

OPINION OF ADVOCATE GENERAL

RUIZ-JARABO COLOMER

delivered on 5 February 2009<sup>1</sup>

**I — Introduction**

1. For the last hundred years, the United States Anheuser-Busch Inc. brewery and the Czech brewery Budějovický Budvar have been adversaries in interminable legal proceedings over the right to exclusive use of the names 'Budweiser' and 'Bud'.
2. The main proceedings are now taking place in Austria before the Handelsgericht Wien (Commercial Court, Vienna), which in 2001 referred a question for a preliminary ruling to the Court of Justice in the same dispute, to which the Court replied by its judgment of 18 November 2003, '*Bud I*'.<sup>2</sup>
3. After its odyssey through higher courts, the case has returned — still unresolved — to the Viennese court, which has decided to refer fresh questions for a preliminary ruling before making its decision.
4. The first question, rather complex in its wording, seeks interpretation of various passages in the *Bud I* judgment, in particular on the requirements which a simple geographical indication must satisfy in order to be compatible with Article 28 EC.
5. The second and third questions broach the polemical issue of the exclusive nature of Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.<sup>3</sup> The Handelsgericht Wien, starting, surprisingly, from the hypothesis of a qualified geographical indication, enquires as to the validity of national protection for such a designation or of bilateral protection extended by treaty to a different Member State, in the light of two separate circumstances: on the one hand the fact that there has been no application for registration of the designation at Community level and, on the other, the fact that the qualified geographical indication in question is not included in a treaty concerning the accession of any Member State, unlike other names used for the beverage in question.

<sup>1</sup> — Original language: Spanish.

<sup>2</sup> — Case C- 216/01 *Budějovický Budvar* [2003] ECR I-13617.

<sup>3</sup> — OJ 2006 L 93, p. 12.

## II — Legal framework

B — *The bilateral agreement*A — *International law*

6. Article 1(2) of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration<sup>4</sup> provides that the countries which are contracting parties to the Agreement<sup>5</sup> undertake to protect on their territories, in accordance with the terms of the 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 office referred to in the Agreement establishing the World Intellectual Property Organisation (‘the WIPO’).

7. Article 2(1) of the Lisbon Agreement defines ‘appellation of origin’ as ‘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’. The appellation of origin ‘Bud’ was registered for the beer at the WIPO on 10 March 1975 with No 598, under the Lisbon Agreement.

8. On 11 June 1976, the Republic of Austria and the Czechoslovak Socialist Republic concluded an agreement on the protection of indications of source, designations of origin and other designations referring to the source of agricultural and industrial products (‘the bilateral agreement’).<sup>6</sup>

9. According to Article 2 of the agreement, the terms ‘indications of source’, ‘designations of origin’ and other designations referring to source are used, for the purposes of the agreement, for all indications which relate directly or indirectly to the source of a product.

10. Under Article 3(1) ‘the Czechoslovak designations listed in the agreement provided for in Article 6 shall in the Republic of Austria be reserved exclusively for Czechoslovak products’. Point 2 of Article 5(1)B refers to beers as one of the categories of Czech products covered by the protection afforded by the bilateral agreement, and Annex B to the

4 — Adopted on 31 October 1958, revised at Stockholm on 14 July 1967 and amended on 28 September 1979 (UN Treaty Series, Vol. 923, No 13172, p. 205).

5 — The ‘Lisbon Union’ (<http://www.wipo.int/treaties/en>) currently comprises 26 countries, which include the Czech Republic.

6 — It was published in the *Bundesgesetzblatt für die Republik Österreich* of 19 February 1981 (BGBl. No 1981/75) and came into force on 26 February 1981 for an indefinite period.

agreement, to which it refers in Article 6, includes ‘Bud’ as one of the Czechoslovak designations relating to agricultural and industrial products (under the heading ‘beer’).

to be made for ‘a Community approach to designations of origin and geographical indications’, in order to ensure fair competition between those who enjoy the protection of such indications and also the greater credibility of the products in the eyes of consumers.

11. By Constitutional Law No 4/1993 of 15 December 1992, the Czech Republic confirmed that it would assume the rights and obligations of the Czechoslovak Socialist Republic existing under international law on the date on which the latter ceased to exist.

14. Article 2 sets out what ‘designation of origin’ and ‘geographical indication’ mean for the purposes of the regulation. According to Article 2(1):

*C — Community legislation*

1. Regulation No 510/2006

12. This new regulation on geographical indications and designations of origin recapitulates, in essence, the provisions of Regulation (EEC) No 2081/92,<sup>7</sup> which it repeals and replaces.

‘(a) “Designation of origin” signifies the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

— originating in that region, specific place or country,

13. The sixth recital to Regulation No 510/2006 points out that provision ought

— the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and

<sup>7</sup> — Council Regulation 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).

- the production, processing and preparation of which take place in the defined geographical area.

also includes 'traditional geographical or non-geographical names' which designate agricultural products or foodstuffs, provided that they fulfil the requirements referred to in Article 2(1).

- (b) A "geographical indication" is confined to the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

- originating in that region, specific place or country, and

16. Articles 5 to 7 of Regulation No 510/2006 regulate the 'normal procedure' for the registration of designations of origin and geographical indications, which consists of two phases, the first of which takes place before the national government and the second before the Commission.

- which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and

17. Under Article 5, applications for registration are sent to the relevant Member State which, if they satisfy the requirements of Regulation No 510/2006, forwards the file to the Commission.

- the production and/or processing and/or preparation of which take place in the defined geographical area.'

15. An expression need not be a place name in order to be used as a designation of origin or as a geographical indication for, under Article 2(2) of the regulation, the category

18. Article 5(6) of Regulation No 510/2006 affords Member States the possibility of granting transitional protection to the name at a national level, under the regulation. That temporary protection begins on the day the application is lodged with the Commission and ceases on the date on which a decision is made on inclusion in the register at Commu-

nity level. If the name is not registered, the consequences of such transitional national protection ‘shall be the sole responsibility of the Member State concerned’.

Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia to maintain the national protection for the designations of origin and geographical indications existing on 30 April 2004, in accordance with Regulation No 2081/92,

2. Regulation (EC) No 918/2004

— until 31 October 2004, as a general rule;

19. In 2004 the inclusion of 10 new Member States in the European Union necessitated approval of a number of transitional measures relating to designations of origin and geographical indications.

— or, where an application for registration had been forwarded to the Commission, until a decision was taken on the application.

20. That was the purpose of Regulation (EC) No 918/2004,<sup>8</sup> whose Article 1 authorised the Czech Republic, Estonia, Cyprus, Latvia,

21. The third paragraph of Article 1 likewise provided that the ‘consequences of such national protection in cases where the name is not registered at Community level are entirely the responsibility of the Member State concerned’.

<sup>8</sup> — Commission Regulation of 29 April 2004 introducing transitional arrangements for the protection of geographical indications and designations of origin for agricultural products and foodstuffs in connection with the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (OJ 2004 L 163, p. 88).

3. The Act of Accession<sup>9</sup>

22. Annex II to the Act of Accession itself extended the protection at Community level, by means of their registration as protected geographical indications, to the names of three beers from the Czech town of České Budějovice:

— Budějovické pivo;

— Českobudějovické pivo;

— Budějovický měštanský var.

<sup>9</sup> — Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded (OJ 2003 L 236, p. 33).

### III — The main proceedings, their origins and the question referred for a preliminary ruling

#### A — *A short history of a long dispute*

23. The struggle for exclusive use of the names 'Budweiser' and 'Bud' has for over a century generated serious conflicts between the Czech undertaking Budejovický Budvar (Budweiser Budvar, hereinafter 'Budvar') and the United States undertaking Anheuser-Busch.

24. The Budvar brewery<sup>10</sup> is to be found in the Czech town of České Budějovice, famous for a long tradition of brewing.<sup>11</sup> Since 1795 the undertakings which later converged in today's Budvar have been making and selling beer with the names 'Budweis',<sup>12</sup> 'Budweiser Bier',<sup>13</sup> 'Budvar' or 'Budbräu'.<sup>14</sup> The 'Budweiser' trade mark was registered in 1895.

<sup>10</sup> — Its full name is 'Budejovický Budvar, národní podnik, Budweiser Budvar, Nacional Corporation, Budweiser Budvar, Entreprise Nationale', meaning 'Budweis Bud brewery, national corporation'.

<sup>11</sup> — According to some it goes back to the XIII century, when King Premysl Otakar II of Bohemia founded the town and granted its inhabitants the privilege of brewing beer (O'Connor, B., Case C-216/01 Budejovický Budvar, Judgment of the Court of Justice of 18 November 2003', *European Business Organization Law Review* 5, 2004, p. 581).

<sup>12</sup> — The name of České Budějovice in German.

<sup>13</sup> — In Czech, 'Budějovické pivo', meaning 'beer from Budweis'.

<sup>14</sup> — Which means 'Bud brewery'.

25. In common with practically all brewers in Saint Louis (Missouri), the Anheuser-Busch family had German origins.<sup>15</sup> It is unsurprising, then, that, aware of the reputation of the Budweis beer, they decided in 1876 to launch on the American market a light beer with the name ‘Budweiser’, followed later by another with the abbreviated name ‘Bud’. Not only did they adopt the epithet of the Czech drink, but the recipe was also based on the brewing methods used in Bohemia<sup>16</sup> and they paraphrased the nickname ‘the beer of kings’, used in Budweis, with the labels on the American beer bearing the expression ‘the king of beers’. In February 1906 the United States Patent Office rejected Anheuser-Busch’s application for recognition of the ‘Budweiser’ trade mark, on the grounds that it was a geographical name. A year later, however, it was registered in the United States for 10 years.

names ‘Budweiser’ and ‘Bud’ have been brought in many countries,<sup>17</sup> with widely differing outcomes.<sup>18</sup>

27. Nor has the Community legal system remained apart from that global litigious approach. The representatives of both undertakings (or the distributors of their products) have frequently gone to the European tribunals, claiming infringement of Community law.

28. Repeatedly, Anheuser-Busch applied for registration of ‘Budweiser’ and ‘Bud’ as Community trade marks (as word and figurative marks and for various groups of classes). Budvar’s opposition claiming earlier rights led to a series of decisions by the Second Board of

26. Increased trade on both sides of the Atlantic gave birth to a conflict in which the first episode of litigation dates back to 1880. Since then, actions relating to the use of the

15 — Anheuser derived from an earlier entity, Bavarian Brewery, created in 1852. It was later renamed Anheuser-Busch, as a result of its incorporation into the firm belonging to Adolphus Busch, son-in-law of the owner of the company, and likewise a German immigrant. That and other historical facts can be seen at [www.anheuser-busch.com/History.html](http://www.anheuser-busch.com/History.html) and at [www.budweiser.com](http://www.budweiser.com).

16 — As apparent from statements by Adolphus Busch himself in 1894, in the course of the lawsuit between Anheuser-Busch and Fred Miller Brewing Company: ‘The idea was simply to brew similar in quality, colour, flavour and taste to beer then made at Budweis, or in Bohemia ... The Budweiser beer is brewed according to the Budweiser Bohemian process’ (O’Connor, *op. cit.*, p. 582).

17 — O’Connor (*op. cit.*, p. 585) records up to 44 different sets of proceedings around the world.

18 — In some cases the courts found that Anheuser-Busch had an exclusive right to use the name ‘Bud’, whilst in others the Czech company won. In England in 2002, the Court of Appeal in London chose a compromise solution, enabling both companies to use the disputed trade marks. Similarly, the Japanese Supreme Court ruled in 2004 that both the Czech and the American brewers could call their beers ‘Budweiser’ (O’Connor, *op. cit.*, p. 586). The peculiar features of the proceedings in Portugal are also worth highlighting. The Supreme Court’s ruling of 23 July 2001, refusing to allow Anheuser-Busch to register the ‘Budweiser’ trade mark in Portugal on the grounds that it was a designation of origin protected by a 1986 bilateral agreement between Portugal and Czechoslovakia, was challenged before the European Court of Human Rights, which held that the contested decision did not infringe Article of Protocol No 1 to the European Convention on Human Rights (ECHR, *Anheuser-Busch Inc. v Portugal*, 11 January 2007 (not yet published in the *Reports of Judgments and Decisions*), paragraph 87).

Appeal of the Office for Harmonisation of the Internal Market ('OHIM' or 'the Office') and the corresponding appeals to the Court of First Instance of the European Communities.

of origin or as an indirect geographical indication and held that the evidence produced by Budvar on use of the name 'Bud', in particular in Austria, France and Portugal, was insufficient. It also held that mere use of the 'Bud' sign could not amount simultaneously to use of a trade mark and of an indication of origin since they perform different and incompatible roles. In its recent judgment of 16 December 2008<sup>23</sup> the Court of First Instance annulled those Office decisions.

29. For example, in its decision of 3 December 2003 the Office's Second Board of Appeal<sup>19</sup> upheld Budvar's opposition to registration of 'Budweiser' as a Community trade mark in class 32 (beers, etc.). An action was brought against that decision before the Court of First Instance, but the case did not proceed to judgment, Anheuser-Busch having withdrawn its application for registration.<sup>20</sup>

31. The Court of Justice itself has already delivered two judgments in the litigation carried on by the Czech company Budvar and the American company Anheuser-Busch. On the one hand, we have the *Anheuser-Busch* judgment of 16 November 2004<sup>24</sup> and, on the other, the 2003 *Bud I* ruling, cited above.

30. Conversely, the Office's Second Board of Appeal, in decisions of 14 and 28 June and 1 September 2006,<sup>21</sup> authorised registration of 'Bud' as a Community trade mark, despite the opposition of Budvar, which had invoked the bilateral agreements between Austria and Czechoslovakia and registration of the disputed name as an appellation of origin at the WIPO, under the Lisbon Agreements, with effect in France, Italy and Portugal.<sup>22</sup> The Board of Appeal took the view that it was difficult to conceive of 'Bud' as a designation

32. In the first of those judgments, which concerned the Finnish strand of this long saga, the Court of Justice gave its decision on the rules applicable to use of a potentially conflicting registered trade mark and trade name, in particular in view of the Agreement on Trade-Related Aspects of Intellectual Property ('the TRIPS Agreement').<sup>25</sup> That

19 — Cases R 1000/2001-2 and R 1024/2001-2.

20 — Joined Cases T-57/04 and T-71/04 *Budějovický Budvar v OHIM — Anheuser-Busch (Budweiser)* [2007] ECR II-1829, paragraph 228.

21 — Cases R 234-2005-2, R 241/2005-2, R 802/2004-2 and R 305/2005-2.

22 — The Portuguese, Italian, and French courts, however, have cancelled the registrations of Bud as an appellation of origin under the Lisbon Agreements.

23 — Joined Cases T-225/06, T-255/06, T-257/06 and T-309/06 *Budějovický Budvar v OHIM — Anheuser-Busch (BUD)* [2008] ECR II-3555.

24 — Case C-245/02 *Anheuser-Busch Inc. v Budějovický Budvar* [2004] ECR I-10989.

25 — That Agreement is referred to in Annex 1 C of the Agreement establishing the World Trade Organisation and was approved on behalf of the European Community by Council Decision 94/800/EC of 22 December 1994 (OJ 1994 L 336, p. 1).



decision has no consequence whatsoever for the questions now under examination.

33. The *Bud I* ruling, in contrast, is much closer to the present case, signalling as it does the opening of the Austrian chapter, which turns more on geographical indications than on trade mark law.

#### B — *The main proceedings*

1. The factual background to the first question referred for a preliminary ruling

34. The facts which opened the present front of litigation in Austria go back to 1999, when Budvar applied to the Handelsgericht Wien for an order that Rudolf Ammersin GmbH (a company which markets beer in Austria under the American Bud brand) should refrain from using on Austrian territory the name 'Bud' or similar designations which might give rise to confusion, unless they were products of Budvar itself. It invoked, essentially, the bilateral agreement between the Republic of Austria and the Socialist Republic of Czechoslovakia, according to which the name 'Bud' (listed in Annex B to that agreement) could be used in Austria only for goods of Czech origin.

35. At the same time, Budvar had lodged an identical application with the Landesgericht Salzburg (Regional Court, Salzburg), here against Josef Sigl KG, the sole importer of American Bud beer into Austria. In that second action and, more specifically, in the appeal on a point of law brought in interlocutory proceedings for interim measures, on 1 February 2000 the Oberster Gerichtshof (Austrian Supreme Court), in addition to upholding the interim measures ordered by the lower court, held that protection of the name 'Bud' under the bilateral agreement was compatible with Article 28 EC, because it was covered by the definition of industrial and commercial property under Article 30 EC. It took the view that the designation 'Bud' was a 'simple' geographical indication (because there was no link between the characteristics of the product and its geographical origin) and also an 'indirect' geographical indication (because it was not, as such, a geographical name, but a description capable of informing consumers of the place of origin of the products), which enjoyed 'absolute protection', that is to say, irrespective of any risk of confusion or of consumers being misled.

2. The *Bud I* judgment

36. Against that background, on 26 February 2001 the Handelsgericht Wien stayed the proceedings against Ammersin and referred four questions to the Court of Justice for a preliminary ruling, which the Court answered in the *Bud I* judgment of 18 November 2003.

37. The third and fourth questions related to the validity of the bilateral agreement in the Czech Republic (it must not be forgotten that it was the former Czechoslovakia which signed the agreement) and the effects of Article 307 EC.

marketed in another Member State may be prevented.'

38. Of greater relevance to the present case are the first two questions referred in 2001 to the Court of Justice, which found as follows:

39. According to paragraphs 101 and 107 of the judgment, the referring court had to determine whether the name 'Bud' designated or referred to the origin of the product 'according to factual circumstances and perceptions prevailing in the Czech Republic'.

1. Article 28 EC and Council Regulation (EEC) No 2081/92 ... do not preclude the application of a provision of a bilateral agreement between a Member State and a non-member country under which a simple and indirect indication of geographical origin from that non-member country is accorded protection in the importing Member State, whether or not there is any risk of consumers being misled, and the import of a product lawfully marketed in another Member State may be prevented.

3. Events since *Bud I*

2. Article 28 EC precludes the application of a provision of a bilateral agreement between a Member State and a non-member country under which a name which in that country does not directly or indirectly refer to the geographical source of the product that it designates is accorded protection in the importing Member State, whether or not there is any risk of consumers being misled, and the import of a product lawfully

40. Following the reply from the Court of Justice, on 8 December 2004 the Handelsgericht Wien dismissed the claimant's application. It found that the Czech public did not associate the name 'Bud' with a specific region or a specific place, including the town of České Budějovice, or think that it identified products or services from a specific place, so that name could not be classified as a geographical indication. In line with the ruling of the Court of Justice, the Viennese court held that protection of the name in question should be found to be incompatible with Article 28 EC.

41. Although that first instance judgment was confirmed on appeal, the dispute was far from closed.

42. By order of 29 November 2005, the Oberster Gerichtshof annulled the earlier rulings and sent the case back to the Handelsgericht Wien for it to give judgment afresh after further proceedings. Applying the criteria set out in paragraphs 54 and 101 of *Bud I*, the Austrian Supreme Court concluded that, even though 'Bud' is not a geographical name, it is capable of informing consumers that the product it identifies comes from a particular place, region or country, whereas it remains uncertain whether in the minds of consumers 'Bud', in relation to beer, provides an indication of geographical source. It found, accordingly, that it still had not been determined whether the disputed name represented a simple or indirect geographical indication.

43. When the case was sent back to it, the court of first instance again rejected Budvar's claims, in a judgment of 23 March 2006. On the basis of a demoscopic survey submitted by Ammersin, it held that the Czech public did not associate the name 'Bud' with a specific place, region or country and did not believe that Bud beer had a particular birthplace (specifically, České Budějovice).

44. The claimant appealed once more to the Oberlandesgericht Wien (Higher Regional Court, Vienna), which on that occasion set aside the contested decision, and sent the case back to the commercial court of first instance, recommending that, as Budvar proposed, a consumer survey should be conducted amongst relevant population groups to ascertain whether Czech consumers associated the designation 'Bud' with a beer product; whether, when they made that link (either spontaneously or at the suggestion of the expert), they understood it as an indication that the product came from a specific place, region or country, and, if they did, with what place, region or country.

45. Addressing the case for the third consecutive time, the Handelsgericht Wien has found it necessary to make one last referral for a preliminary ruling by the Court of Justice, in order to clarify certain aspects of *Bud I*, interpretation of which has given rise to uncertainty in Austrian judicial circles, bearing in mind the significant factual and legal changes which have taken place since the 2003 judgment and, in particular, the Czech Republic's accession to the European Union, the protection as geographical indications granted in the Accession Treaty to a series of names for beer from České Budějovice and the aforementioned decision of the Office's Second Board of Appeal of 14 June 2006, which stated in its grounds that the name 'Bud', invoked by the claimant, cannot at one and the same time be a trade mark and a geographical indication.

C — *The questions referred*

Do those requirements mean:

46. Pursuant to Article 234 EC, the Handelsgericht Wien refers the following questions to the Court of Justice for a preliminary ruling:

(1) In its judgment of 18 November 2003 in Case C-216/01 the Court of Justice defined the requirements for the compatibility with Article 28 EC of the protection of a designation as a geographical indication which in the country of origin is the name neither of a place nor of a region, namely that such a designation must,

— according to the factual circumstances and

— perceptions in the Czech Republic, designate a region or a place in that State,

— and that its protection must be justified there on the basis of the criteria laid down in Article 30 EC.

(1.1) that the designation as such fulfils a specific geographical indication function referring to a particular place or a particular region, or does it suffice that the designation is capable, in conjunction with the product bearing it, of informing consumers that the product bearing it comes from a particular place or a particular region in the country of origin;

(1.2) that the three conditions are conditions to be examined separately and to be satisfied cumulatively;

(1.3) that a consumer survey is to be carried out for ascertaining perceptions in the country of origin, and, if so, that a low, medium or high degree of recognition and association is required;

(1.4) that the designation has actually been used as a geographical indication by several undertakings, not just one undertaking, in the country of origin and that use as a

trade mark by a single undertaking precludes protection?

**IV — The proceedings before the Court of Justice**

- (2) Does the circumstance that a designation has not been notified or its registration applied for either within the six-month period provided for in Regulation (EC) No 918/2004 or in Regulation (EC) No 510/2006 mean that existing national protection, or in any case protection that has been extended bilaterally to another Member State, becomes void if the designation is a qualified geographical indication under the national law of the State of origin?

47. The request for a preliminary ruling was lodged at the Registry of the Court of Justice on 25 October 2007.

48. The claimant and the defendant in the main proceedings and the Greek and Czech Republic Governments have submitted written observations, as has the Commission.

- (3) Does the circumstance that, in the context of the Treaty of Accession between the Member States of the European Union and a new Member State, the protection of several qualified geographical indications for a foodstuff has been claimed by that Member State in accordance with Regulation (EC) No 510/2006 mean that national protection, or in any case protection that has been extended bilaterally to another Member State, for another designation for the same product may no longer be maintained, and Regulation (EC) No 510/2006 has preclusive effect to that extent?

49. At the hearing, held on 2 December 2008, the representatives of Budejovický Budvar Nacional Corporation, Rudolf Ammersin GmbH, the Czech Republic, the Hellenic Republic and of the Commission appeared in order to make their oral submissions.

## V — Analysis of the questions referred

### A — Two introductory considerations

50. The present reference for a preliminary ruling has two particular features which warrant examining at the outset.

#### 1. Interpretation of an earlier judgment

51. The first peculiarity lies in the fact that the Handelsgericht Wien asks the Court of Justice to clarify the meaning of certain passages in *Bud I*.

52. The fact that the subject-matter of the referral is, in part, not a provision of Community law but a decision of this Court, does not, to my mind, raise issues of admissibility. The case-law has in the past entertained responses to requests of this kind made by national courts by way of references for preliminary rulings in, for example, the judgments of 16 March 1978, *Robert Bosch*,<sup>26</sup> and of 16 December 1992, *B & Q*.<sup>27</sup>

53. Here, the request for interpretation of an earlier ruling stems from the different views about it held by two Austrian courts, one higher than the other. In view of the emphasis which the Oberster Gerichtshof and the Oberlandesgericht Wien lay on the manner of taking and evaluating evidence of one aspect of the proceedings (the perception of the name 'Bud' in the Czech Republic), the Handelsgericht Wien has referred the case to the Court of Justice, perhaps in the hope that it will endorse its position or that it will, at least, put an end to the latent dissension between the national courts.

54. However, the Court of Justice should not take up the challenge. In *Bud I* it expressly made the evaluation in question the responsibility of the national court and there is no reason for it now to change its mind or to bring into play different criteria or clarifications additional to those it made in the past.

#### 2. The starting hypothesis changes

55. The second unusual feature of the present case is that the referring court's basic hypothesis differs between the three questions referred. In the first question, the Viennese court enquires about the criteria for 'Bud' to be considered a 'simple and indirect' geographical indication compatible with

<sup>26</sup> — Case 135/77 *Bosch* [1978] ECR 855

<sup>27</sup> — Case C-169/91 [1992] ECR I-6635.

Article 28 EC, whilst the second and third questions are based on the assumption that the name is a ‘qualified’ geographical indication under the domestic law of the State of origin.

56. The distinction between simple and qualified geographical indications is widely accepted in legal academic circles<sup>28</sup> and in the case-law.<sup>29</sup>

57. Simple geographical indications do not require products to have any special characteristics or element of renown deriving from the place from which they come, but they must be capable of identifying that place. In contrast, geographical indications which designate a product having a quality, reputation or other characteristic related to its origin are qualified geographical indications. As well as the geographical link, they have another, qualitative, link, less strong than that of designations of origin, which are reserved to products whose particular characteristics are due to natural or human factors relating to their place of origin. Community law protects only designations of origin and qualified geographical indications.

58. *Bud I* held that ‘Bud’ is a simple geographical indication,<sup>30</sup> not within Regulation No 2081/92, and identified the circumstances in which its protection would be consistent with Community law at national level or those required for it to extend to a non-member State. By raising fresh doubts about the wording of that judgment, the referring court reiterates its original understanding of the name as a simple geographical indication. It is surprising, then, that it immediately afterwards poses two questions based on a potential classification of ‘Bud’ as a qualified geographical indication, falling within the scope of the Community regulation.

59. The claimant undertaking sees that inconsistency as grounds for refusing to admit the first question referred.

60. According to settled case-law, it is solely for the national court hearing the dispute to determine both the need for a preliminary ruling in order to enable it to deliver judgment and the relevance of the questions which it refers under Article 234 EC.<sup>31</sup> However, the Court of Justice has conceded that, in exceptional cases, it is incumbent on it to examine the circumstances in which a national court

28 — Amongst others, Cortés Martín, J.M., *La protección de las indicaciones geográficas en el comercio internacional e intracomunitario*, Ministerio de Agricultura, Pesca y Alimentación, Madrid, 2003, p. 347.

29 — Case C-3/91 *Exportur* [1992] ECR I-5529, paragraph 11, Case C-312/98 *Warsteiner* [2000] ECR I-9187, paragraphs 43 and 44, and *Bud I*, paragraph 54.

30 — Because that is how it was specified by the referring court, in accordance with an earlier decision of the Austrian Supreme Court.

31 — Case C-83/91 *Meilicke* [1992] ECR I-4871, paragraph 23; Case C-314/01 *Siemens and ARGE Telekom* [2004] ECR I-2549, paragraph 34; Case C-144/04 *Mangold* [2005] ECR I-9981, paragraph 34; Case C-119/05 *Lucchini* [2007] ECR I-6199, paragraph 43; and Case C-248/07 *Trespa International* [2008] ECR I-8221, paragraph 32.

refers a question, in order to confirm its own jurisdiction.<sup>32</sup> That occurs when the issue submitted to the Court of Justice is purely hypothetical,<sup>33</sup> since the spirit of cooperation which must prevail in the preliminary ruling procedure implies that the national court must have regard to the function entrusted to the Court of Justice, in the interests of assisting in the administration of justice in the Member States, and must not ask it to deliver advisory opinions on general or hypothetical questions.<sup>34</sup>

61. The Handelsgericht Wien itself recognises indirectly in its order for reference that the first question is hypothetical by stating that, although in 2000 (when it referred for a preliminary ruling the questions which gave rise to *Bud I*) 'it was assumed that the designation 'Bud' was a simple and indirect geographical indication', everything has changed since then, since *Bud I* referred, as regards the question of the compatibility with Article 28 EC of the protection of an indirect geographical indication, to the situation in the country of origin, namely the Czech Republic', and "Bud" is protected in law in the Czech Republic as an appellation of origin'.

62. Despite those clear statements, the meaning which people attribute to the name

32 — Case 244/80 *Foglia* [1981] ECR 3045, paragraph 21.

33 — Case C-379/98 *Preusen Elektra* [2001] ECR I-2099; paragraph 39, Case C-390/99 *Canal Satélite Digital* [2002] ECR I-607, paragraph 19; Case C-380/01 *Schneider* [2004] ECR I-1389, paragraph 22; and Case C-458/06 *Skatteverket* [2008] ECR I-4207, paragraph 25.

34 — *Foglia*, op. cit., paragraphs 18 and 20; Case 149/82 *Robards* [1983] ECR 171, paragraph 19; *Meilike*, op. cit., paragraph 64; and Case C-62/06ZF *Zefeser* [2007] ECR I-11995, paragraph 15.

'Bud' in the Czech Republic is still the subject of debate, around which in reality the entire main proceedings revolve. The response to the first question referred can in my view assist in determining whether it satisfies the requirement of a geographical link, a *sine qua non* for it to be treated as a geographical indication. If, in addition, there is a qualitative link, or any other grounds for regarding the name as a designation of origin in the Czech Republic, the response of the Court of Justice to the second and third questions would be extremely helpful.

63. Accordingly, although in other circumstances it would be essential for the facts of the case to have been proved and for issues of purely national law to have been resolved at the time of the referral to the Court of Justice,<sup>35</sup> on this occasion the three questions referred must be declared admissible.

## B — *The first question*

64. By its first question, the Handelsgericht Wien submits to the Court of Justice a number of enquiries relating to the passages

35 — Joined Cases 36/80 and 71/80 *Irish Creamery Milk Suppliers Association* [1981] ECR 735, paragraph 6.



of *Bud I* which defined ‘the requirements for the compatibility with Article 28 EC of the protection of a designation as a geographical indication which in the country of origin is the name neither of a place nor of a region’.

65. Those passages are, in particular, paragraphs 101 and 107 of the judgment, in which the referring court is called upon to verify whether ‘according to factual circumstances and perceptions prevailing in the Czech Republic’, the name ‘Bud’ identifies a region or place in the territory of that State. If so, and if the national protection were ‘justified on the basis of the criteria laid down in Article 30 EC’, its extension to the territory of a Member State would be compatible with Community law. There would, otherwise, be an infringement of Article 28 EC.

1. The method of verifying the association of ‘Bud’ with a particular place

66. The Viennese court’s first enquiry is whether the name must, as such, perform a function as a specific geographical reference to a place or a region or whether it is sufficient that it suggests to consumers that the product has a certain origin.

67. Paragraph 101 of *Bud I* advocates verifying whether the name ‘Bud’ ‘designates’ a region or place, which would mean, on a first analysis, that it corresponds to a place name. Paragraph 107, however, undermines that approach by referring to direct or indirect identification. Furthermore, the decision is based on the assumption that ‘Bud’ is a ‘simple and indirect’ geographical indication.<sup>36</sup>

68. Geographical indications and even designations of origin do not always consist of geographical names. They are called ‘direct’ when they do and ‘indirect’ when they do not, provided the indication or designation at least informs consumers that the foodstuff to which it relates comes from a specific place, region or country. Regulation No 510/2006 itself allows for the latter situation by referring, in Article 1(2), to ‘traditional names’, even though they may not be place names.<sup>37</sup>

69. In order to satisfy the requirements laid down in *Bud I* it is therefore sufficient for the term to identify the product’s place of origin. In the situation under analysis, it must be ascertained whether ‘Bud’ makes it clear to Czech citizens that beer with that name comes

<sup>36</sup> — *Bud I*, paragraph 54.

<sup>37</sup> — Regulation No 2081/92 only allows traditional names (at least expressly) for designations of origin.

from the town of České Budějovice, which does not mean that the name performs that role of geographical indication when it is mentioned together with the product in question, and only then.

70. A number of the defendant's objections are apposite. In paragraphs 25 and 26 of its written submissions, Ammersin asserts that its competitor Budvar in fact uses the word 'Bud' as a trade mark and not as a geographical indication,<sup>38</sup> a factor which in its view might obscure objective assessment of the role which the word 'Bud' actually performs, since 'beer drinkers — like drivers — normally know the place, region or country where the beer or car they have bought is made', and this does not have to cause confusion between such trade marks and indications of origin. It gives some very eloquent examples, such as those of Coca-Cola or Volkswagen. Most Americans know that Coca-Cola is made in Atlanta and many Germans associate Volkswagen with the town of Wolfsburg, but that does not make either of them geographical indications.

71. Regardless of whether the Czech public can guess where 'Bud beer' comes from, it must be ascertained whether the expression 'Bud' is sufficiently clear to evoke a product, beer, and its origin, the town of České Budějovice.

72. In the same way that the words 'cava' or 'grappa' call to mind the Spanish and Italian birthplaces of a sparkling wine and of a liqueur respectively and that 'feta' identifies a Greek cheese,<sup>39</sup> were it to be found that 'Bud' represents a geographical indication, Czech consumers would have to associate the expression with a precise place and with the brewing of beer.

## 2. Whether the three requirements are independent

73. In the second part of its first question, the Handelsgericht Wien asks whether *Bud I*, by asserting that everything depends on 'the factual circumstances and perceptions prevailing in the Czech Republic', and that protection of the name 'Bud' in that State is justified on the basis of the criteria laid down in Article 30 EC, 'intends to differentiate so that three separate criteria must be assessed, or whether this is only meant to state that Czech consumers associate a place, region or particular country with the designation "Bud" (connected or not connected with the product bearing it, depending on the answer to the first question)'.

38 — Something that I analyse at greater length below.

39 — See here my Opinion in Case C-317/95 *Canadane Cheese Trading* [1997] ECR I-4681, point 73, and that in Joined Cases C-465/02 and C-466/02 *Germany and Denmark v Commission* [2005] ECR I-9115, point 188.

74. The second interpretation is more correct. The wording of *Bud I* seems to be based on paragraph 12 of the judgment in *Exportur*, according to which the protection of indications of provenance is determined by the law of the country of import and ‘by factual circumstances and current conceptions in that country’. However, in *Bud I* regard must be had to the circumstances in the country of origin of the products (the Czech Republic), and not those of the importing country (Austria), since that decision examined the extension to Austria of the protection for the name ‘Bud’ in the Czech Republic, by virtue of a bilateral agreement.

75. Paragraph 101 means, therefore, that Czech consumers must associate ‘Bud’ with a particular place or region, on the terms set out in the reply to question 1.1), without particular ‘circumstances’ having to be present.

76. If that requirement is found to be satisfied, it must be ascertained that the name ‘Bud’ has not become generic in the State of origin, a prerequisite in the case-law for an indication of provenance to be classified as ‘industrial property’ under Article 30 EC.<sup>40</sup> If it has not, its protection would be justified on the basis of the criteria in that article.

40 — *Bud I*, paragraph 99; *Exportur*, op. cit., paragraph 37; and Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 20. As regards whether a name is generic, see my Opinion in *Germany and Denmark v Commission*, op. cit., points 46 to 49.

3. The need to conduct a survey

77. The third part of the first question enquires of the Court as to the appropriate mechanism ‘for ascertaining perceptions in the country of origin’ of the term and, in particular whether a survey is appropriate.

78. The case-law has accepted the possibility of using a consumer survey both to show that an advertising statement is misleading,<sup>41</sup> and to prove that a mark is distinctive.<sup>42</sup> In both situations the Court of Justice specified that the decision to use a particular tool lies with the national court, which must decide in accordance with the law of the Member State.

79. Following the principle of procedural autonomy, therefore, in the present case too it is for the national courts to determine, in

41 — Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 35, and Case C-220/98 *Estée Lauder Cosmetics* [2000] ECR I-117, paragraph 31.

42 — Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 53.

accordance with their own law, whether an expert report or consumer survey should be commissioned to ascertain whether the name 'Bud' acts as an indication of provenance, and to fix the percentage of consumers which would be considered sufficiently significant for that purpose.

82. Geographical indications and trade marks are distinct, although related, figures. Both protect an article's commercial reputation against potential unlawful usurpation by third parties, focussing on its geographical or its business origin respectively. They differ in that a trade mark safeguards a private interest, that of its holder, whereas a geographical indication protects the interests of all producers established in the relevant area.

#### 4. Use of 'Bud' by a single undertaking

80. By the fourth and last part of its first question, the Handelsgericht Wien asks whether *Bud I* means that a geographical indication must be used as such in the country of origin by several undertakings, with the effect that its use as a trade mark by a single undertaking would be contrary to protection.

83. To my mind, the foregoing distinction does not mean that a geographical indication has to be used simultaneously by several companies in the region in order to preserve its validity, which depends on other factors. At least, I do not believe that such a requirement can be inferred, as the question put to the Court seems to suggest, from paragraph 101 of *Bud I* which mentions the need to investigate the 'factual circumstances', in relation to the disputed name, in the Czech Republic.

81. The national court's queries flow from the fact that the 'designation "Bud" is a trade mark registered for the applicant in the Czech Republic', and the applicant is, moreover, the only company which uses it in the Czech Republic, even though 'it is in the nature of an indication of origin that it is used by all producers in a particular region who are entitled to do so'.

84. However, it is not a matter here either of a trade mark or of a geographical indication registered at Community level. How many people must in practice use the name in order for it to remain effective must therefore be determined by national law, in the light of the bilateral agreement.

85. We find something similar as regards the question whether use of ‘Bud’ as a trade mark by a single undertaking would compromise its protection as a geographical indication.

and its recognition as a geographical indication must be resolved by the national court, in accordance with the bilateral agreement.

86. Community legislation lays down a number of rules to resolve potential conflicts between geographical indications and trade marks, precepts with a certain underlying preference for the former, perhaps because they protect the public interest in consumers knowing the provenance and characteristics of goods.<sup>43</sup> Accordingly, under Article 14 of Regulation No 510/2006, application for registration of trade marks will be refused if they correspond to protected designations of origin or geographical indications, whilst trade marks registered earlier or acquired by established use in good faith will coexist with indications subsequently registered in accordance with European law. Community trade mark legislation also prohibits the use of signs which may mislead as to the geographical origin of the product.<sup>44</sup>

### C — *The second question*

88. By its second question, the Austrian court seeks to know whether, if a designation has not been notified to the Commission for registration at Community level, national protection in force or protection extended bilaterally to another Member State becomes void when there is found to be a qualified geographical indication in accordance with the internal law of the State of origin (in the present instance, the Czech Republic).<sup>45</sup>

87. In the present case, however, any such conflict between use of the ‘Bud’ trade mark

89. The Court of Justice is asked, in short, to decide whether the Community provisions for the protection of geographical indications and

43 — Resinek, N., ‘Geographical indications and trade marks: Coexistence or “first in time, first in right” principle?’, *European Intellectual Property Review*, vol. 29 (2007), issue 11, pp. 446-455, von Mühlendhal, A., ‘Geographical indications and trade marks in the European Union: conflict or coexistence’, *Festschrift till Marianne Levin*, 2008, pp. 401-410, and Martínez Gutiérrez, A., ‘La tutela comunitaria de las denominaciones geográficas protegidas ante las marcas registradas’, *Noticias de la Unión Europea*, year XIX (2003), No 219, pp. 27-36.

44 — Articles 3(1)(c) and (g), and Article 12(2)(b) 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). For further clarifications on interpretation of those provisions, see *Windsurfing Chiemeesee*. In relation to conflicts between trade marks and indications of origin, see Case C-100/02 *Gerolsteiner Brunnen* [2004] ECR 691.

45 — The order for reference speaks of a designation which ‘has not been notified or its registration applied for ... within the six-month period provided for in Regulation (EC) No 918/2004’. That time-limit, which appeared in Article 17 of the former Regulation No 2081/92, began to run on the date on which it came into force and, naturally, has disappeared in the new Regulation No 510/2006. Regulation No 918/2004, in turn, refers only to ‘an application for registration under Regulation (EEC) No 2081/92 [being] forwarded to the Commission by 31 October 2004’. That provision does not, however, preclude the possibility of using the ordinary registration period, with no time-limit, under the new Regulation No 510/2006. That is why, in my findings on maintenance of the national provisions, I make no reference to that six-month time-limit.

designations of origin are exclusive, one of the most contentious issues in the present field, which the case-law has, to date, answered only in part.

90. Where names provide no geographical link, that is to say, they neither directly nor indirectly designate the geographical provenance of the product, *Bud I* found their protection to be contrary to Article 28 EC. There is, then, no national protection for such designations.<sup>46</sup> Nor do they have protection under Community law.

91. As regards simple geographical indications, it is apparent from *Bud I* and *Warsteiner*<sup>47</sup> that their protection at national level is consistent with Article 28 EC, for they fall within the exceptions under Article 30 EC under the heading 'industrial property'. Such indications do not fall within the scope of the Community regulation (which requires the term to have a topographical significance and, further, that the products should have some special attribute or renown as a result of the place from which they come).

92. There remain designations of origin and qualified geographical indications, which do satisfy the requirements of the European legislation and may, therefore, be registered

and enjoy protection under Regulation No 510/2006. However, unless they are registered at Community level, it is uncertain that Member States can protect them with their own arrangements or that that regulation is exclusive and precludes any intervention at State level within the formal and material scope of its application.

93. The issue is complex.<sup>48</sup> What we have here ultimately is the debate about Community 'pre-emption' of a measure and the situations in which the concurrent competences of the Member States in a particular field may have been displaced by the activity of the Community legislature.<sup>49</sup>

94. The debate becomes further convoluted in the present case because the national regulations apparently operate under cover of Article 30 EC. As is well established in the

48 — Here I share the view of Advocate General Jacobs at point 41 of his Opinion in *Warsteiner*. The possibility of the Community regulation coexisting with national systems operating in the same field did not, however, arise in that case, which related only to the lawfulness of a national system of simple geographical indications, quite clearly not covered by the regulation.

49 — As Stephen Weatherill points out, the Court of Justice plays an important role in defining the scope of any such 'displacement', although its function is not to choose between the merits of two competing regulatory systems, but rather to interpret the Community provision in order to determine whether it has occupied the entire field (Weatherill, S., 'Beyond preemption? Shared competence and constitutional change in the European Community', *Legal Issues of the Maastricht Treaty*, Ed. Wiley, 1999, p. 18).

46 — Also Joined Cases C-321/94, C-322/94, C-323/94 and C-324/94 *Pistre* [1997] ECR I-2343, paragraphs 35 and 36.

47 — Case C-312/98 [2000] ECR I-9187.

case-law, that article is not designed ‘to reserve certain matters to the exclusive jurisdiction of Member States but permits national laws to derogate from the principle of the free movement of goods to the extent to which such derogation is and continues to be justified for the attainment of the objectives referred to in that article’.<sup>50</sup> Reliance on the exceptions under Article 30 EC may no longer be justified, however, if a Community provision comes to safeguard the same interests as the national provision, once harmonisation is complete.<sup>51</sup>

95. Regulation No 510/2006 does not completely resolve the issue, which has generated division amongst legal commentators<sup>52</sup> and has led the Member States to adopt divergent positions.

96. In my view, an exclusive Community system is more coherent with the wording of the Community provisions, with their purpose and with the case-law of the Court of Justice.

50 — Case 5/77 *Tedeschi* [1977] ECR 1555, paragraph 34.  
 51 — The case-law provides several examples from the common agricultural policy: *Tedeschi*, paragraph 35, Case 148/78 *Ratti* [1979] ECR 1629, paragraph 36, Case 215/78 *Denkavit* [1979] ECR 3369, paragraph 14, Case 190/87 *Moormann* [1988] ECR 4689, paragraph 10, and Case C-323/93 *Centre d'insemination Crespelle* [1994] ECR I-5077, paragraph 31.  
 52 — The defendant in the main proceedings adduces more than 10 writers who have argued in favour of the principle that the Community system of qualified geographical indications applies preclusively. There are also numerous opposite views. Cortés Martín, J.M., *op. cit.*, p. 452, gives a broad summary of the different academic positions.

1. The wording of Regulation No 510/2006 and of Regulation No 918/2004

97. In contrast to the trade mark context, where the European legislature has clearly opted for a dual — national and Community — system of protection,<sup>53</sup> in the field of geographical indications it was content to approve a regulation for their protection at Community level, without at the same time harmonising any national systems.

98. Underlying that different regulatory strategy is perhaps the perception that national provisions cannot remain in place which potentially operate in the sphere proper to the Community regulation. The text of Regulation No 510/2006 contains a number of pointers.

99. Article 5(6) is rather revealing, although it needs some clarification.

100. That article establishes that, from the date on which an application for registration is lodged with the Commission, the ‘Member State may, on a transitional basis only, grant protection under this regulation at national

53 — A Community system was introduced with Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) and, in parallel, national bodies of legislation were harmonised by means of First Directive 89/104, referred to above.

level to the name' (first subparagraph). Later, it adds that 'such transitional national protection shall cease on the date on which a decision on registration under this Regulation is taken' (third subparagraph), and then specifies that the 'consequences of such transitional national protection, where a name is not registered under this Regulation, shall be the sole responsibility of the Member State concerned' (fourth subparagraph).

regulation, and merely covers contingencies which might arise whilst a Community decision on registration is pending, but that fact does not prevent us from invoking the provision as an aid to interpretation, since any provision of that kind would be meaningless if the Member States were able to retain their own systems in the sphere of application of the Community regulation, because the name would be covered by the national provision during the transitional period.

101. The Court of Justice confirmed, in *Warsteiner*, that Article 5(6)<sup>54</sup> 'has no bearing on the question whether Member States may, in their respective national territories, grant protection under their national law to geographical designations for which they do not apply for registration under Regulation No 2081/92 or which do not meet the conditions for receiving the protection provided for by that regulation' (paragraph 53).

103. That assumption that national protection for qualified geographical indications continues only provisionally seems to lie behind the transitional provisions for the protection of the designations of origin and geographical indications of agricultural products and foodstuffs in the new Member States, contained in Regulation No 918/2004.

102. Admittedly, Article 5(6) says nothing about the exclusive nature of the Community

104. Article 1 of that regulation allows the Czech Republic and the other States acceding in 2004 to extend until 31 October of that year the 'national protection of geographical indications and designations of origin within the meaning of Regulation (EEC) No 2081/92 existing ... on 30 April 2004', and added, in parallel to the authorisation under Article 5(6)

54 — The judgment refers to the second subparagraph of Article 5(5) of Regulation No 2081/92, in force at the time, the import of which has been reproduced in Article 5(6) of Regulation No 510/2006.



of Regulation No 510/2006 that, where ‘an application for registration ... is forwarded to the Commission’, that protection can be upheld until a decision is made on it.

2. The purpose of the Community provisions and their legislative history

105. The foregoing provision, which is clearer than Article 5 of Regulation No 510/2006, not only refers to the period of effectiveness of a national system being extended where there is an application for registration, until the application is determined, but also expressly states that the systems existing in the Member States at the time of accession continue only until 31 October 2004, from which it is to be concluded that, after one or the other date, there is no national protection alongside the Community regulation and operating in the same sphere.

107. The objectives of Regulation No 510/2006 can be achieved only with a single European instrument for the protection of designations of origin and geographical indications.

108. Since its advent, the legislation in question has responded to the need to follow a ‘Community approach’ to the subject.

106. The foregoing inference is not, in my view, shaken by the assertion that the State in question bears entirely the ‘consequences of such national protection in cases where the name is not registered at Community level’ (or by the corresponding provision in the fourth subparagraph of Article 5(6) of Regulation No 510/2006). The subparagraph refers to the repercussions of the national provisions during the transitional period, if the indication applied for is not registered, and not to the repercussions of maintaining the State provisions beyond that provisional period.

109. That emerges from the sixth and seventh recitals in the preamble to the 1992 regulation which state that ‘the desire to protect agricultural products or foodstuffs which have an identifiable geographical origin has led certain Member States to introduce “registered designations of origin”. It acknowledged that there was currently ‘diversity’ in those national practices, and advocated a ‘Community approach’, since ‘a framework of Community rules on protection will permit the development of geographical indications and designations of origin since, by providing a more uniform approach, such a framework will ensure fair competition between the producers of products bearing such indica-

tions and enhance the credibility of the products in the consumers' eyes' (the wording of the sixth recital in the preamble to the new 2006 regulation is very similar).

formity', there would have been a harmonisation, as there was with trade marks.

110. The aim is, therefore, to guarantee identical quality for all consumers within the limits of the Treaty, a goal which is unlikely to be attained if there is different treatment, albeit in a limited geographical area, for names which have the same characteristics as those contained in the register at Community level.<sup>55</sup>

112. The legislative history of Regulation No 2081/92 also provides a few pointers to the intention of the Community legislature.

111. Probably for that reason the preambles to both regulations have placed such emphasis on the desirability of aligning the provisions governing qualified geographical indications, particularly since no directive has been adopted in tandem, harmonising any national systems. Had the intention been for those to remain in force, notwithstanding that 'uni-

113. The Commission's stance has always been plain. In its 1990 Proposal<sup>56</sup> it advocated that protection at Community level should replace national protection mechanisms, a view which it subsequently ratified in its various interventions before the Court of Justice. The Economic and Social Committee, conversely, expressed in its report its preference that the two levels should coexist.<sup>57</sup>

114. The differences of opinion continued in the negotiating process, but the Council finally opted not to include any express reference to the continuance of national systems. It did include, however, a hint that the regulation was exclusive, by requiring in the 12th recital that 'to enjoy protection in every Member State geographical indications and designations of origin must be registered at Community level'.

55 — According to López Escudero, M., Regulation No 2081/92 created 'an internal market in geographical designations ... protection for names which is effective throughout the Community and has proven much more favourable for producers than the protection conferred by the national provisions ... By means of Regulation No 2081/92 the EC has set up a system of special protection for geographical designations, seeking to reduce the problems caused to intra-Community trade by disparities between the existing national systems', systems which must be understood to have been eliminated (López Escudero, M., 'Parmigiano, feta, epoisse y otros manjares en Luxemburgo — Las denominaciones geográficas ante el TJCE', *Une communauté de droit, Festschrift für Gil Carlos Rodríguez Iglesias*, BWV 2003, pp. 410 and 419).

56 — Commission Proposal, SEC(90) 2415 (OJ 1990 C 30).

57 — OJ C 269/63.

3. Case-law

115. Although, as I commented above, the Court of Justice has not yet ruled on this point, a number of decisions prefigure the view that the Community regulation is exhaustive.

116. The judgments in *Gorgonzola*<sup>58</sup> and *Chiciak and Fol*<sup>59</sup> highlight the limitations to which Member States are subject from the moment they apply to the Commission to register a name.

117. In *Gorgonzola*, the Court held that the argument that the protection granted by a Member State to a designation of origin continues after its registration, provided that it is wider in scope than the protection at Community level, is contradicted by the wording of the regulation, 'which permits Member States to maintain national protection of a name only until such time as a decision has been taken on its registration as a name protected at Community level'.

118. In *Chiciak and Fol* the Court held that a Member State cannot alter a designation of origin for which it has applied for registration under the regulation, nor protect it at national level, specifically linking the regulation's enthusiasm for uniformity to its exclusive nature, when it held that it 'is intended to ensure uniform protection within the Community of geographical names', adding that such 'uniform protection results from registration carried out in accordance with the rules specifically laid down by the regulation' (paragraph 25). In that vein, it stated that the Community provision introduced 'the requirement for geographical names to be registered at Community level in order to enjoy protection in every Member State', and defined the Community framework which was thenceforth to govern that protection (paragraph 26).

119. Paragraph 50 of *Warsteiner* contains a similar declaration. It is to be borne in mind that paragraph 49 of that decision states that 'the purpose of Regulation No 2081/92 cannot be undermined by the application, alongside that regulation, of national rules for the protection of geographical indications of source which do not fall within its scope'. On an *a contrario* interpretation, that assertion means that a national system governing qualified geographical indications, which are covered by the Community regulation, could indeed jeopardise attainment of the purpose of the European provision.

58 — *Consorzio per la tutela del formaggio Gorgonzola*, paragraph 18.

59 — Joined Cases C-129/97 and C-130/97 *Chiciak and Fol* [1998] ECR I-3315.

120. The case-law therefore seems to have accepted the suggestion in the 12th recital in the preamble to Regulation No 2081/92 that registration at Community level is compulsory.

121. If, then, registration is compulsory for names falling within the scope of the regulation, which, moreover, regulates the matter exclusively, an indication with those characteristics which has not been notified within the relevant period for registration at Community level will remain unprotected, since there is no parallel national protection, given that any such national system is no longer valid.

#### 4. Continuance of protection extended bilaterally to another Member State

122. If the system created by the Community regulation is incompatible with maintenance of national protection in the same sphere, with all the more reason must its extension to other Member States be ruled out.

123. That view finds support in Article 5(6) of Regulation No 510/2006, the fifth subparagraph of which establishes that any protection measures which Member States transitionally afford to names where an application for their registration at Community level is pending 'shall produce effects at national level only, and they shall have no effect on intra-Community ... trade'.

124. The provision seeks to prevent the protection for names which fall within the scope of the regulation from being suspended following an application for registration at Community level. However, it curbs the temporal and geographical scope of the effectiveness of the transitional national protection, in keeping with the intention of generating 'uniformity' in the treatment of geographical indications within the scope of the European Union.

125. The 'Community approach' of Regulation No 510/2006 implies not only the disappearance of any national system of qualified geographical indications but also, and with all the more reason, that any bilateral agreement between two Member States to protect those indications outside the confines of the regulation will be inapplicable. The

continued existence of a network of intra-European conventions superimposed on the Community rules would introduce a degree of opacity incompatible with the objectives of that mechanism.

126. The Czech Republic submits, however, that any line of argument supporting the exclusive nature of Regulation No 510/2006 implies denying the international obligations of the acceding States, in particular in the context of protection in the Member States of the Lisbon Union, and would therefore infringe Article 307 EC.<sup>60</sup>

127. However, Article 307 EC cannot validly be relied on in this case, in which no rights of any States outside the Union are now in issue. That emerges from the wording of the article, according to which the provisions of the EC Treaty will not affect 'rights and obligations arising from agreements concluded before 1 January 1958 or, for acceding States, before the date of their accession, between one or more Member States on the one hand, and one or more third countries on the other'. As the Court of Justice pointed out in its judgment in *Matteucci*,<sup>61</sup> that article (formerly Article 234 EC) is not concerned 'with agreements concluded solely between

Member States'. Accordingly, there can be no grounds for setting it up in relation to an agreement the only parties to which are two Member States (irrespective of the fact that they were not Member States at the time it was signed), and which has no connection whatsoever with a non-member State.

## 5. Inference to be drawn

128. The Community legislature did not here go down the route of mutual recognition, but opted to centralise the instruments of protection at Community level. The mechanism makes sense only if the 'protected geographical indication' stamp has a specific meaning, associated with quality and identical for all consumers, an unattainable aim were the European rules to coexist with other systems of varying regional scope but applicable to names with the same characteristics.

129. In my view, Regulation No 510/2006 precludes any national or bilateral protection for qualified geographical indications which fall within its scope of application. Accordingly, a name which is within that scope and

<sup>60</sup> — Surprisingly, the Commission too cites that article in its written observations, stating that the regulation precludes the protection in question being extended to the territory of another Member State 'without prejudice to Article 307 EC'. Questioned on that point at the hearing, it replied that the phrase was introduced to provide an exception to cover any situations in which a Member State is bound to uphold treaties with non-member States which predate its accession. Which is what occurs with the non-member States who are parties to the Lisbon Agreement.

<sup>61</sup> — Case 235/87 [1988] ECR 5589, paragraph 21.

which has not been notified to the Commission cannot obtain protection from one or more Member States independently, and is unprotected. However, that circumstance does not derive solely, as the wording of the question referred for a preliminary ruling would seem to suggest, from non-registration of the indication, but from the fact that the Community system is exclusive.

exclusive, since any national or treaty-based protection operating within its scope must cease, regardless of the fact that other indications for a particular foodstuff may have been registered at Community level.

#### D — *The third question*

130. The third question referred by the Handelsgericht Wien seeks to ascertain whether the fact that the treaty concerning the accession of the Czech Republic to the European Union includes protection for various qualified geographical indications for beer from the town of České Budějovice has any relevance to the validity of the systems of national and bilateral protection for a different name for the same product.

131. That last question requires no response if it is found that Regulation No 510/2006 is

132. Notwithstanding the foregoing, the reply to the question calls for analysis of the *Chiciak and Fol* judgment, which determined a case in some ways similar to that now at issue.

133. By Decree of 14 May 1991, the French Government established the 'Epoisses de Bourgogne' designation of origin for a type of cheese from that region, and applied to the European Commission to register it under Regulation No 2081/92. In 1995 the Decree was amended to register the term 'Epoisses' as the registered designation of origin. The *Chiciak and Fol* judgment ruled that a Member State may not adopt provisions of national law to alter a designation of origin for which it has requested registration under the Community regulation, nor protect it at national level.

134. That decision limited the powers of a Member State in relation to a geographical indication notified to the Commission for registration. The Community regulation permits transitional protection for that name to continue in the State (limited in time and to a particular area, as I explained above). The *Chiciak and Fol* judgment added that the national authorities may not alter the indication notified.

field underpins *Chiciak and Fol*, but it is unnecessary to interpret it so widely, given that the regulation is, in my view, unquestionably exclusive.

135. In the ‘Epoisses’ case, then, the State conduct criticised by the Court of Justice was amendment of a name for which registration was pending, and to my mind the judgment is therefore not directly applicable, on a first analysis, where the protection is for a designation denoting the same place of provenance as other designations already registered, for the same product, at Community level.

137. It would, therefore, be appropriate to apply the *Chiciak and Fol* precedent to the present case only if the name ‘Bud’ were a part or an abbreviation of any of the geographical indications protected at Community level for beer from České Budějovice (Budějovické pivo, Českobudějovické pivo y Budějovický měšťanský var, according to the Accession Treaty).<sup>62</sup> That issue must, however, be determined by the national courts.

138. Accordingly, the fact that a name, unlike other names for the same foodstuff with the same provenance, is not on the list in the Accession Treaty so as to have protection at Community level, is not, in theory, an obstacle to its national or bilateral protection, unless it is a shortened version or a part of any of the notified geographical indications. That assertion has no practical consequences, however, given the exclusive nature of Regulation No 510/2006.

136. The belief that it is necessary to confine Member States’ sphere of operation in the

62 — The defendant in the main proceedings denies any such possibility. In any event, the fact, also claimed by Ammersin, that the name ‘Bud’ already enjoyed protection before accession is irrelevant to that issue.

## VI — Conclusion

139. In the light of the foregoing considerations, I suggest to the Court of Justice that it should respond as follows to the questions raised for a preliminary ruling by the Handelsgericht Wien:

- (1) The requirements defined by the Court of Justice in its judgment of 18 November 2003 in Case C-216/01 *Budějovický Budvar* for the protection as a geographical indication of a designation which in the country of origin is the name neither of a place nor of a region to be compatible with Article 28 EC:
  - (1.1) mean that the name must be sufficiently clear to call to mind a product and its origin;
  - (1.2) are not three different requirements which must be satisfied separately;
  - (1.3) do not require a consumer survey or define the result which has to be obtained in order to justify protection;
  - (1.4) do not mean that, in practice, the name must be used in the country of origin as a geographical indication by more than one undertaking and says nothing about its use as a trade mark by a single undertaking.



- (2) When a designation has not been notified to the Commission under Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, national protection in force or protection bilaterally extended to another Member State becomes invalid if the designation is a qualified geographical indication under the law of the State of origin, having regard to the fact that Regulation No 510/2006 is exclusive as regards the indications within its scope of application.
  
- (3) The fact that the Treaty of Accession between the Member States of the European Union and a new Member State introduces protection for various qualified geographical indications for a foodstuff under Regulation No 510/2006 does not preclude maintenance of existing national protection or protection bilaterally extended to another Member State for a different name for the same product, unless that name is an abbreviation or a part of any of the geographical indications protected at Community level for the same product. Regulation No 510/2006 does not have exclusive effect to that extent, without prejudice to the response to the second question referred.