



Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

22 September 2016*

(Reference for a preliminary ruling — Regulation (EC) No 207/2009 — European Union trade mark — Unitary character — Finding of a likelihood of confusion in respect of only part of the European Union — Territorial scope of the prohibition referred to in Article 102 of that regulation)

In Case C-223/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany), made by decision of 12 May 2015, received at the Court on 18 May 2015, in the proceedings

combit Software GmbH

v

Commit Business Solutions Ltd,

THE COURT (Second Chamber),

composed of M. Ilešič (Rapporteur), President of the Chamber, C. Toader, A. Rosas, A. Prechal and E. Jarašiūnas, Judges,

Advocate General: M. Szpunar,

Registrar: M. Aleksejev, Administrator,

having regard to the written procedure and further to the hearing on 3 March 2016,

after considering the observations submitted on behalf of:

- combit Software GmbH, by J. Vogtmeier, Rechtsanwältin,
- Commit Business Solutions Ltd, by C. Thomas, Rechtsanwalt,
- the Polish Government, by B. Majczyna, acting as Agent,
- the European Commission, by J. Samnadda and T. Scharf, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 25 May 2016,

gives the following

* Language of the case: German.

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).
- 2 The reference has been made in proceedings between combit Software GmbH and Commit Business Solutions Ltd, which have been brought with the aim of prohibiting the latter from using a word sign.

Legal context

- 3 Regulation No 207/2009 was, with effect from 23 March 2016, amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Regulation No 207/2009 and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21). In view of the date when the material facts arose, the present reference for a preliminary ruling will, however, be examined under Regulation No 207/2009 as it stood prior to that amendment ('Regulation No 207/2009').

- 4 In the words of recital 3 of Regulation No 207/2009:

'For the purpose of pursuing the [European] Union's ... objectives it would appear necessary to provide for ... arrangements for trade marks whereby undertakings can by means of one procedural system obtain EU trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Union. The principle of the unitary character of the EU trade mark thus stated should apply unless otherwise provided for in this Regulation.'

- 5 Article 1(2) of Regulation No 207/2009 provides:

'An EU trade mark shall have a 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.'

- 6 According to Article 8(1) of that regulation:

'Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

...

(b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected, the likelihood of confusion includes the likelihood of association with the earlier trade mark.'

- 7 Article 9(1) of Regulation No 207/2009, in the version applicable at the material time, provides:

'1. An [EU] 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 [EU] trade mark and the identity or similarity of the goods or services covered by the [EU] 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;

...'

8 Article 95(1) of Regulation No 207/2009 states:

'The Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance, hereinafter referred to as "EU trade mark courts", which shall perform the functions assigned to them by this Regulation.'

9 Article 96 of that regulation provides:

'The EU trade mark courts shall have exclusive jurisdiction:

for all infringement actions and — if they are permitted under national law — actions in respect of threatened infringement relating to EU trade marks;

...'

10 Article 97 of the regulation provides:

'1. ... proceedings in respect of the actions and claims referred to in Article 96 shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

2. If the defendant is neither domiciled nor has an establishment in any of the Member States, such proceedings shall be brought in the courts of the Member State in which the plaintiff is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

...'

11 Article 98(1) of Regulation No 207/2009 states:

'An EU trade mark court whose jurisdiction is based on Article 97(1) to (4) shall have jurisdiction in respect of:

(a) acts of infringement committed or threatened within the territory of any of the Member States;

...'

12 Article 102(1) of that regulation provides:

'1. Where an EU trade mark court finds that the defendant has infringed or threatened to infringe an EU trade mark, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the EU trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with.'

The dispute in the main proceedings and the question referred for a preliminary ruling

- 13 combit Software, a company governed by German law, is the proprietor of the German and EU word marks, combit, for goods and services in the computer industry. The company is engaged in, amongst other things, the development and marketing of software.
- 14 Commit Business Solutions, a company governed by Israeli law, sells software bearing the word sign 'Commit' in a number of countries through its website www.commitcrm.com. At the time of the facts in issue in the main proceedings, a German-language version of the company's offers for sale was available and its software could be ordered for delivery to Germany.
- 15 As the proprietor of the combit trade marks, combit Software brought proceedings, pursuant to Article 97(2) of Regulation No 207/2009, against Commit Business Solutions before the Landgericht Düsseldorf (Regional Court, Düsseldorf, Germany). Principally, it sought, on the basis of its EU trade mark, an order that Commit Business Solutions refrain from using, in the European Union, the word sign 'Commit' for the software it was marketing. In the alternative, it requested, in reliance on its German trade mark, an order that Commit Business Solutions refrain from using that word sign in Germany.
- 16 The Landgericht Düsseldorf (Regional Court, Düsseldorf) dismissed combit Software's principal claim but upheld its alternative claim.
- 17 Taking the view that the Landgericht Düsseldorf (Regional Court, Düsseldorf) should have ordered Commit Business Solutions to refrain from using the word sign 'Commit' throughout the European Union, combit Software brought an appeal before the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany).
- 18 That court considers that Commit Business Solutions' use of the word sign 'Commit' gives rise, on the part of the average German-speaking consumer, to a likelihood of confusion with the trade mark combit.
- 19 It takes the view, however, that there is no likelihood of confusion on the part of the average English-speaking consumer. In its view, the latter can readily understand the conceptual difference between, on the one hand, the English verb 'to commit' and, on the other, the word 'combit', as 'combit' is made up of the letters 'com' for computer and 'bit' for 'binary digit'. It considers that the phonetic similarity between 'Commit' and 'combit' is, from the perspective of the aforementioned English-speaking consumer, cancelled out by that conceptual difference.
- 20 The referring court concludes that there is a likelihood of confusion in the German-speaking Member States and that there is no such likelihood in the English-speaking Member States.
- 21 It is uncertain about the way in which the principle, laid down in Article 1(2) of Regulation No 207/2009, of the unitary character of the EU trade mark should be applied in such a situation, in particular so far as concerns the assessment of the likelihood of confusion and the prohibition order referred to in Article 102(1) of that regulation.

22 In those circumstances, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) decided to stay the proceedings and to refer the following question to the Court of Justice for a preliminary ruling:

‘In the assessment of the likelihood of confusion of an EU word mark, what is the significance of a situation in which, from the perspective of the average consumer in some Member States, the phonetic similarity of the EU trade mark with another sign claimed to infringe that trade mark is cancelled out by a conceptual difference, whereas from the perspective of the average consumer in other Member States it is not?’

(a) In assessing the likelihood of confusion, is the perspective of some Member States, of the other Member States, or that of a fictive EU average consumer decisive?

(b) If there is a likelihood of confusion only in some Member States, has the EU trade mark been infringed across the European Union, or must the Member States be differentiated individually?’

The question referred for a preliminary ruling

23 By its question, the referring court asks, in essence, whether Article 1(2), Article 9(1)(b) and Article 102(1) of Regulation No 207/2009 must be interpreted as meaning that, where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union whilst not creating such a likelihood in another part thereof, that court must conclude that there is an infringement of the exclusive right conferred by that trade mark and issue an order prohibiting the use concerned for the entire area of the European Union.

24 In that regard, it should be stated at the outset that, in a case such as that in the main proceedings, in which the court seised is acting in its capacity as an EU trade mark court to decide on an action brought under Article 97(1) to (4) of Regulation No 207/2009, that court, in accordance with Article 98(1) of the regulation, has jurisdiction to consider whether acts of infringement have been committed or threatened within the territory of any of the Member States.

25 When, as here, the EU trade mark court finds, in the exercise of that jurisdiction, that the use of a sign creates, in one part of the European Union, a likelihood of confusion with an EU trade mark, whilst, in another part of the Union, that same use does not give rise to such a likelihood of confusion, that court cannot conclude that there is no infringement of the exclusive right conferred by that trade mark. Rather, it must find that the function of the trade mark as an indication of origin is adversely affected and that, as a consequence, there is an infringement of the exclusive right conferred by the mark.

26 In that context, the Court has already held, in a case concerning the right of the proprietor of an EU trade mark to oppose, pursuant to Article 8(1)(b) of Regulation No 207/2009, registration of a similar EU trade mark which would create a likelihood of confusion, that such an opposition must be upheld where it is established that there is a likelihood of confusion in part of the European Union, a Member State, for example, being capable of constituting such a part (see, to that effect, judgment of 18 September 2008, *Armacell v OHIM*, C-514/06 P, not published, EU:C:2008:511, paragraphs 56 and 57, and order of 16 September 2010, *Dominio de la Vega v OHIM*, C-459/09 P, not published, EU:C:2010:533, paragraphs 30 and 31).

27 A similar approach is necessary in cases concerning the right of the proprietor of an EU trade mark to prohibit the use of a sign which creates a likelihood of confusion. Article 9(1)(b) of Regulation No 207/2009 protects the proprietor of an EU trade mark against any use which adversely affects that trade mark’s function of indicating origin or is liable to do so (see, as regards Article 5(1)(b) of Directive 2008/95/EC 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. 24), the wording of which corresponds to that of Article 9(1)(b) of Regulation No 207/2009, the judgment of 3 March 2016, *Daimler*, C-179/15, EU:C:2016:134, paragraph 27 and the case-law cited). The proprietor is therefore entitled to prohibit such use, even if the latter adversely affects the abovementioned function only in part of the European Union.

- 28 It follows from the foregoing that a likelihood of confusion in the German-speaking part of the European Union, such as the referring court has found to exist in the present case, must lead the EU trade mark court before which the proceedings have been brought to conclude that the exclusive right conferred by the trade mark concerned has been infringed.
- 29 Under Article 102(1) of Regulation No 207/2009, the court which has made such a finding must issue an order prohibiting the defendant from proceeding with the acts which infringe or would infringe the EU trade mark. Although it is true that, under that provision, the existence of ‘special reasons’ may justify not issuing such an order, the Court of Justice has already held that that exception must be interpreted strictly and covers only certain exceptional situations, which are not in issue in the case in the main proceedings (see, to that effect, judgments of 14 December 2006, *Nokia*, C-316/05, EU:C:2006:789, paragraph 30, and 22 June 2016, *Nikolajeva*, C-280/15, EU:C:2016:467, paragraph 33).
- 30 In order to guarantee the uniform protection which EU trade marks are afforded throughout the entire area of the European Union, the prohibition on proceeding with acts which infringe or would infringe an EU trade mark must, as a rule, extend to the whole of that area (see, with regard to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), repealed and replaced by Regulation No 207/2009, the judgment of 12 April 2011, *DHL Express France*, C-235/09, EU:C:2011:238, paragraphs 39 to 44).
- 31 However, as follows from paragraph 48 of the judgment of 12 April 2011, *DHL Express France* (C-235/09, EU:C:2011:238), in a situation in which — as in the case in the main proceedings — an EU trade mark court finds that the use of the similar sign in question for goods that are identical to those for which the EU trade mark at issue is registered does not, in a given part of the European Union, create any likelihood of confusion, in particular for linguistic reasons, and therefore cannot, in that part of the Union, adversely affect the trade mark’s function of indicating origin, that court must limit the territorial scope of the aforementioned prohibition.
- 32 Indeed, where an EU trade mark court concludes, on the basis of information which must, as a rule, be submitted to it by the defendant, that there is no likelihood of confusion in a 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. As the Advocate General has observed in points 25 to 27 of his Opinion, such a prohibition would go beyond the exclusive right conferred by the EU trade mark, as that right merely permits the proprietor of that mark to protect his specific interests as such, that is to say, to ensure that the mark is able to fulfil its functions (see, to that effect, judgment of 12 April 2011, *DHL Express France*, C-235/09, EU:C:2011:238, paragraphs 46 and 47).
- 33 A finding that there is no likelihood of confusion in a part of the European Union may, in accordance with the Court’s settled case-law, be based only on an examination of all the relevant factors in the case concerned. The assessment must include a visual, phonetic or conceptual comparison of the signs at issue, bearing in mind, in particular, their distinctive and dominant components (judgment of 25 June 2015, *Loutfi Management Propriété intellectuelle*, C-147/14, EU:C:2015:420, paragraph 23 and the case-law cited).
- 34 It is also important that the EU trade mark court concerned identifies with precision the part of the European Union in respect of which it finds there to be no actual or potential adverse effect on the functions of the trade mark, so that it is absolutely clear from the order issued under Article 102 of Regulation No 207/2009 which part of the Union is not covered by the prohibition on using the sign in

question. Where, as in the present case, that court intends to exclude from the prohibition on use certain linguistic areas of the European Union such as those designated by the term 'English-speaking', it must state comprehensively which areas it intends that term to cover.

- 35 An interpretation whereby a prohibition on the use of a sign creating a likelihood of confusion with an EU trade mark applies to the entire area of the European Union, with the exception of the part of that area for which there has been found to be no such likelihood of confusion, does not undermine the unitary character of the EU trade mark referred to in Article 1(2) of Regulation No 207/2009, since the right of the proprietor of the trade mark to prohibit all use which adversely affects the functions inherent in that mark is preserved.
- 36 In view of all the foregoing, the answer to the question referred is that Article 1(2), Article 9(1)(b) and Article 102(1) of Regulation No 207/2009 must be interpreted as meaning that, where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union whilst not creating such a likelihood in another part thereof, that court must conclude that there is an infringement of the exclusive right conferred by that trade mark and issue an order prohibiting the use in question for the entire area of the European Union with the exception of the part in respect of which there has been found to be no likelihood of confusion.

Costs

- 37 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Second Chamber) hereby rules:

Article 1(2), Article 9(1)(b) and Article 102(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that, where an EU trade mark court finds that the use of a sign creates a likelihood of confusion with an EU trade mark in one part of the European Union whilst not creating such a likelihood in another part thereof, that court must conclude that there is an infringement of the exclusive right conferred by that trade mark and issue an order prohibiting the use in question for the entire area of the European Union with the exception of the part in respect of which there has been found to be no likelihood of confusion.

[Signatures]