1. In the present reference for a preliminary ruling from the Cour de cassation (Court of Cassation, France), the Court of Justice is asked four questions concerning the interpretation of Article 98 of Regulation (EC) No 40/94 on the Community trade mark. As is well known, that provision concerns the prohibition on proceeding with acts which infringed or would infringe a Community trade mark, issued by a national Community trade mark court, and also the measures to ensure that that prohibition is complied with.

2. Viewed in more general terms, the present case reveals the difficulty of interpreting the provisions on jurisdiction contained in Regulation No 40/94, in particular with regard to the legal effects of decisions finding infringement or threatened infringement of a Community trade mark. In essence, the question raised is whether, when adjudicating on the claims of the parties, a national Community trade mark court adopts decisions, including ancillary measures, which have effect throughout the entire area of the European Union or are limited to one or more Member States.

I — Legal context

3. Regulation No 40/94 established a common Community trade mark system for the purpose of granting a uniform intellectual property right throughout the entire area of the European Union. In order to ensure uniformity, the regulation provides for a right which is effective throughout the entire area of the European Union, while creating a specialist jurisdiction entrusted to the courts of the Member States.

4. In 2009, Council Regulation (EC) No 207/2009 on the Community trade mark was adopted, codifying the provisions in the area of Community trade marks then in force. For the purposes of the present case, and since the relevant events occurred before the new regulation entered into force, I shall refer throughout this Opinion only to Regulation No 40/94.

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1 — Original language: Spanish.
5. The 15th and 16th recitals in the preamble to Regulation No 40/94 express the importance not only of the uniform character of the right, but also of the uniform character of the effects of the decisions of the Community trade mark courts:

Whereas decisions regarding the validity and infringement of Community trade marks must have effect and cover the entire area of the Community, as this is the only way of preventing inconsistent decisions on the part of the courts and the Office and of ensuring that the unitary character of Community trade marks is not undermined; whereas the rules contained in the Brussels Convention [on] Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters will apply to all actions at law relating to Community trade marks, save where this Regulation derogates from those rules;

6. In the provisions of the regulation, Article 1(2) confirms the uniform character of the protection which a Community trade mark confers on its proprietor:

‘Whereas decisions regarding the validity and infringement of Community trade marks must have effect and cover the entire area of the Community, as this is the only way of preventing inconsistent decisions on the part of the courts and the Office and of ensuring that the unitary character of Community trade marks is not undermined; whereas the rules contained in the Brussels Convention [on] Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters will apply to all actions at law relating to Community trade marks, save where this Regulation derogates from those rules;

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

7. Where a Community trade mark court finds that there has been infringement or threatened infringement of a trade mark, Article 98 of Regulation No 40/94 provides for a prohibition to be issued, in addition to the adoption of other supplementary measures, as follows:

Whereas contradictory judgments should be avoided in actions which involve the same acts and the same parties and which are brought on the basis of a Community trade mark and parallel national trade marks; whereas for this purpose, when the actions are brought in the same Member State, the way in which this is to be achieved is a matter for national procedural rules, which are not prejudiced by this Regulation, whilst when the actions are brought in different Member States, provisions

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

2. In all other respects the Community trade mark court shall apply the law of the Member State [in] which the acts of infringement or threatened infringement were committed, including the private international law.

8. Lastly, Article 11 of Directive 2004/48/EC on the enforcement of intellectual property rights 4 expressly lays down harmonised rules in respect of the measures that may be adopted by the national courts finding infringement:

‘Injunctions

Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC.

II — Facts and national procedure

9. Chronopost has been the proprietor of the French and Community trade marks ‘WEB-SHIPPING’ since 27 April and 28 October 2000 respectively. The registration covers various services relating to logistics and data transmission, in particular, services for the collection and delivery of mail.

10. After the trade marks referred to had been registered, DHL International, the predecessor in law of DHL Express France, used the words ‘web shipping’ and ‘webshipping’ in order to designate an express mail management service accessible in particular via the internet.

11. On 9 November 2007, the Tribunal de grande instance de Paris (Regional Court, Paris) gave judgment in the action brought by Chronopost against DHL Express France for infringement of the Community trade mark.

That court acted as a Community trade mark court, finding in favour of the applicant by holding that there had been trade-mark infringement. Similarly, the court prohibited DHL Express France from proceeding with the acts constituting the infringement and attached a periodic penalty payment to that prohibition.

12. An appeal was brought against the decision of the Tribunal de grande instance, and the Cour d'appel de Paris (Court of Appeal, Paris), acting as a Community trade mark court of second instance, upheld the judgment under appeal. However, the Cour d'appel de Paris did not allow Chronopost's claim that the prohibition on DHL Express France should be extended to the entire area of the Community. Therefore, the judgment on appeal upheld the limitation of the effects of the prohibition exclusively to French territory.

13. DHL Express France brought an appeal in cassation before the Cour de cassation against the judgment of the Cour d'appel de Paris, that appeal being dismissed. Chronopost, for its part, lodged a cross-appeal concerning the territorial scope of the prohibition and the periodic penalty payment.

14. On the basis of the arguments put forward by Chronopost, the Cour de cassation considered that the question raised required interpretation by the Court of Justice, which thereby gave grounds for the present reference for a preliminary ruling.

III — The reference for a preliminary ruling and the procedure before the Court of Justice

15. On 29 June 2009, the reference for a preliminary ruling was lodged at the Court Registry, containing the following questions:

‘(1) Must Article 98 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark be interpreted as meaning that the prohibition issued by a Community trade mark court has effect as a matter of law throughout the entire area of the Community?

(2) If not, is that court entitled to apply specifically that prohibition to the territories of other States in which the acts of infringement are committed or threatened?

(3) In either case, are the coercive measures which the court, by application of its national law, has attached to the prohibition issued by it applicable within the territories of the Member States in which that prohibition would have effect?

(4) In the contrary case, may that court order such a coercive measure, similar to or different from that which it adopts pursuant to its national law, by application of the national laws of the States in which that prohibition would have effect?’
16. In addition to Chronopost, the French, German, United Kingdom and Netherlands Governments, and also the Commission, submitted observations within the time-limit indicated in Article 23 of the Statute of the Court of Justice.

17. The hearing, in which the representative of Chronopost took part, in addition to the Agents of the French and German Governments, and of the Commission, was held on 30 June 2010.

IV — Introduction: the Community trade mark courts as special courts of the European Union integrated into the legal order of the Member States

18. First of all, in order to resolve the present case, it is necessary to describe briefly the judicial model in respect of the Community trade mark laid down by Regulation No 40/94, and also the objectives pursued by that regulation through the creation of a supranational industrial property right.

19. As has been seen, Regulation No 40/94 introduces a distinct legal system for the Community trade mark including the creation of a system of specialised jurisdiction, albeit divided, as it were, into two tiers. The first tier comprises, first of all, the Office for Harmonisation in the Internal Market (OHIM), which is not a court, against whose decisions an appeal may be brought before the General Court and, as the case may be, the Court of Justice. The specific task of those bodies is, in essence, to assess the legality of OHIM’s decisions concerning the registration of a Community trade mark. The second tier consists in the courts of the Member States, which have jurisdiction to decide infringement actions that may be brought by the proprietors of a Community trade mark. In short, while OHIM and the Courts of the European Union decide vertical actions brought between a private party and the administration responsible for registering Community trade marks, the national courts enjoy full jurisdiction in respect of horizontal actions brought between private parties.

20. It should be emphasised that the national courts act specifically as Community trade mark courts. In this instance, the national courts do not perform tasks as an ordinary court of the European Union, which they already carry out by applying European Union law in the context of ordinary proceedings.

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5 — See, in particular, Titles III and VII and also Article 125 et seq. of Regulation No 40/94.
6 — See, in particular, Article 91 of Regulation No 40/94.
7 — On the structure of the division of jurisdiction in the field of Community trade marks, and also for a constructive critique thereof, see points 60 to 69 of the Opinion of Advocate General Ruiz-Jarabo Colomer in Case C-206/04 P Mülhens v OHIM [2006] ECR I-2717.
brought before them. The function of a national court acting as a Community trade mark court is different from its role as a court of the European Union, although both obviously have points in common. Unlike in the conventional context involving the judicial application of European Union law, a Community trade mark dispute converts the national court into a *special court of the Union*, constituted in order to safeguard the rights arising from a *specific European Union* property right, as part of a system of European Union jurisdiction which the Member States must ensure functions properly. 8

22. It may be stated that, by means of such jurisdiction, the national Community trade mark courts, as special courts of the European Union, ensure that the following objectives are achieved.

23. First, the Community trade mark courts ensure the uniform nature of the substantive rules on the Community trade mark, understood as a common and autonomous legal framework whereby a European Union intellectual property right may be established, granted and possibly extinguished; that right coexists alongside other property rights, national trade marks, which are valid only in the territory of each Member State. 9 Regulation No 40/94 refers to that concept as 'the principle of the unitary character of the Community trade mark'. 10

24. Second, the Community trade mark courts ensure the uniform judicial protection of Community trade marks. By converting national courts into special courts of the European Union with procedural rules having primacy and direct effect, together with rules on jurisdiction which determine specifically

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9 — The second recital in the preamble to Regulation No 40/94 expresses this most clearly: ‘such action involves the creation of Community arrangements for trade marks whereby undertakings can by means of one procedural system obtain Community trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Community’.

10 — See the first sentence of Article 1(2) of Regulation No 40/94 which states that ‘[a] Community trade mark shall have a unitary character’.
the body entrusted with deciding the dispute, Regulation No 40/94 attaches particular importance to the judicial protection of the rights of a proprietor. In any event, Regulation No 40/94 seeks to avoid a multitude of adjudicating bodies which would make it difficult to achieve a uniform solution and thus to some extent undermine legal certainty. \(^{11}\)

25. Lastly, of particular concern in the present case, the national Community trade mark courts must ensure the efficiency and the effectiveness of the substantive and procedural rules. For Community trade marks do not exist in a vacuum. On the contrary, a Community trade mark is characterised by its practical usefulness in conferring protection on professionals and undertakings which lawfully create and use signs in their economic activity. A fragmented Community trade mark, with disparate rules among the Member States and likely to encourage disputes in different national courts, would be a very unattractive intellectual property right, which might ultimately be more costly for its proprietor than the establishment of a number of national marks. Therefore, one of the aims of Regulation No 40/94 is that the Community trade mark should confer on its proprietor an effective title, which may be used or defended without entailing an excessive economic burden.

26. In short, the rules on jurisdiction contained in Articles 92 to 96 of Regulation No 40/94 form an integral part of a system in which the national courts act as special courts of the European Union, called on to apply those rules in order to ensure the uniform character of a trade mark, as well as its protection, without entailing excessive cost for those relying on them.

27. In the light of the foregoing, it is now possible to set out and address the answer which, in my estimation, should be given to the questions raised by the Cour de cassation in the present reference for a preliminary ruling. First, however, it is necessary to consider Article 98 of Regulation No 40/94, the provisions of which set out the prohibitions and ancillary measures which a Community trade mark court may adopt, and with which, ultimately, the questions raised by the Cour de cassation are concerned.

V — Content, functions and scope of Article 98 of Regulation No 40/94

28. Article 98(1) of Regulation No 40/94 requires that once a Community trade mark court finds that there is infringement, in terms of Article 9 thereof, it must issue an
‘order’ ‘prohibiting the [infringer] from proceeding with the acts which infringed or would infringe the Community trade mark’. Thus, the decision is one which the Community trade mark court adopts on finding that a trade mark has been infringed. The only exception provided for is where there are, as Article 98(1) states, ‘special reasons for not doing so’. Similarly, that provision enables the trade mark court to take ‘such measures … as are aimed at ensuring that this prohibition is complied with’. As has been noted, that provision raises a number of questions, most of which are the focus of the present proceedings.

29. First of all, it should be noted that, although Article 98 of Regulation No 40/94 is entitled ‘Sanctions’, these are not in fact the provision’s sole objective, which is particularly true of the first paragraph of Article 98. The principal aim of Article 98 is to regulate the measures which a Community trade mark court adopts so that the decision issuing the prohibition is effectively complied with. Unlike in most ordinary civil proceedings, where a judgment finding infringement may require enforcement after declaratory relief has been given, Article 98(1) provides that the Community trade mark court is to take such measures as are necessary to prevent and preclude future infringement. To that end, the provision draws a distinction between two categories of measures: on the one hand, prohibitions, and on the other, the measures to ensure that the prohibitions are complied with.

30. Thus, a declaratory judgment which finds that there is infringement or threatened infringement of a trade mark constitutes a premiss that is followed naturally by a prohibition. As has already been observed, a prohibition is the natural consequence as soon as an infringement has been declared. In addition, it is likely that a prohibition will be issued at the same time as the declaration of infringement, since this is the only means of ensuring that the declaratory judgment is fully effective. If that were not the case, as the Court of Justice emphasised in Nokia, ‘the objective of Article 98(1) of the regulation, which is the uniform protection, throughout the entire area of the Community, of the right conferred by the Community trade mark against the risk of infringement, would not be achieved’. The fact that the provision refers to the ‘prohibitory order’ separately, as if it were an independent decision, does not necessarily imply that the prohibition is issued separately or on a different occasion. To a certain extent, that reference may be regarded as expressing the autonomous nature of the prohibition in relation to the decision on...
the merits, the prohibition being understood as an individualised order to the defendant, which is distinguished from a declaration concerning an individual right.

31. Much the same can be said to apply to the enforcement measures referred to in Article 98. Indeed, once judgment has been given declaring that there has been infringement or threatened infringement of a Community trade mark, the court may be called on, in addition to issuing the prohibition referred to, to take measures to ensure that that prohibition is complied with. While these are optional measures which a Community trade mark court will be able to adopt if it considers them necessary, it is also true that they will very often be adopted at the same time as the declaratory judgment is given and the prohibition issued.

32. Prohibitions and enforcement measures are thus closely related. The former are, as it were, a natural and necessary consequence of a declaratory judgment, attaching to it an additional obligation not to act imposed on the party which has infringed the Community trade mark. Where a prohibition is infringed, the ancillary measure comes into play as a response to the defendant’s infringement. The function of those measures is therefore both preventive and punitive, that is to say, they are mechanisms intended, in the first place, to discourage breach of the prohibition laid down in the judgment, while at the same time, they act, where necessary, as a punitive measure.

33. In the light of the foregoing, I am now in a position to address more effectively the questions raised by the Cour de cassation. On the one hand, the first and second questions raised by the Cour de cassation are concerned with prohibitions, whereas the two remaining questions focus on the ancillary measures linked to prohibitions. Thus, although the Cour de cassation has referred four separate questions to the Court of Justice, I consider that an answer may be given in two sections, the first focussing on prohibitions and, then, the second analysing the nature of the enforcement measures and the rules for applying them.

VI — The first two questions: the territorial effects of the prohibitions issued by a Community trade mark court

34. Regulation No 40/94 establishes a uniform system, which, as has been explained above, seeks to provide a common substantive and procedural framework, coupled with measures to ensure that the system is effective. Similarly, the fact that national courts take on the role of special courts of the European Union, in terms which emphasise their powers for ensuring the uniformity of trade marks, might legitimately lead one to believe that their judgments have effect as a matter of law throughout the entire area of the European Union automatically and unconditionally.
OPINION OF MR CRUZ VILLALÓN — CASE C-235/09

35. That approach, whereby each national decision in the field of Community trade marks is converted into a decision effective throughout the entire area of the European Union, could appear to be that which is most consistent with the basic rationale of Regulation No 40/94. However, this is not the only line of interpretation possible. In fact, there is another slightly nuanced interpretation, in any event more in keeping with the objectives pursued by the regulation and which is, in my estimation, more correct.

36. As a starting point, it should be emphasised that a Community trade mark court is expressly granted jurisdiction which, in accordance with Articles 93 and 94 of Regulation No 40/94, enables it to adjudicate on acts committed in the territory of other Member States of the European Union. That rule of jurisdiction is to be explained by the objectives underlying the regulation of the Community trade mark set out above, since it seeks to ensure that a proprietor of a Community trade mark may apply to a single court, rather than a number of courts, when it becomes necessary to apply to bring acts of infringement to an end in several Member States. Therefore, once a trade mark court has jurisdiction based on Article 93 of Regulation No 40/94, its decision concerning the infringement, regardless of where this was committed, will be accompanied by a prohibition, together with the measures for ensuring that that prohibition is complied with.  

37. As a result of the foregoing, I concur with the Commission when it states that, in order to answer the question raised here, a distinction must be drawn between the effects of a declaration by a court concerning an individual right and the effects of the judgment per se. Regulation No 40/94 enables a Community trade mark court to make a declaration concerning an individual right granted by an act of secondary legislation of the European Union, which has been infringed in one or more Member States. The decision of the Community trade mark court refers, therefore, to an individual right granted by the European Union, whose judicial protection is entrusted to special national courts of the European Union. Consequently, the judicial decision concerning the individual right has, as a general rule, effect throughout the entire area of the European Union.

38. However, each dispute will be governed by the factual and legal circumstances of the case. As a result, there will be occasions when an applicant will bring proceedings only against an infringement committed in one Member State, in which case the decision will

15 — The only exception to that rule, as set out in Article 94(2) of Regulation No 40/94, is that which assumes that the jurisdiction of the Community trade mark court is based on Article 93(5) of the regulation, which provides that 'proceedings in respect of the actions and claims referred to in Article 92, with the exception of actions for a declaration of non-infringement of a Community trade mark, may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened, or in which an act within the meaning of Article 9(3), second sentence, has been committed.'

16 — See points 30 and 31 above.
be limited territorially. The same will happen when the infringement only occurs in a given number of Member States, as appears to be the case here, where the existence of confusion depends on the linguistic usage in each territory. Following that line of reasoning, if the applicant fails to specify the territorial scope of the alleged infringement, it will fall to the defendant to show that that scope is limited to a specific geographical area. Failing that, the decision of the Community trade mark court declaring that there has been infringement will normally have the same effect throughout the entire area of the European Union.

39. Accordingly, the only interpretation consistent with what I have set out above is that the territorial scope of the prohibition laid down in Article 98(1) corresponds to the scope attributed to the infringement of the individual right. Therefore, if the Community trade mark court decides to limit an infringement to a territory characterised by linguistic unity, the prohibition will also be issued in respect of the same geographical area. Otherwise, if the declaration of infringement does not contain any reference to the territorial scope, the effects of the prohibition will extend to the entire area of the European Union.

17 — In her Opinion of 30 April 2009 delivered in Case C-301/07 PAGO International [2009] ECR I-9429, Advocate General Sharpston endorsed the territorial limitation of a prohibition under Article 98 of Regulation No 40/94, although the Court of Justice did not rule on that point. The Advocate General stated at point 57 that: ‘It is seldom if ever appropriate for a court to make an order in wider terms than are necessary. Where the infringement of the trade mark is confined to a single Member State (here, Austria), it will normally be sufficient for the order prohibiting such an infringement likewise to be confined to that single Member State. I see nothing in the regulation that would preclude a competent court from making an order limited in that way.’


40. As noted above, the effects of a judgment are different from the effects conferred by the regulation on the individual right. As a decision of the national public authorities, a judgment does not automatically apply throughout the European Union, but rather has effect, as a rule, in the territory of the State in which it was given — without prejudice to the swift and effective system for the recognition of judgments laid down in Regulation (EC) No 44/2001. The declaration of the court on the substance therefore applies territorially to an area that may be greater than the State of the forum, whereas the effects of the judgment, as a judicial act adopted by a national public authority, are limited to the territory of that State and are subject to a preferential system for their recognition.

41. Therefore, in answer to the first question raised by the Cour de cassation, I consider that Article 98 of Regulation No 40/94 must be interpreted as meaning that, as a rule, a prohibition issued by a Community trade mark court has, in the absence of express provision to the contrary, effect as a matter of law throughout the entire area of the European Union. Accordingly, there is no need to answer the second question raised by the Cour de cassation.

VII — The third and fourth questions: applicable rules and the scope of the ancillary measures adopted by a Community trade mark court to ensure compliance with a prohibition

42. As will be explained below, the adoption and scope of the enforcement measures, which Article 98(1) defines as ‘measures ... aimed at ensuring that [the] prohibition is complied with’, give rise to additional difficulties. A specific question which arises is whether such measures must be treated uniformly or whether Article 98 leaves this matter to the procedural rules of each Member State. The answer to that question also determines the answer to the question of the effects of the ancillary measures, and it is significant that the Cour de cassation seeks an answer from the Court of Justice on both issues.

43. A careful reading of both the first and second paragraphs of Article 98 of Regulation No 40/94 shows that the European Union legislature envisages different types of measures. On the one hand, Article 98(1) refers to ‘measures ... aimed at ensuring that [the] prohibition is complied with’ and, on the other, Article 98(2) refers more vaguely to other measures which may in general be adopted. With regard to the first set of measures, Article 98(1) provides that the Community trade mark court is to apply ‘its national law’, whereas the other measures, alluded to in Article 98(2), are to be adopted in accordance with ‘the law of the Member State [in] which the acts of infringement or threatened infringement were committed’.

44. That difference in treatment has led the Cour de cassation to raise the third and fourth questions which are, however, both based on a common concern: is a periodic penalty payment, as an enforcement measure linked to the infringement of a prohibition, governed in all respects by the law of the forum or also by the law of the State in which the infringement occurred? In other words, is a periodic penalty payment a ‘measure ... aimed at ensuring that [the] prohibition is complied with’, and if so, is the law of the forum the ‘national law’ referred to in Article 98(1) and does it apply to all the stages of the periodic penalty payment?
45. The answer to those questions may be inferred from the Regulation and its underlying objectives, but it is also necessary to consider the particular structure and nature of periodic penalty payments.

A — The nature of periodic penalty payments in the light of Article 98(1) of Regulation 40/94

46. Periodic penalty payments, in particular in the field of trade marks, are measures which are applied in most Member States. Their purpose, as is well known, is to ensure compliance with an obligation, which in the present case means the prohibition referred to in Article 98(1) of Regulation No 40/94, which has already been considered in detail. Although it may contain specific features in each national system, in general terms a periodic penalty payment operates as a financial penalty, the amount of which will depend on the number of days which an infringement persists. The periodic penalty payments issued under Article 98(1) are applied to a defendant who disregards the prohibition contained in the judgment finding infringement.

47. It cannot, however, be denied that the periodic penalty payment is a complex instrument, which, moreover, assumes greater complexity when it has to be adopted in a cross-border context. In the simplest of terms, there are three possible stages to a periodic penalty payment, each of which is subject to separate rules although they are nevertheless interlinked. First, a periodic penalty payment is adopted, on the basis of a factual situation (the infringement of the prohibition, naturally) and a punitive legal consequence (the fine to be determined according to the duration of the infringement, normally expressed in a number of days). Second, if the prohibition is in fact infringed, the amount of the financial penalty must be quantified, applying the rule of calculation provided for to that end. Third and finally, either payment of the periodic penalty is made voluntarily or the penalty is enforced, the infringer discharging from his assets the fine imposed.

48. As may be observed, each of those stages in the application of a periodic penalty payment may be subject to different rules and procedures. That complexity is increased when the infringement contains a cross-border element, since in that case recourse is had to various legal systems which may be relevant to the periodic penalty payment at one or more of the stages referred to. This is precisely the context in which the final two questions arise, the Court of Justice being asked to clarify to what extent a prohibition, of the kind provided for in Article 98 of Regulation No 40/94, determines the territorial effects and the rules applicable to a periodic penalty payment imposed under that provision.
However, before proceeding further, two additional considerations must be addressed.

49. First, it must not be forgotten that, despite the diverse nature of the national laws on enforcement measures, the European Union legislature has introduced harmonising legislation on this issue in order to align the national rules. Article 11 of Directive 2004/48, headed ‘injunctions’, provides, in respect of national marks harmonised by that directive, that ‘[w]here provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance.’ That provision indicates that, as the directive is currently implemented, the Member States have already legislated for their courts to be able to impose periodic penalty payments, although it is true that there is nothing to prevent provision being made for (other) alternative or supplementary measures.

50. It is precisely because it is possible for the Member States to provide for supplementary measures or measures other than periodic penalty payments in their legal systems that Article 98(1) does not refer to these specifically, but makes a general reference to ‘measures aimed at ensuring that [the] prohibition is complied with’. That is the case of the United Kingdom where, as that Member State stated in its written observations, periodic penalty payments are not used and contempt of court, a measure which, as is well known, is criminal in nature, is firmly established.

51. Second, as may be inferred from all the foregoing, the measures referred to in Article 98(1) of Regulation No 40/94 are specifically and exclusively those aimed at ensuring compliance with the prohibition. In accordance with that provision, the Community trade mark court orders the infringement to be brought to an end and, if need be, adopts the appropriate measures for the sole purpose of ensuring that that order is complied with. Therefore, those are the measures which, in accordance with Article 98(1) of the regulation, are adopted in accordance with the ‘national law’, not any other measures that the court may adopt. Where other measures must be adopted, whose purpose is not, however, to ensure that the prohibition is complied with, the rule applicable is that contained in Article 98(2) of the regulation.

52. In the light of the differences in legislation between the Member States, Regulation No 40/94 rightly distinguishes between the measures to ensure compliance with the prohibition and the remaining measures which...
each national system permits where appropriate. The Commission has emphasised this point, by recourse to a literal argument which merits consideration, since it is true that the Spanish-language version of Article 98(2) begins with the words 'por otra parte' which, when considered in the light of other language versions, marks a clear dividing line between the measures in Article 98(1) and those in Article 98(2).\footnote{Although the French-language version (‘par ailleurs’) is more similar to the Spanish-language version, the German-language version (‘in Bezug auf alle andere Fragen’), the Italian-language version (‘negli altri casi’) and the English-language version (‘in all other respects’) confirm definitively that Article 98(2) refers to a different situation than that provided for in Article 98(1).} And since Article 98(2) refers to different measures, it must be concluded that it is concerned with other punitive measures in general, to be adopted once the prohibitions and measures to ensure compliance therewith in Article 98(1) have been ordered.\footnote{See also the commentary of Desantes Real, M., ‘Articulo 98’ in Casado Cerviño, Á., and Llobregat Hurtado, M.L., Comentarios a los Reglamentos sobre la Marca Comunitaria, Ed. La Ley, Madrid, 2000, p. 7. Indeed, each national system provides its own particular measures to that end, whose purpose is not to ensure compliance with the prohibition, but rather enforcement of the judgment itself. Such is the case of an order to destroy goods, an order for damages plus interest, the publication of a judgment or other measures to be carried out which are imposed on the defendant. Therefore, most often these are measures that are ordered at the same time as judgment is handed down, which, unlike periodic penalty payments, do not require a further judgment in order to quantify a specific amount.}

Tribunal de grande instance de Paris is therefore under an obligation to adopt the measure ‘in accordance with its national law’.

\section*{B — Applicable law and the effects of the ‘measures ... aimed at ensuring that [the] prohibition is complied with’}

54. Consequently, I shall now examine the precise meaning of Article 98(1) when it refers to ‘national law’, and the practical consequences of the answer which I propose to the Court of Justice.

55. After recognising that a Community trade mark court has jurisdiction to adopt measures for ensuring compliance with a prohibition, Article 98(1) of Regulation No 40/94 sets out a slightly ambiguous rule on the applicable law, referring to ‘national’ law, but without specifying which national law. Nor does Article 98(1) specify the effects of the application of national law, nor at what stage of the periodic penalty payment the national law is applied.

56. On a first analysis, one interpretation could lead to the answer that the applicable law is the \textit{lex loci delicti commissi} (law of the State where the infringement has been committed), since the preceding sentence in the
provision refers to ‘acts which infringed or would infringe the Community trade mark’. Inasmuch as a Community trade mark court can have jurisdiction, pursuant to Articles 93 and 94 of Regulation No 40/94, in respect of infringements committed in its territory and in the territory of other Member States, it could be concluded that the final sentence of Article 98(1), following on from the sentence immediately preceding it, refers the court to the law of the Member State where the infringement is committed. That interpretation would make it possible to adapt the solution to the specific features of each national legal system concerned and, should the case arise, facilitate recognition of the judgment in the Member State whose law has been applied. Nevertheless, that interpretation encounters several objections, not only derived from the case-law, but also arising from literal and substantive interpretation.

57. In *Nokia*, the Court of Justice held, albeit *obiter dicta*, that ‘the nature of the measures referred to in the second sentence of Article 98(1) of the Regulation is to be determined by the national law of the Member State of the Community trade mark court before which the action is brought, as is apparent from the specific reference made by the provision to that law’.23 It therefore follows that the law of the forum is, in principle, the law applicable for the purposes of ordering a periodic penalty payment. Nevertheless, it must also be emphasised that that judgment refers to the law applicable to the ‘nature’ of the measures, which seems to leave the question in part open.

58. Any uncertainty as to the scope of that judgment can be dispelled through a systemic argument. Thus, if the European Union legislature had intended that the law applicable to the measures ensuring compliance with a prohibition should be the same as that provided for in respect of the other measures to be adopted, Article 98(2) would be redundant, since its function is precisely one of delineation, which can only be understood if the preceding provision has laid down a different rule. Article 98(2) states very clearly that the applicable law, in addition to entailing measures other than those ensuring enforcement, is ‘the law of the Member State [in] which the acts of infringement or threatened infringement were committed, including the private international law’. The brief reference to ‘national law’ in Article 98(1) is in stark contrast to the reference in Article 98(2) to the *lex loci delicti commissi*, and it must therefore be concluded that these concern different conflict rules.

59. Lastly, it is necessary to make a further series of observations, albeit of a practical and teleological nature.

60. A system of ‘dépeçage’ intended to determine separately the law applicable to a
measure for ensuring compliance with a prohibition may encounter difficulties in practice, in particular when the measure in question is a periodic penalty payment. As has already been observed, a periodic penalty payment is both a preventive and a punitive instrument, requiring under that latter guise subsequent enforcement measures in order to quantify a fixed financial amount. In that context, the criterion of the place of the commission of the infringement is problematic, because a Community trade mark court may be faced with more than one territory: first, the territory in which the trade mark was infringed, which gave rise to the initial application for a declaration of infringement; and second, the territory in which the order prohibiting a defendant from proceeding with the acts which infringed the Community trade mark is itself infringed, which may be different from the first territory. In addition, it must be borne in mind that the court cannot know beforehand where a prohibition will be infringed, if that is what occurs, so that it would be led to envisage as many periodic penalty payments as there are Member States concerned. In the normal situation where the decision on the substance has effect throughout the entire area of the European Union, the Community trade mark court would have to adopt 27 different measures in accordance with 27 legal systems.

61. Ultimately, it follows from all the foregoing that the most correct answer is therefore obtained by identifying the ‘national law’ referred to in Article 98(1) with the law of the Community trade mark court hearing the substance of the case. In short, ‘national law’ should be understood to mean the law of the forum.

62. At this juncture, the answer to the third and fourth questions is that a Community trade mark court may intervene effectively in the territory concerned by the declaration of infringement and the attendant prohibition at the different points or stages in the application of a periodic penalty payment.

63. The first of those points is clearly when the periodic penalty payment is drawn up or ordered. As explained at point 47 above, at that first stage, a Community trade mark court draws up the periodic penalty payment in accordance with its national law. The proprietor of a trade mark will thus have a legal document, the judgment declaring that there has been infringement or threatened infringement, at the same time as an order and a rule which may have effect throughout the entire area of the European Union are issued. The order comprising the prohibition will contain a normative element in the form of the periodic penalty payment, a punitive measure intended to ensure that the prohibition is complied with.

64. The fact that a Community trade mark court draws up a periodic penalty payment does not necessarily imply that any quantification or enforcement thereof must be carried out by the same court. All the steps in the application of the periodic penalty payment will naturally take place before the same court when the prohibition is infringed in the State
65. Such an interpretation means that, where the prohibition is infringed in a Member State other than the State of the forum, the quantification and enforcement stages must be carried out in the Member State in which that infringement occurred. Thus, whereas the Community trade mark court which heard the substance of the case must, where it finds infringement, impose a penalty payment, the quantification and subsequent enforcement thereof are a matter for the court of the Member State in which the prohibition is infringed, in accordance with the rules on recognition laid down in Regulation No 44/2001.

66. It appears to me that this is the result most consistent with Article 98(1) of Regulation No 40/94, and also with the punitive nature of a periodic penalty payment. A Community trade mark court enjoys wide jurisdiction, which enables it, in accordance with Article 93 of Regulation No 40/94, to adjudicate on infringements or threatened infringements in the territory of other Member States. However, that jurisdiction is exhausted in determining that there is infringement or threatened infringement, since Regulation No 40/94 is silent regarding the jurisdiction to quantify periodic penalty payments whose triggering event (the infringement of the prohibition) occurs in a Member State other than that of the forum. Moreover, the result in question is also consistent with the nature of a periodic penalty payment, which has more of a punitive function than that of protecting a trade mark. Measures of that kind, at least in the expression of their content and methods of implementation, must adapt to the specific nature of each legal system and, therefore, the court responsible for quantifying and enforcing the periodic penalty payment will have to give effect to the original judgment by means, if necessary, of equivalent measures under its legal system which give effect to the prohibition initially issued.

67. Accordingly, the competent court of the Member State in which the prohibition has been infringed will confine itself to recognising the initial judgment of the Community trade mark court and, if its national law so permits, to applying the periodic penalty payment to the specific case. By contrast, if its national law does not provide for a measure of that kind, it will have to achieve enforcement in accordance with national provisions which ensure that the prohibition is complied with. To that end, it is important to note that those measures have been harmonised by Directive 2004/48, so that all Member States
now have, or are required to have, rules to that effect, which will give full effect — if need be by means of equivalent measures — to the periodic penalty payment.

68. Therefore, in answer to the third and fourth questions raised by the Cour de cassation, I consider that Article 98(1) of Regulation No 40/94 must be interpreted as meaning that the coercive measures imposed by a Community trade mark court in order to ensure that a prohibition is complied with have effect in the territory in which it was declared that there was infringement and in which a prohibition was therefore issued. The court of the Member State in which the prohibition has been infringed must recognise the effects of the periodic penalty payment imposed by the Community trade mark court, for the purposes of quantification and, if need be, enforcement, in accordance with the provisions of Regulation No 44/2001 and those of its domestic legal system. If its national law does not provide for a measure of that kind, it will have to achieve enforcement in accordance with national provisions which ensure that the prohibition is complied with.

VIII — Conclusion

69. In the light of the foregoing considerations, I propose that the Court should answer the questions referred by the Cour de cassation for a preliminary ruling as follows:

‘(1) In answer to the first question, Article 98(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark must be interpreted as meaning that, as a rule, a prohibition issued by a Community trade mark court has, in the absence of express provision to the contrary, effect as a matter of law throughout the entire area of the Community.
(2) In answer to the third question, Article 98(1) of Regulation No 40/94 must be interpreted as meaning that:

— the coercive measures imposed by a Community trade mark court in order to ensure that a prohibition is complied with have effect in the territory in which it was declared that there was infringement and in which a prohibition was therefore issued;

— the court of the Member State in which the prohibition has been infringed must recognise the effects of the periodic penalty payment imposed by the Community trade mark court, for the purposes of quantification and, if need be, enforcement, in accordance with the provisions of Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction, recognition and enforcement of judgments in civil and commercial matters and those of its domestic legal system;

— if the national law of the court of the Member State in which the prohibition has been infringed does not provide for a measure of that kind, it must achieve enforcement in accordance with national provisions which ensure that the prohibition is complied with.