagne. That judgment, also relied on by Budvar before OHIM,

concerned a trade mark registered in France for perfume which consisted of the geographical name constituting that appellation of origin. In that case, the Cour d'appel de Paris first applied the fourth paragraph of Article L. 115-5 of the Consumer Code, which reproduces the fourth paragraph of Article L. 641-2 of the Rural Code, before ruling on the application of the provisions of the Intellectual Property Code.

97 In the light of all of the foregoing, the Court finds that the Board of Appeal did not make an error in taking into consideration the fourth paragraph of Article L. 641-2 of the Rural Code, which is reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code.

98 Accordingly, the first limb of the single plea relied on by Budvar must be rejected as unfounded.

## **2. Second limb, in the alternative: incorrect application by the Board of Appeal of the fourth paragraph of Article L. 641-2 of the Rural Code**

### **a) Arguments of the parties**

Arguments of Budvar

99 If the Court were to consider that an application for registration as a trade mark of a geographical name constituting an appellation of origin represents use of a geographical name within the meaning of the fourth paragraph of Article L. 641-2 of the Rural Code, Budvar, in any event, asks the Court to find that in the contested decision the Board of Appeal misapplied that article and the provisions of the Lisbon Agreement.

100 Budvar states, first of all, that the Board of Appeal was right to hold that:

'It is undoubtedly true that French appellations of origin are protected in France only if their reputation has been duly established. Article L. 641-2 of the [Rural Code] states that agricultural, forestry and food products may benefit from an appellation of origin if, among other conditions, they "possèdent une notoriété dument établie" [have a duly established reputation]' (paragraph 25 of the contested decisions).

101 Budvar adds that the Board of Appeal nevertheless felt able to state:

'That condition does not, however, apply to foreign appellations of origin protected in France as a result of the Lisbon Agreement. It is clear from Article 5(1) of the Agreement ... that appellations of origin which are protected in the country of origin obtain protection in the other countries belonging to the Special Union as a result of a simple request made by the competent authorities of the country of origin' (paragraph 25 of the contested decisions).

102 In Budvar's view, that statement is not correct.

103 Budvar states, in the first place, that all the countries signatory to the Lisbon Agreement have similar rules concerning the granting of appellations of origin. Article 2 of the Lisbon Agreement gives, in that regard, a valid definition of 'appellation of origin' for all signatory countries.

104 Consequently, all the countries signatory to the Lisbon Agreement require proof of an established reputation in order to grant an appellation of origin. This point is not disputed in the contested decisions.

105 Budvar adds that the reputation of the geographical name 'Bud' to designate beers had to be proved in the Czech Republic in order to obtain the appellation of origin concerned, and points out in that regard that the appellation of origin concerned was registered with the WIPO on 10 March 1975.

106 In Budvar's view, the appellation of origin concerned is therefore protected in France by the effect of the Lisbon Agreement alone, in particular Article 1(2) of the agreement.

107 Thus, an appellation of origin which has originated in a country signatory to the Lisbon Agreement is protected on French territory in the same way as national appellations, without there being any need to prove that it does in fact enjoy a reputation. The contested decisions were therefore incorrect in holding that '[i]t cannot ... be presumed that ... appellations of origin which are protected in France under the Lisbon Agreement possess a reputation in France' (paragraph 25 of the contested decisions).

108 Budvar adds that the Board of Appeal also misapplied the fourth paragraph of Article L. 641-2 of the Rural Code when it held that:

'[W]here a[n] ... appellation of origin is protected in France under the Lisbon Agreement, it enjoys protection against dissimilar goods only if proof is adduced that it possesses a reputation in France and that its use in relation to dissimilar goods would misappropriate or weaken that reputation.

...

In the present case, by contrast, [Budvar] has not only failed to adduce any evidence that the appellation of origin possesses a reputation in France but has also failed to show how the reputation of the appellations of origin, even if it is assumed to exist, would be likely to be misappropriated or weakened if [Anheuser-Busch] were allowed to use [the word mark applied for in relation to the goods concerned]' (paragraphs 26 and 28 of the contested decisions).

109 Budvar draws the attention of the Court to the fact that the fourth paragraph of Article L. 641-2 of the Rural Code, as reproduced in the Consumer Code, concerns the use of the geographical name constituting the whole or part of an appellation of origin. It does not concern the appellation of origin but the geographical name which is mentioned in it. It must therefore be inferred from this that the reproduction of the geographical name constituting the appellation of origin is prohibited for identical, similar and different goods. That interpretation is logical since the geographical name is the essential and determinative element of any appellation of origin. The use of the geographical name alone is such as necessarily to evoke the product covered by the appellation of origin.

110 In the present case, Anheuser-Busch applied for registration of a trade mark which amounts to the reproduction of the geographical name 'Bud' alone, without merging it into a whole such as to cause it to lose its status as an appellation of origin. There is therefore no need to apply the exception provided for in the fourth paragraph of Article L. 641-2 of the Rural Code

and to determine whether or not the word trade mark for which registration is sought, which amounts to the geographical name 'Bud', is likely to give rise to the weakening or misappropriation of the reputation necessarily attaching to any appellation of origin.

111 In any event, and very much as a subsidiary consideration, Budvar submits that the reputation which is inherent in the appellation of origin concerned is likely to be misappropriated or weakened by registration of the trade mark at issue. It points out in that regard that no French legislation requires the degree of that inherent reputation to be particularly high for its protection to be extended to different products. At the very most, the proof required is that that inherent reputation is likely to be weakened and rendered commonplace by the registration of a trade mark reproducing its geographical name.

112 Budvar states that the applications for registration of the trade mark concerned were filed in this case by a beer-brewing company, that is to say, by a direct competitor. Indeed, one of the applications for registration filed by Anheuser-Busch was filed in order to designate beers (which is the subject-matter of Case T-71/04 before the Court). Anheuser-Busch must therefore have been aware, as a professional in the field of brewing beer, of the reputation of the appellations of origin claimed, at the very least on Czech territory.

113 The circumstances in which the applications for registration of trade marks were filed therefore indicate not only a clear intention to harm the reputation of the appellation of origin in question by weakening it and destroying its uniqueness by rendering the 'Bud' name commonplace, but also an attempt to appropriate that appellation of origin. The fact that Anheuser-Busch is a major beer brewer is evidence of the parasitic and underhand nature of its intention as well as of its aim of weakening the appellation of origin and rendering it commonplace. Budvar observes that the cases which gave rise to the judgments of the Cour d'appel de Paris of 15 December 1993 (Champagne) and 17 May 2000 (Havana, cited in paragraph 89 above) involved undertakings which did not compete with each other. In those cases, there was found to be a misappropriation of the reputation of the appellations of origin concerned.

114 Moreover, it is necessary to take into consideration the past legal relations between Budvar and Anheuser-Busch. The dispute between those parties arose more than a century ago. Budvar states that in 1894 Adolphus Busch declared that he had been inspired by the excellence of the beer produced in Budweis, Czechoslovakia, to perfect Budweiser beer, brewed according to the Bohemian method, in Saint Louis, Missouri, the headquarters of the Anheuser-Busch company.

115 Budvar therefore concludes that the risk of harming the reputation of the appellation of origin is sufficiently established and must lead the Court to refuse to register the marks concerned.

Arguments of OHIM

116 OHIM replies to Budvar's arguments in its analysis of the requirement laid down by Article 8(4) of

Regulation No 40/94 that the earlier right must confer on its proprietor, under the applicable national legislation, the right to prohibit the use of the opposed mark.

117 Having submitted that the fourth paragraph of Article L. 641-2 of the Rural Code was applicable in this case (first limb of the single plea), OHIM examines the extent of the protection of appellations of origin under that provision.

118 OHIM draws a distinction here between the need to prove the reputation of the appellation of origin and the risk of that reputation being misappropriated or weakened.

– **The need to prove the reputation of the appellation of origin**

119 OHIM points out that the Lisbon Agreement requires each contracting party to grant protection to registered appellations. That protection, according to OHIM, must be at least at the level of the protection provided for in the Lisbon Agreement.

120 In that regard, OHIM recalls that Article 3 of the Lisbon Agreement provides that '[p]rotection 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'.

121 In OHIM's view, the minimum protection required extends only to the goods for which the registration was made, and to goods which would fall within the same class of products (in this case beer). The Lisbon Agreement does not require protection to be granted beyond that category of products.

122 However, that does not mean that an appellation of origin may not benefit from more extensive protection under the national law of the country in which the acquired right is enforced.

123 Recalling the wording of the fourth paragraph of Article L. 641-2 of the Rural Code, OHIM submits that the protection granted by that provision is twofold.

124 First, the minimum protection provided by the fourth paragraph of Article L. 641-2 of the Rural Code extends to the use of an identical designation or a designation capable of suggesting the appellation of origin in relation to similar goods. That protection is unconditional and may be invoked for all appellations of origin, whether national or foreign, the only elements to be established being the likelihood of suggestion between the signs and the similarity between the goods.

125 Second, the fourth paragraph of Article L. 641-2 of the Rural Code provides an enlarged scope of protection for all appellations of origin, whether national or foreign, which extends to the use of an identical designation or a designation capable of suggesting the appellation of origin in relation to dissimilar goods. That protection is conditional on proof that the appellation of origin possesses a reputation and that the reputation is likely to be misappropriated or weakened.

126 That likelihood must be evaluated in relation to the French public. Likewise, it must be proved that the reputation of the appellation of origin is known to the French public. There cannot be any likelihood of mis-

appropriation or weakening of a non-existent reputation.

127 The Board of Appeal therefore did not err in concluding that '[i]t cannot ... be presumed that foreign appellations of origin which are protected in France under the Lisbon Agreement possess a reputation in France' (paragraph 25 of the contested decisions).

128 In those circumstances, Budvar is wrong to claim that an appellation of origin by definition possesses a reputation or is well known. Budvar's confusion stems from the fact that the notion of the 'reputation of the product' which is required under Article 2(2) of the Lisbon Agreement for registration in the country of origin does not automatically extend to the other member countries in which protection is sought. Therefore, an indication such as 'Bud' which possesses a reputation in the Czech Republic but is not known or used widely on the French market cannot possess a reputation in France.

129 In this respect, OHIM submits that the fourth paragraph of Article L. 641-2 of the Rural Code and all other provisions prohibiting the misappropriation, exploitation, weakening or tarnishing of the reputation of an appellation of origin (OHIM refers in particular to Article 13(1) 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)) aim at protecting the 'image' of the appellation of origin, that is to say, its economic value. Such damage can arise only if the appellation of origin possesses a reputation in the country where protection is claimed.

130 OHIM points out that the concept of 'reputation' of appellations of origin was identified by the Court of Justice in its judgment in *Consorzio del Prosciutto di Parma and Salumificio S. Rita*, cited in paragraph 45 above (paragraph 64), which concerned Regulation No 2081/92, in the following terms:

'The reputation of designations of origin depends on their image in the minds of consumers. That image in turn depends essentially on particular characteristics and more generally on the quality of the product. It is on the latter, ultimately, that the product's reputation is based.'

131 The image or reputation of appellations of origin depends on the public's subjective perception and may vary according to the territory considered. It is true, in OHIM's view, that the image or reputation of the appellation of origin proceeds from the quality of the product. However, the image or reputation of the appellation of origin will depend significantly on factors which are extraneous to the product itself. OHIM cites *inter alia* the amount of investment in promoting the appellation of origin, how intensive use of the appellation of origin has been and the market share held by the product.

132 Because the reputation of appellations of origin depends mostly on those factors and their impact on the public, such a reputation cannot be inferred from the registration under the Lisbon Agreement and needs always to be proved in each country where that

reputation is claimed to have been harmed. Any other solution would amount to granting the same scope of protection to widely renowned appellations of origin and to obscure appellations of origin, and probably to granting the latter protection in a country where they do not have any reputation.

133 OHIM concludes from the foregoing that the Board of Appeal did not err in making the application of the fourth paragraph of Article L. 641-2 of the Rural Code conditional on proof that the appellation of origin had a reputation in France.

134 That conclusion is borne out by the French case-law. According to OHIM, in certain cases involving Article 8(4) of Regulation No 40/94, national law must be applied as a national court would do. National case-law is therefore of particular importance.

135 In that respect, the Board of Appeal was right to rely on the *Havana* judgment, cited in paragraph 89 above, which ruled on a conflict between the appellation of origin *Habana*, protected under the Lisbon Agreement for cigars, and the later French trade mark 'Havana' for perfumes. It is clear from that judgment that failure to establish the reputation in France of the international appellation of origin *Habana* would have resulted in dismissal of the action.

136 OHIM adds that where protection is claimed against use of a later designation in relation to dissimilar goods, the French courts require proof of reputation with respect to all appellations of origin, regardless of their national or international origin. OHIM refers here to the judgments of the *Cour d'appel de Paris* of 15 December 1993 and 12 September 2001, relating to the appellation of origin *Champagne*, annexed to the application. Contrary to Budvar's assertion, there is therefore no difference in treatment.

– **Misappropriation or weakening of the reputation of the appellation of origin**

137 OHIM submits that the Board of Appeal was also right to dismiss the appeal on the ground that Budvar had failed to 'show how the reputation of the appellation of origin, even if it is assumed to exist, would be likely to be misappropriated or weakened if [*Anheuser-Busch*] were allowed to use [the word mark applied for in relation to the goods concerned]' (paragraph 28 of the contested decisions).

138 Budvar never submitted any fact or argument at any stage of the procedure to substantiate the claim that use of the trade marks at issue would be likely to misappropriate or weaken the reputation of the appellation of origin. Being bound by the terms of Article 74(1) of Regulation No 40/94, the Board of Appeal therefore did not err in dismissing the possibility of such a misappropriation or weakening.

139 The arguments contained in the application in that regard are thus inadmissible, since they were put forward for the first time before the Court.

140 If those arguments are nevertheless held to be admissible, OHIM states that the reputation of appellations of origin is likely to be misappropriated where operators purposely choose identical or similar signs for use in a different field, in order to divert to their

own benefit part of the investments made by the holder of the earlier right. That situation is very similar to taking unfair advantage of the repute of an earlier trade mark in the context of Article 5(2) 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) or Article 8(5) of Regulation No 40/94.

141 In the present case, however, the areas of use of beer, on the one hand, and of most of the products covered by the trade mark applications, on the other, are sufficiently far apart that the reputation of the earlier appellation of origin will not benefit the later trade marks.

142 Nevertheless, in respect of application for registration E, OHIM acknowledges that the use of a BUD trade mark in relation to snack foods included in Class 29, including almonds, peanuts and other prepared nuts, potato chips and crisps, could theoretically create an association with beer in the minds of the public. Those products are often sold on counters in bars and pubs. This could lead to a misappropriation of the reputation of the earlier appellation of origin if a beer brewer, such as Anheuser-Busch, were to market the aforementioned products in order to promote indirectly its principal brewing activities.

143 As regards the weakening of the reputation of appellations of origin, OHIM submits that such weakening is likely to exist where the goods for which the conflicting sign is used appeal to the public's senses in such a way that the image and power of attraction of the appellation of origin are affected. That situation is very similar to use detrimental to the repute of an earlier trade mark in the context of Article 5(2) of First Directive 89/104 or Article 8(5) of Regulation No 40/94.

144 In this case, however, there is no antagonism between beer, on the one hand, and most of the goods covered by the application for registration, on the other, such as to harm the image of the earlier appellation of origin. It is, moreover, unlikely that the use of the marks concerned in relation to most of the goods covered by the application for registration could evoke negative or unpleasant mental associations which would conflict with the prestige of the earlier appellation of origin.

#### Arguments of Anheuser-Busch

145 Anheuser-Busch, taking the view that a reputation is required under Article L. 641-2 of the Rural Code in order to obtain protection against a product different from that for which the appellation of origin is protected, examines whether such a reputation exists in this case.

146 Anheuser-Busch maintains that Budvar has never argued that there was any actual reputation among the French public, let alone proffered any evidence of such reputation. Anheuser-Busch adds that there is not even a hint of use of the appellation of origin in France and points out, in that regard, that Budvar did not submit any invoices, advertisements, brochures, or figures re-

lating to sales or advertisement expenditure, market shares or brand awareness.

147 Budvar has instead argued that the appellations of origin have an 'inherent reputation' that must be assumed, that being entirely independent of any use of the geographical name in France and of the consumer's perception of it. The argument supporting that view, advanced by Budvar, is that the reputation of a French appellation of origin has to be demonstrated when the application is made to the Institut national des appellations d'origine (National Institute for Appellations of Origin) for its protection in France.

148 However, in Anheuser-Busch's view, such proof of reputation is only required for protection of French appellations of origin. For recognition of foreign appellations of origin, no reputation in France is required. There are hundreds of appellations of origin, registered with effect in France under the Lisbon Agreement, which are completely unknown to the vast majority of the French public. Anheuser-Busch refers here to its pleading submitted on 18 February 2002 to the Board of Appeal, which it attaches as an annex to its responses before the Court, and in particular to the opinion given by a lawyer in France who is an intellectual property specialist.

149 Referring to the judgments given by the Cour d'appel de Paris in the Havana and Champagne cases, Anheuser-Busch adds that the appellation of origin at issue in the present cases has never been shown to have been used in France, let alone to have acquired any reputation among the French public.

150 Accordingly, the conclusions of the Board of Appeal in the contested decisions, and in particular those set out in paragraphs 23 to 28 of the contested decisions, are correct.

151 Anheuser-Busch points out, moreover, that under Article L. 641-2 of the Rural Code protection of an appellation of origin against the use of a protected term for dissimilar goods is conditional on the reputation of that appellation being likely to be misappropriated or weakened.

152 In Anheuser-Busch's submission, a reputation that does not exist cannot be misappropriated or weakened within the meaning of Article L. 641-2 of the Rural Code. Budvar has failed to prove any misappropriation or weakening of the appellation of origin.

153 As regards Budvar's allegations concerning the allegedly malicious attitude of Anheuser-Busch, they are entirely beside the point. They are clearly belated. They are also unsupported by any relevant facts or evidence and are in fact simply untrue. Anheuser-Busch also considers that a party's attitude plays no role in the determination of whether the use of a sign leads to potential damage to or misappropriation of the reputation of another sign.

154 In any event, relying on the additional arguments put forward, Anheuser-Busch submits that Budvar's oppositions should have been rejected on the basis of Article 8(4) of Regulation No 40/94.

155 First, Anheuser-Busch submits that one reason for rejecting the oppositions was the lack of an ade-

quate explanation provided by Budvar of the applicable national law. Second, Anheuser-Busch points to the lack of proof of use in the course of trade, in France, of the appellation of origin, before the filing of the trade mark application. Third, according to Anheuser-Busch, Budvar did not adduce any evidence demonstrating that the use of the signs in question was of more than mere local significance. Fourth, Anheuser-Busch maintains that the appellation of origin at issue is invalid because it does not meet the requirements of recognition under the Lisbon Agreement.

**b) Findings of the Court**

156 First, considering that the fourth paragraph of Article L. 642-1 of the Rural Code was applicable to the present case and that the goods covered by the word mark applied for and those covered by the appellations of origin in question were different, the Board of Appeal stated that:

*'It is undoubtedly true that French appellations of origin are protected in France only if their reputation has been duly established ... [and] ... [i]t cannot ... be presumed that foreign appellations of origin which are protected in France under the Lisbon Agreement possess a reputation in France'* (paragraph 25 of the contested decisions).

157 Second, the Board of Appeal stated that:

*'[W]here a foreign appellation of origin is protected in France under the Lisbon Agreement, it enjoys protection against dissimilar goods only if proof is adduced that it possesses a reputation in France and that its use in relation to dissimilar goods would misappropriate or weaken that reputation'* (paragraph 26 of the contested decisions).

158 Third, the Board of Appeal found that:

*'[Budvar] has not only failed to adduce any evidence that the appellation of origin possesses a reputation in France but has also failed to show how the reputation of the appellation of origin, even if it is assumed to exist, would be likely to be misappropriated or weakened if [Anheuser-Busch] were allowed to use [the word mark applied for in relation to the goods concerned]'* (paragraph 28 of the contested decisions).

159 Budvar's arguments in the second limb of the single plea in law point, in reality, to two errors allegedly made by the Board of Appeal.

160 First of all, Budvar considers, essentially, that the conditions laid down by the fourth paragraph of Article L. 641-2 of the Rural Code for conferring, in the case of dissimilar products, protection in France on appellations of origin registered by another country under the Lisbon Agreement, in particular the requirement of demonstrating a likelihood of misappropriation or weakening of the reputation of those appellations, are more restrictive than the conditions laid down by the Lisbon Agreement. Accordingly, the geographical name constituting an appellation of origin registered under the Lisbon Agreement is protected, irrespective of the products covered by the subsequent trade mark, without its being necessary to prove the existence of any reputation or misappropriation or weakening of the reputation.

161 In that context, Budvar stated at the hearing that, under Article 55 of the French Constitution, duly ratified or approved treaties and agreements, as of their publication, prevail over laws, subject to the application of the treaty or agreement by the other party. Consequently, the French legislative provisions adopted before or even after the entry into force of that provision must be interpreted in accordance with the terms of the Lisbon Agreement. Budvar added that it did not agree with the manner in which the French courts have applied the Lisbon Agreement.

162 Next, and in any event, Budvar submits that the reputation of the appellations of origin in question could be assumed and that the likelihood of misappropriation or weakening of the reputation is established.

Consistency, in respect of dissimilar products, of the conditions laid down by the fourth paragraph of Article L. 641-2 of the Rural Code with the provisions of the Lisbon Agreement

163 Of the current Member States of the European Union, the French Republic, the Republic of Hungary, the Italian Republic, the Portuguese Republic, the Czech Republic and the Slovak Republic were contracting parties to the Lisbon Agreement at the time the contested decisions were adopted.

164 First, according to the terms of the Lisbon Agreement, the Court notes that there is a close link between the appellation of origin and the product concerned by that appellation, as well as the protection deriving from it. More specifically, the contracting parties to the Lisbon Agreement undertook, in accordance with Article 1(2) of that agreement, to protect the appellations of origin of 'products' of the other countries. Under Rule 5(2)(iv) of the Regulations under the Lisbon Agreement, an international application for registration of an appellation of origin under that agreement must specify 'the product to which the appellation applies'.

165 Second, Article 2(1) of the Lisbon Agreement provides that the product to which the appellation of origin attaches must draw its quality and characteristics exclusively or essentially from the geographical environment, including natural and human factors. Moreover, the protection provided for in Article 3 of the Lisbon Agreement covers cases where the registered appellation of origin is usurped or imitated. In that framework, the protection of an appellation of origin against any usurpation or imitation is to apply when the products in question are identical or similar. That protection is intended to ensure that the quality or the characteristics of the product concerned, which result from the geographical environment, including natural and human factors, are not appropriated or reproduced by a party not entitled to do so.

166 Third, Article 3 of the Lisbon Agreement provides that protection is to be ensured '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. Given the terms employed, those specific terms make

sense only when the products in question are identical or, at the very least, similar.

167 Accordingly, the Court finds that the protection conferred under the Lisbon Agreement applies, without prejudice to a possible extension of that protection by a contracting party on its territory, when the products covered by the appellation of origin in question and those covered by the sign which is liable to interfere with it are identical or, at the very least, similar.

168 Furthermore, without its being necessary to conduct an analysis by analogy, the Court notes that, at Community level, Regulation No 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, as applicable at the material time, contains, in Article 13(1)(b), provisions close to those in Article 3 of the Lisbon Agreement and also expressly, in Article 13(1)(a), provisions which provide, subject to certain conditions, for protection of names registered at Community level when the products in question are not comparable to those which are registered under those names.

169 It does not follow from the case-law, in particular Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, and also the Opinion of Advocate General Jacobs in that case ([1999] ECR I-1304), that Article 13(1)(b) of Regulation No 2081/92 has been interpreted as meaning that the protection conferred under Article 13 applies when the products in question are different, as that situation is governed by Article 13(1)(a) of the same regulation.

170 The Court notes in this context that, if the reading suggested by Budvar of the terms of the Lisbon Agreement, extending the appellations' protection to all products, be they identical, similar or different, corresponded to the intention of the drafters of that agreement, it would have placed certain Member States which are also contracting parties to that agreement, in a conflicting position at the time of adoption of Regulation No 2081/92. Although Article 13(1)(b) of Regulation No 2081/92 and Article 3 of the Lisbon Agreement are drafted in almost identical terms, the protection of appellations of origin registered at Community level or under the Lisbon Agreement would differ quite significantly within the single market, for different products, depending on the application of one or other of those provisions.

171 Nevertheless, the fact that the protection granted under the Lisbon Agreement applies only when the products covered by the appellation of origin in question and those covered by the sign which is liable to interfere with it are identical or, at the very least, similar, does not prevent the contracting parties to the Lisbon Agreement from being able to provide for more extensive protection in their national legal order.

172 Article 4 of the Lisbon Agreement states, moreover, that the provisions of the agreement in no way exclude the protection already granted to appellations of origin in each of the contracting parties by virtue of other international instruments or by virtue of national legislation or court decisions.

173 The fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, as applied by the French courts to the protection of appellations of origin registered under the Lisbon Agreement, follows that logic.

174 By providing that the geographical name constituting an appellation of origin or any other reference suggesting it may not be employed for any similar product, those provisions allow appellations of origin registered under the Lisbon Agreement to benefit from the protection provided for in Article 3 of that agreement against any imitation or usurpation. In that context, if the products in question were identical or similar, the appellation of origin relied on by Budvar could be protected under French law, without its being necessary to demonstrate that the appellation possesses a reputation in France, nor a fortiori that that reputation is liable to be misappropriated or weakened.

175 In also providing that the geographical name constituting the appellation of origin or any other reference suggesting it may not be used for any other product or service when that use is liable to misappropriate or weaken the reputation of the appellation of origin, the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, allows appellations of origin registered under the Lisbon Agreement to benefit from more extensive protection than that provided for under that agreement. That more extensive protection is, however, subject to certain conditions.

176 It follows from the foregoing that, contrary to the essence of Budvar's submissions, in the case of dissimilar products, the conditions laid down in the fourth paragraph of Article L. 641-2 of the Rural Code are not more restrictive than the conditions laid down in the Lisbon Agreement.

177 For the sake of completeness, the Court notes that the International Bureau of WIPO, which administers the Lisbon Agreement, itself stated the following in a public document of 8 June 2000, entitled 'Possible solutions for conflicts between trade marks and geographical indications and for conflicts between homonymous geographical indications', available on the WIPO website under reference SCT/5/3 and distributed at the Fifth Session of the Standing Committee on the law of trade marks, industrial designs and geographical indications:

'The rightful users of geographical indications are entitled to prevent anybody from using that geographical indication if the goods on which the geographical indication is used do not have the indicated geographical origin. Like trade marks, geographical indications are subject to the principles of "specialty", i.e., they are only protected for the kind of products on which they are actually used, and "territoriality", i.e., they are protected for a given territory only and are subject to the laws and regulations applicable in that territory. An exception to the principle of specialty exists for geographical indications having a reputation. At pre-

sent, treaties administered by WIPO or the [Agreement on Trade-Related Aspects of Intellectual Property Rights] do not provide for this extended scope of protection for that particular category of geographical indications' (paragraph 20 of document SCT/5/3).

**Proof of the reputation of the appellation of origin in question in France, in the case of dissimilar products**

178 First, the Court notes, as stated in paragraph 167 above, that the protection conferred under the Lisbon Agreement applies where the products in question are identical or similar.

179 Second, the Court finds that the products covered by the word mark applied for and those covered by the appellation of origin relied on by Budvar in the light of Article 8(4) of Regulation No 40/94 are different. None of the parties to the dispute challenges this fact which was, moreover, pointed out by the Board of Appeal.

180 Third, under the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, as applied by the French courts to the protection of appellations of origin registered under the Lisbon Agreement, the geographical name constituting the appellation of origin or any other reference suggesting it may not be employed for any other product or service where that use is liable to misappropriate or weaken the reputation of the appellation of origin. As noted in paragraph 175 above, that provision allows appellations of origin registered under the Lisbon Agreement to benefit from a more extensive protection than that provided for by that agreement.

181 Fourth, in that framework, in accordance with the principle of territoriality, the protection of appellations of origin is governed by the law of the country where the protection is sought (Case C-3/91 Exportur [1992] ECR I-5529, paragraph 12). That protection is thus determined by the law of that country, in the light of the prevailing facts.

182 Fifth, the Court notes that the reputation of appellations of origin depends on the image they have in the perception of consumers. That image in turn depends, essentially, on the specific characteristics and, more generally, the quality of the product. It is the latter which ultimately forms the basis of the product's reputation, which may be greater or lesser.

183 It follows from those elements that the Board of Appeal did not make an error in finding that Budvar should have furnished proof that the appellation of origin in question possessed a reputation in France. That proof should have, *inter alia*, made it possible to determine the image the appellation of origin in question had amongst French consumers.

184 The Board of Appeal found that Budvar had not furnished proof of such a reputation in France. Before the Court Budvar has not called into question, in particular in its application, the Board of Appeal's finding of fact on this point. Budvar maintains, in fact, that the reputation of the appellation of origin in question may be presumed under the French legal provisions or the registration under the Lisbon Agreement.

185 The Court notes that the presumptions of reputation put forward by Budvar may not be regarded as objective elements making it possible to establish the reputation of the appellations of origin in question in France or, where applicable, to measure its extent.

186 The Cour d'appel de Paris, in the Havana judgment, cited in paragraph 89 above, stated that it was 'undeniable and abundantly established by the documents submitted in the case (including an extract from the book *La grande histoire du cigare* and a number of extracts from the press) that Havana cigars from Cuba possess an outstanding reputation and are regarded as being among the finest in the world'. It follows that, in order to ascertain, in that case, whether the conditions laid down by the fourth paragraph of Article L. 115-5 of the Consumer Code, reproducing the fourth paragraph of Article L. 641-2 of the Rural Code, were met, the Cour d'appel de Paris relied on objective elements and did not assume the existence of the reputation of the appellations of origin in question in that case. It was those objective elements which enabled it to find that the reputation of the appellation of origin in question was 'outstanding' and to find also that the misappropriation of the reputation of such an evocative and 'prestigious' appellation was liable to weaken it, *inter alia*, in France.

187 Turning specifically to the French legal provisions referred to by Budvar, the Court finds that the second paragraph of Article L. 641-2 of the Rural Code does not allow for presuming any reputation of the appellation of origin in question in France. That provision states: '[s]ubject to the conditions set out below, [agricultural or food products, raw or processed] may be given a controlled appellation of origin if they fulfil the requirements of Article L. 115-1 of the Consumer Code, have a duly established reputation and are the subject of procedures for approval'. As rightly noted by the Board of Appeal, that provision essentially does not apply to appellations of origin registered under the Lisbon Agreement but concerns the procedure for obtaining an 'appellation d'origine contrôlée' in France. Accordingly, there can be no presumption under that provision that appellations of origin registered under the Lisbon Agreement possess a reputation in France.

188 This finding is not affected by the fact that French courts apply the fourth paragraph of Article L. 115-5 of the Consumer Code, which reproduces the fourth paragraph of Article L. 641-2 of the Rural Code, in order to grant extended protection to appellations of origin registered under the Lisbon Agreement where the products in question are different. A distinction should be drawn between the conditions for the recognition of appellations of origin and the conditions for the protection of appellations of origin under French law. Accordingly, even though French courts grant appellations of origin registered under the Lisbon Agreement more extensive protection than that provided for under that agreement, pursuant *inter alia* to the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L.

115-5 of the Consumer Code, that does not in itself mean that those appellations of origin have a presumed reputation on the basis of a recognition procedure applicable to controlled appellations of origin registered in France. Moreover, such a presumption of reputation, on the basis of the second paragraph of Article L. 641-2 of the Rural Code, does not follow from the documents in the case, in particular the judgment of the Cour d'appel de Paris in Havana, cited in paragraph 89 above.

189 Nor do the provisions of the Lisbon Agreement allow for a presumption of reputation, in France, for the appellation of origin relied on by Budvar. First of all, as noted in paragraph 167 above, the protection conferred by that agreement does not cover situations where, as in the present case, the products in question are different. Accordingly, the Lisbon Agreement cannot affect the proof of the reputation of the appellation of origin in question in France, where the products are different. From a factual standpoint, moreover, the Court notes that, although Article 2 of the Lisbon Agreement provides that '[t]he 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', it cannot be inferred from that provision that the appellations of origin registered under the Lisbon Agreement possess a reputation in the territory of each of the contracting parties to the agreement.

190 It follows from all of the foregoing that the Board of Appeal did not err in finding that Budvar had not furnished proof that the appellation of origin possesses a reputation in France and that, accordingly, one of the elements for the application of the protection conferred by the fourth paragraph of Article L. 641-2 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, was absent in the present case.

191 For the sake of completeness, the Court notes that the Board of Appeal not only found that Budvar had not furnished proof that the appellation of origin in question possessed a reputation in France, but added that Budvar had failed 'to show how the reputation of the appellation of origin, even if it is assumed to exist, would be likely to be misappropriated or weakened if [Anheuser-Busch] were allowed to use [the word mark applied for in relation to the goods concerned]' (paragraph 28 of the contested decisions).

192 The Court notes that the fourth paragraph of Article L. 642-1 of the Rural Code, reproduced in the fourth paragraph of Article L. 115-5 of the Consumer Code, states that the geographical name which constitutes the appellation of origin or any other reference suggesting it may not be used for any similar products nor 'for any other product or service' when 'that use' is likely to misappropriate or weaken the reputation of the appellation of origin. It is therefore the use of the geographical name which constitutes the appellation of origin for a specific 'product' or 'service' which must be likely to misappropriate or weaken the reputation of the appellation of origin. That product or service thus

necessarily forms part of the assessment of the likelihood of misappropriation or weakening of the reputation of the appellation of origin.

193 This interpretation is supported by the French case-law, including the judgment of the Cour d'appel de Paris in Havana (cited in paragraph 89 above).

194 The Cour d'appel de Paris found the following in that judgment:

'The company Aramis has launched on the market and distributes a men's cologne under the name "havana" ...; the shape of the bottle ... because of its oblong shape crowned by a grey metal cap, suggests the shape of a cigar which is burning down ...

It is undisputed that the launching of a new cologne carries with it major financial risk and that, in order to reduce that risk, it is necessary to entice the public which is unaware of the fragrance by fostering an image for them which is particularly attractive through the power of suggestion it is capable of conveying ...

The choice ... of the term "havana" to promote a luxury cologne intended for men is in no way a coincidence but reflects the deliberate will of the company to convey, through the particularly strong suggestive power it has, the prestigious and sensual image of good taste which attaches to Havana cigars evidenced by the curls of smoke ...'

195 Thus the Cour d'appel de Paris relied largely on the product concerned by the use of the geographical name constituting the appellation of origin in question to find that the reputation of that appellation was likely to be misappropriated or weakened.

196 That approach has, moreover, been followed by the French courts in relation to the protection of French controlled appellations of origin. Thus the Cour d'appel de Paris, in its judgment of 15 December 1993 relating to the protection of the controlled appellation of origin Champagne, a judgment also produced by Budvar before OHIM, said that 'in using the name Champagne to launch a new luxury perfume, in choosing a presentation calling to mind the characteristic champagne cork and in using the image and taste and feelings of joy and celebration suggested by champagne in promotional material, the appellants wished to create an attractive effect borrowed from the prestige of the disputed appellation'.

197 In the present case, the Court finds that Budvar did not produce before OHIM and, in particular, before the Board of Appeal, any evidence to show that the use of the geographical name in question, specifically for the products covered by the word trade mark applied for, was likely to misappropriate or weaken the reputation – assuming it had been established in France – of the appellation of origin concerned. Moreover, as a purely conjectural matter, it was for Budvar to formulate its application with sufficient precision to enable OHIM to provide a comprehensive ruling on Budvar's assertions.

198 For all of the foregoing reasons, the second limb of the single plea in law put forward by Budvar must be rejected.

199 Therefore, without its being necessary to rule on the supplementary arguments put forward by Anheuser-Busch, Budvar's actions must be rejected in their entirety. Moreover, as to the additional arguments put forward by Anheuser-Busch, and in so far as they must be understood as an independent plea based on Article 134(2) of the Rules of Procedure, the Court notes that this plea is incompatible with the intervener's own claims and must accordingly be rejected (see, to that effect, Case T-278/04 Jabones Pardo v OHIM – Quimi Romar (YUKI) [2006] ECR II-0000, paragraphs 44 and 45). The additional arguments put forward by Anheuser-Busch are intended, essentially, to challenge certain points of fact and law accepted by the Board of Appeal. Anheuser-Busch has not, however, sought annulment or alteration of the contested decision under Article 134(3) of the Rules of Procedure.

#### **Costs**

200 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.

201 Since Budvar has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by OHIM and Anheuser-Busch.

On those grounds,

#### **THE COURT OF FIRST INSTANCE (Fifth Chamber, Extended Composition)**

hereby:

1. Dismisses the applications in Joined Cases T-60/04 to T-64/04;
2. Orders Budějovický Budvar, národní podnik to pay the costs.