



Reports of Cases

OPINION OF ADVOCATE GENERAL
SZPUNAR
delivered on 29 March 2017*

Case C-93/16

Ornua Co-operative Limited, formerly The Irish Dairy Board Co-operative Limited
v
Tindale & Stanton Ltd España SL(Request for a preliminary ruling

from the Audiencia Provincial de Alicante (Provincial Court, Alicante, Spain))

(Reference for a preliminary ruling — European Union trade mark — Regulation (EC) No 207/2009 — Unitary character — Article 1 — Likelihood of confusion — Detriment to reputation — Article 9(1)(b) and (c) — Trade marks at issue containing an indication of geographical origin — Peaceful coexistence of conflicting trade marks in part of the European Union))

Introduction

1. This request for a preliminary ruling was made in the course of a dispute arising from a conflict between the signs KERRYGOLD and KERRYMAID. While the signs at issue, which are protected as a European Union trade mark and a national trade mark, respectively, have coexisted peacefully in Ireland and the United Kingdom for more than 20 years, the present dispute (pending before a Spanish court hearing the matter in its capacity as a court dealing with EU trade marks) concerns a conflict between these two signs in the rest of the European Union.

2. The specific context of the present case presents the Court with an opportunity to develop its case-law relating to the principle of the unitary character of the EU trade mark.** It will be necessary, in particular, to clarify how the assessment of the likelihood of confusion, on the one hand, and detriment to reputation, on the other, under Article 9(1)(b) and (c) of Regulation (EC) No 207/2009,*** must take two factors into account, namely, first, the fact that the trade marks at issue coexist peacefully in part of the European Union and, secondly, the fact that they contain an indication of geographical origin.****

* Original language: French.

** See judgments of 12 April 2011, *DHL Express France* (C-235/09, EU:C:2011:238) and of 22 September 2016, *combit Software* (C-223/15, EU:C:2016:719).

*** The version of Council Regulation of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1) applicable *ratione temporis* to the present case. Article 9(2)(b) and (c) of that regulation, as amended by Regulation (EU) No 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21), contains essentially similar provisions.

**** This is the term used in Article 12 of Regulation No 207/2009. Various international and EU legal instruments use the terms 'indication of origin' and 'geographical indication', and their legal scope is determined by the instrument in question.

Legal context

3. Article 1(2) of Regulation No 207/2009 provides as follows:

‘A [European Union] trade mark shall have unitary character. It shall have equal effect throughout the [Union]; it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole [Union]. This principle shall apply unless otherwise provided in this Regulation.’

4. Article 9(1) of that regulation provides:

‘A [European Union] trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

...

- (b) any sign where, because of its identity with, or similarity to, the [European Union] trade mark and the identity or similarity of the goods or services covered by the [European Union] trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;
- (c) any sign which is identical with, or similar to, the [European Union] trade mark in relation to goods or services which are not similar to those for which the [European Union] trade mark is registered, where the latter has a reputation in the [European Union] and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the [European Union] trade mark.’

5. Article 12 of that regulation provides:

‘A [European Union] trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

...

- (b) indications concerning ... geographical origin ...,

...

provided he uses them in accordance with honest practices in industrial or commercial matters.’

The dispute in the main proceedings

6. The Irish company Ornuia Co-operative Limited, formerly The Irish Dairy Board Co-operative Limited (‘Ornuia’), is the proprietor of the EU word mark KERRYGOLD, registered in 1998, and two figurative marks containing the same word element, registered respectively in 1998 and 2011 for food products (taken together, ‘the KERRYGOLD marks’).

7. The Spanish company Tindale & Stanton Ltd España SL (‘T&S’) imports and distributes in Spain, under the sign KERRYMAID, dairy products made by Kerry Group plc.

8. Kerry Group is the proprietor of the KERRYMAID national word marks, registered in Ireland and the United Kingdom.

9. On 29 January 2014, OrnuA brought an infringement action against T&S before the Juzgado de lo Mercantil de Alicante (Commercial Court, Alicante, acting in its capacity as a court dealing with EU trade marks in Spain), claiming that the use of the sign KERRYMAID constituted an infringement of the KERRYGOLD marks. That action was based on Article 9(1)(b) and (c) of Regulation No 207/2009.

10. That court dismissed the action on the ground that the only similarity between the trade marks at issue lay in the common element ‘Kerry’, which refers to the Irish county known for cattle breeding, and that it had been established that those trade marks coexisted peacefully in Ireland and the United Kingdom.

11. Indeed, according to that court, the effects of the peaceful coexistence of the marks in those two Member States should, having regard to the unitary character of the EU trade mark, be extrapolated to the European Union as a whole. For the same reason, no unfair advantage is being taken of the distinctive character or of the repute of the trade marks relied on since the sign KERRYMAID is used in Spain for the purposes of marketing a product which has, for a number of years, been marketed in other Member States without being opposed by the proprietor of the KERRYGOLD marks.

12. OrnuA appealed against that judgment before the referring court.

13. The referring court states that the KERRYGOLD marks have a reputation in the whole of the European Union. It observes that the proprietor of those trade marks recognises their peaceful coexistence with the KERRYMAID trade mark only in Ireland and in the United Kingdom. The referring court is therefore uncertain whether that fact can be taken into account in the assessment of the likelihood of confusion, on the one hand, and detriment to reputation, on the other in respect of the entire territory of the European Union.

The questions referred and procedure before the Court

14. In those circumstances the Audiencia Provincial de Alicante (Provincial Court, Alicante, Spain) decided to stay the proceedings and refer the following questions to the Court for a preliminary ruling:

- ‘(1) In so far as Article 9(1)(b) of [Regulation No 207/2009] requires that, in order for the proprietor of [an EU] trade mark to prevent a third party not having his consent from using a sign in the course of trade in the cases set out in that provision, there should exist a likelihood of confusion, can this provision be interpreted as meaning that there is no likelihood of confusion where the earlier [EU] mark has, owing to the acquiescence of the proprietor, peacefully coexisted for some years with similar national trade marks in two Member States of the European Union, so that the absence of a likelihood of confusion in those two Member States is extended to other Member States, or to the European Union as a whole, regard being had to the unitary treatment that the [EU] mark requires?
- (2) In the situation set out in the previous paragraph, can the geographical, demographic, economic or other circumstances of the States in which the coexistence has occurred be taken into consideration for the purpose of assessing the likelihood of confusion, so that the absence of a likelihood of confusion in those Member States can be extended to a third Member State, or to the European Union as a whole?
- (3) With regard to the case referred to in subparagraph (c) of Article 9(1) of the [Regulation No 207/2009], must this provision be interpreted as meaning that, where an earlier trade mark has coexisted with the contested sign for a certain number of years in two European Union Member States without the proprietor of the earlier trade mark opposing it, this acquiescence on the part of the proprietor towards the use of the later sign in these two States in particular can be

extended to the remaining territory of the European Union for the purpose of determining whether there is due cause for a third party's use of the later sign, on account of the unitary treatment that the [EU] trade mark requires?'

15. The order for reference was lodged at the Court Registry on 15 February 2016. Written observations were submitted by the parties to the main proceedings, the German and French Governments and the European Commission.

16. The Court sent the referring court a request for clarification to which the latter replied on 12 December 2016. The parties to the main proceedings and the Commission participated at the hearing on 18 January 2017.

Analysis

Preliminary observations

17. There are two aspects to the interpretation of Article 9(1)(b) and (c) of Regulation No 207/2009 which is required in the present case.

18. First, given that the two trade marks at issue coexist peacefully in Ireland and in the United Kingdom, the referring court expresses its uncertainty — by means of the three questions it has referred for a preliminary ruling — as to the conclusion that should be drawn from that fact for the purposes of assessing the likelihood of confusion and the risk of detriment to reputation in the remaining territory of the European Union.

19. Secondly, the present dispute will also allow the Court to specify the criteria for assessing the likelihood of confusion between trade marks which both include the same indication of geographical origin. *****

20. It is clear from the order for reference that the term 'Kerry', which is common to the two trade marks at issue, is the name of an Irish county known for cattle breeding. The relevance of that fact — which is not explicitly referred to in the questions referred for a preliminary ruling — was confirmed by means of a request for clarification which the Court sent to the referring court, and the interested parties were able properly to express their views on this subject at the hearing. Therefore, the scope of the questions referred for a preliminary ruling should be broadened in that respect, in accordance with the settled case-law which permits such a step to be taken so that the Court may provide a useful answer to the referring court. *****

The applicability of Article 9 of Regulation No 207/2009 where conflicting trade marks coexist peacefully in part of the European Union

21. By the three questions referred for a preliminary ruling, which I propose to examine together, the referring court asks, in essence, whether, and, if appropriate, how, the fact that the trade marks at issue coexist peacefully in part of the territory of the European Union can have a bearing on the assessment of the likelihood of confusion, on the one hand, and detriment to reputation, on the other, under Article 9(1)(b) and (c) of Regulation No 207/2009, in the remaining territory of the European Union.

***** See judgments of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230), and of 7 January 2004, *Gerolsteiner Brunnen* (C-100/02, EU:C:2004:11).

***** See, inter alia, judgments of 7 December 2000, *Telaustria and Telefonadress* (C-324/98, EU:C:2000:669, paragraph 59), and of 7 March 2013, *Efir* (C-19/12, not published, EU:C:2013:148, paragraph 27).

22. First of all, I would observe that the peaceful coexistence of conflicting trade marks has been addressed only to a relatively limited extent in the case-law of the Court

23. As regards the assessment of the likelihood of confusion, it is clear from settled case-law that the existence of a likelihood of confusion on the part of the relevant public must be appreciated globally, taking into account all the factors relevant to the circumstances of the case.*****

24. In that regard, the Court has acknowledged that the possibility cannot be ruled out that the coexistence of trade marks on a particular market might, together with other elements, contribute to diminishing the likelihood of confusion between those marks.*****

25. The same finding was made in the case-law of the General Court relating to opposition procedures, according to which that coexistence must not only be peaceful but must also be based on the absence of any likelihood of confusion on the part of the relevant public.*****

26. Although the Court has not yet had the opportunity to specify the conditions for applying the concept of ‘peaceful coexistence’, it is, nonetheless, clear from that case-law that the peaceful coexistence of conflicting trade marks on the market in question is a relevant factor which must be taken into account in the global assessment of the likelihood of confusion.

27. In the present case, it has been established that the peaceful and long-standing coexistence of the trade marks at issue precludes the existence of a likelihood of confusion on the market in question in Ireland and in the United Kingdom.

28. This discussion, therefore, focusses on whether that fact should be taken into account for the purposes of assessing the existence of a likelihood of confusion in Spain, where the alleged infringement was committed, and in the rest of the European Union.

29. Ornuua considers that, in order for peaceful coexistence to be taken into account in the assessment of the likelihood of confusion with the EU trade mark, it must be proven that the trade marks at issue coexist peacefully in the entire territory of the European Union. According to Ornuua, this is based on the principle of the unitary character of the EU trade mark and on the fact that the effect of such a mark extends to the entire territory of the European Union. Ornuua maintains that coexistence in part of the territory of the European Union does not permit any conclusion to be drawn regarding the rest of that territory.

30. The German and French Governments essentially agree with this interpretation. The Commission also states that the peaceful coexistence of conflicting trade marks must, in principle, be demonstrated in the whole of the territory in which the alleged infringement is committed and, therefore, in the case of the EU trade mark, in the entire territory of the European Union. It adds, nevertheless, that it is not inconceivable that the situation in the territory in which the conflicting trade marks coexist could provide information which is useful to the assessment of the likelihood of confusion on other markets.

***** See, in particular, judgment of 22 June 1999, *Lloyd Schuhfabrik Meyer* (C-342/97, EU:C:1999:323, paragraph 18).

***** Judgment of 3 September 2009, *Aceites del Sur-Coosur v Koipe* (C-498/07 P, EU:C:2009:503, paragraph 82).

***** Judgments of 11 May 2005, *Grupo Sada v OHIM — Sadia (GRUPO SADA)* (T-31/03, EU:T:2005:169, paragraph 86), and of 11 December 2007, *Portela & Companhia v OHIM — Torrens Cuadrado et Sanz (Bial)* (T-10/06, not published, EU:T:2007:371, paragraph 76).

31. I would observe that a similar interpretation — according to which peaceful coexistence must be proven in the entire territory of the European Union — has also been adopted by the European Union Intellectual Property Office (EUIPO) as regards opposition procedures, ***** and this interpretation has been endorsed by the General Court. ***** According to that approach, if the scope of the EU trade mark is such that the likelihood of confusion potentially exists throughout the territory of the European Union, the absence of a likelihood of confusion by virtue of coexistence must itself be shown to exist throughout the territory of the European Union.

32. T&S gives a different interpretation and considers that peaceful coexistence is a relevant factor even where the marks in question coexist only in part of the European Union. According to T&S, where the conflicting trade marks have coexisted in a substantial part of the territory of the European Union without giving rise to a likelihood of confusion, it could be concluded that there is no such a likelihood in any part of the European Union.

33. I do not find either of those diametrically opposed interpretations convincing.

34. It is true that the EU trade mark system is based on the principle of the unitary character of the EU trade mark, which requires its uniform protection throughout the European Union.

35. Nevertheless, the nature of the system established by Regulation No 207/2009 is such that, in certain circumstances, the assessment of the likelihood of confusion between a sign and an EU trade mark does not lead to a single outcome that holds good throughout the territory of the European Union.

36. In *combit Software*, the Court held that the principle of unitary character does not preclude a court dealing with EU trade marks from finding that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union while not creating such a likelihood in another part thereof, or from drawing the appropriate conclusions from that finding by taking the exceptional step, based on the evidence adduced in principle by the defendant, of issuing an order prohibiting the use in question in part of the territory. *****

37. Where it is found that there is no likelihood of confusion in a given part of the European Union, legitimate trade arising from the use of the sign in question in that part of the European Union cannot be prohibited. *****

38. It is apparent from that judgment that the finding of the infringement of the exclusive right conferred by the EU trade mark may, in exceptional circumstances, be limited to certain parts of the territory. It is also held in that judgment that the absence of a likelihood of confusion between conflicting trade marks in part of the territory of the European Union does not preclude a finding that such a likelihood exists in another part of that territory.

39. Consequently — contrary to what is claimed by T&S — even if it was established, by means of the argument alleging the peaceful coexistence of the conflicting trade marks, that the use of those trade marks does not give rise to a likelihood of confusion in Ireland or in the United Kingdom, that fact does not in itself preclude a finding that such a likelihood exists in another part of the European Union.

***** The EUIPO Guidelines provide that, where the earlier trade mark relied on in support of the opposition is an EU trade mark, the applicant must show that the trade marks in question coexist in the whole of the European Union. See 'Guidelines for Examination in the Office', Part C-2-6, p. 7 (<https://euipo.europa.eu/ohimportal/en/trade-mark-guidelines>).

***** Judgment of 10 April 2013, *Höganäs v OHIM — Haynes (ASTALOY)* (T-505/10, not published, EU:T:2013:160, paragraphs 49 and 50).

***** Judgment of 22 September 2016, *combit Software* (C-223/15, EU:C:2016:719, paragraph 36).

***** Judgment of 22 September 2016, *combit Software* (C-223/15, EU:C:2016:719, paragraphs 31 and 32); see, also to that effect, judgment of 12 April 2011, *DHL Express France* (C-235/09, EU:C:2011:238, paragraphs 46 to 48).

40. However, in my view, and contrary to the position adopted by Ornu, nor does it follow that peaceful coexistence in part of the territory of the European Union is irrelevant to the assessment of the likelihood of confusion with an EU trade mark.

41. The assessment of a likelihood of confusion in a dispute relating to the infringement of the exclusive right conferred by the EU trade mark requires an overall assessment of all the relevant factors which potentially relate to the entire territory of the European Union. In the context of that assessment, a factor cannot be dismissed as irrelevant solely because it relates to circumstances prevailing in just one part of the territory of the European Union.

42. The peaceful coexistence of the two trade marks at national level may be attributable to a number of circumstances. It is not inconceivable, in that regard, that the absence of a likelihood of confusion in a part of the territory of the European Union where long-standing and intensive use has been made of the trade marks concerned may indicate that there is no such likelihood in other parts of the European Union, in cases where market conditions and public perception are not significantly different. *****

43. Accordingly, where it has been established — as it has in the present case — that the use of the signs at issue does not give rise to a likelihood of confusion in a part of the territory of the European Union where those signs have coexisted peacefully for a long time, that factor is likely to have a bearing on the assessment of the likelihood of confusion in other areas where a conflict between the signs is possible.

44. It seems to me that this may have been what the Spanish court of first instance intended when it stated that the only similarity between the trade marks at issue lay in the geographical indication ‘Kerry’ and that, furthermore, those trade marks coexisted peacefully in Ireland and in the United Kingdom, so there was no reason to conclude that the activity of T&S would give rise to confusion in another part of the European Union.

45. After all, as is clear from my analysis below, ***** the fact that the trade marks at issue contain an indication of geographical origin, namely the reference to the Irish county — which could be one of the circumstances accounting for the peaceful coexistence of the signs in Ireland and in the United Kingdom — is relevant for the purposes of assessing the likelihood of confusion at European Union level.

46. It is true, as rightly observed by the German and French Governments and by the Commission, that peaceful coexistence in certain Member States cannot be extrapolated to the rest of the European Union. Such automatic extrapolation must be ruled out. However, the fact remains, in my opinion, that the circumstances in which the signs coexist peacefully in part of the territory of the European Union may be relevant for the purposes of assessing the likelihood of confusion in the European Union as a whole.

47. In the light of the foregoing, I consider therefore, that the peaceful coexistence of the signs at issue in part of the territory of the European Union is a factor which, although not decisive, can be taken into consideration as part of the global assessment of the likelihood of confusion with an EU trade mark in another part of that territory, under Article 9(1)(b) of Regulation No 207/2009.

48. The same applies, in my view, as regards the analysis referred to in Article 9(1)(c) of Regulation No 207/2009, which establishes broader protection for trade marks which have a reputation.

***** I note that the Commission, although ruling out the possibility of automatic extrapolation, states that there is nothing to prevent the national court from taking account of the information regarding the circumstances in other Member States where the linguistic and socio-cultural characteristics in those Member States are comparable to those in the concerned market.

***** See point 65 of this Opinion.

49. A finding that detriment has been caused to the distinctive character or reputation of the earlier trade mark, in one of the ways referred to in that provision, must be based, in particular, on the existence of a link between the trade marks at issue resulting from a certain degree of similarity between them. The existence of such a link must be assessed globally, taking into account all the factors relevant to the circumstances of the case, including the likelihood of confusion on the part of the public. *****

50. For the reasons I have given with regard to Article 9(1)(b) of Regulation No 207/2009, it is necessary, in the context of the global assessment required under paragraph (c) of that article, to take into account, where appropriate, the fact that trade marks coexist peacefully in part of the territory of the European Union.

51. Accordingly, although in the third question referred for a preliminary ruling the referring court raises the possibility of considering the peaceful coexistence of the signs as due cause for use, I take the view that that circumstance must be taken into consideration in the context of the global assessment of the existence of a link between the trade marks. In the absence of such a link, there would be no need to examine whether there is due cause for use.

52. I would point out, in that regard, that the condition relating to reputation must be considered to be fulfilled when the EU trade mark has a reputation in a substantial part of the territory of the European Union, and such a part may, in some circumstances, correspond to the territory of a single Member State. ***** In my view, the fact that the trade marks coexist peacefully could be of even greater relevance in this context, since the marks coexist in the part of the European Union used to establish the reputation of the earlier trade mark.

53. In the light of those observations, I consider that the provisions of Article 9(1)(b) and (c) must be interpreted as meaning that the fact that conflicting trade marks coexist peacefully in part of the territory of the European Union, without giving rise to confusion, does not automatically exclude a likelihood of confusion in another part of that territory. Nevertheless, that coexistence is a relevant factor since, in some circumstances, it can be taken into consideration as part of the global assessment of the likelihood of confusion, on the one hand, and the existence of a link between the trade marks at issue, on the other, these being the criteria forming the subject of each of those provisions respectively.

The applicability of Article 9 of Regulation No 207/2009 where trade marks include an indication of geographical origin

54. I would observe that, in adopting Regulation No 207/2009, the EU legislature has acknowledged that it is a matter of public interest that indications which may serve to designate the geographical origin of the goods concerned should remain available. That consideration underlies many of the provisions of that regulation, in particular those concerning absolute grounds for refusal, the limitation of the effects of a trade mark and the effects of a collective mark. *****

***** See, by analogy, judgment of 27 November 2008, *Intel Corporation* (C-252/07, EU:C:2008:655, paragraphs 30, 41 and 42 and the case-law cited).

***** See, to that effect, judgments of 6 October 2009, *PAGO International* (C-301/07, EU:C:2009:611, paragraphs 27 and 29), and of 3 September 2015, *Iron & Smith* (C-125/14, EU:C:2015:539, paragraph 19).

***** Respectively, Article 7(1)(c), Article 12(b) and Article 66(2) of Regulation No 207/2009.

55. Under Article 12(b) of Regulation No 207/2009, the proprietor of an EU trade mark may not prohibit a third party from using, in the course of trade, indications concerning, inter alia, the geographical origin of goods provided the third party uses them in accordance with honest practices in industrial or commercial matters. A similar restriction is provided for in Article 6(1)(b) of Directive 2008/95/EC. *****

56. The aim of limiting the exclusive rights conferred by a trade mark is to reconcile the interests of the trade mark proprietor with those of other producers in the internal market, taking into account the axiology of trade mark law as an essential element of the system of undistorted competition which the Treaty seeks to establish and maintain. *****

57. The Court has recognised in its case-law that it is a matter of public interest that signs or indications which may serve to designate geographical origin, in particular geographical names, should remain available. *****

58. In order to demonstrate that the public interest at issue exists, it is sufficient that the geographical name is capable of designating the origin of the goods concerned. It is also necessary to assess whether a geographical name designates a place which is currently associated in the mind of the relevant class of persons with the category of goods concerned, or whether it is reasonable to assume that such an association may be established in the future. *****

59. Accordingly, in the context of the dispute arising from a conflict between the sign ‘KERRY Spring’ and the trade mark GERRI, for cold drinks, the Court held that the proprietor of a national trade mark may prevent the use of the indication of geographical origin relating to another Member State only if that use is not in accordance with honest practices in industrial or commercial matters. The mere fact that there exists a likelihood of aural confusion between the two signs is insufficient to conclude that the use of that indication in the course of trade is not in accordance with honest practices. *****

60. Those considerations, set out by the Court in the light of the great linguistic diversity in the European Community at that time, which was composed of 15 Member States, are even more relevant today.

61. Even if the indication of geographical origin relating to a Member State could be considered by consumers in another Member State to be similar to the term incorporated in a trade mark, the proprietor of the trade mark cannot prevent such use if it is in accordance with honest practices. The similarity arising from that term cannot, therefore, be taken into consideration in order to conclude that there is a likelihood of confusion.

62. In this case, as is clear from the order for reference, the term ‘Kerry’, which is common to the two trade marks at issue, is the name of an Irish county known for cattle breeding, and may therefore serve as an indication of origin of the dairy products at issue in the case in the main proceedings.

***** Directive of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25).

***** See, to that effect, in relation to the identical provision in Article 6(1)(b) of the First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (89/104/EEC) (OJ 1989 L 40, p. 1), judgment of 7 January 2004, *Gerolsteiner Brunnen* (C-100/02, EU:C:2004:11, paragraph 16).

***** See, by analogy, judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraph 26).

***** Judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraph 31).

***** Judgment of 7 January 2004, *Gerolsteiner Brunnen* (C-100/02, EU:C:2004:11, paragraphs 25 and 27).

63. Under those circumstances, the EU trade mark court cannot take into account such a similarity between the signs, which arises from a use of the geographical indication which is in accordance with honest practices, to find that there is a likelihood of confusion with the EU trade mark or a risk of detriment to the reputation of that mark.

64. After all, it falls to that court to ensure that the finding of infringement of the exclusive rights conferred by the European trade mark in such circumstances is not contrary to the limitation of the effects of that trade mark referred to in Article 12(b) of Regulation No 207/2009.

65. In the light of the foregoing, I consider that Article 9(1)(b) and (c) of Council Regulation No 207/2009 must be interpreted as meaning that the fact that conflicting trade marks contain the same term, constituting an indication of geographical origin used in accordance with honest practices, cannot serve as the basis for a finding that there is a likelihood of confusion with an EU trade mark or a risk of detriment to the reputation of that mark.

Conclusion

66. In the light of the foregoing considerations, I propose that the Court should respond to the request for a preliminary ruling made by the Audiencia Provincial de Alicante (Provincial Court, Alicante) as follows:

- (1) Article 9(1)(b) and (c) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that the fact that conflicting trade marks coexist peacefully in part of the territory of the European Union, without giving rise to confusion, does not mean that any likelihood of confusion is automatically ruled out in another part of that territory. Nevertheless, such coexistence is a relevant factor capable, in some circumstances, of being taken into consideration as part of the global assessment of the likelihood of confusion, on the one hand, and the existence of a link between the trade marks at issue, on the other, these being the criteria forming the subject of each of those provisions respectively.
- (2) Article 9(1)(b) and (c) of Council Regulation No 207/2009 must be interpreted as meaning that the fact that the trade marks at issue contain the same term, which is an indication of geographical origin used in accordance with honest practices, cannot serve as the basis for a finding that there is a likelihood of confusion with an EU trade mark or detriment to the reputation of that mark.