



Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

20 September 2017*

(Appeal — EU trade mark — Regulation (EC) No 207/2009 — Article 8(1)(b) — Word marks and figurative marks including the word element ‘darjeeling’ or ‘darjeeling collection de lingerie’ — Opposition by the proprietor of EU collective marks — Collective marks consisting of the geographical indication ‘Darjeeling’ — Article 66(2) — Essential function — Conflict with applications for registration of individual trade marks — Likelihood of confusion — Definition — Similarity of goods and services — Criteria for assessment — Article 8(5))

In Joined Cases C-673/15 P to C-676/15 P,

FOUR APPEALS under Article 56 of the Statute of the Court of Justice of the European Union, brought on 15 December 2015,

The Tea Board, established in Calcutta (India), represented by M. Maier and A. Nordemann, Rechtsanwälte,

appellant,

the other parties to the proceedings being:

European Union Intellectual Property Office (EUIPO), represented by J. Crespo Carrillo, acting as Agent,

defendant at first instance,

Delta Lingerie, established in Cachan (France), represented by G. Marchais and P. Martini-Berthon, avocats,

intervener at first instance,

THE COURT (Second Chamber),

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

Advocate General: P. Mengozzi,

Registrar: L. Hewlett, Principal Administrator,

having regard to the written procedure and further to the hearing on 25 January 2017,

after hearing the Opinion of the Advocate General at the sitting on 31 May 2017,

* Language of the case: English.

gives the following

Judgment

- 1 By its appeals, The Tea Board asks the Court of Justice to set aside the judgments of the General Court of the European Union of 2 October 2015, *The Tea Board v OHIM — Delta Lingerie (Darjeeling)* (T-624/13, EU:T:2015:743), of 2 October 2015, *The Tea Board v OHIM — Delta Lingerie (Darjeeling collection de lingerie)* (T-625/13, not published, EU:T:2015:742), of 2 October 2015, *The Tea Board v OHIM — Delta Lingerie (DARJEELING collection de lingerie)* (T-626/13, not published, EU:T:2015:741), and of 2 October 2015, *The Tea Board v OHIM — Delta Lingerie (Darjeeling)* (T-627/13, not published, EU:T:2015:740) (together ‘the judgments under appeal’), in so far as, by those judgments, the General Court partially dismissed its actions for annulment of the decisions of the Second Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 11 and 17 September 2013 (Cases R 1387/2012-2, R 1501/2012-2, R 1502/2012-2 and R 1504/2012-2, ‘the decisions at issue’), relating to opposition proceedings between The Tea Board and Delta Lingerie.
- 2 By its cross-appeal, Delta Lingerie seeks to have set aside the judgments under appeal in so far as, by those judgments, the General Court partially annulled the decisions at issue.

Legal context

- 3 Article 22 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (‘the TRIPS Agreement’), constituting Annex 1C to the Agreement establishing the World Trade Organisation (WTO), signed at Marrakesh on 15 April 1994 and approved by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1), is entitled ‘Protection of geographical indications’, and paragraph 2(a) thereof provides:

‘2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;

...’

- 4 Article 4 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1) provides:

‘A[n EU] trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.’

- 5 Article 7(1)(c) of that regulation provides:

‘The following shall not be registered:

...

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service.'

6 Article 8(1) and (5) of that regulation is worded as follows:

'1. 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.

...

5. Furthermore, upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with, or similar to, the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where, in the case of an earlier [EU] trade mark, the trade mark has a reputation in the [European Union] and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.'

7 Article 66 of that regulation, entitled '[EU] collective marks', provides:

'1. A [European Union] collective mark [(‘EU collective mark’)] shall be [an EU] trade mark which is described as such when the mark is applied for and is capable of distinguishing the goods or services of the members of the association which is the proprietor of the mark from those of other undertakings. Associations of manufacturers, producers, suppliers of services, or traders which, under the terms of the law governing them, have the capacity in their own name to have rights and obligations of all kinds, to make contracts or accomplish other legal acts and to sue and be sued, as well as legal persons governed by public law, may apply for [EU] collective marks.

2. In derogation from Article 7(1)(c), signs or indications which may serve, in trade, to designate the geographical origin of the goods or services may constitute [EU] collective marks within the meaning of paragraph 1. A collective mark shall not entitle the proprietor to prohibit a third party from using in the course of trade such signs or indications, provided he uses them in accordance with honest practices in industrial or commercial matters; in particular, such a mark may not be invoked against a third party who is entitled to use a geographical name.

3. The provisions of this Regulation shall apply to [EU] collective marks, unless Articles 67 to 74 provide otherwise.'

8 Article 67 of Regulation No 207/2009, entitled ‘Regulations governing use of the mark’ provides in paragraph 2:

‘The regulations governing use shall specify the persons authorised to use the mark, the conditions of membership of the association and, where they exist, the conditions of use of the mark, including sanctions. The regulations governing use of a mark referred to in Article 66(2) must authorise any person whose goods or services originate in the geographical area concerned to become a member of the association which is the proprietor of the mark.’

9 Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ 2012 L 343, p. 1) provides in Article 5(2):

‘For the purpose of this Regulation, “geographical indication” is a name which identifies a product:

- (a) originating in a specific place, region or country;
- (b) whose given quality, reputation or other characteristic is essentially attributable to its geographical origin; and
- (c) at least one of the production steps of which take place in the defined geographical area.’

10 Article 13(1)(c) and (d) of that regulation provides:

‘1. Registered names shall be protected against:

...

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.

...’

11 Article 14 of that regulation is entitled ‘Relations between trade marks, designations of origin and geographical indications’. The first subparagraph of Article 14(1) reads:

‘Where a designation of origin or a geographical indication is registered under this Regulation, the registration of a trade mark the use of which would contravene Article 13(1) and which relates to a product of the same type shall be refused if the application for registration of the trade mark is submitted after the date of submission of the registration application in respect of the designation of origin or the geographical indication to the [European] Commission.’

Background to the dispute

12 The background to the proceedings, as set out in the judgments under appeal, may be summarised as follows.

13 On 21 and 22 October 2010, Delta Lingerie filed applications for registration of EU trade marks at EUIPO pursuant to Regulation No 207/2009.

14 The trade marks in respect of which registration was sought are:

- the figurative sign reproduced below, comprising the word element ‘darjeeling’ depicted in white letters inside a light green rectangle:



Darjeeling
collection de lingerie

- the figurative sign reproduced below, comprising the word element ‘darjeeling collection de lingerie’ depicted in white letters inside a light green rectangle:



Darjeeling
collection de lingerie

- the figurative sign reproduced below, comprising the word element ‘darjeeling collection de lingerie’ depicted in black letters against a white background:



Darjeeling

- the figurative sign reproduced below, comprising the word element ‘darjeeling’ depicted in black letters against a white background:



15 The goods and services in respect of which each of those registrations was sought are in Classes 25, 35

and 38 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Trade Marks, as revised and amended ('the Nice Agreement'), and correspond, for each of those classes, to the following descriptions:

- Class 25: 'Women's undergarments and day and night lingerie, in particular girdles, bodies, bustiers, basques, bras, panties, G-strings, tangas, brassieres, shorties, boxer shorts, garter belts, suspenders, garters, camisoles, short nighties, panty hose, stockings, swimwear; Clothing, knitwear, body linen, slipovers, T-shirts, corsets, bodices, short nighties, boas, overalls, combinations (clothing), sweaters, bodies, pyjamas, nightgowns, trousers, indoor trousers, shawls, dressing gowns, bathrobes, swimwear, bathing trunks, petticoats, scarves';
- Class 35: 'Retailing of women's underwear and lingerie, perfumes, toilet water and cosmetic lotions, household and bath linen; Business consultancy with regard to the creation and operation of retail outlets and central purchasing agencies for retailing and advertising purposes; Sales promotion (for others), advertising, business management, business administration, online advertising on a computer network, distribution of advertising material (leaflets, flyers, free newspapers, samples), arranging newspaper subscriptions for others; Business information or enquiries; Organisation of events and exhibitions for commercial or advertising purposes, advertising management, rental of advertising space, radio and television advertising, advertising sponsorship';
- Class 38: 'Telecommunications, computer-aided transmission of messages and images, interactive television broadcasting services relating to the presentation of products, communications by computer terminals, communications (transmissions) on the open and closed world wide web'.

16 Those applications were published in *Community Trade Marks Bulletin* No 4/2011 of 7 January 2011.

17 On 7 April 2011, The Tea Board, a body formed under the 1953 Indian Tea Act (No 29 of 1953) and empowered to administer the production of tea, filed a notice of opposition to registration of the marks applied for in respect of the goods and services referred to in paragraph 15 of the present judgment.

18 The opposition was based on the following earlier marks:

- the earlier EU collective word mark DARJEELING, registered on 31 March 2006 under No 4 325 718;
- the earlier EU collective figurative mark reproduced below, registered on 23 April 2010 under No 8 674 327:



19 The two EU collective marks cover goods in Class 30 of the Nice Agreement corresponding to the following description: 'Tea'.

- 20 The grounds relied on in support of the opposition were those referred to in Article 8(1)(b) and (5) of Regulation No 207/2009.
- 21 By four decisions adopted on 31 May, 11 June and 10 July 2012, the Opposition Division rejected the oppositions filed against the registration of those marks. On 27 July and 10 August 2012, The Tea Board filed notices of appeal with EUIPO seeking annulment of those decisions.
- 22 The judgments under appeal state that, in those appeals, The Tea Board produced evidence before the Second Board of Appeal of EUIPO ('the Board of Appeal') that the word element 'darjeeling' — the word element common to the signs at issue — is a protected geographical indication for tea, registered by virtue of Commission Implementing Regulation (EU) No 1050/2011 of 20 October 2011 entering a name in the register of protected designations of origin and protected geographical indications (Darjeeling (PGI)) (OJ 2011 L 276, p. 5), following an application received on 12 November 2007. That implementing regulation was adopted on the basis 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 (OJ 2006 L 93, p. 12), since replaced by Regulation No 1151/2012.
- 23 By the decisions at issue, the Board of Appeal dismissed the appeals and upheld the Opposition Division's decisions. In particular, it concluded that, in view of the lack of similarity between the goods and services covered by the signs at issue, there was no likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 207/2009. Similarly, it dismissed the alleged infringement of Article 8(5) of that regulation, on the ground that the evidence provided by The Tea Board was insufficient to establish that the conditions for applying that provision were met.

Procedure before the General Court and the judgments under appeal

- 24 By applications lodged at the Registry of the General Court on 25 November 2013, The Tea Board brought four actions seeking the annulment of the four decisions at issue.
- 25 In support of each of its actions, it raised two pleas in law, the first alleging infringement of Article 8(1)(b) of Regulation No 207/2009 on the ground that the Board of Appeal had disregarded the specific function of EU collective marks falling under Article 66(2) of that regulation, and the second alleging infringement of Article 8(5) of that regulation.
- 26 By the judgments under appeal, the General Court, on the one hand, rejected the first plea as unfounded, holding, in essence, that the essential function of EU collective marks, including those consisting of an indication which may serve to designate the geographical origin of the goods covered, is not different from the function of EU individual marks and that, in the present case, the existence of a likelihood of confusion was ruled out, given that the goods and services at issue are neither identical nor similar.
- 27 The General Court, on the other hand, upheld the second plea in part. In the light of the hypothetical premiss of the exceptionally strong reputation of the earlier marks on which the Board of Appeal had based its analysis of the application of Article 8(5) of Regulation No 207/2009, the General Court found that the Board of Appeal had been wrong to exclude — as regards all the goods in Class 25 of the Nice Agreement and the 'retailing of women's underwear and lingerie, perfumes, toilet water and cosmetic lotions, household and bath linen' services in Class 35 of that agreement, in respect of which registration was sought — the existence of a risk of advantage resulting from the use without due cause of the trade marks applied for. It annulled, to that extent, the decisions at issue.

Procedure before the Court and forms of order sought

- 28 By each of its appeals, The Tea Board claims that the Court should:
- set aside the judgment under appeal in so far as the General Court dismissed the action;
 - if necessary, refer the case back to the General Court;
 - order EUIPO to pay the costs.
- 29 By order of the President of the Court of 12 February 2016, the cases were joined for the purposes of the written and oral procedure and the judgment.
- 30 EUIPO and Delta Lingerie contend that the Court should dismiss the appeals and order The Tea Board to pay the costs.
- 31 By its cross-appeal, Delta Lingerie claims that the Court should:
- set aside the judgments under appeal in so far as the General Court annulled the decisions at issue;
 - if necessary, refer the case back to the General Court;
 - order The Tea Board to pay the costs.
- 32 EUIPO and The Tea Board contend that the Court should dismiss the cross-appeal and order Delta Lingerie to pay the costs of the cross-appeal.

The main appeals

- 33 The Tea Board relies on two grounds of appeal, the first alleging infringement of Article 8(1)(b) of Regulation No 207/2009, and the second alleging infringement of Article 8(5) of that regulation.

The first ground of appeal

Arguments of the parties

- 34 The Tea Board argues, first, that the General Court erred in law and/or distorted the facts by concluding, in paragraphs 39 to 41 of the judgments under appeal, that the essential function of a collective mark consisting of signs or indications which may serve, in trade, to designate the 'geographical origin of the goods or services' within the meaning of Article 66(2) of Regulation No 207/2009 is not different from the essential function of an EU collective mark within the meaning of Article 66(1) of that regulation and that, therefore, the General Court erred in law in concluding that the trade marks' essential function, in both cases, is to serve as an indication of commercial origin.
- 35 It submits in that regard, first of all, that Article 66(2) of Regulation No 207/2009 constitutes an exception to the absolute ground for refusal laid down in Article 7(1)(c) of that regulation, which explicitly allows the members of an association to monopolise the sign protected by an EU collective mark.

- 36 Next, under Article 67(2) of that regulation, the regulations governing use of an EU collective mark must authorise any person whose goods or services originate in the geographical area concerned to become a member of the association which is the proprietor of the trade mark in question. Consequently, an EU collective mark consisting of a geographical indication will, in The Tea Board's view, never be capable of distinguishing goods or services of the members of the association which is the proprietor of that trade mark from those of other undertakings. It submits in that regard that the Court held in its judgment of 29 March 2011, *Anheuser-Busch v Budějovický Budvar* (C-96/09 P, EU:C:2011:189, paragraph 147), that the essential function of a geographical indication is to guarantee to consumers the geographical origin of the goods and the special qualities inherent in them.
- 37 Finally, Regulation No 207/2009 should be interpreted in the light of Article 13(1)(c) and (d) of Regulation No 1151/2012 and of Article 22 of the TRIPS Agreement, which provides that members are to provide the legal means for interested parties to prevent the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good.
- 38 Secondly, The Tea Board argues that the General Court erred in law and/or distorted the facts by concluding, in paragraphs 49, 51 to 53 and 60 of the judgments under appeal, that, in the case of a collective mark under Article 66(2) of Regulation No 207/2009 consisting of an indication which serves to designate the geographical origin of the goods covered, the actual or potential geographical origin of the goods or services at issue cannot be taken into account when assessing the similarity of those goods or services within the framework of Article 8(1)(b) of Regulation No 207/2009.
- 39 Thirdly, the General Court erred in law and/or distorted the facts by concluding in paragraph 60 of the judgments under appeal that, in the case of a collective mark within the meaning of Article 66(2) of Regulation No 207/2009, the actual or potential origin of those goods or services cannot be taken into account when carrying out a global assessment of the likelihood of confusion for the purposes of Article 8(1)(b) of that regulation and that it is irrelevant whether or not the public might believe that the services, the goods in question, or the raw materials used to manufacture the goods covered by the trade marks at issue, may have the same geographical origin.
- 40 EUIPO and Delta Lingerie dispute The Tea Board's arguments.

Findings of the Court

- 41 As a preliminary point, as regards the distortion alleged by The Tea Board, it should be recalled that, given the exceptional nature of a complaint of distortion, Article 256 TFEU, Article 58, first paragraph, of the Statute of the Court of Justice of the European Union and Article 168(1)(d) of the Rules of Procedure of the Court of Justice require, in particular, that an appellant indicate precisely the elements alleged to have been distorted by the General Court and show the errors of appraisal which, in its view, led to that distortion. Such a distortion must be obvious from the documents in the file, without there being any need to carry out a new assessment of the facts and evidence (judgment of 11 May 2017, *Yoshida Metal Industry v EUIPO*, C-421/15 P, EU:C:2017:360, paragraph 23 and the case-law cited).
- 42 It is clear, however, that The Tea Board's allegations of distortion are not in any way substantiated and that that complaint must therefore be rejected as unfounded.

- 43 With regard to the errors of law alleged by The Tea Board, it should be noted that, in paragraphs 41 to 43 of the judgments under appeal, the General Court concluded, in essence, that the essential function of an EU collective mark is to distinguish the goods or services of the members of the association which is the proprietor of the mark from those of other undertakings, and not to distinguish those goods according to their geographical origin.
- 44 Having regard to that conclusion, the General Court held, in paragraphs 49 and 51 to 53 of the judgments under appeal, that where, in the context of opposition proceedings, the signs at issue are collective marks on the one hand and individual marks on the other, the comparison of the goods and services covered must be carried out using the same criteria as those which apply to an assessment of the similarity or identity of goods and services covered by two individual trade marks. The General Court therefore rejected The Tea Board's argument that the fact that the public might believe that the goods and services covered by the signs at issue have the same geographical origin may constitute a criterion sufficient to establish their similarity or identity for the purposes of applying Article 8(1)(b) of Regulation No 207/2009.
- 45 Finally, in paragraph 60 of the judgments under appeal, the General Court rejected The Tea Board's argument that, in the assessment of whether there is a likelihood of confusion between EU collective marks and individual marks, the likelihood of confusion is the risk that the public might believe that the goods — or the raw materials used to manufacture such goods — or services covered by the signs at issue may have the same geographical origin.
- 46 In that regard, it should be recalled that Article 8(1)(b) of Regulation No 207/2009 — which is, in the absence of any provision to the contrary in Articles 67 to 74 of that regulation, applicable to EU collective marks pursuant to Article 66(3) of the regulation — provides that, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for is not to be registered 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.
- 47 It is settled case-law that, for the purposes of applying Article 8(1)(b) of Regulation No 207/2009, the likelihood of confusion presupposes both that the trade mark applied for and the earlier trade mark are identical or similar, and that the goods or services covered in the application for registration are identical or similar to those in respect of which the earlier trade mark was registered, those conditions being cumulative (judgment of 23 January 2014, *OHIM v riha WeserGold Getränke*, C-558/12 P, EU:C:2014:22, paragraph 41 and the case-law cited).
- 48 Also according to settled case-law, in assessing the similarity of the goods or services at issue, all the relevant factors relating to those goods or services should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (see, inter alia, judgments of 11 May 2006, *Sunrider v OHIM*, C-416/04 P, EU:C:2006:310, paragraph 85, and of 18 December 2008, *Les Éditions Albert René v OHIM*, C-16/06 P, EU:C:2008:739, paragraph 65).
- 49 In the present case, The Tea Board maintains in essence that, given that the essential function of EU collective marks consisting of signs or indications which may serve, in trade, to designate the geographical origin of goods or services is, in its view, to indicate the collective geographical origin of those goods or services, the General Court erred in law in not accepting, as a relevant factor in the assessment of the similarity of the goods or services at issue, within the meaning of paragraph 48 of the present judgment, their actual or potential collective geographical origin.
- 50 The Court notes that this reasoning is based on the premiss that the essential function of EU collective marks falling under Article 66(2) of Regulation No 207/2009 differs from that of the marks covered by paragraph 1 of that article. However, that premiss is flawed. First, as is clear from the very wording of

Article 66(2) of Regulation No 207/2009, EU collective marks consisting of signs or indications which may serve, in trade, to designate the geographical origin of goods or services constitute EU collective marks within the meaning of paragraph 1 of that article. According to that paragraph, only trade marks that are capable of distinguishing the goods or services of the members of the association which is the proprietor of the trade mark from those of other undertakings may constitute EU collective marks.

- 51 Moreover, Article 4 of Regulation No 207/2009, which is applicable to collective marks by virtue of Article 66(3) of that regulation, provides, in essence, that only signs that are capable of distinguishing the commercial origin of the goods or services which they designate may constitute EU trade marks.
- 52 In that regard, the Court has repeatedly held that the essential function of a trade mark is to guarantee the origin of the goods to consumers, in the sense that it serves to identify the goods or services covered by the trade mark as originating from a particular undertaking and thus to distinguish those goods or services from those of other undertakings (judgment of 6 March 2014, *Backaldrin Österreich The Kornspitz Company*, C-409/12, EU:C:2014:130, paragraph 20 and the case-law cited).
- 53 While the Court, furthermore, has already held that a trade mark may fulfil other functions than that of indicating origin which are equally worthy of protection against infringement by third parties, such as that of guaranteeing the quality of the goods or services which it designates, or those of communication, investment or advertising, it has nonetheless always emphasised that the essential function of a mark remains that of indicating origin (see, to that effect, judgments of 23 March 2010, *Google France and Google*, C-236/08 to C-238/08, EU:C:2010:159, paragraphs 77 and 82, and of 22 September 2011, *Interflora and Interflora British Unit*, C-323/09, EU:C:2011:604, paragraphs 37 to 40 and the case-law cited).
- 54 Therefore, if it were held that the essential function of an EU collective mark within the meaning of Article 66(2) of Regulation No 207/2009 is to indicate the geographical origin of the goods or services offered under such a mark, and not to indicate their commercial origin, that would disregard that essential function.
- 55 That conclusion cannot be called into question by the arguments which The Tea Board bases on Article 67(2) of Regulation No 207/2009 and the case-law arising from the judgment of 29 March 2011, *Anheuser-Busch v Budějovický Budvar* (C-96/09 P, EU:C:2011:189, paragraph 147), whereby it submits that an EU collective mark under Article 66(2) of Regulation No 207/2009 is, by its very nature, incapable of performing a distinguishing function of that kind.
- 56 While The Tea Board's argument based on Article 67(2) of Regulation No 207/2009 remains unclear and unsubstantiated, it must be noted that, in its judgment of 29 March 2011, *Anheuser-Busch v Budějovický Budvar* (C-96/09 P, EU:C:2011:189, paragraph 147), the Court merely held that the essential function of a geographical indication is to guarantee to consumers the geographical origin of the goods and the specific qualities inherent in them. The Court, however, made no assessment of the essential function of EU collective marks within the meaning of Article 66(2) of Regulation No 207/2009.
- 57 Secondly, whilst, as The Tea Board submits, Article 66(2) of Regulation No 207/2009 constitutes an exception to the absolute ground for refusal under Article 7(1)(c) of that regulation, that circumstance is not such as to call into question the fact that the essential function of an EU collective mark under Article 66(2) of Regulation No 207/2009 is to guarantee the collective commercial origin of the goods sold under that trade mark, and not to guarantee their collective geographical origin.
- 58 Moreover, as noted by the Advocate General in points 34 to 36 of his Opinion, the derogation in Article 66(2) of Regulation No 207/2009 from Article 7(1)(c) thereof is explained by the very nature of the sign covered by the collective marks referred to in that paragraph.

- 59 In that regard, the Court has already held that Article 7(1)(c) of Regulation No 207/2009 pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. That provision therefore prevents such signs or such indications from being reserved to one undertaking alone because they have been registered as individual trade marks (see, to that effect, judgments of 4 May 1999, *Windsurfing Chiemsee*, C-108/97 and C-109/97, EU:C:1999:230, paragraph 25, and of 19 April 2007, *OHIM v Celltech*, C-273/05 P, EU:C:2007:224, paragraph 75 and the case-law cited).
- 60 Thus, an EU collective mark falling within Article 66(2) of Regulation No 207/2009 does not conflict with such a public-interest aim since (i) in accordance with the last sentence of that paragraph, such a mark does not entitle the proprietor to prohibit a third party from using, in the course of trade, those signs or indications, provided that he uses them in accordance with honest practice in industrial or commercial matters, and (ii) Article 67(2) of that regulation requires that the regulations governing use of a mark covered by Article 66(2) authorise any person whose products or services originate from the geographical area concerned to become a member of the association which is the proprietor of the trade mark.
- 61 Thirdly, The Tea Board cannot rely in support of its argument on Article 13(1)(c) and (d) of Regulation No 1151/2012 or on Article 22 of the TRIPS Agreement, which relate to the protection of protected geographical indications.
- 62 It suffices, in that regard, to note that such geographical indications, on the one hand, and EU collective marks consisting of signs or indications which may serve, in trade, to designate the geographical origin of goods and services, on the other hand, are signs which are governed by distinct legal regimes and pursue different aims. Thus, whereas the EU trade mark is, in accordance with Article 4 of Regulation No 207/2009, a sign capable of distinguishing the commercial origin of goods or services, a geographical indication is, in accordance with Article 5(2) of Regulation No 1151/2012, a name that identifies a product originating in a specific geographical area, whose quality, reputation or other characteristic is essentially attributable to its geographical origin, and at least one of the production steps of which take place in the defined geographical area.
- 63 In the light of the foregoing considerations, the General Court did not err in law when it held, in paragraphs 41 to 43 of the judgments under appeal, that the essential function of an EU collective mark is to distinguish the goods or services of the members of the association which is the proprietor of the trade mark from those of other undertakings, and not to distinguish those goods according to their geographical origin.
- 64 It follows that the General Court likewise did not err in law when it held, in essence, in paragraphs 49 and 51 to 53 of the judgments under appeal, that, in the application of Article 8(1)(b) of Regulation No 207/2009, where the signs at issue are, on the one hand, collective marks and, on the other hand, individual marks, the possibility that the public might believe that the goods and services covered by the signs at issue have the same geographical origin cannot constitute a relevant criterion for establishing their identity or similarity.
- 65 As noted by the General Court in paragraph 52 of the judgments under appeal, an extremely wide range of goods and services can be produced or rendered within the same geographical area. By the same token, there is nothing to prevent a region whose geographical name is registered as an EU collective mark under Article 66(2) of Regulation No 207/2009 from being the source of different raw materials which may be used to make various different products.
- 66 As regards, finally, the alleged error of law made by the General Court in paragraph 60 of the judgments under appeal, it suffices to note that that paragraph was included for the sake of completeness, given that, in paragraphs 56 to 59 of the judgments under appeal, the General Court

had already held, in essence and correctly, as follows from paragraphs 43 to 63 of the present judgment, that Article 8(1)(b) of Regulation No 207/2009 is inapplicable in the present case, as one of its conditions for application had not been met. The complaint which The Tea Board directs against that paragraph is, consequently, ineffective and must be rejected (see, to that effect, judgment of 19 April 2007, *OHIM v Celltech*, C-273/05 P, EU:C:2007:224, paragraphs 56 and 57).

67 It follows from all the foregoing considerations that the first ground of appeal must be rejected.

The second ground of appeal

Arguments of the parties

68 The Tea Board argues that the General Court misapplied Article 8(5) of Regulation No 207/2009 and/or distorted relevant facts of the case when it found in paragraph 145 of the judgments under appeal that the positive qualities evoked by the word element ‘darjeeling’ can neither be transferred to services in Class 35 of the Nice Agreement, with the exception of retailing of women’s underwear and lingerie, perfumes, toilet water and cosmetic lotions, household and bath linen, nor to any of the services in Class 38 of the Nice Agreement covered by the contested trade marks. In particular, the General Court was wrong to hold that there is no reason why the use of the contested trade marks would confer a commercial advantage upon Delta Lingerie as regards those services. Indeed, the qualities of a sophisticated and exclusive product of unique quality which, according to the General Court, are conveyed by the word element ‘darjeeling’, can, in The Tea Board’s view, be transferred to services such as business consultancy or telecommunications and strengthen the power of attraction of the trade marks at issue in that regard. The Tea Board further submits that the General Court failed to state reasons for its finding, in paragraph 145 of the judgments under appeal, that the qualities associated with the word element ‘darjeeling’ cannot be transferred to the services in Classes 35 and 38 of the Nice Agreement.

69 EUIPO and Delta Lingerie contend (i) that the second ground of appeal is inadmissible, given that The Tea Board is thereby asking the Court of Justice to substitute its assessment for that of the General Court, and (ii) that it is in any event unfounded, as The Tea Board has proved neither an error of law nor a distortion of the facts.

Findings of the Court

70 First of all, in the light of the case-law referred to in paragraph 41 of the present judgment, the complaint of distortion raised by The Tea Board must be rejected, since the latter has failed to substantiate this complaint.

71 As regards the complaint alleging failure to state reasons for the finding in paragraph 145 of the judgments under appeal, it suffices to note that, in those paragraphs, the General Court rejected the argument submitted to it on the ground that (i) no reason could be gleaned from the case file as to why the use of the contested trade marks would confer a commercial advantage upon Delta Lingerie as regards services other than the retailing of women’s underwear and lingerie, perfumes, toilet water and cosmetic lotions, household and bath linen, and (ii) The Tea Board had submitted no specific evidence capable of establishing such an advantage. The alleged failure to state reasons has therefore not been established.

- 72 As regards the argument that the qualities conveyed by the word element ‘darjeeling’ are capable of being transferred to the whole body of services for which registration is sought, it seeks, in reality, to obtain an assessment of the facts from the Court of Justice and must consequently be rejected as inadmissible (see, to that effect, judgment of 24 March 2011, *Ferrero v OHIM*, C-552/09 P, EU:C:2011:177, paragraphs 73 and 89).
- 73 It follows that the second ground of appeal must be rejected and that the main appeals must be dismissed in their entirety.

The cross-appeal

- 74 In support of its cross-appeal, Delta Lingerie relies on a single ground of appeal, alleging infringement of Article 8(5) of Regulation No 207/2009. That ground of appeal is divided into two parts, alleging, first, a distortion of the respective functions of trade marks, on the one hand, and protected geographical indications, on the other, and, secondly, inconsistency in the General Court’s reasoning and an error of law in the application of Article 8(5) of Regulation No 207/2009.

The first part of the single ground of appeal

Arguments of the parties

- 75 Delta Lingerie argues that the function of a trade mark is to guarantee commercial origin, whereas the function of a geographical indication is to guarantee geographical origin. It submits that, in view of those distinct functions, it can never be held that the reputation of a protected geographical indication can actually be transferred to that same sign protected as a collective mark for identical goods. It follows that, in relying on a hypothetical premiss that the reputation of the earlier trade marks had been established on the basis of the conclusion that the reputation enjoyed by the name ‘Darjeeling’ as a protected geographical indication for tea had been transferred to the same sign protected as a collective mark for identical goods, the General Court erred in law by distorting the respective functions of the trade marks concerned, on the one hand, and of protected geographical indications, on the other.
- 76 EUIPO and The Tea Board dispute Delta Lingerie’s reasoning.

Findings of the Court

- 77 It should be noted that, in paragraph 79 of the judgments under appeal, the General Court found that, so far as the question whether the earlier trade marks have a reputation within the meaning of Article 8(5) of Regulation No 207/2009 is concerned, the wording of the decisions at issue is ambiguous to say the least. The General Court nonetheless noted that the only unambiguous sentence in that part of the decisions at issue is the one from which it can be seen ‘that the Board of Appeal did not definitively conclude that the earlier trade marks had a reputation’. The General Court also indicated that, when questioned on that point at the hearing, OHIM had confirmed that there had been no definitive conclusion in that regard.
- 78 In paragraph 80 of the judgments under appeal, the General Court nonetheless held that, since the Board of Appeal continued its analysis for the purposes of applying Article 8(5) of Regulation No 207/2009, it was appropriate to consider that that analysis had been based on the hypothetical premiss that the reputation of the earlier trade marks had been established.

- 79 In paragraph 146 of the judgments under appeal, the General Court, in the light of the fact that the decisions at issue are based on the hypothetical premiss of the earlier marks' exceptional reputation, decided to annul those decisions in part to the extent that the Board of Appeal had ruled out the application of Article 8(5) of Regulation No 207/2009, excluding, as regards all the goods in Class 25 of the Nice Agreement and the retail services in Class 35 of the Nice Agreement covered by the marks applied for, the existence of a risk of an advantage resulting from the use without due cause of the marks applied for. In paragraph 147 of those judgments, the General Court indicated that, following those partial annulments, it would be for the Board of Appeal to reach a definitive conclusion regarding whether the earlier marks have a reputation and, if so, how strong that reputation is.
- 80 Thus, contrary to Delta Lingerie's claim, and as stated by the Advocate General in point 85 of his Opinion, the General Court did not adopt a position on the question whether proof of the reputation of the earlier trade marks had been adduced, or on the question whether, for the purpose of establishing such proof, the reputation enjoyed by the name 'Darjeeling' as a geographical indication for tea could be transferred to the same sign protected as a collective trade mark for identical goods.
- 81 The first part of Delta Lingerie's single ground of appeal is thus based on a misreading of the judgments under appeal and must therefore be rejected as unfounded.

The second part of the single ground of appeal

Arguments of the parties

- 82 Delta Lingerie argues that the General Court contradicted itself in the judgments under appeal, and that it infringed Article 8(5) of Regulation No 207/2009.
- 83 It submits, in particular, that, in paragraphs 89, 107, 111 and 120 of the judgments under appeal, the General Court concluded that the Board of Appeal's findings should be upheld, namely that there was no risk of detriment to the distinctive character or the repute of the earlier trade marks, given that (i) no specific analysis dedicated to the existence of a link between the signs at issue had been carried out, and (ii) there was a total lack of similarity between the goods and services covered by the signs at issue. However, those findings contradict the conclusion relating to the unfair advantage taken of the distinctive character or the repute of the earlier trade marks, whereby the General Court found, in paragraph 141 of the judgments under appeal, that there was nothing to prevent the public at whom the trade marks applied for are directed from being attracted by the transfer to those marks of the values and positive qualities connected with the Darjeeling region (India).
- 84 EUIPO disputes Delta Lingerie's arguments.
- 85 The Tea Board considers that this part of the single ground of appeal is inadmissible, and that it is in any event unfounded.

Findings of the Court

- 86 As a preliminary point, it should be noted that, with regard to the risk of detriment referred to in Article 8(5) of Regulation No 207/2009, the General Court, in paragraph 94 of the judgments under appeal, recalled that that provision refers to three separate types of risk, namely that the use without due cause of the trade mark applied for, first, is detrimental to the distinctive character of the earlier trade mark, secondly, is detrimental to the repute of the earlier trade mark or, thirdly, takes unfair advantage of the distinctive character or the repute of the earlier trade mark.

- 87 In the judgments under appeal, the General Court examined separately each risk of detriment referred to in the previous paragraph of the present judgment. As regards, first, the detriment to the distinctive character of the earlier trade marks, the General Court found in particular, in paragraphs 107 and 111 of the judgments under appeal, (i) that, given the total lack of similarity between the goods and services covered by the signs at issue, the risk invoked by The Tea Board appeared to be entirely hypothetical, and (ii) that there was little likelihood of the relevant public being led to believe that the goods and services covered by the trade marks applied for came from the Darjeeling region.
- 88 As concerns, next, the detriment to the repute of the earlier trade marks, the General Court stated, in paragraph 120 of the judgments under appeal, that the unique connection between the geographical region of Darjeeling and the category of goods covered by the earlier trade marks and the absence of any such connection between that region and the goods and services covered by the trade marks applied for make a risk of a decrease in the earlier trade marks' power of attraction more hypothetical.
- 89 Finally, as regards the unfair advantage taken of the distinctive character or of the repute of the earlier trade marks, the General Court ruled, in paragraph 141 of the judgments under appeal, that there is nothing to prevent the public at whom the trade marks applied for are directed from being attracted by the transfer to those marks of the values and positive qualities connected with that region.
- 90 In that regard, the judgments under appeal do not contain any inconsistency in reasoning.
- 91 While paragraphs 107, 111 and 120 of the judgments under appeal concern respectively the analysis of whether there is a serious risk of detriment to the distinctive character and the repute of the earlier trade marks, paragraph 141 of those judgments relates to the General Court's examination of whether there is a risk that the use without undue cause of the trade marks applied for could take unfair advantage of the distinctive character or repute of the earlier trade marks.
- 92 As the Advocate General also noted, in essence, in point 90 of his Opinion, the assessment of whether those different types of risks exist is subject to an examination, the criteria of which do not necessarily overlap. In that regard, as recalled by the General Court in paragraphs 71 and 95 of the judgments under appeal, the existence of a risk that the injuries consisting of detriment to the distinctive character or the repute of the earlier trade mark may occur must be assessed by reference to average consumers of the goods or services for which that trade mark is registered, who are reasonably well informed and reasonably observant and circumspect. By contrast, the existence of the injury consisting of an unfair advantage being taken of the distinctive character or the repute of the earlier trade mark, in so far as what is prohibited is the drawing of benefit from the earlier trade mark by the proprietor of the later trade mark, must be assessed by reference to average consumers of the goods or services in respect of which registration of the later trade mark is sought, who are reasonably well informed and reasonably observant and circumspect.
- 93 The General Court therefore did not contradict itself when it held, on the one hand, that the consumer of the product covered by the earlier trade marks, in this case tea, would not be led to believe that the goods and services covered by the trade marks applied for by Delta Lingerie originate from the Darjeeling region, while considering, on the other hand, that the consumer of the goods and services covered by the trade marks applied for by Delta Lingerie could be attracted by the values and positive qualities connected with that region.
- 94 Secondly, as concerns specifically the infringement of Article 8(5) of Regulation No 207/2009, it suffices to note that no argument has been put forward in support of that allegation, aside from the claim of alleged inconsistency in the reasoning in the judgments under appeal, which is unfounded, as follows from paragraphs 90 to 93 of the present judgment.
- 95 In the light of the foregoing considerations, the second part of the single ground of appeal must be rejected and the cross-appeal must thus be dismissed in its entirety.

Costs

- 96 Under Article 184(2) of the Rules of Procedure, where the appeal is unfounded, the Court is to make a decision as to the costs. Under Article 138(1) of those rules, which applies to appeal proceedings by virtue of Article 184(1) thereof, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.
- 97 Since The Tea Board has been unsuccessful in the main appeals, and EUIPO and Delta Lingerie have applied for The Tea Board to pay the costs, The Tea Board must be ordered to pay the costs of the main appeals.
- 98 Since Delta Lingerie has been unsuccessful in its cross-appeal, and EUIPO and The Tea Board have applied for Delta Lingerie to pay the costs, Delta Lingerie must be ordered to pay the costs of the cross-appeal.

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

- 1. Dismisses the appeals;**
- 2. Orders The Tea Board to pay the costs of the main appeals;**
- 3. Orders Delta Lingerie to pay the costs of the cross-appeal.**

Ilešič

Prechal

Rosas

Toader

Jarašiūnas

Delivered in open court in Luxembourg on 20 September 2017.

A. Calot Escobar
Registrar

M. Ilešič
President of the Second Chamber