



Reports of Cases

JUDGMENT OF THE COURT (Second Chamber)

14 September 2017*

(Appeal — EU trade mark — Regulation (EC) No 207/2009 — Article 8(4) and Article 53(1)(c) and (2)(d) — EU word mark PORT CHARLOTTE — Application for a declaration of invalidity of that mark — Protection conferred on the earlier designations of origin ‘Porto’ and ‘Port’ under Regulation (EC) No 1234/2007 and under national law — Exhaustive nature of the protection conferred on those designations of origin — Article 118m of Regulation (EC) No 1234/2007 — Concepts of ‘use’ and ‘evocation’ of a protected designation of origin)

In Case C-56/16 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 29 January 2016,

European Union Intellectual Property Office (EUIPO), represented by E. Zaera Cuadrado and O. Mondéjar Ortuño, acting as Agents,

appellant,

supported by:

European Commission, represented by B. Eggers, I. Galindo Martín, J. Samnadda and T. Scharf, acting as Agents,

intervener in the appeal,

the other parties to the proceedings being:

Instituto dos Vinhos do Douro e do Porto IP, established in Peso da Régua (Portugal), represented by P. Sousa e Silva, advogado,

applicant at first instance,

supported by:

Portuguese Republic, represented by L. Inez Fernandes, M. Figueiredo and A. Alves, acting as Agents,

intervener in the appeal,

Bruichladdich Distillery Co. Ltd, established in Argyll (United Kingdom), represented by S. Havard Duclos, avocate,

intervener at first instance,

* Language of the case: English.

THE COURT (Second Chamber),

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

Advocate General: M. Campos Sánchez-Bordona,

Registrar: I. Illéssy, Administrator,

having regard to the written procedure and further to the hearing on 2 March 2017,

after hearing the Opinion of the Advocate General at the sitting on 18 May 2017

gives the following

Judgment

- 1 By its appeal, the European Union Intellectual Property Office (EUIPO) seeks to have set aside the judgment of the General Court of the European Union of 18 November 2015, *Instituto dos Vinhos do Douro e do Porto v OHIM — Bruichladdich Distillery (PORT CHARLOTTE)* (T-659/14, EU:T:2015:863) ('the judgment under appeal'), by which that Court annulled the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 8 July 2014 (Case R 946/2013-4), relating to invalidity proceedings between Instituto dos Vinhos do Douro e do Porto IP and Bruichladdich Distillery Co. Ltd ('the contested decision').
- 2 By its cross-appeal, Instituto dos Vinhos do Douro e do Porto ('IVDP') seeks to have the judgment under appeal set aside in part.

Legal context

Regulation (EC) No 207/2009

- 3 Article 8(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:

'Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the [EU] legislation or the law of the Member State governing that sign:

- (a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark;
- (b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.'

- 4 Under Article 53(1) and (2) of that regulation:

'1. An [EU] trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

...

(c) where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled.

2. An [EU] trade mark shall also be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings where the use of such trade mark may be prohibited pursuant to another earlier right under the [EU] legislation or national law governing its protection, and in particular:

...

(d) an industrial property right.'

Regulation (EC) No 479/2008

- 5 Recitals 27, 28 and 36 of Council Regulation (EC) No 479/2008 of 29 April 2008 on the common organisation of the market in wine, amending Regulations (EC) No 1493/1999, (EC) No 1782/2003, (EC) No 1290/2005, (EC) No 3/2008 and repealing Regulations (EEC) No 2392/86 and (EC) No 1493/1999 (OJ 2008 L 148, p. 1), stated:

'(27) The concept of quality wines in the Community is based, inter alia, on the specific characteristics attributable to the wine's geographical origin. Such wines are identified for consumers via protected designations of origin and geographical indications, although the current system is not fully developed in this respect. In order to allow for a transparent and more elaborate framework underpinning the claim to quality by the products concerned, a regime should be established under which applications for a designation of origin or a geographical indication are examined in line with the approach followed under the Community's horizontal quality policy applicable to foodstuffs other than wine and spirits in 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)].

(28) In order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, Member States should be allowed to apply more stringent rules in that respect.

...

(36) Existing designations of origin and geographical indications in the Community should for reasons of legal certainty be exempt from the application of the new examination procedure. The Member States concerned should, however, provide the Commission with the basic information and acts under which they have been recognised at national level failing which they should lose their protection as designations of origin or geographical indications. The scope for cancellation of existing designations of origin and geographical indications should be limited for reasons of legal certainty.'

Regulation No 1234/2007

- 6 Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) (OJ 2007 L 299, p. 1), as amended by Council Regulation No 491/2009 of 25 May 2009 (OJ 2009 L 154, p. 1) ('Regulation No 1234/2007') is, having regard to the date of the facts in the present case, applicable to the proceedings. Regulation No 491/2009 repealed, with effect from 1 August 2009, Regulation No 479/2008.

7 Recital 3 of Regulation No 491/2009 states:

‘In parallel to the negotiations and adoption of ... Regulation [No 1234/2007], the Council also started to negotiate a policy reform in the wine sector which has now been finalised by the adoption of ... Regulation [No 479/2008]. As specified in ... Regulation [No 1234/2007], only those provisions of the wine sector which were not subject to any policy reforms were initially incorporated into ... Regulation [No 1234/2007]. These substantive provisions which were subject to policy amendments were to be incorporated into ... Regulation [No 1234/2007] once they had been enacted. Since such substantive provisions have now been enacted, the wine sector should now be fully incorporated into ... Regulation [No 1234/2007] by way of introducing the policy decisions taken in Regulation [No 479/2008] into ... Regulation [No 1234/2007].’

8 Article 118b of Regulation No 1234/2007, entitled ‘Definitions’, provides, in paragraph 1 thereof:

‘For the purposes of this Subsection, the following definitions shall apply:

- (a) “designation of origin” means the name of a region, a specific place or, in exceptional cases, a country used to describe a product referred to in Article 118a(1) that complies with the following requirements:
 - (i) its quality and characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors;
 - (ii) the grapes from which it is produced come exclusively from this geographical area;
 - (iii) its production takes place in this geographical area; and
 - (iv) it is obtained from vine varieties belonging to *Vitis vinifera*;
- (b) “geographical indication” means an indication referring to a region, a specific place or, in exceptional cases, a country, used to describe a product referred to in Article 118a(1) which complies with the following requirements:
 - (i) it possesses a specific quality, reputation or other characteristics attributable to that geographical origin;
 - (ii) at least 85% of the grapes used for its production come exclusively from this geographical area;
 - (iii) its production takes place in this geographical area; and
 - (iv) it is obtained from vine varieties belonging to *Vitis vinifera* or a cross between the *Vitis vinifera* species and other species of the genus *Vitis*.’

9 Article 118f of that regulation, entitled ‘Preliminary national procedure’, provides, in paragraphs 1, 6 and 7 thereof:

‘1. Applications for protection of a designation of origin or a geographical indication of wines in accordance with Article 118b originating in the Community shall be subject to a preliminary national procedure in accordance with this Article.

...

6. Member States shall introduce the laws, regulations or administrative provisions necessary to comply with this Article by 1 August 2009.

7. Where a Member State has no national legislation concerning the protection of designations of origin and geographical indications, it may, on a transitional basis only, grant protection to the name in accordance with the terms of this Subsection at national level with effect from the day the application is lodged with the Commission. Such transitional national protection shall cease on the date on which a decision on registration or refusal under this Subsection is taken.’

10 Article 118i of that regulation provides:

‘On the basis of the information available to the Commission, the Commission shall decide ... either to confer protection on the designation of origin or geographical indication which meets the conditions laid down in this Subsection and is compatible with Community law, or to reject the application where those conditions are not satisfied.’

11 Article 118l of Regulation No 1234/2007, entitled, ‘Relationship with trademarks’, provides, in paragraph 1 thereof:

‘Where a designation of origin or a geographical indication is protected under this Regulation, the registration of a trademark corresponding to one of the situations referred to in Article 118m(2) and relating to a product falling under one of the categories listed in Annex XIb shall be refused if the application for registration of the trademark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected.

Trademarks registered in breach of the first subparagraph shall be invalidated.’

12 Article 118m of that regulation, entitled ‘Protection’, provides:

‘1. Protected designations of origins and protected geographical indications may be used by any operator marketing a wine which has been produced in conformity with the corresponding product specification.

2. Protected designations of origins and protected geographical indications and the wines using those protected names in conformity with the product specification shall be protected against:

- (a) any direct or indirect commercial use of a protected name:
 - (i) by comparable products not complying with the product specification of the protected name;
or
 - (ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;
- (b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation”, “flavour”, “like” or similar;
- (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine 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.

3. Protected designations of origin or protected geographical indications shall not become generic in the Community within the meaning of Article 118k(1).

...’

13 Article 118n of that regulation, entitled ‘Register’, provides:

‘The Commission shall establish and maintain an electronic register of protected designations of origin and protected geographical indications for wine which shall be publicly accessible.’

- 14 Article 118s of Regulation No 1234/2007, entitled ‘Existing protected wine names’, is worded as follows:

‘1. Wine names, which are protected in accordance with Articles 51 and 54 of [Council] Regulation (EC) No 1493/1999 [of 17 May 1999 on the common organisation of the market in wine (OJ 1999 L 179, p.1)] and Article 28 of Commission Regulation (EC) No 753/2002 of 29 April 2002 laying down certain rules for applying Council Regulation (EC) No 1493/1999 as regards the description, designation, presentation and protection of certain wine sector products [(OJ 2002 L 118, p. 1)], shall automatically be protected under this Regulation. The Commission shall list them in the register provided for in Article 118n of this Regulation.

2. Member States shall, in respect of existing protected wine names referred to in paragraph 1, transmit to the Commission:

- (a) the technical files ... ;
- (b) the national decisions of approval.

3. Wine names referred to in paragraph 1, for which the information referred to in paragraph 2 is not submitted by 31 December 2011, shall lose protection under this Regulation. The Commission shall take the corresponding formal step of removing such names from the register provided for in Article 118n.

4. Article 118r shall not apply in respect of existing protected wine names referred to in paragraph 1.

The Commission may decide, until 31 December 2014, at its own initiative and in accordance with the procedure referred to in Article 195(4), to cancel protection of existing protected wine names referred to in paragraph 1 if they do not meet the conditions laid down in Article 118b ...’

- 15 Article 120d of that regulation, entitled ‘Stricter rules decided by Member States’, provides:

‘Member States may limit or exclude the use of certain oenological practices and provide for more stringent restrictions for wines authorised under Community law produced in their territory with a view to reinforcing the preservation of the essential characteristics of wines with a protected designation of origin or a protected geographical indication and of sparkling wines and liqueur wines.

Member States shall communicate those limitations, exclusions and restrictions to the Commission, which shall bring them to the attention of the other Member States’.

- 16 On 1 August 2009, in accordance with Article 118n of Regulation No 1234/2007, the database E-Bacchus replaced the publication, as provided for by Article 54(5) of Regulation No 1493/1999, of lists of quality wines produced in specified regions (quality wines psr) in the *Official Journal of the European Union*. That database contains the protected designations of origin and geographical indications for wines from Member States in accordance with Regulation No 1234/2007, as well as the designations of origin and geographical indications for wines from third countries which are protected under bilateral agreements between the European Union and those third countries.

Background to the dispute and the contested decision

- 17 The background to the dispute and the contested decision are summarised as follows in paragraphs 1 to 15 of the judgment under appeal:
- ‘1 On 27 October 2006, [Bruichladdich Distillery Co. Ltd, (“Bruichladdich”)] filed an application for registration of an [EU] trade mark with [EUIPO] pursuant to ... Regulation [No 207/2009].
 - 2 Registration as a mark was sought for the word sign PORT CHARLOTTE (“the contested mark”).
 - 3 The goods in respect of which registration was sought are in Class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: “Alcoholic beverages”.
 - 4 The contested mark was registered on 18 October 2007 under No 5421474, and published in *Community Trade Marks Bulletin* No 60/2007 of 29 October 2007.
 - 5 On 7 April 2011, [IVDP] filed an application with [EUIPO] for a declaration that the contested mark was invalid pursuant to Article 53(1)(c), read in conjunction with Article 8(4), Article 53(2)(d), and Article 52(1)(a), read in conjunction with Article 7(1)(c) and (g) of Regulation No 207/2009, in so far as that mark designated the goods referred to in paragraph 3 above.
 - 6 In response to the application for a declaration of invalidity, [Bruichladdich] limited the list of goods in respect of which the contested mark was registered to goods corresponding to the following description: “Whisky”.
 - 7 In support of its application for a declaration of invalidity, [IVDP] relied on the appellations of origin “[P]orto” and “[P]ort”, which it claimed ... were protected, in all the Member States, by several provisions of Portuguese law and by Article 118m(2) of ... Regulation ... No [1234/2007]
 - 8 By decision of 30 April 2013, the Cancellation Division rejected the application for a declaration of invalidity.
 - 9 On 22 May 2013, [IVDP] filed a notice of appeal with [EUIPO], pursuant to Articles 58 to 64 of Regulation No 207/2009, against the decision of the Cancellation Division.
 - 10 By [the contested decision], the Fourth Board of Appeal of [EUIPO] dismissed the appeal.
 - 11 In the first place, the Board of Appeal rejected the argument regarding infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, in essence on the ground that the protection of designations of origin for wines was governed exclusively by Regulation No [234/2007] and, therefore, fell within the exclusive competence of the European Union. ...
 - 12 Furthermore, the Board of Appeal found that those geographical indications were protected only for wines and, therefore, for goods that were neither identical nor comparable to a product denominated “whisky”, namely a spirit drink with a different appearance and degree of alcohol that cannot comply with the product specification for a wine within the meaning of Article 118m(2)(a)(i) of Regulation No [1234/2007]. In so far as [IVDP] relied on the reputation of those designations of origin within the meaning of Article 118m(2)(a)(ii) of that regulation, the Board of Appeal found that the contested mark neither “use[d]” nor “evoke[d]” the geographical indications “porto” or “port”, so that it was not necessary to ascertain whether they had a

reputation. ... The Portuguese consumer would know that “the geographic term is actually ‘Oporto’ or ‘Porto’ and that ‘Port’ is just its shortened form used on wine labels to refer to the type of wine protected under the geographical indication” (paragraphs 19 to 26 of the contested decision).

- 13 The Board of Appeal rejected [IVDP’s] argument that the protection under Article 118m(2) of Regulation No [1234/2007] ought to be extended to any sign “that includes” the term “port”. There was also no “evocation” of a port wine within the meaning of Article 118m(2)(b) of that regulation, since whisky was a different product and nothing in the contested mark contained a potentially misleading or confusing statement. Therefore, according to the Board of Appeal, the appeal was without merit under the provisions of EU law protecting geographical origins for wines and there was no need to assess whether the contested mark had a reputation (paragraphs 27 to 29 of the contested decision).
- 14 In the second place, the Board of Appeal rejected the argument regarding infringement of Article 53(2)(d) of Regulation No 207/2009, based on the claimed appellations of origin ‘[P]orto’ and ‘[P]ort’, registered with the World Intellectual Property Organisation (WIPO) on 18 March 1983 under No 682, in accordance with the Lisbon Agreement. ...
- 15 In the third place, the Board of Appeal rejected the arguments regarding infringement of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(c) and (g) thereof. ...’

The procedure before the General Court and the judgment under appeal

- 18 By application lodged at the Registry of the General Court on 15 September 2014, IVDP brought an action for annulment of the contested decision.
- 19 In support of its action, IVDP relied on six pleas, one of which was a plea as to fact and five of which were pleas in law.
- 20 For the purposes of the present appeal, what are relevant are the third plea, alleging that the Board of Appeal erred in finding that the protection of designations of origin for wines was governed exclusively by Regulation No 1234/2007, and not also by national law, the first part of the fourth plea, alleging infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, in that the Board of Appeal, in IVDP’s view, failed to apply the relevant rules of Portuguese law, and the second part of the fourth plea, alleging infringement of Article 118m(2) of Regulation No 1234/2007 in that the Board of Appeal, in IVDP’s view, incorrectly found that the registration or use of the contested mark did not constitute a use or an evocation of the designation of origin ‘Porto’ or ‘Port’, with the result that it was not necessary to ascertain whether that designation of origin had a reputation.
- 21 By the judgment under appeal, the General Court upheld the third plea and the first part of the fourth plea, inasmuch as those pleas essentially criticised the Board of Appeal for not applying the relevant rules of Portuguese law relating to the protection of the appellations of origin ‘Porto’ or ‘Port’, and rejected the other pleas.
- 22 Consequently, the General Court annulled the contested decision.

Proceedings before the Court of Justice and forms of order sought

- 23 By application of 22 January 2016, EUIPO brought an appeal against the judgment under appeal. By separate document of 27 May 2016, IVDP brought a cross-appeal against the same judgment.
- 24 By order of the President of the Court of Justice of 7 July 2016, the Portuguese Republic was granted leave to intervene in support of the form of order sought by IVDP.
- 25 By order of the President of 12 August 2016, the European Commission was granted leave to intervene, during the oral procedure, in support of the form of order sought by EUIPO.
- 26 By its appeal, EUIPO claims that the Court should:
- uphold the appeal in its entirety;
 - set aside the judgment under appeal;
 - order IVDP to pay the costs incurred by EUIPO.
- 27 IVDP contends that the Court should:
- dismiss the appeal in its entirety;
 - confirm the judgment under appeal, and
 - order EUIPO to pay the costs incurred by IVDP in the proceedings before EUIPO and the Board of Appeal and before the General Court and the Court.
- 28 Bruichladdich contends that the Court should set aside the judgment under appeal and order IVDP to pay the costs of the present proceedings.
- 29 The Portuguese Republic contends that the Court should dismiss the appeal and order EUIPO to pay the costs.
- 30 By its cross-appeal, IVDP claims that the Court should:
- uphold the cross-appeal in its entirety;
 - set aside the judgment under appeal in part;
 - order EUIPO to pay the costs incurred by IVDP as appellant in the cross-appeal.
- 31 EUIPO contends that the Court should:
- dismiss the cross-appeal;
 - uphold EUIPO's appeal;
 - order IVDP to pay the costs incurred by EUIPO in the cross-appeal.
- 32 Bruichladdich contends that the Court should dismiss the cross-appeal in its entirety and order IVDP to pay the costs of the present proceedings.

The main appeal and the cross-appeal

Arguments of the parties

The main appeal

- 33 In support of its appeal, EUIPO relies on a single ground of appeal, alleging an infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) and Article 53(2)(d) of that regulation.
- 34 By this ground of appeal, EUIPO submits that the General Court correctly held, in paragraph 41 of the judgment under appeal, ‘that, as regards the scope of Regulation [No 1234/2007], Article 118m(1) and (2) [of that regulation] governs, in a uniform and exclusive manner, both the authorisation of and limits to, and even the prohibition of, commercial use of the protected designations of origin ... under EU law’. It maintains that the General Court, however, erred in law in holding, in paragraph 44 of that judgment, that it was nevertheless possible for such designations of origin to benefit from supplementary protection granted under national legislation, protection which could be based on Article 8(4) of Regulation No 207/2009.
- 35 EUIPO submits that, in making such a finding, the General Court failed to comply with the principles laid down both by the FEU Treaty, which provides that the exercise of the Member States’ competence is subject to the condition that the European Union has not exercised its own competence, and by the case-law of the Court of Justice. It takes the view that the characteristics and objectives of Regulation No 510/2006, on which the Court of Justice relied in the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521) for the purposes of holding that the system of protection provided for by that regulation was exhaustive in nature, are analogous to those of Regulations No 1234/2007 and No 479/2008. It submits that the substantive rules in those regulations are, moreover, to a large extent identical.
- 36 EUIPO also maintains that the EU legislature established, for designations of origin falling within the scope of Regulations No 1234/2007 and No 479/2008, a system of protection for those designations in the wine sector at the level of EU law alone. It submits that the sole exception concerns the transitional arrangements for the protection of designations of origin and geographical indications existing in Member States.
- 37 EUIPO submits that, since, in paragraph 38 of the judgment under appeal, the General Court expressly admitted the application by analogy of the principles laid down by the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521), it must be deduced from that, contrary to what the General Court held in paragraph 44 of the judgment under appeal, that the exhaustive nature of the system of protection provided for by Regulation No 1234/2007 excludes the possibility of granting any additional protection which supplements or supplants that granted under that regulation.
- 38 IVDP maintains that it is clear from paragraphs 38 and 41 of the judgment under appeal that the protection granted to designations of origin and geographical indications protected by Regulation No 1234/2007 is governed exclusively by that regulation. By contrast, it cannot, in IVDP’s view, be deduced from that judgment that the system of protection established by that regulation is exhaustive and precludes the application or introduction of any other system of protection.
- 39 Consequently, the protection provided by Regulation No 1234/2007 does not, in IVDP’s view, conflict, either in scope or in nature, with the protection provided by Regulation No 207/2009, in particular with the protection resulting from Article 53(1)(c) of that regulation, read in conjunction with Article 8(4) and Article 53(2)(d) thereof.

- 40 According to IVDP, the General Court could, without marring its assessment by an error of law or a contradiction in the grounds, hold that the protection granted to designations of origin for wines by Regulation No 1234/2007 was exclusive and could nevertheless be supplemented by the protection granted to earlier rights under national law, for the purposes of Article 8(4) of Regulation No 207/2009, on the ground that those rules have different and autonomous scopes.
- 41 IVDP also disputes the alleged parallelism between Regulation No 510/2006 and Regulation No 1234/2007 carried out by EUIPO and, consequently, the application to designations of origin for wines of the principles laid down by the Court of Justice in the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521) regarding designations of origin for foodstuffs.
- 42 IVDP states that, whilst it is apparent from paragraph 114 of the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521) that the aim of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1) and Regulation No 510/2006 is to provide a uniform and exhaustive system of protection, that exclusivity does not, however, preclude the application of rules governing the protection of geographical designations which fall outside the scope of those regulations.
- 43 IVDP submits that, if the EU legislature had intended to establish an exhaustive and exclusive system of protection, that intention would be clear from the wording of the provisions setting up that system. It takes the view that the wording used in recital 6 of Regulation No 510/2006 or in Articles 1 and 92(1) of Council Regulation (EC) No 2100/94 of 27 July 1994 on Community plant variety rights (OJ 1994 L 227, p. 1) is significant in that regard.
- 44 IVDP observes, in addition, that recital 28 of Regulation No 479/2008 stated that, in order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, 'Member States' should be 'allowed to apply more stringent rules in that respect'.
- 45 Bruichladdich submits that, as the General Court, in its view, acknowledged in paragraph 38 of the judgment under appeal, the settled case-law of the Court of Justice relating to the exclusive nature of Regulation No 510/2006 on designations of origin for foodstuffs applies *mutatis mutandis* to Regulation No 1234/2007 so far as concerns designations of origin for wines. It takes the view that those regulations contain similar provisions, in particular with regard to the registration procedure or the scope of protection.
- 46 It also maintains that any possibility for Member States to grant specific protection under other rules must be based on express rules. Bruichladdich submits that Member States currently have only the power to grant temporary national protection to a designation of origin pending the Commission's decision on the application for registration of that designation of origin at EU level.
- 47 Furthermore, it takes the view that Article 8(4) of Regulation No 207/2009 cannot be considered to be an 'express derogation', since it contains general provisions and merely refers to the national legislation 'governing' the earlier sign invoked.
- 48 By contrast, the Portuguese Republic submits that the interpretation that the protection of designations of origin for wines is exhaustive and precludes additional protection at the level of the national law of the Member States must be rejected.
- 49 Lastly, at the hearing before the Court of Justice, the Commission submitted that the system of protection for designations of origin in the wine sector, as provided for by Regulation No 1234/2007, is exhaustive in nature and precludes any protection of those designations of origin by the national law of the Member States.

The cross-appeal

- 50 In support of its cross-appeal, IVDP puts forward three grounds of appeal.
- 51 By the first ground of appeal in its cross-appeal, which seeks to challenge paragraphs 38 and 41 of the judgment under appeal, IVDP submits that the General Court erred in law by holding that Article 118m(1) and (2) of Regulation No 1234/2007 governs, in a uniform and exclusive manner, both the authorisation of and limits to, and even the prohibition of, commercial use of the protected designations of origin and of the protected geographical indications under EU law. According to IVDP, that is not the case, because there is no basis for the analogy drawn in that regard between Regulation No 510/2006 and Regulation No 1234/2007.
- 52 In that regard, IVDP relies on the arguments which it put forward in the context of the main appeal brought by EUIPO, according to which the protection of designations of origin for wines is not exclusively governed by Regulation No 1234/2007, but is also covered by national law. In support of those arguments, it submits that the principles laid down in paragraph 114 of the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521), concerning the scope of the system of protection provided for by Regulation No 510/2006, cannot be extended to the system of protection provided for by Regulation No 1234/2007, in view of the substantially different objectives and characteristics of those two regulations.
- 53 By the second ground of appeal in its cross-appeal, IVDP alleges that the General Court erred when it rejected, in paragraphs 68 to 73 of the judgment under appeal, the second complaint in the second part of the fourth plea, alleging infringement of Article 118m(2)(a)(ii) of Regulation No 1234/2007, on the ground that the contested mark neither used nor evoked the protected designation of origin ‘Porto’ or ‘Port’ of which IVDP is the proprietor, with the result that it was not necessary to verify whether that designation of origin had a reputation.
- 54 IVDP submits that the General Court erred in holding, in paragraph 71 of the judgment under appeal, that the primary meaning of the word ‘port’ in a number of European languages, including English and Portuguese, is harbour, namely a place situated on the coast or on a river. It maintains that the word ‘port’ does not exist in Portuguese and that the word used to designate a harbour is ‘porto’. It submits that, in that language, the word ‘port’ is only one of a number of forms of the protected designation of origin ‘Porto’.
- 55 IVDP also disputes the General Court’s assessment, in paragraph 71 of the judgment under appeal, that the sign ‘PORT CHARLOTTE’ ‘will be understood by the relevant public as designating a harbour named after a person called Charlotte, with no direct link being made with the designation of origin “[P]orto” or “[P]ort” or a port wine’.
- 56 It takes the view that the inclusion of the word ‘Port’ in the contested trade mark constitutes an imitation or evocation of the protected designation of origin ‘Port’, with the result that, as the proprietor of that designation of origin, IVDP should be able to obtain protection against the use of that mark under Article 118m(2)(a)(ii) of Regulation No 1234/2007.
- 57 By the third ground of appeal in its cross-appeal, IVDP criticises the General Court for rejecting, in paragraphs 74 to 77 of the judgment under appeal, the third complaint in the second part of the fourth plea in law, by holding that the use of the contested mark did not constitute a ‘misuse, [an] imitation or [an] evocation’ of the protected designation of origin ‘Porto’ or ‘Port’, within the meaning of Article 118m(2)(b) of Regulation No 1234/2007.

- 58 In support of that third ground of appeal, IVDP refers to the arguments which it set out in the second ground of appeal in the cross-appeal, since it takes the view that the General Court based its conclusion, in paragraph 75 of the judgment under appeal, in essence on the same considerations as those set out in paragraph 71 of that judgment, to which the second ground of appeal relates.
- 59 On the basis of those same arguments, IVDP also disputes the General Court's assessment in paragraph 76 of the judgment under appeal that, 'for the reasons set out in paragraph 71 [of that judgment], even if the term "port" forms an integral part of the contested mark, the average consumer, even if he is of Portuguese origin or speaks Portuguese, in reaction to a whisky bearing that mark, will not associate it with a port wine covered by the designation of origin in question'.
- 60 It submits that the General Court's assessment in paragraph 76 of the judgment under appeal, that that consumer will not associate a whisky bearing the contested mark with a port wine covered by that designation on account of the not insignificant differences between the respective features of those two types of beverage in terms of, inter alia, ingredients, alcohol content and taste, is also not correct.
- 61 In any event, IVDP submits that, as it has already stated before the General Court, although whisky and port wine are obviously different beverages, they are nonetheless comparable products.
- 62 As regards the first ground of appeal in the cross-appeal, EUIPO refers to the arguments already set out in support of its appeal.
- 63 EUIPO submits that the second and third grounds of appeal in the cross-appeal must be declared inadmissible, since they raise only arguments relating to the factual assessment of the case and do not raise any point of law.
- 64 EUIPO takes the view that, by those grounds of appeal, IVDP is not seeking to show that the General Court incorrectly assessed the criteria that are legally relevant for the application of Article 118m of Regulation No 1234/2007, but is challenging the General Court's assessment of the facts of the case and, in particular, the assessment relating to the questions as to whether the contested mark evokes the designation of origin 'Port' and whether whisky and port wine are comparable products.
- 65 EUIPO observes that, in the context of the second and third grounds of appeal in its cross-appeal, IVDP does not allege that there was any distortion of the facts by the General Court.
- 66 Furthermore, it submits that the General Court carried out the appropriate legal test because, according to settled case-law, the concept of 'evocation' covers a situation in which the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product the image triggered in his mind is that of the product whose designation is protected (see, to that effect, judgment of 21 January 2016, *Viiniverla*, C-75/15, EU:C:2016:35, paragraph 21 and the case-law cited).
- 67 Bruichladdich submits that the first ground of appeal in the cross-appeal must be rejected on the ground that it is apparent from the case-law of the Court of Justice relating to Regulation No 510/2006 that the system of protection provided for by that regulation with regard to designations of origin for foodstuffs is exhaustive. It maintains that, consequently, if a product is covered by EU law on geographical indications, any parallel or similar protection under national law must cease.
- 68 By contrast, that company takes the view that the exclusivity of the system of protection provided for by EU law does not preclude national protection of geographical indications. It submits that such national protection remains possible as regards geographical indications which are not covered by the relevant EU legislation. It maintains that that is not, however, the case as regards the designation of origin 'Porto' or 'Port', since that designation of origin is protected under Regulation No 1234/2007.

- 69 Bruichladdich submits that the second and third grounds of appeal in the cross-appeal are also unfounded.
- 70 It takes the view that the General Court was right in finding that the contested mark did not infringe Article 118m(1) and (2) of Regulation No 1234/2007. It maintains that the General Court's assessment relating to the lack of any likelihood of confusion on the part of the relevant public in the European Union between the goods covered by the contested mark and the wines covered by the designation of origin 'Porto' is also well founded.
- 71 In that regard, Bruichladdich submits, inter alia, that the protected designation of origin 'Porto' or 'Port' is perceived as referring to part of Portuguese territory, namely the region in which the wines sold under that designation of origin are produced. It maintains that, by contrast, the contested mark does not refer to that region, but to a location situated near the sea, given that the word 'port' is an English word which refers to a place constructed on the coast, the purpose of which is to receive boats. It submits that, in the composite sign 'PORT CHARLOTTE', the second sign 'CHARLOTTE', which is, in its view, the dominant element by virtue of its size and its distinctiveness, will immediately be understood as a female first name. It maintains that the first sign, which is commonly used in connection with a number of products, including alcoholic beverages, thus serves only to characterise a type of place.
- 72 Bruichladdich takes the view that, in any event, the products in question, namely port wine and whisky, are sufficiently different in terms of, inter alia, ingredients, taste and alcohol content.

Findings of the Court

The first ground of appeal in the cross-appeal

- 73 It is appropriate to examine the first ground of appeal in the cross-appeal brought by IVDP first.
- 74 That ground of appeal relates to paragraphs 38 and 41 of the judgment under appeal by which the General Court held as follows:
- '38 ... in accordance with the spirit and system of the single regulatory framework of the common agricultural policy (recital 1 in the preamble to Regulation No 491/2009; see also, to that effect and by analogy with Regulation No 510/2006, judgment of 8 September 2009 in *Budějovický Budvar*, C-478/07, ... EU:C:2009:521, paragraph 107 et seq.), as regards the scope of Regulation No [1234/2007], the precise conditions and scope of that protection are laid down exclusively in Article 118m(1) and (2) of that regulation.
- ...
- 41 It must accordingly be concluded that, as regards the scope of Regulation No [1234/2007], Article 118m(1) and (2) governs, in a uniform and exclusive manner, both the authorisation of and limits to, and even the prohibition of, commercial use of the protected designations of origin and of the protected geographical indications under EU law, so that, in that specific context, there was no need for the Board of Appeal to apply the conditions for protection specifically established in the relevant rules of Portuguese law which were the basis for the entry of the appellations of origin "[P]orto" or "[P]ort" in the E-Bacchus database.'
- 75 Contrary to what IVDP submits, the General Court did not err in law by applying to the system provided for by Regulation No 1234/2007 the principles laid down by the Court of Justice in the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521) regarding the uniform and exclusive nature of the system of protection provided for by Regulation No 510/2006.

- 76 Although it is true that the system of protection established by Regulation No 1234/2007 is not identical to that provided for by Regulation No 510/2006, the General Court was right in holding that those two systems were, essentially, the same in nature, since their objectives and characteristics were similar, as the Advocate General has also pointed out in point 63 of his Opinion.
- 77 In order to examine the objectives of the system of protection under Regulation No 1234/2007, it is necessary to refer to the recitals of Regulation No 479/2008, since Regulation No 491/2009, which amended Regulation No 1234/2007 in its prior version, in essence merely incorporated into that latter regulation the provisions relating to designations of origin and geographical indications in the wine sector which had been introduced by Regulation No 479/2008.
- 78 In that regard, it is apparent from the considerations in the preamble to Regulation No 479/2008 that that regulation, like Regulation No 510/2006, was adopted on the basis of the provisions of the EC Treaty relating to the common agricultural policy.
- 79 As regards the objectives of those instruments, recital 27 of that regulation states that the system of protection in question is intended to enable consumers to identify, via protected designations of origin and geographical indications, wines known as ‘quality’ wines. To that end, that recital states that applications for such geographical indications will have to be examined in line with the approach followed under the European Union’s horizontal quality policy applicable to foodstuffs other than wine and spirits in Regulation No 510/2006.
- 80 Furthermore, it must be stated that the objectives of Regulation No 1234/2007 are similar to those of Regulation No 510/2006, which the Court of Justice set out in paragraphs 110 to 113 of the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521). In that judgment, the Court held that a geographical indication registered pursuant to Regulation No 510/2006 offered consumers a guarantee of quality with regard to the products bearing that indication.
- 81 In that regard, the Court stated that designations of origin fall within the scope of industrial and commercial property rights. The applicable rules protect those entitled to use them against improper use of those designations by third parties seeking to profit from the reputation which they have acquired. They are intended to guarantee that the product bearing them comes from a specified geographical area and displays certain particular characteristics. They may enjoy a high reputation amongst consumers and constitute for producers who fulfil the conditions for using them an essential means of attracting custom. The reputation of designations of origin depends on their image in the minds of consumers. That image in turn depends essentially on particular characteristics and more generally on the quality of the product. It is on the latter, ultimately, that the product’s reputation is based. For consumers, the link between the reputation of the producers and the quality of the products also depends on their being assured that products sold under the designation of origin are authentic (judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 110 and the case-law cited).
- 82 It follows from this that Regulation No 1234/2007 constitutes an instrument of the common agricultural policy essentially intended to assure consumers that agricultural products bearing a geographical indication registered under that regulation have, because of their provenance from a particular geographical area, certain specific characteristics and, accordingly, offer a guarantee of quality due to their geographical provenance, with the aim of enabling agricultural operators to secure higher incomes in return for a genuine effort to improve quality and of preventing improper use of those designations by third parties seeking to profit from the reputation which those products have acquired by their quality (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 111).

- 83 If the Member States were permitted to allow their producers to use, within their national territories, one of the indications or symbols which are reserved, under Regulation No 1234/2007, for designations registered under that regulation, on the basis of a national right which could meet less strict requirements than those laid down in that regulation for the products in question, the risk is that that assurance of quality, which constitutes the essential function of rights conferred pursuant to Regulation No 1234/2007, could not be guaranteed. To confer such a discretion on those national producers would also carry the risk of jeopardising the attainment of free and undistorted competition in the internal market between producers of products bearing those indications or symbols and, in particular, would be liable to harm rights which ought to be reserved for producers who have made a genuine effort to improve quality in order to be able to use a geographical indication registered under that regulation (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 112).
- 84 The risk of thus undermining the main objective of Regulation No 1234/2007, which is that of guaranteeing the quality of the agricultural products concerned, is particularly high because, unlike in the case of trade marks, no measure harmonising any national systems of protection for geographical indications has to date been adopted by the EU legislature (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 113).
- 85 Next, it must be stated that the characteristics of the system of protection provided for by Regulation No 1234/2007 are similar to those established by Regulation No 510/2006, which are set out in paragraph 115 et seq. of the judgment of 8 September 2009, *Budějovický Budvar* (C 478/07, EU:C:2009:521).
- 86 First, in contrast to other EU-law systems for the protection of industrial and commercial property rights, such as that relating to the EU trade mark, which is provided for by Regulation No 207/2009, or that relating to plant variety rights, which is provided for by Regulation No 2100/94, the procedure for registering designations of origin and geographical indications under Regulation No 1234/2007 is based on powers shared between the Member State concerned and the Commission, since the decision to register a designation may be taken by the Commission only if the Member State concerned has submitted to it an application for that purpose and such an application may be made only if the Member State has checked that it is justified (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 116).
- 87 The national registration procedures are therefore incorporated in the decision-making procedure at EU level and constitute an essential part thereof. They cannot exist outside the EU system of protection (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 117).
- 88 With regard to the registration procedure, it is also telling that Article 118f(7) of Regulation No 1234/2007, a provision essentially identical to Article 38(7) of Regulation No 479/2008, provides that Member States may, on a transitional basis only, grant national protection to a name until a decision on the application for registration is taken by the Commission (see, by analogy, as regards Article 5(6) of Regulation No 510/2006, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 118).
- 89 It follows from that provision that, under the system introduced by Regulation No 1234/2007, where Member States have the power to adopt decisions, even of a provisional nature, which derogate from the provisions of that regulation, that power is derived from express rules (see, by analogy, as regards Article 5(6) of Regulation No 510/2006, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 119).

- 90 Furthermore, a provision of that kind would be rendered redundant if the Member States were able to retain their own systems of protection for designations of origin and geographical indications for the purposes of Regulations No 1234/2007 and No 479/2008 and have them coexist with that resulting from those regulations (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 120).
- 91 Secondly, the fact that the system of protection laid down in Regulations No 1234/2007 and No 479/2008 is exhaustive in nature is also evidenced by the transitional arrangements for existing national geographical designations such as the designation of origin 'Porto' or 'Port' (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 121).
- 92 Accordingly, Article 118s of Regulation No 1234/2007, a provision which is essentially identical to Article 51 of Regulation No 479/2008, provides for a transitional system of protection, the aim of which is to maintain, for reasons of legal certainty, the protection of wine names already provided for prior to 1 August 2009 under national law. That transitional system of protection is, as is apparent from the wording of Article 118s(1) of Regulation No 1234/2007, organised at EU level pursuant to Regulation No 1493/1999 and granted automatically to wine names already protected under, inter alia, that latter regulation (see, to that effect, judgment of 13 February 2014, *Hungary v Commission*, C-31/13 P, EU:C:2014:70, paragraph 58).
- 93 Furthermore, Article 118s(4) of Regulation No 1234/2007 provided that, until 31 December 2014, that automatic protection of wine names could be cancelled by the Commission, acting on its own initiative, if those wine names did not meet the conditions laid down in Article 118b of that regulation.
- 94 Such a transitional system of protection for existing designations of origin and geographical indications would be pointless if the system of protection for such names which is provided for by Regulation No 1234/2007 were not exhaustive in nature, implying that the Member States retained in any event the ability to maintain them for an indefinite period (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 128).
- 95 Moreover, although it is true that recital 28 of Regulation No 479/2008 states that 'in order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, Member States should be allowed to apply more stringent rules in that respect', the fact remains, as the Advocate General also noted in point 74 of his Opinion, that that recital relates solely to Article 28 of that regulation, which is entitled 'Stricter rules decided by Member States' and solely concerns oenological practices.
- 96 Consequently, the General Court was right in holding, in paragraphs 38 and 41 of the judgment under appeal that, as regards the designations of origin 'Porto' or 'Port', which are protected under Regulation No 1234/2007, that regulation contains a uniform and exclusive system of protection, with the result that there was no need for the Board of Appeal to apply the relevant rules of Portuguese law which were the basis for the entry of those designations of origin in the E-Bacchus database.
- 97 The first ground of appeal in the cross-appeal must therefore be rejected.

The single ground of appeal in the main appeal

98 By the single ground of appeal which it puts forward in the main appeal, alleging infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) and Article 53(2)(d) of that regulation, EUIPO challenges paragraph 44 of the judgment under appeal in which the General Court held the following:

‘As regards the allegedly exhaustive nature of the protection conferred by Article 118m(1) and (2) of Regulation No [1234/2007], as recognised by the Board of Appeal and relied on by [EUIPO], it is clear that neither the provisions of Regulation No [1234/2007], nor those of Regulation No 207/2009, state that the protection under the former must be construed as being exhaustive in the sense that that protection cannot be supplemented, beyond its particular scope, by another system of protection. On the contrary, it follows from the unequivocal wording of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, and from that of Article 53(2)(d) of that regulation, that the grounds for invalidity may be based, individually or cumulatively, on earlier rights “under the [EU] legislation or national law governing [their] protection”. It follows that the protection conferred on (protected) designations of origin and geographical indications under Regulation No [1234/2007], provided that they are “earlier rights” within the meaning of the abovementioned provisions of Regulation No 207/2009, may be supplemented by the relevant national law granting additional protection.’

99 It follows from the rejection of the first ground of appeal in the cross-appeal that the General Court did not err in law when it in essence held, in paragraphs 38 and 41 of the judgment under appeal, on the basis of the Court of Justice’s interpretation of the provisions relating to the system of protection provided for by Regulation No 510/2006 in paragraph 107 et seq. of the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521), that the system of protection covering the designations of origin ‘Porto’ or ‘Port’, as provided for in Article 118m(1) and (2) of Regulation No 1234/2007, was, with regard to the designations of origin which are covered by that regulation, uniform and exclusive in nature.

100 However, it must be borne in mind that, in the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521), the Court held that the system of protection for designations of origin that was provided for by Regulation No 510/2006 was to be interpreted as being both uniform and exhaustive in nature.

101 As a result of the exhaustive nature of that system of protection, the Court held that Regulation No 510/2006 was also to be interpreted as precluding a system of protection laid down by agreements between two Member States which conferred on a designation, which was recognised under the law of a Member State as constituting a designation of origin, protection in another Member State in which that protection had actually been claimed, despite the fact that no application for registration of that designation of origin had been made in accordance with that regulation.

102 It does not, however, follow from the judgment of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521), that the inference which the Court thus drew as regards the exhaustive nature of the system of protection provided for by Regulation No 510/2006 would not cover a situation in which the national-law system in question granted ‘additional’ protection to a protected geographical indication or designation of origin, that is to say stronger protection or a higher level of protection than that arising out of that regulation alone.

103 For the reasons which have been set out in paragraphs 83 and 89 to 93 of the present judgment, the system of protection provided for by Regulation No 1234/2007 is exhaustive in nature, with the result that that regulation precludes the application of a national system of protection for geographical indications that are protected under that regulation.

- 104 However, the General Court held, in paragraph 44 of the judgment under appeal, that the protection for designations of origin and geographical indications under Regulation No 1234/2007 was not to be construed as being exhaustive, namely as not being capable of being supplemented, ‘beyond its particular scope’, by another system of protection.
- 105 In the present case, it must be stated that the dispute concerns invalidity proceedings brought against the proprietor of the trade mark PORT CHARLOTTE on the ground that that mark infringes the protection conferred by, inter alia, Portuguese law on the designation of origin ‘Porto’ or ‘Port’.
- 106 That designation of origin is clearly covered by the particular scope of Regulation No 1234/2007, since it is a geographical indication covering a type of wine, which has been registered and is protected under that regulation.
- 107 Although Regulation No 1234/2007 does not, in principle, preclude ‘a simple ... indication of geographical provenance’, that is to say, a name in respect of which there is no direct link between a specific quality, reputation or other characteristic of the product and its specific geographical origin, so that it does not come within the scope of Regulation No 1234/2007 (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C-478/07, EU:C:2009:521, paragraph 73 and the case-law cited), from being protected under national law, the same is not true when, as in the present case, the dispute relates to a designation of origin which is attributed to a wine and which is covered by that regulation.
- 108 It follows that the General Court erred in law in holding, in paragraph 44 of the judgment under appeal, that the protection conferred on protected designations of origin and geographical indications under Regulation No 1234/2007, provided that they are ‘earlier rights’ within the meaning of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) and Article 53(2)(d) of that regulation, ‘may be supplemented by the relevant national law granting additional protection’.
- 109 In the light of the foregoing, the single ground of appeal in the main appeal must be upheld.

The second ground of appeal in the cross-appeal

- 110 By the second ground of appeal in its cross-appeal, alleging infringement of Article 118m(2)(a)(ii) of Regulation No 1234/2007, which provides that the designations of origin concerned are to be protected against any direct or indirect commercial use, even for products that are not comparable, in so far as that use exploits their reputation, IVDP criticises the General Court for holding, in paragraph 72 of the judgment under appeal, that the Board of Appeal had been right in finding that the contested mark, namely the sign ‘PORT CHARLOTTE’, ‘neither used nor evoked’ the designation of origin ‘Porto’ or ‘Port’.
- 111 That ground of appeal relates to the grounds set out in paragraphs 70 and 71 of the judgment under appeal, which are worded as follows:
- ‘70 In this connection, first, it must be observed that the protected appellation of origin of which the applicant is the proprietor, and which is entered in the E-Bacchus database, covers the names “[O]porto”, “[P]ortvin”, “[P]ortwein”, “[P]ortwijn”, “[V]in de [P]orto”, “[P]ort [W]ine”, [P]ort”, “[V]inho do [P]orto” and “[P]orto”. Consequently, it includes names, in different languages, composed either of two elements, namely “port” or “porto” and “wine” or of a single element, namely “oporto” or “porto”. Secondly, as [EUIPO] submits, account should be taken of the fact that the contested mark also consists of an expression composed of two elements, namely “port” and “charlotte”, which, like the expression “port wine”, must be understood as forming a logical and conceptual unit... .

- 71 However, unlike the protected appellation of origin in question, the contested mark does not refer expressly to a wine, but to the female first name Charlotte, which is directly associated with the element “port”, the primary meaning of which, in a number of European languages, including English and Portuguese, is harbour, namely a place situated on the coast or on a river. Therefore, as the Board of Appeal correctly found in paragraph 24 of the contested decision, the sign PORT CHARLOTTE, read as a whole as a logical and conceptual unit, will be understood by the relevant public as designating a harbour named after a person called Charlotte, with no direct link being made with the designation of origin “[P]orto” or “[P]ort” or a port wine. As [Bruichladdich] contends, that is all the more true since the term “charlotte” is the most important and most distinctive element of the contested mark, immediately attracting the attention of the relevant public. The latter will not identify the element “port” as an element distinct or separable from the term “charlotte”, but as a qualifier directly related to that term conveying the message that the contested mark refers to a location on the coast or on a river. That assessment applies for any average consumer in the European Union with at least a basic knowledge of English or a Romance language.’
- 112 As IVDP has submitted, the word ‘port’ does not exist in Portuguese. What is more, the word used to designate a harbour, that is to say a place situated on the coast or on a river, is ‘porto’. It follows that, regarding that specific issue, the General Court manifestly erred in regard to the facts.
- 113 The fact remains that, more generally, the General Court’s assessment that the relevant public, namely the average consumer in the European Union with at least a basic knowledge of English or a Romance language, will understand the sign ‘PORT CHARLOTTE’ as designating a harbour named after a person called Charlotte, without making a direct link with the designation of origin ‘Porto’ or ‘Port’ or a port wine, is a factual assessment and cannot, as such and since IVDP has not established that there was a manifest distortion of evidence which is capable of affecting that assessment, be reviewed on appeal.
- 114 In addition, that assessment is not the result of an incorrect interpretation of the words ‘any direct or indirect commercial use’ in Article 118m(2)(a) of Regulation No 1234/2007.
- 115 The incorporation in a trade mark of a name which is protected under Regulation No 1234/2007, such as the designation of origin ‘port’, cannot be held to be capable of exploiting the reputation of that designation of origin, for the purposes of Article 118m(2)(a)(ii) of that regulation, if that incorporation does not lead the relevant public to associate that mark or the goods in respect of which it is registered with the designation of origin concerned or the wine product in respect of which it is protected.
- 116 In the present case, the General Court, following an assessment of facts that is not open to challenge, found, in paragraphs 71 and 76 of the judgment under appeal, that the sign ‘PORT CHARLOTTE’, since it consists of the term ‘port’ and the first name Charlotte, will be perceived by the relevant public as a logical and conceptual unit referring to a harbour, that is to say a place situated on the coast or on a river, with which a first name, which constitutes the most important and most distinctive element in the contested mark, is associated. According to the General Court, the relevant public will not perceive, in that sign, any geographical reference to the port wine covered by the designation of origin in question.
- 117 On the basis of that factual assessment, the General Court was entitled to hold, without erring in law, that the Board of Appeal had been right in finding that the contested mark could not, for the purposes of Article 118m(2)(a)(ii) of Regulation No 1234/2007, be regarded as using the designation of origin ‘Porto’ or ‘Port’.

118 Although, in paragraph 72 of the judgment under appeal, the General Court erroneously added that the contested mark did not evoke that designation of origin, basing its reasoning on Article 118m(2)(a) of Regulation No 1234/2007, whereas evocation is covered by point (b) of that provision, that error has no effect on the General Court's decision to reject the complaint alleging infringement of Article 118m(2)(a)(ii) of that regulation.

119 Consequently, the second ground of appeal in the cross-appeal must be rejected.

The third ground of appeal in the cross-appeal

120 By its third ground of appeal in the cross-appeal, IVDP submits that the General Court infringed Article 118m(2)(b) of Regulation No 1234/2007 by holding, in paragraph 75 of the judgment under appeal, that the use of the contested mark PORT CHARLOTTE, which is registered in respect of a whisky, did not involve 'misuse, imitation or evocation', within the meaning of that provision, of the protected designation of origin 'Porto' or 'Port'.

121 The General Court first of all referred, in paragraph 76 of the judgment under appeal, to the case-law of the Court of Justice relating to the concept of 'evocation' appearing in the EU legislation relating to the protection of designations of origin and geographical indications.

122 According to that case-law, that concept of 'evocation' covers a situation in which the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product the image triggered in his mind is that of the product whose designation is protected (see, in particular, as regards Article 16(b) of Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ 2008 L 39, p. 16), a provision which is in all respects identical to Article 118m(2)(b) of Regulation No 1234/2007, judgment of 21 January 2016, *Viiniverla*, C-75/15, EU:C:2016:35, paragraph 21 and the case-law cited).

123 Furthermore, there can be 'evocation' even in the absence of any likelihood of confusion between the products concerned, since what matters is, in particular, that an association of ideas regarding the origin of the products is not created in the mind of the public, and that a trader does not take undue advantage of the reputation of the protected geographical indication (see, in particular, judgment of 21 January 2016, *Viiniverla*, C-75/15, EU:C:2016:35, paragraph 45).

124 The General Court, without erring in law, applied the fundamental criterion deriving from that case-law, by holding, in paragraph 76 of the judgment under appeal, that, having regard to the findings set out in paragraph 71 of that same judgment, even though the term 'port' forms an integral part of the contested mark, the average consumer, even if he is of Portuguese origin or speaks Portuguese, in reaction to a whisky bearing that mark, will not associate it with a port wine covered by the designation of origin in question.

125 The General Court added, in paragraph 76 of the judgment under appeal, that that assessment is confirmed by the not insignificant differences between the respective features of a port wine and a whisky in terms of, inter alia, ingredients, alcohol content and taste, of which the average consumer is well aware and to which the Board of Appeal had rightly drawn attention in paragraphs 20 and 34 of the contested decision.

126 Since the assessments thus carried out by the General Court in paragraph 76 of the judgment under appeal are factual assessments and IVDP has not established that there was any distortion of the evidence on the part of the General Court, those assessments cannot be criticised on appeal since they are, in addition, based on a correct interpretation of the concept of ‘evocation’ within the meaning of Article 118m(2)(b) of Regulation No 1234/2007.

127 The third ground of appeal in the cross-appeal must therefore be rejected.

128 In the light of all of the foregoing, the main appeal must be upheld and the cross-appeal must be dismissed. Consequently, the judgment under appeal must be set aside.

The action before the General Court

129 It is apparent from the first paragraph of Article 61 of the Statute of the Court of Justice of the European Union that, if the appeal is well founded, the Court of Justice may itself give final judgment in the matter, where the state of the proceedings so permits.

130 As the state of the proceedings so permits, the Court of Justice holds that it must give final judgment in the action before the General Court.

131 By the judgment under appeal, the General Court rejected all the pleas put forward in support of the action before it with the exception of the third plea, alleging that the Board of Appeal had erred in finding that the protection of designations of origin for wines was governed exclusively by Regulation No 1234/2007, and not concomitantly by national law, and the first part of the fourth plea, alleging infringement of Article 53(1)(c) of Regulation No 207/2009, read in conjunction with Article 8(4) thereof, in that the Board of Appeal had failed to apply the relevant rules of Portuguese law.

132 By the present judgment, the Court of Justice, first, has upheld the main appeal brought against the judgment under appeal, in that, by the judgment under appeal, the General Court upheld the third plea and the first part of the fourth plea and, secondly, has rejected the cross-appeal brought against the General Court’s rejection of the second part of the fourth plea, alleging infringement of Article 118m(2) of Regulation No 1234/2007 in that the Board of Appeal had, in IVDP’s view, incorrectly found that the registration or use of the contested mark constituted neither a use nor an evocation of the designation of origin ‘Porto’ or ‘Port’, with the result that it was not necessary to verify whether that designation of origin had a reputation.

133 It follows that all the pleas in law put forward in support of the action before the General Court against the contested decision must be rejected.

134 Consequently, the action before the General Court must be dismissed in its entirety without it being necessary to refer the case back to the General Court.

Costs

135 Under Article 184(2) of the Rules of Procedure of the Court of Justice, where the appeal is well founded and the Court itself gives final judgment in the case, the Court is to make a decision as to the costs.

136 Under Article 138(1) of those rules, which applies to the procedure on appeal 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.

- ¹³⁷ In the present case, since the Court has upheld the appeal brought by EUIPO and dismissed the cross-appeal brought by IVDP, the latter has been unsuccessful in the pleas which it put forward in support of its action before the General Court.
- ¹³⁸ Consequently, since EUIPO and Bruichladdich have applied for IVDP to be ordered to pay the costs, IVDP must ordered to pay the costs incurred by EUIPO and Bruichladdich in both sets of judicial proceedings.
- ¹³⁹ In accordance with Article 140(1) of the Rules of Procedure, which also applies to the procedure on appeal by virtue of Article 184(1) thereof, the Portuguese Republic and the Commission, which have intervened in the proceedings, are to bear their own respective costs.

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

- 1. Sets aside the judgment of the General Court of the European Union of 18 November 2015, *Instituto dos Vinhos do Douro e do Porto v OHIM — Bruichladdich Distillery (PORT CHARLOTTE)* (T-659/14, EU:T:2015:863);**
- 2. Dismisses the action brought by Instituto dos Vinhos do Douro e do Porto IP in Case T-659/14 against the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 8 July 2014 (Case R 946/2013-4);**
- 3. Orders Instituto dos Vinhos do Douro e do Porto IP to pay the costs incurred by the European Union Intellectual Property Office (EUIPO) and by Bruichladdich Distillery Co. Ltd in both sets of judicial proceedings;**
- 4. Orders the Portuguese Republic and the European Commission to bear their own respective costs.**

Ilešič

Prechal

Rosas

Toader

Jarašiūnas

Delivered in open court in Luxembourg on 14 September 2017.

A. Calot Escobar
Registrar

M. Ilešič
President of the Second Chamber