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# Annual Review

2021-2022

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## Foreword

ELZABURU SLP is pleased to share with its clients, colleagues and friends its [Annual Review of European case-law in the field of industrial and intellectual property](#). It is already, hard to believe, eleven consecutive editions of a Review that has unwittingly become a reference for the evolution of the doctrine of the Court of Justice.

Although we like to remind you that the Yearbook has no other ambition than to offer a systematic overview under a common format of the most interesting judgments of European scope each year, the truth is that over time this initiative has become another hallmark that demonstrates the commitment of our Firm to its clients and to the profession as a whole.

For us, moreover, the Review reflects the collective effort of our professionals to always remain alert to the “vocation” of the Court of Justice to review, polish and delimit the major concepts in the field of copyright, trademarks, patents, designs, geographical indications, data protection or piracy.

On this occasion, [31 judgments of the Court of Justice](#) have been selected. Among them is the [Champagne judgment](#), which has given us so much satisfaction in 2022 and of which we are so proud. Sorry for bringing it up!

To all our readers, thank you very much for your continued confidence in the Review. To all those who have made it possible, the merit is yours, let's go for the next one!

Alfonso Diez de Rivera Elzaburu · [President](#)  
Mabel Klimt · [Managing Partner](#)

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# Trademarks



# 01 · Parallel imports: general doctrine, identification of goods and judgment enforcement. Judgment of the Court of Justice of 17 November 2022, HARMAN (C-175/21)

## 01 · Background

The judgment concerns a request for a preliminary ruling made by a Polish court in the context of proceedings between Harman International Industries Inc. and AB S.A. for infringement of the EU trademarks JBL and HARMAN.

Harman, an international group that manufactures speakers, headphones and audio systems, brought an action to prevent the sale of its products in Poland by AB because they had been acquired from a supplier other than the distributor authorized by the plaintiff for that market.

The action sought to prohibit AB, in general, from introducing or putting on the market, importing, offering, advertising and stocking, for those purposes, speakers and headphones and their packaging bearing the plaintiff's marks which had not previously been placed on the market within the European Economic Area (EEA) by Harman or with its consent. Moreover, Harman requested that the court order AB to withdraw from the market and destroy those goods and their packaging.

In its defence, AB relied on the principle of exhaustion of the rights conferred by the trademark and invoked, in essence, the assurance received from its supplier that the importation of the goods onto the Polish market did not infringe Harman's trademarks as they had been placed on the market in the EEA by Harman or with its consent.

The referring court noted that the systems for marking the goods used by Harman are not always sufficient to identify the destination market of each product. In order to determine with certainty whether a specific product was destined for the EEA market, it would be necessary to have access to a database belonging to Harman.

According to the referring court, AB could theoretically approach its supplier to seek information concerning the identity of the operators with involvement upstream in the distribution chain. However, it considered that since suppliers are usually unwilling to divulge their supply sources in order not to lose sales, it is unlikely that AB would be able to obtain this kind of information.

The problem underlying the question referred for a preliminary ruling stems from the practice of the Polish courts of including, in the operative part of their judgments upholding actions for infringement of an EU trademark, a reference to *'goods which have not previously been put on the market in the EEA by the plaintiff (the proprietor of the EU trademark) or with its consent'*. That wording does not make it possible, at the stage of enforcement proceedings, to identify the goods covered by those proceedings, with respect to the goods covered by the exception relating to the exhaustion of the rights conferred by the trademark. Consequently, the operative part of those judgments does not in fact differ from the general obligation that already follows from the provisions of law. And in the enforcement proceedings, the defendant appears to have more limited possibilities of defence.

The Court of Justice considers that by its sole question, the referring court is essentially asking whether Article 15(1) [of Regulation 2017/1001](#), read in conjunction with the second sentence of Article 36 [TFEU](#), Article 47 of the [Charter of Fundamental Rights](#) and [Directive 2004/48](#), must

be interpreted as precluding a judicial practice according to which the operative part of the judgment upholding an action for infringement of an EU trademark is drafted in terms which, because of their general nature, leave it to the authority with competence to enforce that judgment to determine to which goods that judgment applies.

## 02 · Findings

The judgment begins by stating that the question referred should be understood as comprising three parts. The first part concerns the exhaustion of the rights conferred by the EU trademark and the requirements arising from the protection of the free movement of goods. The second part concerns the requirements that must be satisfied, in accordance with [Directive 2004/48](#), by all the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights. The third part concerns the obligation of the Member States, on the one hand, to establish the legal remedies necessary to ensure effective judicial protection in an area covered by EU law and, on the other hand, to guarantee the conditions for a fair trial, in accordance with Article 47 of the [Charter of Fundamental Rights](#).

With regard to the first part of the question, the CJ offers an exhaustive review of the case-law on parallel imports and the exhaustion of trademark rights, and the requirements and limitations. The judgment recalls that exhaustion is only within the Community and not international, that there must be express consent and it recalls the rules governing the burden of proof and changes to those rules where there is an exclusive distribution system.

According to the judgment, it follows from Article 15(1) of [Regulation 2017/1001](#), read in the light of Article 36 [TFEU](#) and the case-law of the Court of Justice cited in paragraphs 38 to 40 of the judgment, that a trader facing an infringement action brought by the proprietor of an EU trademark has the right, for purposes of defence, to allege and prove that the goods bearing that trademark referred to in the infringement action, were placed on the market in the EEA by that proprietor or with the proprietor's consent. That trader must also be able to benefit from a reversal, in its favour, of the burden of proof where the conditions established in the case-law of the Court of Justice in that regard are met. However, the judgment adds that the trademark proprietor is not obliged to adopt a marking system for its products that makes it possible to determine, with respect to each product, whether it was destined for the EEA market.

As for the second part of the question, the CJ recalls that any national procedure relating to an action for infringement of an EU trademark must comply with the provisions of [Directive 2004/48](#), but that the procedural aspect that is the specific object of the referring court's question in this case is not governed by Directive 2004/48, as said directive does not contain any provision concerning the formulation of the operative part of judicial decisions relating to trademark infringement actions. This question therefore falls within the scope of application of the principle of procedural autonomy, subject to the following.

The third part of the question is dedicated by the CJ to examining whether the fact that, at the enforcement stage, the defendant has, under national law, 'limited' legal remedies and procedural guarantees is contrary to the requirements of effective judicial protection imposed by EU law and, consequently, to the unity and effectiveness of that law.

In this regard, the judgment offers a precise review of the existing case-law on the right to effective judicial protection, the principle of equality of arms, the right of defence, the principle

of equivalence, the principle of effectiveness and the principle of legal certainty and the proper conduct of the proceedings.

For the CJ, a trader that holds goods bearing an EU trademark placed on the market in the EEA by the proprietor of that trademark or with said proprietor's consent, derives rights under the free movement of goods, guaranteed by Article 34 [TFEU](#) and Article 36 TFEU and Article 15(1) of Regulation 2017/1001, which the national courts must safeguard.

However, with regard to the principle of procedural autonomy, EU law cannot preclude a judicial practice whereby the operative part of a decision upholding an action for infringement of an EU trademark is drafted in general terms, provided that effective judicial protection is available to the defendant.

Therefore, if the national court is required to designate, in the operative part of its decisions upholding an action for infringement of an EU trademark, by means of a general formulation, the goods which were not previously put on the market in the EEA by the trademark proprietor or with its consent, the defendant should, at the enforcement stage, be afforded all the guarantees of a fair hearing in order to be able to effectively contest the existence of an infringement or threat of an infringement of the trademark proprietor's exclusive rights and challenge the seizure of those goods in respect of which the trademark proprietor's exclusive rights have been exhausted and which may therefore freely circulate within the EEA.

With regard to the circumstance pointed out by the referring court that, without access to Harmann's databases, it is not objectively possible for AB to demonstrate that the goods it purchased had been placed on the market in the EEA by Harmann or with its consent, it may be necessary, even where no exclusive distribution is found to exist, for the competent enforcement authority or, as the case may be, the court with jurisdiction to rule on appeals brought against the acts of that authority, to reverse the burden of proof, to the extent that the authority or court finds, depending on the specific circumstances relating to the marketing of the goods in question, that the rule on the burden of proof, recalled in paragraph 50 of the judgment, is liable to allow the trademark proprietor to partition national markets and thus help to maintain price differences which may exist between Member States.

In the light of all the above considerations, the judgment responds to the question referred for a preliminary ruling, indicating that Article 15(1) of [Regulation 2017/1001](#), read in conjunction with the second sentence of Article 36 [TFEU](#), Article 47 of the [Charter of Fundamental Rights](#) and [Directive 2004/48](#), must be interpreted as not precluding a judicial practice by which the operative part of the decision upholding an action for infringement of an EU trademark is drafted in terms which, due to their general nature, leaves it to the authority competent to enforce that decision to determine the goods to which that decision applies, provided that, in the context of the enforcement procedure, the defendant is permitted to challenge the determination of the goods covered by that procedure and that a court may examine and decide, in accordance with the provisions of Directive 2004/48, which goods have in fact been placed on the market in the EEA by the trademark proprietor or with its consent.

### 03 · Remarks

A practice of the Polish courts, which does not seem likely to occur in Spain, serves as a pretext for the Court of Justice to provide an exhaustive review of its case-law on the subject not only of parallel imports but also of the fundamental principles of any judicial process.

The underlying issue in this case, however, is the same as in any case of parallel imports: proving whether the goods were put on the market in the EEA by the trademark proprietor or with its consent, that is, whether or not they were originally intended for the European market.

The practice of the Polish courts, where there is a possibility for the court to convict for trademark infringement on the basis of a generic statement, but without specifying to which goods it applies, appears to relieve the trademark proprietor of any burden of proof. And by postponing the determination of the scope of the conviction to the enforcement stage, the defendant is prevented from articulating its defence due to the limited possibilities for proof provided for in Polish law at that stage. All of this in the context of the difficulties concerning proof that this case presents given the absence of a marking system for the plaintiff's product indicating the destination.

The Court of Justice, in such a thorny area as reconciling the rights of trademark proprietors with the essential principle of the free movement of goods within the European Union, adopts a somewhat eclectic position: there is nothing objectionable from the standpoint of EU law with regard to this kind of judicial ruling, since the operative part of judgments is a matter of national procedure. However, this is provided that in the enforcement proceedings, the specific scope of the conviction can be established on the basis of evidence in relation to those goods that have actually been put on the market in the EEA by the trademark proprietor or with its consent.

**Enrique ARMIJO**



# 02

Parallel import of a generic medicinal product which has been repackaged in new packaging bearing the trademark of the reference medicinal product. Judgment of the Court of Justice of 17 November 2022, Impexeco ([C-253/20](#) and [C-254/20](#))

## 01 · Background

The pharmaceutical company Novartis markets a medicinal product under the trademark FEMARA in the Netherlands and Belgium. Sandoz (a division of Novartis) markets that same medicinal product, but in generic form, under the trademark LETROZOL SANDOZ, also in the Netherlands and Belgium.

Impexeco, a company engaged in the parallel trade in medicinal products, imported the generic medicinal product LETROZOL SANDOZ from the Netherlands and started marketing it in Belgium with new packaging to which it had affixed the trademark of the reference medicinal product, namely, the trademark FEMARA.

It should be noted that, in the Netherlands, the price of the reference medicinal product (FEMARA) and that of the generic medicinal product (LETROZOL SANDOZ) is identical, whereas in Belgium the price of the latter is significantly lower.

Novartis brought an action against Impexeco on the ground that Impexeco's conduct constituted a manifest infringement of its trademark rights.

In its defence, Impexeco invoked case-law of the CJ (*Upjohn* [C-379/97](#)) and argued that Novartis' opposition to its conduct described above constituted an obstacle to intra-Community trade which led to an artificial partitioning of the markets between Member States, given that, in this case, both the reference medicinal product and the generic medicinal product had been placed on the market by economically-linked undertakings.

The Belgian court hearing the case decided to refer a question to the CJ for a preliminary ruling on the interpretation to be given, in a situation such as the one described above, to Articles 9(2) and 13 of [Regulation No. 207/2009](#) on the EU trademark ("the EU Trademark Regulation"); specifically, to determine whether, in a case such as the one outlined above, the trademark proprietor is or would be entitled to oppose the conduct carried out by the parallel importer described above.

## 02 · Findings

The CJ's judgment joins two cases, one relating to the dispute described above, between Novartis and Impexeco, and the other, concerning the same issue, between Novartis and another company engaged in the parallel trade in medicines (PI Pharma).

The CJ begins by reviewing the extensive case-law already handed down by the Court itself on parallel imports and trademark rights, in particular that relating to the repackaging of imported medicinal products. That case-law has laid down the conditions under which the proprietor of a trademark for medicinal products may legitimately oppose the parallel importation, repackaging and marketing of those medicinal products in another Member State.

One of those conditions is that such opposition by the trademark proprietor must not contribute to the artificial partitioning of the market between the Member States. It is understood that such a condition would be met where the repackaging of the medicinal product is *objectively necessary* in order to enable the product imported in parallel to be marketed in the importing Member State.

It is precisely that condition which the defendant in this case (Impexco) denies was satisfied. In order to resolve this issue, the CJ sets out several considerations, including the following:

That the condition that the repackaging be *objectively necessary* for the product imported in parallel to be marketed in the importing Member State is not satisfied where the parallel importer is able to market that product under its trademark of origin, by adapting, where appropriate, the packaging to meet the market requirements of the importing Member State.

That the right of the proprietor of a trademark to oppose the marketing, under that trademark, of products repackaged by a parallel importer cannot be limited where the replacement of the trademark of origin by another trademark of the proprietor *is motivated exclusively by the pursuit of an economic advantage*, as is the case, in particular, where an economic operator seeks to take advantage of the reputation of the trademark of a reference medicinal product or to position a product in a more profitable category.

The CJ answers the question referred for a preliminary ruling by declaring that Articles 9(2) and 13 of the [EU Trademark Regulation](#) must be interpreted as meaning that the proprietor of the trademark of a reference medicinal product and the trademark of a generic medicinal product may oppose the importation and marketing in another Member State of that generic medicinal product where it has been repackaged in new packaging to which the trademark of the reference medicinal product has been affixed, unless: (a) the two medicinal products are identical in all respects (which would be the case here); and (b) the replacement of the trademark meets the requirements laid down in case-law to prevent the holder from legitimately opposing it (that is, it is *objectively necessary* in order to enable the product to be marketed in the importing Member State, which was not the case here).

### 03 · Remarks

In view of the CJ's answer, it seems that it could be admissible that a parallel importer may, provided that the conditions laid down in case-law are met, replace the trademark of the imported medicinal product with another trademark of the same proprietor. This answer is undoubtedly influenced by the CJ's judgment in the [Upjohn](#) case (cited above) which exceptionally allowed such a possibility, since in that case, there was a domestic rule in the importing Member State prohibiting the use in that Member State of the trademark used in the exporting Member State: that is, in that case, the change of the trademark was *objectively necessary* in order for the medicinal product to be marketed in the importing Member State. Generally speaking, however, in the absence of anomalous situations, such as that in the [Upjohn](#) case, it seems difficult to conceive of a situation where the replacement of the trademark of the medicinal product with a different trademark is *objectively necessary* in order for the medicinal product to be marketed in the importing Member State. As a matter of principle, the parallel importer is not entitled and should not be entitled to change the trademark of the imported product and replace it with a different trademark (even if it belongs to the same proprietor), as such conduct clearly constitutes trademark infringement.

María CADARSO

## 03 · Exhaustion of trademark rights in the case of resale of refillable products with label replacement. Judgment of the Court of Justice of 27 October 2022, SODA-CLUB (C-197/21)

### 01 · Background

The judgment concerns a request for a preliminary ruling made by a Finnish court in the context of a dispute between SodaStream and MySoda Oy in relation to an alleged infringement of the trademarks SODASTREAM and SODA-CLUB.

SodaStream is an international company that manufactures and sells carbonating machines that enable consumers to prepare sparkling water and flavoured carbonated drinks from tap water. In Finland, SodaStream markets these machines with a refillable carbon dioxide cylinder which it also sells separately. The SODASTREAM and SODA-CLUB marks are affixed on the labelling and on the aluminium body of those cylinders.

MySoda, a Finnish-based company, markets in Finland the carbon dioxide cylinders manufactured and sold initially by SodaStream, which are intended to be reused and refilled numerous times. Having received, through distributors, SodaStream carbon dioxide cylinders that consumers have returned empty, MySoda refills those cylinders, removes the label bearing the original mark and replaces it with its own labels bearing the MySoda logo, leaving visible the original mark engraved on the body of those cylinders.

SodaStream brought an action seeking a declaration that MySoda had infringed the marks SODASTREAM and SODA-CLUB in Finland, by marketing and selling refilled carbon dioxide cylinders bearing those marks without the consent of the trademark proprietors.

SodaStream claimed that this practice by MySoda substantially interferes with the rights conferred by those trademarks and gives rise to a significant likelihood of confusion on the part of the relevant public as to the origin of the carbon dioxide cylinders, creating the false impression that there is a commercial or economic relationship between SodaStream and MySoda.

SodaStream underlined, moreover, that the carbon dioxide cylinders sold on the Finnish market are not all of the same quality and do not all have the same features. Resellers who refill SodaStream branded cylinders without authorisation do not necessarily have the knowledge and experience necessary to ensure that those cylinders are used and handled safely and correctly. SodaStream cannot be held liable for damage caused by carbon dioxide cylinders refilled by those resellers.

While the referring court raised four questions, the Court of Justice considers that what is being asked, in essence, is whether (and, if so, under what conditions) the proprietor of a trademark who has put on the market in a Member State goods bearing that trademark which are intended to be reused and refilled numerous times is entitled to oppose, on the basis of Article 15(2) of [Regulation 2017/1001](#) and Article 15(2) of [Directive 2015/2436](#), further commercialisation of those goods, in that Member State, by a reseller who has refilled them and who has replaced the label bearing the original mark with another label, while leaving the original mark visible on those goods.

## 02 · Findings

The Court of Justice begins by recalling that the specific purpose of trademark rights is above all to guarantee to the proprietor of a trademark the right to use the trademark for the purpose of putting a product into circulation for the first time and thus to protect against competitors wishing to take advantage of the status and reputation of the trademark by selling goods unlawfully bearing that trademark.

In order to determine the precise extent of this right conferred exclusively on the trademark proprietor, it is necessary to take account of the essential function of the trademark, which is to guarantee the identity of the origin of the product designated by the trademark to the consumer or end user, by enabling him to distinguish that product from products having another origin, without any possibility of confusion.

Therefore, the question as to whether the trademark proprietor may oppose further commercialisation of goods bearing his trademark and, in particular, the measures adopted by the reseller in connection with the removal of the original labels and the affixing of new labels on those goods while leaving an original mark visible, must be examined in the light of the legitimate interests of the trademark proprietor, in particular, that relating to the protection of the essential function of the trademark, which is to guarantee the identity of the origin of the product designated by that trademark to the consumer or end user.

The judgment recalls that according to the case law of the Court of Justice, the sale of a refillable gas cylinder by the proprietor of the trademarks affixed to the cylinder exhausts the rights that the proprietor obtains from the registration of those marks and transfers to the purchaser the right to use that cylinder freely, including the right to exchange it or to have it refilled by a company of its choosing. The corollary of that right of the purchaser is the right of the competitors of the proprietor of the trademarks affixed on the cylinder to refill and exchange the empty cylinders.

However, the reseller's activity consisting of refilling the cylinders in question, which were returned empty by consumers, and affixing its own labels on them after having removed the labels with the original marks, while leaving the original mark visible on the cylinders, may fall within the scope of application of Article 15(2) of [Regulation 2017/1001](#) and Article 15(2) of [Directive 2015/2436](#), according to which, the limit of exhaustion of the right shall not apply where there are legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.

In the context of parallel imports of repackaged pharmaceutical products, the Court of Justice has drawn up a list of conditions intended to provide a framework for the existence of such reasons in that specific context. In the context closest to that in the main proceedings, the Court of Justice has already held that such a legitimate reason also exists where the use by a third party of a sign identical with or similar to a trademark seriously damages the reputation of that mark, or where that use is made in such a way as to give the impression that there is an economic link between the proprietor of the trademark and that third party, and in particular that the third party is affiliated to the trademark proprietor's distribution network or that there is a special relationship between the two parties.

It follows that an erroneous impression that may arise among consumers regarding the existence of an economic link between the trademark proprietor and a reseller is one of the legitimate

reasons for which the trademark proprietor may oppose further commercialisation by a reseller of the goods bearing his trademark, in particular, when the reseller removes the label bearing the original mark and affixes his own mark on that product, while leaving visible an original mark engraved on the product.

In assessing whether there is such an erroneous impression, account must be taken of all the circumstances relating to the reseller's activity, such as the manner in which the cylinders are presented to consumers after re-labelling and the conditions under which they are sold, in particular, the refilling practices for those cylinders that exist in the sector in question.

Although it is for the referring national court to assess whether there is an erroneous impression regarding the economic link between the proprietors of the marks and the reseller who has refilled the cylinders at issue in the main proceedings, the Court of Justice may, nevertheless, provide the referring national court with all such elements of interpretation of EU law as may be useful to it.

On this point, the Court of Justice notes, first of all, that the scope of the information appearing on the new labels is of considerable importance. Indeed, the overall impression produced by the new labelling must be assessed in order to determine whether the information concerning the trademark proprietor who manufactured the cylinder and the information concerning the reseller who carried out the refilling are clear and unambiguous to a reasonably well-informed and reasonably observant consumer.

All of that information, presented by means of the new labelling, must not lead to the belief, in particular, that there is an economic link between the reseller who refilled the cylinder and the proprietor of the original mark.

Secondly, in order to assess the impression given by the new labelling, attention must also be paid to the practices in the sector concerned and to the question of whether consumers are used to cylinders being refilled by operators other than the proprietor of the original mark.

In this regard, the fact that the product in question is composed of a cylinder intended to be reused and refilled numerous times, as well as its contents, may be relevant in determining whether there may be such an erroneous impression on consumers. Admittedly, account should be taken of the fact that, given the functional relationship between a cylinder and its contents, it is possible that the general public will consider that both normally have the same commercial origin. However, even if it is impossible to use compressed or liquefied gases independently of the metal containers holding them and that type of cylinder can, as such, be considered packaging, those cylinders, insofar as they are intended to be reused and refilled numerous times, in line with the idea of recycling, will not necessarily be perceived as having the same commercial origin as the gas they contain.

With regard, in particular, to the conditions for the refilling of empty cylinders, it must be presumed that a consumer who goes directly to an operator other than the proprietor of the original mark to refill an empty cylinder or exchange it for a refilled cylinder will be in a better position to know that there is no economic link between that operator and the trademark proprietor.

In the case at hand, as is clear from the order for reference and from the written observations of the parties to the main proceedings, neither the proprietors of the original marks nor the reseller offer their carbon dioxide cylinders directly to consumers, given that those cylinders are only available for sale in the establishments of distributors.

The lack of direct contact with the reseller may give rise to a likelihood of confusion on the part of consumers with regard to the relationship between that reseller and the proprietors of the original marks. Therefore, such a situation may jeopardise the performance of the essential function of the mark, recalled in paragraph 35 of this judgment, and thus justify the application of Article 15(2) of [Directive 2015/2436](#) and Article 15(2) of [Regulation 2017/1001](#).

Thirdly, it follows from the case law of the Court of Justice that the fact that the original mark of the cylinder remains visible despite the additional labelling by the reseller constitutes a relevant factor insofar as it seems to rule out that labelling from altering the condition of the cylinders by masking their origin.

In the light of all the above considerations, the judgment responds to the questions raised by stating that Article 15(2) of Regulation 2017/1001 and Article 15(2) of Directive 2015/2436 are to be interpreted as meaning that the proprietor of a trademark who has put on the market in a Member State goods bearing that trademark which are intended to be reused and refilled numerous times is not entitled to oppose, on the basis of those provisions, further commercialisation of those goods, in that Member State, by a reseller who has refilled them and who has replaced the label bearing the original mark with another label, while leaving the original mark visible on those goods, unless that new labelling creates an erroneous impression on consumers that there is an economic link between the reseller and the trademark proprietor. This likelihood of confusion must be assessed globally in the light both of the indications on the product and on its new labelling and of the distribution practices in the sector concerned and the extent to which consumers are aware of those practices.

### 03 · Remarks

In the context of exhaustion of trademark rights when an original product is resold, this judgment from the CJ takes the abundant doctrine established to date a step further.

Applying existing case law, it was clear that the sale of a refillable gas cylinder by the proprietor of the trademarks appearing on it exhausts the exclusive rights and therefore competitors may proceed to refill and make changes to the empty cylinders. However, the replacement of one label with another may be punishable when the conditions under which the product is marketed undermine the legitimate interests of the trademark proprietor.

In interpreting that exception to the limit of exhaustion of trademark rights, the Court of Justice had only taken into account the specific characteristics of the market for pharmaceutical products. With this judgment, the Court has entered into a consideration of a different market.

The key for the judgment is to determine whether there is an erroneous impression regarding an economic link between the trademark proprietors and the reseller who has refilled the cylinders. Although it is for the national court to make such an assessment in accordance with the circumstances of the case, the judgment does not shy away from providing some parameters for interpretation.

The judgment provides some valuable criteria in this regard (the degree of clarity of the information added by the label, practices in the sector, whether or not the original mark is still visible), but it seems that it does not ultimately opt for a definitive ruling on the case in question, preferring to leave the final decision on the matter to the discretion of the national court.

María CADARSO

# 04 · Scope of destruction measure in an action for infringement of a European Union trademark, when the goods are original. Judgment of the Court of Justice of 13 October 2022, Perfumesco.pl (C-355/21)

## 01 · Background

The judgment concerns a request for a preliminary ruling made in the context of proceedings in Poland between Perfumesco.pl sp. z o.o. sp.k. and Procter & Gamble in relation to an action for the destruction of goods as a result of an alleged infringement of rights conferred by an EU trademark.

Procter & Gamble, manufacturer of HUGO BOSS perfumery products and licensee of the corresponding EU trademark, brought an infringement action against Perfumesco.pl sp. z o.o. sp. The case concerns wholesaling of perfumery products through an online store. The defendant regularly sent price lists to online sellers of cosmetics, offering for sale, in particular, samples of perfumery products bearing the HUGO BOSS trademark and the indication 'Tester'.

Prior to this, a court bailiff in Poland had seized perfumes, eau de toilette and scented water in packaging bearing the HUGO BOSS trademark which were 'testers' made available free of charge by PROCTER & GAMBLE to authorized sellers and distributors solely for the purpose of presenting and promoting cosmetics; these goods were designated by codes indicating that they were intended by the manufacturer to be placed on the market outside the EEA, and the bar codes affixed to the packaging had been removed or covered.

It was not disputed that they were original products. PROCTER & GAMBLE argued that HUGO BOSS had not consented to their being placed on the market in the EEA. There was no doubt either as to the legal definition of the offence, since it was parallel trade. This was not the issue under consideration.

The wording of a provision in Polish law only appears to permit the destruction of goods in infringement actions if the goods have been 'manufactured or marked' illegally, which was not the case: the goods concerned in the court action were illegal due to the manner in which they were placed on the market, but their manufacture and marking were original.

With this in mind, the referring court asks, in essence, whether Article 10(1) of [Directive 2004/48](#) must be interpreted as precluding the interpretation of a provision of national law according to which a protective measure consisting of the destruction of goods cannot be applied to goods which have been manufactured and to which an EU trademark has been affixed with the consent of the proprietor of that trademark, but which have been placed on the market in the EEA without the trademark proprietor's consent.

## 02 · Findings

The judgment recalls that according to the wording of Article 10(1) of [Directive 2004/48](#), Member States are under the obligation to ensure *'that the competent judicial authorities may order, at the request of the applicant, that appropriate measures be taken with regard to goods that they have found to be infringing an intellectual property right'*. These measures include the measure laid down in Article 10(1)(c), namely, the destruction of goods.

In the opinion of the Court of Justice, it follows from that article that that provision does not limit the application of the corrective measures for which it provides to certain types of infringement of an intellectual property right. Moreover, pursuant to Article 10(3) of the Directive, interpreted in the light of recital 17 thereof, in considering a request for corrective measures account must be taken of the need for the measures ordered to be proportionate to the seriousness of the infringement, and of the interests of third parties. It is therefore for the competent judicial authorities to decide on the measure to be adopted in each specific case.

The judgment adds that this interpretation of Article 10 of Directive 2004/48 is in line with the provisions, at international level, of Article 46 of the [TRIPS Agreement](#), according to which the judicial authorities may *'order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce'*. Thus, Article 46 does not limit its scope of application to a specific category of infringement of intellectual property rights. On the contrary, given its very general wording, it refers to all goods found to be infringing, in any way, an intellectual property right.

Furthermore, the Court of Justice recalls that Directive 2004/48 establishes a minimum standard for the enforcement of intellectual property rights and does not prevent Member States from providing for more protective measures. On the other hand, Member States may not provide for less protective measures, in particular by restricting the application of the measures provided for in that Directive to certain types of infringement of intellectual property rights.

In light of these considerations, the judgment responds to the question raised by declaring that Article 10(1) of [Directive 2004/48](#) must be interpreted as precluding the interpretation of a provision of national law according to which a protective measure consisting of the destruction of goods cannot be applied to goods which have been manufactured and to which an EU trademark has been affixed with the consent of the proprietor of that EU trademark, but which have been placed on the market in the EEA without the EU trademark proprietor's consent.

### 03 · Remarks

It is, to say the least, curious to note how the wording of a legal provision can justify the referral of questions for a preliminary ruling in matters that seem to be completely clear.

The measure of removal in the case of infringement of trademark rights undoubtedly includes the destruction of the goods concerned in the action. However, if a rule makes destruction a measure that is tied to the 'manufacture' of the illegal goods, this defective wording can ultimately lead to the case being referred to the Court of Justice, after several years of litigation, because there are cases, such as parallel imports, where the goods have been manufactured lawfully but their placing on the market is unlawful.

As the judgment rightly points out, measures to end infringement apply to infringements of trademark rights irrespective of the type of infringement concerned. In this case, the goods were 'illegal' not due to their origin but their destination; not because they had been manufactured without the consent of the trademark proprietor but because there was no consent for their subsequent placing on the market.

Ana SANZ



## 05

## International jurisdiction over a counterclaim for invalidity of a European Union trademark, when the complainant withdraws the main infringement action. Judgment of the Court of Justice of 13 October 2022, *Gemeinde Bodman-Ludwigshafen (C-256/21)*

### 01 · Background

The judgment concerns a request for a preliminary ruling made by a German court in the context of trademark infringement proceedings brought by KP, as owner of the European Union word mark ‘Apfelzügle’, against TV, owner of a fruit farm. It was not disputed by the parties that the term ‘Apfelzügle’ denotes a vehicle designed for the harvesting of apples, consisting of several trailers pulled by a tractor.

The defendant filed a counterclaim for a declaration of invalidity against the mark under Article 59(1)(a) of [Regulation 2017/1001](#) in relation to Article 7(1)(b), (c) and (d). At the hearing, KP withdrew the infringement action, with the defendant maintaining its counterclaim for a declaration of invalidity.

Bearing in mind that the jurisdiction of an EU trademark court to declare a European Union trademark invalid, rather than the EUIPO, is reserved to the case of a counterclaim to an infringement action, the German court asks whether Article 124(d) and Article 128 of [Regulation 2017/1001](#) are to be interpreted as meaning that the EU trademark court retains jurisdiction to rule on the invalidity of a European Union trademark, asserted by way of a counterclaim in accordance with Article 128 of Regulation 2017/1001, even after the action for infringement of that trademark has been validly withdrawn, in accordance with Article 124(a).

### 02 · Findings

The CJ begins by noting that it follows from the case-law relating to the system created by the [Brussels Convention](#) of 27 September 1968 on jurisdiction and the enforcement of judgments in civil and commercial matters, as amended and subsequently reproduced first by [Council Regulation \(EC\) No. 44/2001](#) of 22 December 2000, on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, and then by [Regulation No. 1215/2012](#), that a counterclaim is not indissociable from a mere defence. Even though it was brought in proceedings initiated by means of another legal remedy, it is a separate and self-standing claim, the procedural treatment of which is independent of the main claim and which can therefore be proceeded with even if the claims of the main claimant are dismissed.

In this regard, it should be considered that the concept of ‘counterclaim’ is to be understood as a legal remedy which, admittedly, is conditional on the filing of an action for trademark infringement and which is, consequently, linked to that infringement action. However, this legal remedy is intended to extend the subject matter of the dispute and to have a claim recognised which is separate and independent from the main claim, in particular in order to have the trademark in question declared invalid.

Thus, since it involves an extension of the subject matter of the dispute and notwithstanding that link between the main action and the counterclaim, the latter becomes independent of the former and continues to exist in the event that the main action is withdrawn. The counterclaim can therefore be distinguished from a mere defence and its outcome does not

depend on the outcome of the trademark infringement action on the occasion of which the counterclaim was brought.

Secondly, the judgment clarifies that while the Regulation reserves exclusive jurisdiction to the EUIPO over the registration of EU trademarks and opposition to the registration of EU trademarks, this is not the case with regard to the validity of those marks. The Regulation opts, as a rule, for the centralised handling of applications for a declaration of invalidity or for revocation at the EUIPO, but that rule is tempered and jurisdiction to declare an EU trademark invalid or revoke an EU trademark is shared, pursuant to Articles 63 and 124 of [Regulation No. 2017/1001](#), between the EU trademark courts designated by the Member States, in accordance with Article 123(1) of that Regulation, and the EUIPO.

In this regard, given the doubts expressed by the referring court concerning the exact scope of that division of jurisdiction, the judgment also emphasises that the jurisdiction conferred on those trademark courts constitutes the direct application of a rule conferring jurisdiction laid down in Regulation No. 2017/1001 and cannot therefore be considered to constitute an 'exception' to the EUIPO's jurisdiction in the matter.

Moreover, the jurisdictions in question are exercised in accordance with the principle of priority of the body seized of the matter. Indeed, according to Article 132(1) and the first sentence of Article 132(2) of [Regulation No. 2017/1001](#), '*unless there are special grounds for continuing the hearing*', it is the body first seized of a dispute relating to the validity of an EU trademark which has jurisdiction in the matter.

The same applies to the situation referred to in the second sentence of Article 132(2) of said Regulation. The EU trademark court is obliged to stay the proceedings pending before it only if an application for revocation or for a declaration of invalidity of the EU trademark in question had already been filed with the EUIPO prior to the filing of the counterclaim, in accordance with Article 128(4) of that Regulation.

The judgment recalls that decisions on the validity of an EU trademark have *erga omnes* effect throughout the EU, whether they come from the EUIPO or are issued in a counterclaim brought before an EU trademark court.

That *erga omnes* effect is confirmed in Article 128(6) of said Regulation, which provides that the EU trademark courts must send a copy of the decision which has become final on a counterclaim for revocation or for a declaration of invalidity of an EU trademark to the EUIPO, which must enter said decision in the register and adopt the necessary measures to comply with its operative part.

By contrast, decisions handed down by the EU trademark courts in trademark infringement proceedings only have effect *inter partes*, and therefore, once they have become final, they are binding only on the parties to those proceedings.

In the light of the specificities of the scheme governing counterclaims, the Court considers that the owner of the EU trademark could, by withdrawing its trademark infringement action, deprive an EU trademark court of the possibility of ruling on the counterclaim for a declaration of invalidity brought in the context of that action, which would be effectively disregarding the scope of the jurisdiction that the legislature intended to confer on the EU trademark courts. It therefore follows from the general scheme of [Regulation No. 2017/1001](#) that such a claim continues to exist in the event that the main action is withdrawn.

The judgment underlines that an EU trademark court must be able to rule on the claim brought by the defendant in an infringement action by means of a counterclaim for a declaration of invalidity of the EU trademark in question, notwithstanding the withdrawal of the main action. Moreover, it highlights that it would be contrary to the principle of procedural economy to oblige the party who brought a counterclaim to initiate proceedings before the EUIPO in the event of withdrawal by the main claimant in order to ensure that he or she no longer has to defend himself or herself against the main claimant in the future.

In light of all the above considerations, the Court responds to the question referred for a preliminary ruling by stating that Article 124(a) and (d) and Article 128 of [Regulation No. 2017/1001](#) must be interpreted as meaning that an EU trademark court hearing an infringement action based on an EU trademark the validity of which is contested by means of a counterclaim for a declaration of invalidity, still has jurisdiction to rule on the validity of that trademark, notwithstanding the withdrawal of the main action.

### 03 · Remarks

Bringing an action for infringement of a European Union trademark has its risks. If the mark is vulnerable in terms of its validity, the owner is exposed to the risk of the defendant filing a counterclaim seeking a declaration of invalidity. Faced with this means of defence, there is no question of backing down, withdrawing the action and expecting the proceedings to end.

If the defendant persists in pursuing a declaration of invalidity in the proceedings, the EU Trademark Court retains jurisdiction to rule on the counterclaim, even if the complainant withdraws the infringement action. In the opinion of the CJ, the national court does not lose its jurisdiction and may rule on the counterclaim. It is not necessary for the defendant to bring an invalidity action before the EUIPO.

It is curious how the CJ, in applying the EU Trademark Regulation, confirms, for different reasons, elementary rules of national procedural law. In Spain, a case of this nature would have followed the principle of “*perpetuatio iurisdictionis*”, in accordance with which it is assumed that the factual and legal circumstances that determined the initial jurisdiction of a court over a case (that is, over the claim and the counterclaim) remain unchanged during the course of the proceedings, even if they in fact change (as occurs if the complainant withdraws the action).

Ana SANZ

## 06 · Generational conflicts concerning trademarks and tradenames. Judgment of the Court of Justice of 2 June 2022, Classic Coach Company (C-112/21)

### 01 · Background

The Court of Justice judgment reviewed here ensues from the referral for a preliminary ruling made in the context of a dispute that arose in the Netherlands between several identical or similar tradenames, all recognised by national legislation, one of which had subsequently been registered as a trademark by its owner.

The tradenames were based on a common root: a family business operating in coach passenger transport established by two brothers as a continuation of the company that their father had started in 1935.

At a certain point, the two brothers went their separate ways, one (referred to as “brother 2” in the judgment) remaining with the company and the other (“brother 1”) setting up a new company, “company X”. Following the death of brother 2, two of his children continued their father’s business, forming yet another company.

Company X had taken the precaution of registering as a trademark a sign corresponding to the common surname of brothers 1 and 2, which was the tradename “shared” over the years by one company and another.

In those circumstances, Company X decided to enforce its trademark rights against brother 2’s heirs and brought a court action seeking an order that they cease use of the tradename. The defendants contested the infringement of the trademark, invoking their tradename as an “earlier right” applying in a particular locality, as well as invoking estoppel.

### 02 · Findings

The matter referred by the national court for a preliminary ruling concerns the concept of “earlier right” set out in Article 6(2) of [Harmonisation Directive 2008/95](#). This provision establishes a limitation of the exclusive rights conferred by a trademark registration. Those rights shall not entitle the trademark proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality if that right is recognised by the laws of the Member State in question.

Two questions were raised: firstly, whether, for the purposes of establishing the existence of an “earlier right”, within the meaning of that provision, there is a requirement that the proprietor of that right must be able to prohibit the use of the later trademark by the proprietor of that mark (because, in principle, that earlier right only serves as a basis for opposing the registration of a trademark or bringing an invalidation action, but not for cessation of use); and secondly, what if the holder of the later trademark has an even earlier right, recognised by the laws of the Member State in question, over the sign registered as a trademark (even if the holder of the trademark and of the even earlier right may no longer, on the basis of that even earlier right, prohibit the use by the third party of its more recent right)?

The judgment is based on certain general considerations on tradenames connected with

Article 8 of the [Paris Convention](#) and with the [TRIPS Agreement](#). Basically, (i) the TRIPS Agreement obliges WTO members to protect tradenames, (ii) Article 8 of the Paris Convention guarantees protection for tradenames without the obligation of registration, (iii) no international law precludes, in principle, under national law, the existence of a tradename from being subject to conditions relating to minimum use or minimum awareness thereof, and (iv) a tradename constitutes an industrial property right and, as such, may constitute an “earlier right” for the purposes of application of Article 6(2) of [Directive 2008/95](#).

In this respect, the judgment states that in addition to the conditions relating, first, to the use of such a right in the course of trade, second, to the priority of that right, third, to its applicability in a particular locality and, fourth, to the recognition of that right by the laws of the Member State in question, Article 6 “*does not in any way provide that, in order to be able to assert the same right against the proprietor of a later mark, the third party must be able to prohibit the use of that mark*”.

In this regard, the Court defends the approach, according to which the limitation of the rights conferred by a registered trademark is subject to more flexible conditions than those required in order to prevent registration of a mark or to declare it invalid. Consequently, the judgment declares that in order for an earlier right which only applies in a particular locality, such as a tradename, to be enforceable against the proprietor of a subsequent trademark, “*it is sufficient, in principle, that said earlier right is recognised by the laws of the Member State in question and that it is used in the course of trade*”, and “*there is no requirement that the proprietor of that right must be able to prohibit the use of the later mark by the proprietor of that mark*”.

The Court also notes, perhaps *a fortiori*, that a long period of honest concurrent use of two identical signs designating identical goods neither has nor is liable to have an adverse effect on the essential function of the trademark which is to guarantee the origin of the goods or services for consumers. However, if, in the future, there is any dishonesty associated with the use of those signs, such a situation could, where necessary, be examined in the light of the rules relating to unfair competition.

With regard to the second question raised, the Court goes to some lengths to point out that [Directive 2008/95](#) governs, in principle, not the relationship between the various rights which may be classified as “earlier rights” within the meaning of Article 6(2) of the Directive, but the relationship of those rights with trademarks acquired by registration. Consequently, the relationship between the various “earlier rights” is primarily governed by the domestic law of the Member State concerned.

In this context, the fact that the proprietor of the later trademark has an even earlier right recognised by the law of the Member State concerned over the sign registered as a trademark “*may have a bearing on the existence of an “earlier right” within the meaning of that provision, to the extent that, by relying on that even earlier right, the proprietor of the trademark is actually able to counter the claim of an earlier right or limit it, which it is, in the present case, for the referring court to determine in accordance with its applicable national law*”.

In a situation where a right invoked by a third party is no longer protected under the laws of the Member State in question, it cannot be held that said right constitutes an “earlier right” recognised by that law, within the meaning of Article 6(2) of Directive 2008/95.

In those circumstances, the Court’s response to the second question is that “*Article 6(2) of*

*Directive 2008/95 must be interpreted as meaning that an “earlier right” within the meaning of that provision may be granted to a third party in a situation in which the proprietor of the later trademark has an even earlier right recognised by the laws of the Member State in question over the sign registered as a trademark, to the extent that, under those laws, the proprietor of the trademark and of the even earlier right may no longer, on the basis of its even earlier right, prohibit the use by the third party of its more recent right”.*

### 03 · Remarks

Having established the major concepts, European case-law on trademark infringement is becoming ever more subtle and reveals that nothing can ever be taken for granted, that everything is open to interpretation and that things are becoming increasingly difficult for the CJ.

It is surprising that a local conflict that affects three generations of the same family concerning use of their common surname as a tradename could reach the highest judicial instance in the European Union.

At the heart of the entire matter is the fact that one branch of the family had the good idea to secure a trademark registration. The doubt that arose was whether that later trademark registration could alter the *status quo* in the marketplace (peaceful coexistence) that the parties had reached over the course of time.

The reality is that limits on trademark rights, such as those ensuing from the existence an “earlier right” which applies in a particular locality (the tradename), can play a decisive role in this type of conflict, but not without certain paradoxes: the holder of the “earlier right” was unable to prevent the registration of the later trademark, but the proprietor of the later trademark cannot prevent the holder of the “earlier right” from using the tradename either. The final word, with the CJ’s permission, will come from the national courts.

Enrique ARMIJO

## 07

The filing of an administrative action or court action by the proprietor of the earlier trademark is required to interrupt the period of limitation in consequence of acquiescence. Judgment of the Court of Justice of 19 May 2022, HEITEC ([C-466/20](#))

## 01 · Background

The conflict involves the German company Heitec, proprietor of the earlier EU word mark HEITEC, and the German company Heitech, proprietor of a German mark consisting of the word element “HEITECH PROMOTION” and a figurative EU mark containing the term “HEITECH”:



This latter mark had been used by Heitech at least since 2009. In April of that year, Heitec sent Heitech a warning letter asserting Heitec’s earlier trademark rights, to which Heitech replied proposing to conclude a coexistence agreement. Heitec did not respond to that proposal and in December 2012, it brought a legal action against Heitech before the German courts. However, due to the delay in Heitec complying with certain formalities, Heitech was not served notice of the action until May 2014.

The Nuremberg Higher Regional Court dismissed the action, finding that Heitec had acquiesced in the use of Heitech’s marks for a period of five years. Heitec lodged an appeal with the German Supreme Court, which decided to seek a preliminary ruling from the Court of Justice of the European Union on the correct interpretation of the provisions of the [Trademark Directive No. 2008/95](#) and the [European Union Trademark Regulation No. 207/2009](#) establishing the limitation in consequence of acquiescence.

## 02 · Findings

The first question addressed by the CJ in its ruling refers to whether the proprietor of the earlier trademark sending a warning letter is sufficient to interrupt the period of limitation in consequence of acquiescence. The CJ expresses a view in support of this possibility, provided that, where there is no satisfactory response to the warning letter, the proprietor of the earlier trademark brings an administrative action or court action within a reasonable *time period* to remedy the situation. Conversely, therefore, simply sending a warning letter is not sufficient in itself, in the opinion of the CJ, to interrupt the period of limitation.

The second question addressed by the CJ is focused more specifically on the circumstances of the case at hand, that is, the situation where the proprietor of the earlier trademark brings a court action before the end of the five-year acquiescence period but notice thereof is not served on the defendant until after said period has elapsed.

In this regard, the CJ declares that the action should be deemed to have been brought when the application initiating proceedings is lodged with the court. However, in cases such as the

one raised by the referring German court, where notification to the defendant is unduly delayed because of a lack of diligence on the part of the proprietor of the earlier trademark, the CJ finds that the bringing of the action alone does not prevent limitation in consequence of acquiescence upon expiry of the legally established time period.

Finally, in response to the final question raised, the CJ states that in the event of limitation in consequence of acquiescence, the proprietor of the earlier trademark may not bring actions seeking a declaration of invalidity of the later mark or opposing the use of said mark and is likewise time-barred from bringing claims for damages, the provision of information or the destruction of goods.

### 03 · Remarks

The ruling of the Court of Justice in this matter will have major practical consequences in Spain. As is well known, [Article 1973](#) of Spain's Civil Code establishes the possibility of interrupting the statute of limitations on actions not only through bringing such actions before the courts but also through extrajudicial claims. In the light of this provision, it was clear that the limitation in consequence of acquiescence established in the Spanish Trademark Act (which transposes the Trademark Directive into Spanish law) could be interrupted by means of a warning letter sent by the proprietor of the earlier trademark. The same could be considered with respect to European Union trademarks, in the absence of a specific ruling from the Court of Justice in this regard.

The judgment commented here contains that specific ruling, and it stands in contrast to the provisions in Spain's Civil Code. The CJ's interpretation regarding limitation in consequence of acquiescence naturally must prevail, given that it is a concept established in EU law. As the Advocate General Mr. Pitruzella recalls in the [conclusions](#) submitted on 13 January 2022, the CJ already declared in its judgment of 22 September 2011, *Budejoviky Budvar*, [C-482/09](#), that "acquiescence" within the meaning of the Trademark Directive "is a concept of EU law, the meaning and scope of which must be identical in all Member States, and therefore the Court of Justice must give an autonomous and uniform interpretation of this concept in the EU legal order".

Thus, in light of this judgment, trademark owners will no longer be able to resort to the strategy of repeatedly sending warning letters to the owner of a conflicting later mark with a view to keeping alive the possibility of seeking the invalidation of the mark at any time and preventing its use through a court action. This is expressly declared by the CJ in paragraph 56 of the judgment.

However, there is one matter that remains open to discussion, namely, determining the period of time that should be regarded as a reasonable period, within the meaning of paragraph 55 of the CJ's judgment, for bringing the court action where the prior warning letter has been rejected or ignored by the owner of the later trademark.

Carlos MORÁN



# 08 · Legal costs stemming from the intervention of a patent attorney in legal proceedings for trademark infringement. Judgment of the Court of Justice of 28 April 2022, NovaText (C-531/20)

## 01 · Background

The judgment considers a request for a preliminary ruling made in the context of a dispute between NovaText GmbH and Ruprecht-Karls-Universität Heidelberg (“University of Heidelberg”) in relation to the taxation of costs stemming from the joint participation of a lawyer and an expert qualified as a “patent attorney” (*Patentanwalt*) in legal proceedings concerning infringement of EU trademarks.

The University of Heidelberg brought an action for a cease-and-desist order against NovaText for infringement of its EU trademarks. The dispute was ended by means of a judicial settlement. The Court ordered NovaText to pay costs and it set the value of the dispute at 50,000 euros.

In the complaint, the University of Heidelberg’s lawyer referred to the assistance of a patent attorney and, during the proceedings for taxation of costs, he asserted that the patent attorney had effectively intervened in the proceedings. He stated that each submission made in the proceedings had been agreed with the patent attorney and that said attorney had thus also intervened in the settlement negotiations, even though the telephone conversations were only held between the parties’ lawyers.

In the order subsequently issued by the Court, it set the amount of costs to be reimbursed to the University of Heidelberg at 10,528.95 euros, of which 4,867.70 euros was in respect of the costs for the patent attorney’s intervention at first instance and 325.46 euros was for the patent attorney’s participation in the appeal proceedings.

This decision was based on the existence of a rule in German law under which the costs incurred through the involvement of a patent attorney in an action relating to distinctive signs are to be reimbursed according to amounts which are, to a certain degree, pre-established.

The national court asks whether the automatic application of that rule, without any possibility of examining the degree to which the patent attorney’s intervention was “necessary”, is admissible from the standpoint of EU law.

The Court of Justice, exercising its discretionary powers, reformulates the question referred for a preliminary ruling to the effect that, by that question, the referring court asks, in essence, whether Articles 3 and 14 of [Directive 2004/48](#) must be interpreted as precluding national legislation or an interpretation thereof which does not allow the court hearing proceedings falling within the scope of that Directive to take due account, in each case brought before it, of the specific characteristics of that case for the purpose of assessing whether the legal costs incurred by the successful party are reasonable and proportionate.

## 02 · Findings

The judgment begins by pointing out that Article 14 of Directive 2004/48 lays down the principle that reasonable and proportionate legal costs and other expenses incurred by the successful party are, as a general rule, to be borne by the unsuccessful party.

That provision aims to strengthen the level of protection of intellectual property, by avoiding the situation in which an aggrieved party is deterred from bringing legal proceedings in order to protect its rights. As a general rule, the author of the infringement of the intellectual property rights must bear all the financial consequences of his/her conduct.

With regard to the scope of the concept of “legal costs” to be reimbursed by the unsuccessful party, set out in Article 14 of [Directive 2004/48](#), the judgment notes that this concept includes, among other costs, the lawyer’s fees, given that the Directive does not contain any element which might permit the conclusion that those fees, which generally make up a substantial part of the costs incurred in proceedings aimed at ensuring the enforcement of an intellectual property right, are excluded from the scope of Article 14.

Nor is there anything in Directive 2004/48 that precludes the costs of a representative, such as a patent attorney, whom a right holder has called upon, individually or jointly with a lawyer, from being regarded, in principle, as falling within the concept of “legal costs”, insofar as those costs originate directly from the legal proceedings.

Such an origin may be accepted for the costs of an agent authorised, under national law, to represent holders of intellectual property rights in proceedings before the competent courts, referred to in [Directive 2004/48](#), relating, in particular, to the drafting of pleadings by such an agent or to the appearance of that agent at the hearings held, where appropriate, in those proceedings. It cannot be ruled out either that such an origin may also be accepted for the costs associated with the intervention of such an agent in the steps aimed at achieving an amicable settlement, in particular, in a dispute which is already pending before a court.

The Court of Justice also notes that Article 14 of Directive 2004/48 requires the Member States to ensure the reimbursement only of “reasonable” legal costs. That requirement, which applies both to “legal costs” and to “other expenses”, within the meaning of that provision, reflects the general obligation set out in Article 3(1) of Directive 2004/48, according to which the Member States must ensure, in particular, that the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by that Directive are not unnecessarily costly.

In this regard, the judgment recalls that on another occasion the Court of Justice held that excessive costs resulting from unusually high fees agreed between the successful party and its lawyer or due to the lawyer having provided services that are not considered necessary in order to ensure the enforcement of the intellectual property rights in question are unreasonable.

Moreover, Article 14 of [Directive 2004/48](#) provides that the legal costs and other expenses to be borne by the unsuccessful party must be “proportionate”. This requirement does not imply that the unsuccessful party must necessarily reimburse all of the costs incurred by the other party, but it does mean that the successful party should be entitled to, at the very least, reimbursement of a significant and appropriate part of the reasonable costs actually incurred.

The judgment underlines, in any case, that in accordance with Article 14 of Directive 2004/48, considered in the light of Recital 17 thereof, the court having jurisdiction must be able to review in every case the reasonableness and proportionality of the legal costs incurred by the successful party in respect of the intervention of a representative, such as a patent attorney.

In this regard, the Court of Justice has held that national legislation providing for flat rates is, in principle, consistent with Article 14 of Directive 2004/48. However, the judgment states

that, even in such a case, those rates should ensure that the costs which, under that national legislation, may be imposed on the unsuccessful party are reasonable, and that the maximum amounts that may be claimed under those costs are not too low either in relation to the rates normally charged by a lawyer in the field of intellectual property.

In light of the above, the judgment concludes that the automatic application of a national provision such as that at issue in the main proceedings may, in certain cases, result in a breach of the general obligation established in Article 3(1) of [Directive 2004/48](#), under which, in particular, the procedures put in place by the Member States must not be unnecessarily costly.

Furthermore, the judgment adds that the application of a provision of that kind could deter a holder of presumed rights from bringing legal proceedings to ensure that its rights are respected for fear of having to bear, if unsuccessful, considerably high legal costs, contrary to the objective of Directive 2004/48, which is to ensure, in particular, a high level of protection for intellectual property in the Internal Market.

Finally, in relation to the case at hand, the judgment states that the unconditional and automatic inclusion of costs based on a mere sworn statement by a representative of a party to the legal action, without the national court being able to assess those costs as to their reasonableness and proportionality in relation to the dispute in question, could open the door to misuse of such a provision in breach of the general obligation provided for in Article 3(2) of Directive 2004/48.

In light of all the above considerations, the Court of Justice responds to the question referred for a preliminary ruling by stating that Articles 3 and 14 of [Directive 2004/48](#) must be interpreted as precluding national legislation or an interpretation thereof which does not allow the court hearing proceedings falling within the scope of said Directive to take due account, in each case brought before it, of the specific characteristics of that case for the purpose of assessing whether the legal costs incurred by the successful party are reasonable and proportionate.

### 03 · Remarks

The judgments from the Court of Justice on legal costs in industrial and intellectual property proceedings are starting to mount up (two this year alone). Underlying all of them is the impression that the aim of the legal action is not only to eliminate the unlawful act in all its manifestations (cessation of the act, compensation for damages) but also to reimburse all costs incurred by the right holder in defending the right, however small the amount may be.

In each specific case it is necessary to carry out an analysis which would involve (i) determining whether the expense comes under the heading of “damages” or that of “legal costs” (ii) specifying whether they are “legal costs” or “other expenses”, even if both concepts are included in Article 14 (iii) assessing whether the expense, such as the intervention of a patent attorney, was “necessary” for the defence of the right and (iv) determining whether the amount is “proportionate”.

It seems clear that no rule or rate can stand in the way of the national court’s discretion to carry out such an analysis.

**Carlos MORÁN**





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# Copyright, the Information Society, the Internet



## 09

## Fair compensation for private copying. Viability of the legal person created in Spain for management of the right and exemptions. Judgment of the Court of Justice of 8 September 2022, Ametic ([C-263/21](#))

### 01 · Background

The judgment concerns the request for a preliminary ruling made by the Spanish Supreme Court in relation to the challenge in contentious-administrative proceedings by the *Asociación Multisectorial de Empresas de la Electrónica, las Tecnologías de la Información y la Comunicación, de las Telecomunicaciones y de los Contenidos Digitales (AMETIC)*, an association representing the digital industry sector in Spain, to [Royal Decree 1398/2018](#) of 23 November 2018, implementing Article 25 of the [Consolidated Text of the Copyright Act](#) (CTCA) with regard to the system of fair compensation for private copying (“RD 1398/2018”).

The question referred for a preliminary ruling relates to the fact that the legal person created under RD 1398/2018 for the management of the compensation and issuing exemption certificates, the so-called “*ventanilla única*” (or “one-stop shop”), is established, managed and financed by the intellectual property rights management organisations themselves, who are the creditors of the levy, and also has information powers in order to obtain the necessary data from debtors.

The order for reference points out that the fact that the legal person managing the system of exemptions and reimbursements is controlled by intellectual property rights management organisations may influence their decisions on the grant of exemption certificates or reimbursements, with the resulting risk of infringement of the principle of equality before the law.

In this regard, the referring court does not consider it sufficient that the decisions of the legal person may be challenged by means of a complaint before the Ministry of Culture and Sport, the decisions of which may in turn be the subject of contentious-administrative appeal proceedings. Other concerns held by the Supreme Court relate to the extraordinary powers conferred on the legal person in matters of review, under which it may require information on the activities of the parties concerned, even depriving them of being able to rely on the confidentiality of business accounts.

### 02 · Findings

Following the reform of Article 25 [CTCA](#) under [Royal Decree-Law 12/2017](#) of 3 July 2017, a system of fair compensation for private copying was reintroduced in Spain based on the imposition of a levy on those who manufacture or import reproduction equipment, devices and media. As is typical of such systems, the manufacturers and importers may pass on the compensation to their customers, wholesalers or retailers, who may in turn pass it on to the final consumers, beneficiaries of the private copying limitation.

The new system provides that purchases of reproduction equipment, devices and media by natural or legal persons acting as final consumers who provide evidence that the purchased elements are exclusively for professional use, are exempt from the payment of compensation, provided that those elements have not been made available, in law or in fact, to private users and that they are clearly reserved for uses other than the making of private copies.

The right to exemption must be evidenced by means of a certificate issued by a legal person set up by the management organisations themselves, although those who do not hold an exemption certificate and have borne the burden of compensation at the time of purchasing the equipment, devices and media subject to the levy may apply to that legal person for reimbursement of the compensation, subject to attesting to those same conditions mentioned above.

Articles 10 and 11 of [RD 1398/2018](#) set out in detail the procedure for obtaining the exemption certificate or requesting reimbursement. Article 12 of RD 1398/2018 provides that debtors, distributors and holders of exemption certificates may not rely on the confidentiality of business accounts ([Art. 32.1](#) of the Commercial Code), when the legal person exercises the powers of review recognised under Article 25.11 [CTCA](#).

Thus, the first question referred to the CJ for a preliminary ruling asks whether the fact that the legal person that issues the exemption certificates and grants the reimbursement of compensation for private copying is established, financed and controlled by the management organisations could entail an imbalance or asymmetry in the interests it pursues, in breach of Article 5(2)(b) of [Directive 2001/29](#) and the principle of equal treatment in Article 20 of the [Charter of Fundamental Rights of the EU](#).

After reviewing its case-law on fair compensation for private copying, the CJ points out that all matters relating to the management and collection of compensation for private copying fall within the sphere of the functions of copyright collecting societies, not that of the representatives of the debtors of the compensation. Therefore, the establishment of a legal person such as that provided for under the national legislation at issue, for the purposes of managing the exemptions from payment and reimbursement of private copying levies, is consistent with this.

According to the judgment, that may meet an objective of simplicity and effectiveness, from which the debtors of the levy may also benefit, without the debtors being placed in a less advantageous situation than that in which they would have found themselves had that legal person not existed, merely because the legal person in question is controlled by copyright management organisations.

The CJ, aware of the risks involved in the creation of a legal person representing only one of the two groups in dispute, goes on to point out a series of red lines to be observed in the design of such an entity.

The main risk, according to the CJ, is discriminatory treatment of operators or users in similar situations. In order to combat this, the legal person empowered to grant exemption certificates or to approve reimbursements should not have a margin of discretion which could make the fate of each application submitted dependent on considerations of expediency. Rather, it should be the case that such an entity should only be able to grant exemption certificates and reimbursements within a set time period and on the basis of objective criteria without any discretion in the examination of the applications submitted.

Secondly, in order to eliminate any risk of bias on the part of the legal person, decisions refusing to grant a certificate or to carry out a reimbursement should be subject to challenge before an independent body.

As regards the principle of equal treatment under Article 20 of the [Charter of Fundamental](#)



[Rights of the EU](#), the CJ states that said principle does not preclude the assignment, as such, of the management of exemption certificates and reimbursements to an entity representing the interests of creditors, but not those of debtors, since the two groups are, in respect of fair compensation for private copying, in radically different legal situations.

The second question seeks to determine whether it is contrary to Article 5(2)(b) of [Directive 2001/29](#) and to the principle of equal treatment to grant a legal person established and controlled by management organisations, which is entrusted with the management of exemption certificates and the reimbursement of levies, the power to request access to the information necessary for the exercise of the powers of review conferred on it for that purpose, without it being possible, in particular, for the party under review to rely on the confidentiality of business accounts provided for under national law.

The CJ concludes that there is no such breach of EU law: the legal person in question must be able to request access to the information necessary for the exercise of its powers of review, without the party under review being able to rely on the confidentiality of business accounts provided for under national law, although that legal person is required to safeguard the confidentiality of the information obtained.

The CJ justifies the broad powers of review granted to the legal person over applicants for and holders of exemption certificates by linking them to the kind of powers that said legal person has in relation to the parties liable to pay the levy, in respect of whom it must be able to verify the purchases and sales subject to payment of the compensation.

### 03 · Remarks

The CJ's case-law on the Spanish system of fair compensation for private copying is on the way to becoming a long-running series, with one season after another, but the importance of the interests at stake and the consequences that each new ruling brings preclude any trivial approach to the conflict.

It is curious to note that there is nothing that satisfies both sides and that a preliminary ruling has become an ordinary means of defence in the never-ending history of proceedings between management organisations and associations that defend collective interests.

The judgment under discussion is also, in this context, like a never-ending cycle: the Spanish government decides to do away with the traditional system of the private copying levy by covering it through the General State Budget, and the Court of Justice, in its judgment of 9 June 2016, in case [C-470/14](#), holds that this is inappropriate; the Government restores the levy and implements Article 25 under [RD 1398/2018](#) and the new system, among other challenges, once again ends up before the Court of Justice.

On this occasion, the pretext, which is not surprising, is very specific: the formula adopted by Spanish lawmakers for attesting, by means of a certificate issued by a certain legal person, to the right to exemption from payment of the levy.

It may be recalled that [Article 25](#) establishes a system of compensation for private copying in favour of copyright holders for the reproduction of protected works, carried out exclusively for private use, by means of non-typographic technical apparatus or instruments.

Purchases of reproduction equipment, devices and media by natural or legal persons acting as final consumers who attest to the exclusively professional use of the purchased equipment, devices or media, provided that they have not been made available, in law or in fact, to private users and that they are clearly reserved for uses other than the making of private copies, are automatically exempted from payment of the private copying levy.

Under the system devised by Spanish lawmakers, this must be attested to by means of a certificate issued by a legal person set up precisely by intellectual property rights management organisations. It is that legal entity which will perform, on behalf of all of them, the function of managing the exemptions from payment and reimbursements of private copying levies.

The *Asociación Multisectorial de Empresas de la Electrónica, las Tecnologías de la Información y la Comunicación, de las Telecomunicaciones y de los Contenidos Digitales (AMETIC)* challenged these provisions in contentious-administrative proceedings and the Supreme Court has sought assistance by referring the matter for a preliminary ruling.

The question is obvious: to what extent is it normal for the legal person that manages the system of exemptions through the granting of certificates, as well as the system of reimbursements, to be controlled by the intellectual property rights management organisations, that is, by entities that exclusively represent the interests of the creditors of private copying levies?

The Court also questions whether the power granted to this legal person to require information on the activities of the parties concerned, which even permits it to deprive the economic operator in question of being able to rely on the confidentiality of business accounts, is not excessive.

In a battleground like this, where any hint of hesitation on the part of the Court can lead to new offensives, it seems that the ruling is particularly conclusive. The new system, not without some nuance as to its limits, seems to have the CJ's blessing.

But in this specific case, unlike in others, the Court of Justice does not leave this analysis to the discretion of the national court. The judgment explains that [Articles 10 and 11](#) of Royal Decree 1398/2018 in dispute “appear to oblige” the legal person responsible for examining applications to grant, within a specified time period, the exemption certificate or to establish the existence of the right to reimbursement where the applicant provides the required identification information and signs the declarations made available to the applicant. Moreover, the judgment adds, those articles “appear to provide for” the possibility of bringing a challenge before an independent body, namely, the Ministry of Culture and Sport, against decisions of that legal person refusing an application for an exemption certificate or for reimbursement.

In those circumstances, the Court concludes, “*the said articles appear to be capable of complying with the requirements set out in paragraph 45 of this judgment*”. Even so, the judgment cautions, almost as a matter of style, that this “*is nevertheless for the referring court to verify*”.

Inés de CASAS

# 10 · Obligations imposed on online service providers. Judgment of the Court of Justice of 26 April 2022, Poland ([C-401/19](#))

## 01 · Background

The judgment concerns the action brought by the Republic of Poland against the European Parliament and the Council of the European Union seeking annulment of Article 17(4)(b) of [Directive 2019/790](#) and the final part of Article 17(4)(c), namely, the wording “*and made best efforts to prevent their future uploads in accordance with point (b)*”.

In the alternative, should the CJ find that the aforementioned provisions cannot be separated from the other provisions of Article 17 of said Directive without altering its substance, the plaintiff sought the annulment of that article in its entirety.

Additionally, the Republic of Poland raised a single plea of law based on infringement of the right to freedom of expression and information, guaranteed in Article 11 of the [Charter of Fundamental Rights of the European Union](#).

## 02 · Findings

The plaintiff argued that the Directive limits the exercise of the right to freedom of expression and information of users of online content-sharing services, given that it requires providers of this type of service to make their best efforts, on the one hand, to ensure the non-availability of specific protected content for which the rightholders have provided the relevant and necessary information and, on the other hand, to prevent protected content that has been the subject of a sufficiently substantiated notice from the rightholders from being uploaded in the future.

From the plaintiff's view, the aforementioned requirement constitutes a limitation on the right to freedom of expression and information of users of online content-sharing services given that it entails the option of blocking unlawful content and the blocking of content is determined automatically by algorithms, even before the content is disseminated.

According to the CJ, online content-sharing service providers are required, depending on the number of files uploaded and the type of protected subject matter concerned, within the limits set in Article 17(5) of [Directive 2019/790](#), to use automatic recognition and filtering tools. Neither the interveners nor the defendants were able, at the hearing, to identify possible alternatives to the aforementioned method.

From that perspective, the CJ acknowledges that the specific liability regime established in Article 17(4) of Directive 2019/790 entails a limitation on the exercise of the right to freedom of expression and information of users of this type of service, guaranteed in Article 11 of the Charter.

Additionally, the CJ points out that the limitation on the exercise of the right to freedom of expression and information of users of online content-sharing services is provided for by law, as it results from a provision of an EU act.

The judgment also notes that the provision requires a specific result to be achieved and is not

limited to requiring service providers to make their best efforts to that end. Consequently, the liability mechanism regulated in Article 17 is necessary to satisfy the requirement to protect intellectual property rights.

In this regard, the CJ recalls that [Directive 2019/790](#) establishes that users must be able to submit a complaint when content that they have uploaded has been wrongly blocked or removed. Such complaints must be addressed without undue delay and be subject to human review.

Moreover, the Directive requires the organization of stakeholder dialogues to discuss best practices for cooperation between online content-sharing providers and rightholders.

Lastly, in light of the above considerations, the CJ finds that the obligations imposed on online content-sharing service providers in Article 17(4) of Directive 2019/790 does not disproportionately restrict the right to freedom of expression and information of users of these services. Therefore, the CJ dismisses the action filed by the Republic of Poland.

### 03 · Remarks

The CJ offers an interesting observation in this ruling. Despite finding that there is a limitation on the right to freedom of expression and information in the ‘contested’ provision, it is not disproportionate and therefore justified.

It is curious to see how the CJ establishes the requirements for this limitation to be proportionate, given that, *a priori*, a limitation of freedom of expression and information is always delicate.

**Jaime CONTRERAS**

# 11 · Computer programs and decompilation. Rights of licensee. Judgment of the Court of Justice of 6 October 2021, Top System (C-13/20)

## 01 · Background

The judgment addresses issues concerning the decompilation of computer programs by a licensee.

Selor (the defendant) is a Belgian public body responsible for the selection and guidance of future personnel of the various public services of government authorities.

Top System (the plaintiff) is a company which, since 1990, has collaborated with Selor, providing it with IT development and maintenance services designed to *“enable applications to be submitted online and subsequently processed”*.

To that end, Top System developed several applications originating from its framework software (“TSF”) which it then licensed to Selor under an agreement for *“the installation and configuration of a new development environment, as well as the integration of the source codes of Selor’s applications into, and their migration to, the new environment”*.

During the term of the agreement, discrepancies arose over the operation of several applications using the TSF, which gave rise to proceedings before the competent Belgian courts.

At first instance, the Court essentially dismissed the action. Top System decided to appeal to the Brussels Court of Appeal, which stayed the proceedings and referred two questions to the CJ for a preliminary ruling:

- The first concerns the right to decompile all or part of a computer program in order to correct errors affecting the operation of the program, considering that these were Selor’s actions with respect to the licensed program;
- In the second question, the referring national court asks whether the purchaser who wishes to decompile the licensed program in order to correct the errors must satisfy the requirements laid down in Article 6 of [Directive 91/250/EEC](#) (the “Directive”).

## 02 · Findings

The CJ starts by clarifying that Article 5 of the Directive provides that where the acts referred to in Article 4(a) and (b) (specified below) *“are necessary for the use of the computer program by the lawful purchaser thereof in accordance with its intended purpose, including for error correction, they do not require authorization from the rightholder, except for specific contractual provisions”*.

Decompilation is aimed at reconstructing the source code of a program from the object code, both of which are protected by copyright, thus making it possible to obtain a third version of the program in question, called “quasi-source code”, which in turn can be compiled into an object code allowing that program to function.

The judgment states that decompilation constitutes an alteration which involves a reproduction of the source code, as well as a translation of the form of that code; such acts therefore fall within the scope of the exclusive rights in a computer program.

However, taking into account the wording of Article 5 of the [Directive](#), the purchaser may carry out all the acts listed in Article 4 without authorization from the rightholder, provided that it is necessary for the use of the program.

These acts set out in Article 4 are the following: 1) The permanent or temporary reproduction of a computer program by any means and in any form, in part or in whole; 2) The translation, adaptation, arrangement and any other alteration; 3) Any form of distribution to the public.

The CJ concludes that the purchaser of a computer program is entitled to decompile it (in whole or in part) *“in order to correct errors affecting its operation, including where the correction consists of disabling a function that is affecting the proper operation of the application of which that program forms a part”*.

With regard to the second question of whether the requirements laid down in Article 6 of the Directive must be satisfied if the answer to the first question is affirmative, the CJ notes that this article introduces an exception to the exclusive rights of the holder of the copyright in computer programs, allowing the reproduction of the code or the translation of the form of that code without the prior consent of the legitimate rightholder where those acts are indispensable to ensure the interoperability of that program with an independently created program.

Thus, the CJ states that the purchaser is not obliged to satisfy those requirements but is only entitled to carry out the decompilation to the extent necessary to correct the error, in compliance with the conditions laid down in the contract with the copyright holder.

Therefore, according to the CJ, in light of the scheme and purpose of Article 5 of the [Directive](#), decompilation must be subject to certain general requirements:

- The acts must be necessary for the use of the computer program by the lawful purchaser in accordance with its purpose and, in particular, for correction of “errors”;
- Correction of errors is permitted subject to specific contractual provisions;
- The purchaser of the program who has decompiled the program cannot use the result for purposes other than the correction of errors.

### 03 · Remarks

The present case examines whether decompiling all or part of a computer program constitutes one of the acts referred to in Article 4(a) and (b) of [Directive 91/250](#), i.e., those which may be carried out by the licensee for the purpose of correcting errors in the program. The CJ concludes that the licensee is entitled to carry out the decompilation provided that what is intended is to correct the error, irrespective of the agreed contractual terms.

Jorge PARADA

# 12 · Liability of platforms for uploading of protected content. Judgment of the Court of Justice of 22 June 2021, YouTube and Cyando ([C-682/18](#) and [C-683/18](#))

## 01 · Background

In this judgment, two cases are joined involving similar disputes. In both cases, content-hosting and -sharing platforms provide their users with a space for uploading content, making works protected by copyright available to the public without the consent of the rightholders.

For their part, the rightholders take the view that, according to Article 3(1) of [Directive 2001/29/EC](#) of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, they have the exclusive right to authorise any communication to the public of their works, and the platforms' actions constitute an infringement of that right.

In both cases, the *Bundesgerichtshof* (German Federal Court of Justice) referred a series of questions to the CJ for a preliminary ruling as to whether, under Directive 2001/29/EC and [Directive 2000/31/EC](#), the conduct of the platforms constitutes a communication to the public within the meaning of Article 3(1) of Directive 2001/29/EC and, if it cannot be classified as such, whether the activity of those operators falls within the scope of Article 14(1) of Directive 2000/31/EC so that they may benefit from an exemption from liability in respect of the information stored on their platform.

Finally, the *Bundesgerichtshof* questions whether it is compatible with Article 8(3) of Directive 2001/29/EC that the rightholder may only obtain an injunction against a service provider for the disputed conduct if notification has been made of the infringement and the infringement has been repeated.

## 02 · Findings

The CJ rules on the questions referred for a preliminary ruling in both cases together.

On the first question, the Court considers that, if the condition that the communication involved a new public is fulfilled, it is necessary to analyse whether the platform's actions constitute an act of communication.

The Court holds that the platform does not carry out an act of communication unless (i) it contributes to providing the public with access to such content, which is the case where it is aware that such content is being made available unlawfully and refrains from promptly removing or blocking the content; (ii) where that operator, despite the fact that it knows or ought to know that users are making protected content available to the public through its platform, refrains from implementing the appropriate technical measures that could be expected of a reasonably diligent operator; (iii) where the operator participates in the selection of protected content that is communicated unlawfully to the public by providing tools specifically intended for the illegal sharing of content.

As regards the second and third questions raised, Article 14(1) of [Directive 2000/31/EC](#) must be interpreted as meaning that the activity of platforms falls within the scope of that article

provided that the platform operator does not play an active role of a kind that would give it knowledge of and control over the content.

Therefore, in order for the exemption from liability to apply, the operator must not have knowledge of the specific unlawful acts of its users relating to the unlawful content uploaded.

On the fourth question raised, Article 8(3) of [Directive 2001/29/EC](#), which provides that rightholders may apply for measures against intermediaries whose services are used by third parties to infringe copyright, does not preclude national law from imposing on the rightholder the obligation to bring to the attention of the intermediary the infringement of his rights as a prerequisite for obtaining an injunction.

It will therefore be for the national courts to ensure that this requirement does not lead to the actual cessation of the infringement being delayed in such a way as to cause rightholders disproportionate harm.

### 03 · Remarks

With its findings, the Court has shown itself to be protective of the actions of service providers contrary to the provisions of Article 17 of [Directive \(EU\) 2019/790](#) of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC, thus relieving intermediaries of the need to actively monitor all content uploaded online by users.

Claudia FERNÁNDEZ



# 13 · Sharing of films on peer-to-peer networks. Entitlement of a “troll” type company to request information from the service provider in order to claim damages. Judgment of the Court of Justice of 17 June 2021, *Mircom* (C-597/19)

## 01 · Background

The judgment concerns a request for a preliminary ruling made in relation to proceedings between Mircom International Content Management & Consulting (M.I.C.M.) Limited (“Mircom”), a Cypriot company which holds certain rights in a large number of pornographic films produced by eight companies based in the United States and Canada, and Telenet BVBA, a company based in Belgium which, inter alia, provides internet access services.

The dispute arose from Telenet BVBA’s refusal, in response to a request for information made in an action before the Antwerp Companies Court (Belgium), to provide the identification data of its customers whose internet connections had allegedly been used to share films included in Mircom’s catalogue via a peer-to-peer network using the BitTorrent protocol.

Mircom claimed to have thousands of dynamic IP addresses which, on behalf of Mircom itself and through the FileWatchBT program, were registered by Media Protector GmbH, a company based in Germany, at the time when those Telenet customers connected via the BitTorrent client sharing software.

The national court asks whether it is possible that individual users of a peer-to-peer network, so-called ‘downloaders’, who, by downloading parts of a digital file containing a copyrighted work, simultaneously make those parts available for uploading by other users, may be making a communication to the public.

Those users, belonging to a group of downloaders known as a ‘swarm’, themselves become ‘seeders’ of those parts, like the initial, undetermined ‘seeder’ who makes the file available for the first time on that network.

The referring court states, firstly, that the parts are not mere fragments of the original file, but autonomous encrypted files which are unusable in themselves, and, secondly, that, due to the way in which BitTorrent technology works, the uploading of the parts of a file, which is known as ‘seeding’, in principle takes place automatically, since only certain programs can eliminate that characteristic.

Mircom argued that even downloads of parts which together represent a percentage of at least 20% of the multimedia file in question should be taken into account, since beyond that percentage it is possible to obtain a preview of that file, albeit fragmentary and of highly dubious quality.

The referring court also doubts whether an undertaking such as Mircom can benefit from the protection conferred by [Directive 2004/48](#), insofar as it does not actually use the rights assigned by the authors of the films in question, but merely claims compensation from alleged infringers, a pattern of conduct which resembles that of a ‘copyright troll’.

The national court raises numerous questions which are reformulated by the CJ in order to be able to provide a useful answer.

## 02 · Findings

The first question is reformulated by the CJ as the referring court asking, in essence, whether Article 3(1) and (2) of [Directive 2001/29](#) must be interpreted as meaning that the uploading, from the terminal equipment of a user of a peer-to-peer network to the equipment of other users of that network, of parts, previously downloaded by the aforementioned user, of a multimedia file containing a protected work, even though those parts are only usable in themselves from a certain download rate and, as a result of the configuration of the BitTorrent client sharing software, it is the software itself which automatically generates that uploading, constitutes making available to the public.

The judgment is based on the premise that, in the present case, as is clear from the order for reference, any user of the peer-to-peer network can easily reconstruct the original file from parts available on the computers of users participating in the same swarm. The fact that a user does not manage, individually, to download the complete original file does not prevent said user from making available to his or her peers the parts of that file that he or she has managed to download to his or her computer, thereby contributing to a situation where all users participating in the swarm ultimately have access to the complete file.

Moreover, any user of the peer-to-peer network in question who has not deactivated the upload function of the BitTorrent client sharing software uploads to that network the parts of the multimedia files which he or she has previously downloaded to his or her computer. Provided that it is clear, which it is for the referring court to verify, that the users in question have decided to use that software and have given their consent to its application after having been duly informed of its characteristics, those users must be regarded as acting in full knowledge of their conduct and of the consequences which that conduct may have.

The CJ notes that the computers of those users sharing the same file constitute the peer-to-peer network itself, known as the ‘swarm’, in which they play the same role as servers in the operation of the World Wide Web.

It is also clear that such a network is used by a considerable number of people, as may be seen from the large number of IP addresses registered by Mircom. Moreover, those users can access, at any time and simultaneously, the protected works shared via that platform. Consequently, that making available is aimed at an indeterminate number of potential recipients and involves a considerable number of persons.

With the above in mind, the Court, after an exhaustive review of the existing case-law on making available and peer-to-peer networks, answers the first question referred for a preliminary ruling by stating that Article 3(1) and (2) of [Directive 2001/29](#) must be interpreted as meaning that the uploading, from the terminal equipment of a user of a peer-to-peer network to the equipment of other users of that network, of parts, previously downloaded by that user, of a multimedia file containing a protected work, even though those parts can only be used in themselves from a certain download rate, constitutes making available to the public within the meaning of the aforementioned provisions. It is irrelevant that, as a result of the configuration of the BitTorrent client sharing software, it is the software itself which automatically generates that upload, if the user, from whose equipment that upload takes place, has decided to use that software and has given his or her consent to its application after having been duly informed of its characteristics.

By its second question, the referring court asks, in essence, whether [Directive 2004/48](#) must

be interpreted as meaning that a person who is contractually the holder of certain intellectual property rights which said person does not, however, use himself or herself, but merely claims damages from alleged infringers, may benefit from the measures, procedures and remedies provided for in Chapter II of that directive.

The CJ clarifies that this question consists of three parts, namely, first, relating to the legal standing of a party such as Mircom to seek the application of the measures, procedures and remedies provided for in Chapter II of Directive 2004/48; second, whether such a party may have suffered prejudice within the meaning of Article 13 of that Directive; and, third, whether said party's request for information is admissible in accordance with Article 8 of the Directive, read in conjunction with Article 3(2) thereof.

The judgment, after accepting Mircom's standing, warns that in the event that a holder of intellectual property rights chooses to outsource the recovery of damages to a specialised undertaking by means of an assignment of claims or another legal act, he or she should not be treated less favourably than another holder of the same kind of rights who has opted to assert those rights personally.

With regard to the third part of its second question, the referring court essentially has doubts as to the admissibility of Mircom's request for information, made pursuant to Article 8 of [Directive 2004/48](#), as Mircom does not make serious use of the rights which it acquired from the film producers at issue in the main proceedings. Furthermore, it must be understood that, by referring to the possibility of branding Mircom a 'copyright troll', the referring court essentially raises the question of the existence of a possible abuse of rights by that company.

In this regard, the referring court appears to doubt that Mircom intended to bring an action for damages, as there are strong indications that normally it simply proposes an amicable settlement with the sole aim of obtaining a lump sum of damages of 500 euros.

However, the judgment states that a request for information such as Mircom's, made at a pre-litigation stage, cannot, for that reason alone, be considered inadmissible. But that does not mean that it cannot be considered abusive.

According to the judgment, the possible finding of such an abuse falls entirely within the scope of the assessment of the facts of the main proceedings and, therefore, falls within the jurisdiction of the referring court. To that end, the referring court could, inter alia, examine the way in which Mircom operates, analyse the manner in which it proposes amicable solutions to alleged infringers and verify whether it actually brings legal actions in the event that the amicable solution is rejected. It could also examine whether, in the light of all the particular circumstances of the present case, it is apparent that Mircom is in fact seeking, under the guise of proposing amicable solutions to alleged infringements, to obtain financial gain from the mere membership of the users concerned in a peer-to-peer network such as the one at issue in the present case, without specifically seeking to combat the copyright infringements which that network causes.

In that context, the CJ answers the second question referred for a preliminary ruling by stating that [Directive 2004/48](#) must be interpreted as meaning that a person who is contractually the holder of certain intellectual property rights which said person does not, however, use himself or herself, but merely claims damages from alleged infringers, may, in principle, benefit from the measures, procedures and remedies provided for in Chapter II of that directive, unless it is established, in accordance with the general obligation laid down in Article 3(2) of the directive

and on the basis of a global and detailed analysis, that the person's claim is abusive. In particular, in the case of a request for information based on Article 8 of that directive, such a request must also be rejected if it is unjustified or disproportionate, which is a matter for the referring court to determine.

In answering the third and fourth questions, the Court begins by pointing out that in the main proceedings there are two different types of processing of personal data at issue, namely, one which Media Protector already carried out upstream on behalf of Mircom, in the context of peer-to-peer networks, consisting of recording the IP addresses of users whose internet connections were allegedly used, at a given time, to upload protected works onto those networks, and another which, according to Mircom, must be carried out by Telenet downstream, consisting, first, of identifying those users by matching those IP addresses with those which Telenet had allocated, at the same time, to those users for the purposes of that uploading and, second, of communicating the names and addresses of those users to Mircom.

By its fourth question, the referring court seeks an answer as to whether, in the light of Article 6(1)(f) of [Regulation No 2016/679](#), only the first of the processing operations already carried out may be justified.

Moreover, by its third question, it aims to establish, in essence, whether the circumstances set out in its first and second questions are relevant to the assessment of the fair balance between, on the one hand, the right to intellectual property and, on the other hand, the protection of privacy and personal data, in particular, in the assessment of proportionality.

After a detailed analysis, the CJ answers the third and fourth questions by stating that Article 6(1)(f) of [Regulation 2016/679](#), read in conjunction with Article 15(1) of [Directive 2002/58](#), must be interpreted as not precluding, in principle, either the systematic recording, by the intellectual property right holder and by a third party acting on its behalf, of IP addresses of users of peer-to-peer networks whose internet connections are alleged to have been used for activities infringing intellectual property, or the communication of the names and postal addresses of those users to said right holder or to a third party in order to enable it to bring an action for damages before the civil courts for the harm allegedly caused by those users, provided, however, that the initiatives and requests to that effect of that right holder or of that third party are justified, proportionate and not abusive and have their legal basis in a national legislative measure, within the meaning of Article 15(1) of Directive 2002/58, which limits the scope of the rules laid down in Articles 5 and 6 of that Directive.

### 03 · Remarks

It is surprising that a simple case involving the sharing of pornographic films between users of a peer-to-peer network should oblige the CJ to go to such lengths in setting out its arguments and findings (over 130 paragraphs, no less) in which it revisits, qualifies or clarifies the case-law on making available, sharing of works through peer-to-peer networks, processing of personal data or right to information. As in similar cases, purely technical matters concerning the operations underlying the sharing play an important role.

Perhaps of greater interest is the CJ's ruling on "copyright troll" companies that are dedicated exclusively to obtaining compensation on behalf of right holders without carrying out any commercial exploitation. On this phenomenon, as prevalent in the area of copyright as it is in the area of patent rights, the CJ does not seem to be too prejudiced. But it does not receive

the judgment's blessing either.

Even if the activity of the “troll” cannot in itself be disqualified, these undertakings are not exempt from a value judgement as to whether their actions constitute an abuse of rights. On a case-by-case basis and depending on the circumstances and some of the factors that the CJ suggests, the national court will be able to consider whether there is an abuse of rights.

**Mabel KLIMT**

# 14 · Extraction and reutilisation of databases as criteria for preventing operation of an Internet metasearch engine. Judgment of the Court of Justice of 3 June 2021, CV-Online Latvia (C-762/19)

## 01 · Background

The Latvian company CV-Online, proprietor of the website [www.cv.lv](http://www.cv.lv), brought an action before a Latvian court against the company Melons, likewise a Latvian company and proprietor of the website [www.kurdarbs.lv](http://www.kurdarbs.lv). The action concerned the use and incorporation in the list of results of Melons' website, thanks to the meta tags inserted in CV-Online's website, of CV-Online's extensive database. The referring court in Riga ruled that the *sui generis* right of CV-Online (that is, the right specific to its area of activity) provided for in [Directive 96/9](#) on the legal protection of databases, was infringed by Melons in extracting and reutilising a substantial part of the contents of CV-Online's database.

In response to that ruling, Melons filed an appeal, maintaining that the meta tags do not form part of the database, but that they are intentionally placed on CV-Online's website in order to make its content more readily identifiable by metasearch engines. In those circumstances, the first instance court in Riga stayed the proceedings and referred two questions to the CJ for a preliminary ruling, asking:

- whether Melons' activities fall within the definition of 'reutilisation' in Article 7 of Directive 96/9 and;
- whether the information from the meta tags that is shown on Melons' search engine should be considered as falling within the definition of 'extraction' in Article 7 of Directive 96/9.

## 02 · Findings

Article 7(2)(a) and (b) of [Directive 96/9](#) defines the concepts of extraction and reutilisation, establishing that “a) ‘extraction’ shall mean the permanent or temporary transfer of all or a substantial part of the contents of a database to another medium by any means or in any form” and that “b) ‘reutilisation’ shall mean any form of making available to the public all or a substantial part of the contents of a database by the distribution of copies, by renting, by online or other forms of transmission (...)”.

For the CJ, the operation of a metasearch engine is incompatible with the *sui generis* right if, on the one hand, the display of a hyperlink in the list of results generated by a search engine which redirects a user to a website provided by a third party, where the contents of a database can be consulted, falls within the definition of 'reutilisation' and, on the other hand, if the information obtained through the meta tags of that website displayed by the metasearch engine falls within the definition of 'extraction'.

As is apparent from the Court's case-law, the concepts of extraction and reutilisation “*must be interpreted as referring to any act of appropriating and making available to the public, without the consent of the maker of the database, the results of his or her investment, thus depriving him or her of revenue which should have enabled him or her to redeem the cost of that investment*”.

In the case at hand, Melons' metasearch engine does not use the search forms of the websites on which it enables searches to be carried out and it does not translate in real time the queries of its users into criteria used by those forms but indexes those websites regularly by keeping a copy on its servers, enabling users to search for information among that indexed data.

### 03 · Remarks

It follows from the CJ's judgment that a fair balance must be struck between, on the one hand, the legitimate interest of makers of databases in redeeming their substantial financial investment made in creating them and, on the other hand, the interest of users and competitors of these makers in having access to the information contained in those databases.

The CJ does not rule on whether Melons' website should be disabled, but it does establish that the maker of the database may prohibit the exploitation of the database to the extent that it would be detrimental to its investment and pose a risk to redeeming that investment, a matter to be weighed up by the competent court referring the questions for a preliminary ruling. Consideration will have to be given to the analysis of each court and the criteria for weighing up the interests of each party established in case-law.

Carolina BENÍTEZ-ALAHUJA

# 15 · Communication to the public and requirement for licensee to implement technological measures against ‘framing’. Judgment of the Court of Justice of 9 March 2021, VG Bild-Kunst ([C-392/19](#))

## 01 · Background

The judgment concerns a request for a preliminary ruling made by a German court in the context of a dispute between VG Bild-Kunst, a visual arts copyright collecting society in Germany, and Stiftung Preußischer Kulturbesitz (‘SPK’), a German cultural heritage foundation, in relation to VG Bild-Kunst’s refusal to conclude a licence agreement with SPK for use of its catalogue of works unless it contains a clause obliging SPK, as licensee, to implement, when using the protected works and subject matter covered by that agreement, effective technological measures against the transclusion (‘framing’), by third parties, of said protected works and subject matter.

SPK is responsible for operating the *Deutsche Digitale Bibliothek* (‘DDB’), a digital library dedicated to culture and knowledge which connects German cultural and scientific institutions.

The DDB website contains links to digitised content stored on the web portals of participating institutions. However, the DDB, as a ‘digital showcase’, only stores thumbnails, that is, smaller versions of the original images. When users click on one of those thumbnails, they are redirected to the page of the corresponding subject matter on the DDB’s website, which contains an enlarged version of the thumbnail concerned, with a resolution of 440 × 330 pixels. When users click on that enlarged image or use the ‘magnifying glass’ function, an even further enlarged version of that thumbnail, with a maximum resolution of 800 × 600 pixels, is displayed in a window overlay (a ‘lightbox’). Moreover, the ‘display subject matter on original site’ button contains a direct link to the website of the institution providing that subject matter, which redirects either to the institution’s home page or to the page relating to the subject matter.

VG Bild-Kunst made concluding a licence agreement with SPK for the use of its catalogue of works in the form of thumbnails conditional upon the inclusion of a clause whereby the licensee undertakes, when using the protected works and subject matter covered by the agreement, to implement effective technological measures against the ‘framing’ by third parties of the thumbnails of the protected works or subject matter displayed on the DDB website.

Having deemed such a provision to be unreasonable, SPK brought an action seeking a declaration that VG Bild-Kunst was obliged to grant the licence in question to SPK without any condition requiring SPK to implement such technological measures.

The underlying issue is whether the embedding of a work, which is available on a website, such as that of the DDB, with the consent of the right holder, in this case VG Bild-Kunst, in a third party’s website by means of ‘framing’ constitutes a communication to the public of the work within the meaning of Article 3(1) of [Directive 2001/29](#), where it circumvents the protective measures against ‘framing’ adopted by the right holder or imposed by the right holder on a licensee. If that were the case, the rights of the members of VG Bild-Kunst could be affected and VG Bild-Kunst could validly subject the granting of a licence to SPK to the condition that SPK undertake, in the licence agreement, to implement such protective measures.

Hence, the question referred to the CJ is in a way ‘indirect’, because it alludes to the consequences of VG Bild-Kunst not being able to impose such a requirement: *“Does the embedding of a work, which is available on a freely accessible website with the consent of the right*



*holder, in the website of a third party by way of 'framing' constitute communication to the public of that work within the meaning of Article 3(1) of Directive 2001/29, where it circumvents protection measures against 'framing' adopted or imposed by the right holder?"*

## 02 · Findings

The judgment begins by offering an exhaustive review of the case-law of the Court of Justice on the concept of 'communication to the public', within the meaning of Article 3(1) of [Directive 2001/29](#), and the cumulative elements required: an act of communication of a work (any act whereby a user gives access to protected works, in full knowledge of the consequences of his or her actions) and the communication of that work to a public (the protected works must effectively be communicated to a public, with that communication being directed at an indeterminate number of potential recipients and involving a considerable number of people).

The Court also recalls that in order to be classified as a 'communication to the public', a protected work must, moreover, be communicated using specific technical means, different from those previously used or, failing that, to a new public, that is, a public that was not already taken into account by the copyright holder when authorising the initial communication of his or her work to the public.

The judgment also recalls the rulings handed down concerning the technique of 'framing' and acknowledges that provided that the 'framing' uses the same technical means as that previously used to communicate the protected work to the public on the original website, namely, the Internet, that communication does not satisfy the condition of being communicated to a new public and, since that communication does not fall within the scope of a communication 'to the public', within the meaning of Article 3(1) of [Directive 2001/29](#), the authorisation of the copyright holder for such a communication is not required.

However, the judgment notes that this case-law was based on the finding of fact that the access to the works in question on the original website was not subject to any restrictive measure. Therefore, in the absence of such measures, the Court of Justice had found that by making his or her work freely accessible to the public or by authorising the provision of such access, the right holder envisaged all Internet users as the public from the outset and thus consented to third parties undertaking acts of communication of that work themselves.

The main proceedings, on the other hand, relate precisely to a situation where the copyright holder seeks to make the grant of a licence subject to the implementation of restrictive measures against 'framing' in order to limit access to the copyright holder's works from websites other than those of his or her licensees. In such circumstances, the copyright holder cannot be regarded as having consented to third parties being able to freely communicate his or her works to the public.

The Court states that by adopting, or by obliging licensees to implement, technical measures that limit access to his or her works from websites other than that on which he or she has authorised communication to the public of those works, the copyright holder is to be regarded as having expressed his or her intention to attach reservations to his or her authorisation to communicate the works to the public via the Internet, in order to limit the public for those works solely to the users of one particular website.

Therefore, where the copyright holder has adopted, or obliged licensees to implement,

restrictive measures against 'framing' in order to restrict access to his or her works from websites other than those of his or her licensees, the initial act of making the works available on the original website and the secondary act of making them available by means of the technique of 'framing', constitute different communications to the public, and each act must therefore be authorised by the right holders concerned.

The judgment emphasises that in order to ensure legal certainty and the smooth functioning of the Internet, the copyright holder cannot be allowed to limit his or her consent by means other than effective technological measures, within the meaning of Article 6(1) and (3) of [Directive 2001/29](#). Indeed, in the absence of such measures, it could prove difficult, particularly for individual users, to ascertain whether the right holder intended to oppose the 'framing' of his or her works. This is even more difficult when those works are subject to sub-licences.

With the above in mind, the Court considers that in such circumstances, the embedding by means of 'framing' on a third party website of a work protected by copyright and made freely available to the public with the authorisation of the copyright holder on another website must be regarded as 'making that work available to a new public'.

The Court notes that it should not be overlooked that hyperlinks, whether or not they are used in connection with the technique of 'framing', contribute to the smooth functioning of the Internet, which is particularly important for freedom of expression and information, enshrined in Article 11 of the [Charter of Fundamental Rights of the EU](#), as well as for the exchange of opinions and information on the Internet, which is characterised by the availability of vast amounts of information.

However, an approach whereby a copyright holder, even if he or she has introduced restrictive measures against the 'framing' of his or her works, is considered to have consented to any act of communication to the public of those works by a third party for the benefit of all Internet users, would be incompatible with the right holder's exclusive and inexhaustible right to authorise or prohibit any communication to the public of his or her works, under Article 3(1) and (3) of Directive 2001/29.

A copyright holder cannot be faced with the choice of either tolerating the unauthorised use of his or her works by third parties or surrendering the use of the works, as the case may be by means of a licence agreement.

Indeed, if it were held that the embedding in a third party website, by means of the technique of 'framing', of a work previously communicated on another website with the authorisation of the copyright holder, even though that right holder adopted or imposed protective measures against 'framing', does not constitute an act of making that work available to a new public, it would amount to creating a rule on exhaustion of the right of communication.

In light of the above considerations, the judgment responds to the question referred for a preliminary ruling by indicating that Article 3(1) of [Directive 2001/29](#) must be interpreted as meaning that the embedding, by means of the technique of 'framing', in a third party website, of works protected by copyright that have been made freely accessible to the public on another website with the authorisation of the copyright holder, where that embedding circumvents protective measures against 'framing' adopted or imposed by the copyright holder, constitutes a communication to the public within the meaning of that provision.

### 03 · Remarks

Since the Svensson ruling ([C-466/12](#)) put the notion of ‘communication to the public’ in check, there has been a succession of rulings from the Court of Justice that have addressed the scope of this right from all perspectives.

The new perspective offered by this judgment is perhaps the indirect analysis of this issue from the standpoint of licence agreements. The referring court raises a question as to the viability of a contractual requirement obliging licensees to implement technological measures to protect against ‘framing’, because not imposing such a requirement would mean that the licensor could not take action against third parties who use links to access the works. In this regard, it is necessary to establish whether the ‘framing’ constitutes a communication to the public requiring authorisation when the licensee has implemented effective protective measures aimed at preventing it.

The ruling confirms, in its application to this individual case, the doctrine established in this respect in a body of case-law which is on its way to becoming one of the largest bodies of case-law of the Court of Justice on intellectual property rights.

**Mabel KLIMT**





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# Patents



## 16

## Jurisdiction over disputes concerning the determination of inventor status where patents are from outside the European Union. Judgment of the Court of Justice of 8 September 2022, IRnova (C-399/21)

### 01 · Background

The Swedish company FLIR System AB (hereinafter “FLIR”) sought protection for several inventions by means of international patent applications, subsequently supplemented by European, US and Chinese patent applications, as well as US patents granted to FLIR on the basis of those latter applications.

The Swedish company IRnova AB (hereinafter “IRnova”), which had in the past had business relations with FLIR, brought an action against FLIR, arguing that those inventions had been made by one of IRnova’s employees and claiming that: (i) that employee should be considered the inventor or at least a co-inventor of the inventions; (ii) IRnova, as the employer, should be considered the owner of those inventions, which FLIR had filed in its own name without being entitled to do so.

The Swedish Patent and Market Court declared that it had jurisdiction to hear IRnova’s action in relation to the inventions that were the subject of the European patent applications, and that it did not have jurisdiction to hear the action in relation to the Chinese and US patent applications, basing its lack of jurisdiction on the rule on exclusive jurisdiction set out in Article 24(4) of [Regulation \(EU\) 1215/2012](#) (hereinafter “Brussels Ia Regulation”) which is reproduced below: *“The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties: [...] (4) in proceedings concerned with the registration or validity of patents, trademarks, designs, or other similar rights required to be deposited or registered, irrespective of whether the issue is raised by way of an action or as a defence, the courts of the Member State in which the deposit or registration has been applied for, has taken place or is under the terms of an instrument of the Union or an international convention deemed to have taken place.”*

IRnova brought an appeal against the decision regarding lack of jurisdiction and the referring court (the Svea hovrätt – the Court of Appeal in Stockholm) decided to stay the proceedings and to refer the following question to the Court of Justice for a preliminary ruling: *“Does an action seeking a declaration of better entitlement, based on a claim of inventorship or co-inventorship, to an invention under national patent applications and patents registered in a non-Member State, fall within the exclusive jurisdiction under Article 24(4) of the Brussels Ia Regulation?”*

### 02 · Findings

The Court of Justice’s answer is clear. The exclusive jurisdiction under Article 24(4) of the [Brussels Ia Regulation](#) does not cover a situation where patents are deposited or granted outside Member States, such as in the United States and China, and therefore such a situation falls outside its scope.

The Court of Justice also finds that Article 24(4) does not apply based on the fact that the main action does not constitute proceedings *“concerned with the registration or validity*

of patents”, and therefore it is not necessary to ensure that jurisdiction rests with courts closely linked in fact and law to the register.

In particular, the disputed issue in the proceedings concerns whether FLIR is to be regarded as the proprietor of the right to the inventions, which falls outside what could be construed as a dispute concerning the registration or validity of patents for the following reasons:

The identification of the inventor is a preliminary matter and, therefore, separate from the filing of a patent application or the grant of that patent. Moreover, even if it implies the need to conduct an examination of the claims for the purpose of determining the degree of contribution of the parties, such an examination would not relate to the patentability of the invention.

It does not concern the validity of the filing either, given that the purpose of the proceedings is to determine the right to the inventions themselves. In this regard, the Court of Justice makes it clear that the fact that the absence of a right to the invention may constitute a ground for invalidity is irrelevant as regards the jurisdiction to hear disputes relating to the status of inventor.

### 03 · Remarks

The judgment is consistent with the Court of Justice’s own case-law, which has held that the question of determining the ownership of an intellectual property right is not, as a general rule, closely linked in fact and law to the place where that right has been registered. This judgment provides greater certainty on the specific case of a dispute in which the main proceedings concern the determination of the inventor of a patent filed and/or granted in third countries, confirming that the exclusive jurisdiction rule of Article 24.4 of the [Brussels Ia Regulation](#) does not apply.

It should be recalled that the application of that exclusive jurisdiction rule deprives the parties of the choice of forum which would otherwise be theirs and may even subject them to a jurisdiction other than that of their domicile, and therefore it is a specific rule on jurisdiction that must be interpreted restrictively.

Agustín ALGUACIL



# 17 · Viability of an application for interim measures in spite of pending opposition proceedings against a European patent before the European Patent Office. Judgment of the Court of Justice of 28 April 2022, Phoenix Contact ([C-44/21](#))

## 01 · Background

The judgment considers a request for a preliminary ruling made by a German court in the context of an application for interim measures concerning an alleged patent infringement in proceedings between Phoenix Contact GmbH & Co. KG and HARTING Deutschland GmbH & Co. KG and Harting Electric GmbH & Co. KG. The facts of the matter are very simple.

Phoenix Contact filed an application for interim measures based on a European patent for a plug connector comprising a protective conductor bridge. The patent had been granted by the European Patent Office after Harting Electric submitted observations contesting its validity.

The interim measures were requested one month before Harting Electric filed an opposition against the patent before the EPO.

The referring court indicates that the patent at issue is valid and that it is being infringed, and it would therefore be appropriate to grant the application for interim measures brought by Phoenix Contact. However, the court is bound by national case-law according to which the patent in question may enjoy interim judicial protection only where its validity has been confirmed by a decision issued at first instance in patent validity proceedings.

The referring court asks, in light of said German case-law, whether interim measures may be granted if a decision has not yet been issued on the patent in question in EPO opposition proceedings or its validity has not been confirmed in national invalidity proceedings at first instance.

## 02 · Findings

The CJ begins by pointing out that the stated case-law imposes a requirement which deprives Article 9(1)(a) of [Directive 2004/48](#) of any practical effect insofar as it does not allow the national court to adopt, in accordance with that provision, an interlocutory injunction in order to immediately terminate the infringement of the patent in question even though the national court considers that the patent is valid and is being infringed.

Such a requirement could give rise to a situation in which competitors of the proprietor of the patent at issue, as potential infringers, consciously decide to abandon a challenge to the validity of that patent in order to prevent it from enjoying effective judicial protection, which would render the provisional protection mechanism provided for in Article 9(1) of Directive 2004/48 devoid of any substance.

The CJ recalls that filed European patents enjoy a presumption of validity from the date of publication of their grant. Thus, as from that date, those patents enjoy the full scope of the protection guaranteed, in particular, by Directive 2004/48.

The judgment notes that this interpretation is not incompatible with the requirement that

interim measures be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide safeguards against their abuse. The guarantees which must be offered by the national court in this regard are the following.

Firstly, under Article 9(5) of [Directive 2004/48](#), Member States shall ensure that the provisional measures referred to, inter alia, in paragraph 1 of that article are revoked or otherwise cease to have effect, upon request of the defendant, if the applicant does not institute, within a reasonable period, proceedings leading to a decision on the merits of the case before the competent judicial authority, the period to be determined by the judicial authority ordering the measures where the law of a Member State so permits or, in the absence of such determination, within a period not exceeding 20 working days or 31 calendar days, whichever is the longer.

Secondly, Article 9(6) of [Directive 2004/48](#) provides for the possibility of making such provisional measures subject to the lodging by the applicant of adequate security or an equivalent assurance intended to ensure compensation for any prejudice suffered by the defendant. This protective instrument may be implemented by the competent court hearing the application for interim measures at the time when it examines that application.

Thirdly, Article 9(7) of [Directive 2004/48](#) provides, in the cases referred to in that provision, for the possibility of ordering the applicant, upon request of the defendant, to provide the defendant with appropriate compensation for any injury caused by the provisional measures.

In the light of all the above considerations, the judgment concludes that Article 9(1) of [Directive 2004/48](#) must be interpreted as precluding national case-law under which applications for interim measures for patent infringement must, in principle, be dismissed where the validity of the patent at issue has not been confirmed, at the very least, by a decision given at first instance in opposition or invalidity proceedings.

### 03 · Remarks

While the CJ's ruling appears to be intended to correct or rectify a line of German case-law, there are also considerations of general interest. First and foremost, it seems clear that the 'torpedo effect' of opposition proceedings before the EPO against the grant of a European patent is inadmissible. From the grant of the patent, it has full effect, including the possibility of seeking interim measures. Whether the national court has a duty to ensure that the measures are not abusive by examining the validity of the patent and checking whether national legislation provides for the safeguards mentioned by the CJ is another matter.

Enrique ARMIJO



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# Designs



# 18 · Claims supplementary to an action for infringement of a Community design. Judgment of the Court of Justice of 3 March 2022, Acacia ([C-421/20](#))

## 01 · Background

Acacia Srl is an Italian company which manufactures wheel rims for vehicles in Italy and distributes them in several Member States. BMW considered that Acacia's distribution of certain wheel rims in Germany infringed a registered Community design it holds and therefore brought an action for infringement before a Community design court in the Federal Republic of Germany, which declared that it had jurisdiction in accordance with Article 82(5) of [Regulation No. 6/2002](#) on Community designs.

Acacia argued that the wheel rims in question fell within the scope of Article 110 (transitional provision) of that Regulation and that there was therefore no infringement. However, the court found that Acacia had committed the acts of infringement alleged by BMW, ordered that the infringement be brought to an end and, referring to Article 8(2) of [Regulation No. 864/2007](#) (Rome II), applied German law to the so-called 'supplementary claims' seeking damages, the provision of information and documents, the surrender of accounts and the handing over of the infringing products with a view to their destruction. On the basis of the rules contained in that national law, those claims were, in essence, upheld.

Acacia appealed to the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf), refuting the existence of the infringement and taking the view that the law applicable to BMW's supplementary claims was Italian law.

The Düsseldorf Court stated that Acacia had committed the acts of infringement alleged by BMW, but it had doubts as to the national law applicable to BMW's supplementary claims. It therefore decided to stay the proceedings and to refer a series of questions to the CJ for a preliminary ruling.

Those questions were aimed at determining the law applicable, in the case of an infringement action brought under Article 82(5) of [Regulation No. 6/2002](#), to the claims supplementary to that action by which the applicant sought, outside the scope of the substantive provisions of the Community design regime established by that Regulation, an order requiring the infringer to pay damages, provide information, documents and accounts, and surrender the infringing products with a view to their being destroyed.

## 02 · Findings

The CJ's judgment indicates that the holder of the Community design cannot simultaneously bring, in relation to the same acts of infringement, actions based on article 82(5) of Regulation 6/2002 and on the other paragraphs of that article. Therefore, there is no risk of having a situation where claims supplementary to an infringement action with the same subject matter are examined in several different proceedings on the basis of different laws.

In reply to the questions raised, the CJ's judgment states that Article 88(2) and Article 89(1)(d) of [Regulation No. 6/2002](#), as well as Article 8(2) of [Regulation No. 864/2007](#), must be interpreted

as meaning that the Community design courts before which an infringement action under Article 82(5) of Regulation No 6/2002 is brought concerning acts of infringement committed or threatened within the territory of a single Member State, must examine the claims supplementary to that action, seeking damages, the provision of information, documents and accounts and the surrender of the infringing products with a view to their destruction, on the basis of the law of the Member State in which the acts of infringement of the Community design relied upon have been committed or are threatened. This is the same, in the circumstances of an action brought pursuant to Article 82(5) of Regulation 6/2002, as the law of the Member State in which those courts are situated.

### 03 · Remarks

The CJ's judgment clarifies the interpretation of Article 8(2) of [Regulation No. 864/2007](#) (Rome II) with regard to the courts having jurisdiction for claims supplementary to an action for infringement of a Community design where the acts of infringement are committed in a single Member State.

In particular, there are differences with respect to the CJ's judgment of 27 September 2017, *Nintendo*, ([C-24/16 and C-25/16](#)), in which the same defendant was accused, in the same legal action, of acts of infringement committed in different Member States, as the cases are different.

It is also important to note the conclusion that the court hearing the case cannot be required to ascertain whether there is an initial act of infringement in another Member State, or to rely on that act in order to apply the law of that other Member State. In the case at issue in the judgment, it is more appropriate and confers greater legal certainty to apply the law of the Member State in which the acts of infringement were committed.

Pedro SATURIO

# 19 · Disclosure to the public of an unregistered design when it is a part of a product. Judgment of the Court of Justice of 28 October 2021, Ferrari (C-123/20)

## 01 · Background

Ferrari SpA (Ferrari) first presented its FXX K model to the public on 2 December 2014 in a press release which included a side view and a front view of the vehicle, shown below:



The FXX K is a top-of-the-range model, produced in very limited numbers and intended for driving on racetracks. The price of the model is over 2 million euros.

Mansory Design & Holding GmbH (Mansory Design) is a German company which has manufactured and marketed sets of personalisation accessories for high-end vehicles (known as “tuning kits”) since 2016.

Mansory Design offers several of these sets designed to alter the appearance of another Ferrari model, the Ferrari 488 GTB, a production model suitable for road use which has been available since 2015. The price of the Ferrari 488 GTB is significantly lower than that of the FXX K.

The packages or kits offered by Mansory Design include two versions of the front kit reflecting the two versions of the Ferrari FXX K: one version (see front view) with a ‘V’ shape on the bonnet, the ‘V’ being black apart from its low point (which is the same colour as the basic colour of the vehicle), and another version with the ‘V’ which is entirely black.

In March 2016, at the Geneva International Motor Show, Mansory Design presented a vehicle transformed with its kits under the name Mansory Siracusa 4XX, as shown below:



Ferrari considered that the marketing of those packages or kits infringed the rights conferred by one or more of its unregistered Community designs, and it therefore brought an action against Mansory Design in the first instance before the Regional Court of Düsseldorf. Specifically, Ferrari submitted that there was an infringement of, among others, an unregistered Community design relating to the appearance of the part of its FXX K model consisting of a V-shaped element on the bonnet, a fin-like element which protrudes from the centre of that element and is fitted lengthways, a front lip spoiler integrated into the bumper, and a central vertical bridge which connects the front spoiler to the bonnet. The first instance court dismissed its claims.



Ferrari filed an appeal with the Higher Regional Court of Düsseldorf, maintaining its claims relating to compensation, but the appeal was dismissed.

Ferrari lodged a further appeal with Germany's Federal Court of Justice, which decided to stay the proceedings and referred the following questions to the CJ for a preliminary ruling:

*Can unregistered Community designs in individual parts of a product arise as a result of disclosure of an overall image of a product in accordance with Article 11(1) and the first sentence of Article 11(2) of [Regulation No. 6/2002](#)?*

*If the answer to the first question is in the affirmative, what legal criterion is to be applied for the purpose of assessing individual character in accordance with Article 4(2)(b) and Article 6(1) of Regulation (EC) No. 6/2002, when determining the overall impression of a component part which, as in the case of a component of a vehicle's bodywork, for example, is to be incorporated into a complex product? In particular, can the criterion be whether the appearance of the component part, as viewed by an informed user, is not completely lost in the appearance of the complex product, but rather displays a certain autonomy and consistency of form such that it is possible to identify an aesthetic overall impression which is independent of the overall form?*

## 02 · Findings

In relation to the first question, the response was in the affirmative, given that the CJ declared that Article 11(2) of [Regulation No. 6/2002](#) must be interpreted as meaning that the making available to the public of images of a product, such as the publication of photographs of a vehicle, entails the making available to the public of a design of a part of that product, or of a component part of that product, as a complex product, provided that the appearance of that part or component part is clearly identifiable at the time the design is made available.

As for the second question, in order for it to be possible to examine whether that appearance



satisfies the requirement of individual character laid down in Article 6(1) of [Regulation No. 6/2002](#), it is necessary that the part or component part in question constitute a visible section of the product or complex product, clearly defined by lines, contours, colours, shapes or a particular texture.

### 03 · Remarks

The judgment establishes the conditions under which an unregistered design is disclosed to the public when it is a part of a product, and the criterion for examining whether it satisfies the requirement of individual character.

It can be interpreted as a wake-up call to companies engaged in car ‘tuning’, although this may also be extended to other sectors, in the sense that they should be careful not to conflict with the rights conferred by earlier unregistered designs, even when it is a case of reproducing only a part or component part of them.

This judgment, together with other earlier judgments (such as, for example, the judgments handed down by the CJ in cases [C-479/12](#) and [C-345/13](#)), helps to clarify certain concepts concerning unregistered designs, and thus the figure of unregistered designs is increasingly better defined by case-law and it can be a useful tool in some cases where there is no registered design protection.

Pedro SATURIO





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# Anti-Counterfeiting



## 20 · Trademark infringement on online sales platform. Judgment of the Court of Justice of 22 December 2022, Louboutin ([C-148/21](#) and [C-184/21](#))

### 01 · Background

The Court of Justice has ruled on two requests for a preliminary ruling made by the Brussels Companies Court (French-speaking) and by the Luxembourg District Court concerning the use by an online sales platform of a European Union trademark without the consent of the proprietor of the mark in respect of goods identical to those for which the mark is registered.

The requests for a preliminary ruling seek to determine whether, in the light of Article 9.2 of [Regulation 2017/1001](#), (i) the use of a sign identical to a registered trademark in an advertisement displayed on an online sales website is attributable to the website operator as a result of the combination on the website of the operator's own offers and those of third-party sellers or the fact that the operator has played an active role in the preparation of the advertisement or that the advertisement forms part of the operator's own commercial communication and (ii) whether the shipment to the final consumer of goods bearing a sign identical to a registered trademark without the consent of the proprietor of the mark, constitutes use that is attributable to the shipper only if the shipper has actual knowledge that the sign has been affixed to the goods or if the shipper has informed the final consumer that it will carry out the shipment after having stocked the goods or if the shipper is a user of the sign in question if it has previously made an active contribution to the display of an advertisement for the goods bearing that sign or has taken the final consumer's order on the basis of said advertisement.

### 02 · Findings

The Court rules that Article 9(2) of Regulation 2017/1001 is to be interpreted as meaning that the use of a sign identical to a trademark in an advertisement displayed on an online sales website for goods identical to those for which the trademark is registered, without the consent of the proprietor of the mark and where third-party sellers offer such goods for sale on that website, is attributable to the website operator if a well-informed and reasonably observant user of that website establishes a link between the services of that operator and the sign in question, which is particularly the case where, in light of all the circumstances of the situation, that user may have the impression that said operator is itself marketing, in its own name and on its own behalf, the goods bearing that sign.

In this regard, it is relevant that said operator uses a uniform method of presenting the offerings published on its website, displaying both the advertisements for the goods it sells in its own name and on its own behalf and the advertisements for the goods offered by third-party sellers in that marketplace, that it includes its own logo as a renowned distributor in all of those advertisements and that it offers third-party sellers, in connection with the marketing of goods bearing the sign in question, additional services consisting, in particular, of storage and shipping of those goods.

### 03 · Remarks

In the context of the European Union, the judgment is of crucial importance as it establishes the

direct liability of the online sales platform in the event of trademark infringement, based on the mechanisms for advertising, storage and delivery of the infringing goods of said online sales platform, as it is not possible for an average user to distinguish between the goods marketed directly by the online sales platform and those marketed by third parties through the online sales platform.

The judgment goes beyond the usual model of liability for online sales platforms, which are usually held indirectly liable in this type of situation, as facilitators of infringing conduct that is only carried out by third parties, with obligations of removal and direct liability arising only from actual knowledge of the infringement in question, based on their status as providers of information society services.

The judgment is therefore in line with Article 17 of [Directive \(EU\) 2019/790](#) as regards the direct liability of online providers for intellectual property infringements.

**Mabel KLIMT**



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# Geographical Indications

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# 21

## Partial annulment of the Council decision on the accession of the European Union to the Geneva Act of the Lisbon Agreement. Judgment of the Court of Justice of 22 November 2022, Geneva Act (C-24/20)

### 01 · Background

On 7 October 2019, the Council of the European Union unanimously adopted [Decision 2019/1754](#), by which the European Union acceded to the [Geneva Act](#) of the Lisbon Agreement on Appellations of Origin and Geographical Indications. This decision also authorized any Member State wishing to do so to accede to the Act alongside the European Union, in full respect of its exclusive competence.

On 17 January 2020, the Commission brought an action before the CJ against the aforementioned Council decision, arguing that it neither proposed nor agreed to authorise Member States to ratify or accede to the Geneva Act, but that it merely proposed the accession of the European Union to that Act. The action sought the annulment of the articles referring to that unintended authorization of the Member States.

### 02 · Findings

Pursuant to Article 293(1) [TFEU](#), the Council has the power to amend a Commission proposal acting unanimously. Furthermore, Article 3(1)(e) TFEU confers exclusive competence on the Union in the field of common commercial policy.

The CJ thus concluded that the Council exceeded its powers by authorizing the Member States to exercise a competence which the Treaties confer exclusively on the Union, thereby distorting the very purpose of the Commission's proposal, in which it rightly established that the Union alone should exercise that competence.

However, the CJ decided to preserve the seniority and to respect the continuity of the protection of appellations of origin registered under the Lisbon Agreement in the seven Member States which were already parties to that agreement (Bulgaria, Czech Republic, France, Italy, Hungary, Portugal and Slovakia), in accordance with the principle of sincere cooperation between the European Union and the Member States, in order to protect the acquired rights derived from those national registrations.

Finally, the Court also decided to maintain the effects of the annulled parts of the contested decision, only insofar as they related to Member States which, on the date of delivery of the judgment (22 November 2022), had already availed themselves of the authorization provided for in the Council decision to ratify or accede to the Geneva Act, until the entry into force of a new Council decision.

### 03 · Remarks

With this accession, the European Union has exclusive competence in the areas covered by the [Geneva Act](#), without allowing Member States to accede to the Act individually. It is thus confirmed that the Commission of the European Union has sole responsibility for the administration

of the Geneva Act in the territory of the Union, for the exchange of communications with the World Intellectual Property Organization (WIPO) and for international applications for appellations of origin or geographical indications relating to products originating in any Member State of the European Union.

The [Lisbon Agreement](#) for the Protection of Appellations of Origin and their International Registration is an international treaty signed on 31 October 1958. It is constituted as a special arrangement or union under the [Paris Convention](#) for the Protection of Industrial Property and currently has 28 contracting parties, including several Member States of the European Union. Furthermore, the Geneva Act, which entered into force on 20 May 2015, extends the scope of the Lisbon Agreement to cover not only appellations of origin but also geographical indications and allows intergovernmental organizations to become part of the Lisbon Union.

Blanca PALACÍN

## 22 · PDO protection for products exported to third countries. Judgment of the Court of Justice of 14 July 2022, Feta (C-159/20)

### 01 · Background

The Greek authorities informed the European Commission (hereinafter the Commission) that certain undertakings based in Denmark were exporting cheese to third countries outside the European Union under the designation 'Feta', 'Danish Feta' and 'Danish Feta cheese' even though it did not comply with the product specification for the PDO Feta.

The Greek authorities, and subsequently the Commission, requested the Danish authorities to put an end to this practice as it was an infringement of EU law. Denmark rejected these arguments, considering that these practices were not contrary to EU law, since these products were exported to third countries where these rights are not protected.

In view of this refusal, the Commission issued a reasoned opinion to this Member State, requiring that the infringements be brought to an end. In its reply, Denmark maintained its position and the Commission therefore decided to bring an action based on the following complaints:

- breach of the obligations arising from Article 13 of [Regulation \(EU\) No 1151/2012](#) of 21 November 2012 on quality schemes for agricultural products and foodstuffs, and
- infringement of the principle of sincere cooperation.

In support of those claims, the Member States of Greece and Cyprus intervened alongside the Commission.

### 02 · Findings

The CJ finds that Denmark has failed to fulfil its obligations by failing to prevent or stop Danish dairy producers from using the PDO Feta to designate a cheese which did not conform to the PDO product specification.

According to the CJ, the wording of Article 13(1)(a) of Regulation 1151/2012 refers to 'any use', which includes use of that PDO to designate products manufactured in the European Union and intended for export to third countries.

Therefore, the use of a PDO or PGI in respect of a product manufactured in the territory of the European Union, which does not conform to the applicable product specification, constitutes an infringement of intellectual property rights, even if that product is intended for export to third countries.

The CJ rejects the second complaint as it relates to the same conduct as that forming the subject matter of the first complaint, namely, failure to comply with the obligations of the Member States. Since it is not established that Denmark encouraged, other than through that failure, the unlawful use of the PDO 'Feta', the infringement of the principle of sincere cooperation is not accepted.

### 03 · Remarks

The Court's answer is relevant insofar as it rules on the obligations of the Member States in their role as guarantor of the protection of the intellectual property rights of PDOs and PGIs.

The obligation of the Member States is to prevent or stop any unlawful use from being made, not only when the products are marketed within their territory, but also when they are manufactured in their territory and intended for export.

The efforts to improve quality made by producers linked with a PDO or PGI of a geographical area will thus be rewarded, and consumers will receive clear information on these products, especially with regard to the quality guaranteed by the products, these being the aims pursued by EU regulations.

In short, failure by the Member States to fulfil this obligation would undermine the objectives pursued by EU legislation on the protection of PDOs and PGIs and would also be detrimental to users of the internal market.

**Patricia GÓMEZ**

## 23

Geographical indication designating an agricultural product, registered under the legislation of a Member State and protected at national level. Transitional national protection. Order of the Court of Justice of 9 February 2022, *Konservinvest* (C-35/21)

## 01 · Background

A request was made to the CJ for a preliminary ruling on the interpretation of Article 9 of [Regulation \(EU\) No. 1151/2012](#) of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs, in the context of proceedings brought in Bulgaria.

The main proceedings involved *Konservinvest* OOD and *Bulkons Parvomay* OOD and concerned *Konservinvest*'s use of trademarks allegedly infringing *Bulkons*' prior rights in the geographical indication 'Lyutenitsa Parvomay'. *Lyutenitsa* is a typical Bulgarian product consisting of a paste or sauce made from vegetables such as pepper, tomato and aubergine, among other vegetables. *Parvomay* refers to the Bulgarian region of origin.

The *Varhoven katatsionen sad* (Bulgarian Supreme Court) initially held that where the dispute concerning agricultural products and foodstuffs is between local producers in relation to the same geographical indication which has obtained only national protection and the infringements have occurred in the Member State, in this case, Bulgaria, EU law does not expressly exclude the possibility that those products are registered only at national level and obviously enjoy protection only in that territory.

The Court decided to stay the proceedings and to refer a question to the CJ for a preliminary ruling as to whether it is permissible for a geographical indication for agricultural products and foodstuffs to be registered solely under the national law of a Member State, notwithstanding the provisions of [Regulation \(EU\) No. 1151/2012](#), and thus to enjoy protection only at national level.

## 02 · Findings

The CJ analyses Regulation (EU) No. 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs, Articles 2, 5 and 9.

The CJ examines whether a national system for the registration and protection of geographical indications for agricultural products and foodstuffs falling within the scope of Regulation (EU) No. 1151/2012 leaves Member States free to apply other parallel rules (the Member State in which the geographical indication is registered) governing infringements relating to such geographical designations.

The geographical designations at issue are not simple, but qualified geographical designations, like those for which protection is provided under Regulation No. 1151/2012. In this regard, the national system for registration and protection of geographical designations relating to agricultural products and foodstuffs falling within the scope of the Regulation may not coexist with the system of protection for designations of origin and geographical indications established by that Regulation.

The CJ holds that *“Regulation No. 1151/2012 must be interpreted as precluding legislation of a Member State providing for a national system for the registration and protection of qualified geographical designations [...] which applies only to disputes relating to infringement of the rights arising from those designations between traders from that Member State who produce, in the territory of that Member State, the products for which those designations have been registered under that legislation”*.

### 03 · Remarks

The judgment is of interest due to the interpretation given of [Regulation \(EU\) No. 1151/2012](#) in general and of Article 9 in particular. The CJ explains that the aim of the Regulation is not to establish a supplementary system but to provide a uniform and exhaustive system for the protection of geographical designations and indications.

In particular, with regard to Article 9 of the Regulation, the CJ interprets that such a provision would be meaningless if Member States could retain their own protection systems and have them coexist with the Regulation, since the article provides that Member States may grant (under their sole responsibility) transitional national protection until a decision is taken on the application for registration under the Regulation or until the application is withdrawn.

Moreover, if this were to happen, there would be a risk that the aim of ensuring the quality of the agricultural products concerned would be compromised.

Finally, the CJ’s decision is important when assessing a possible “parallel” national system for the protection of geographical indications. The Court’s position, opposing the national system for the registration and protection of the qualified geographical designations of a Member State (falling within the scope of the Regulation), is clear.

Alejandra OTERO

# 24 · Scope of protection of the designation of origin Champagne. Judgment of the Court of Justice of 9 September 2021, Champagne (C-783/19)

## 01 · Background

The Comité Interprofessionnel du Vin de Champagne (CIVC), the entity responsible for the defence of the protected designation of origin (PDO) Champagne, brought an action before the Mercantile Courts of Barcelona for infringement of the PDO against some tapas bars that were identified using the name “Champanillo”. At first instance, the action was dismissed with the Court finding that the use of that name did not imply an evocation of the PDO Champagne, given that it did not identify an alcoholic beverage but establishments offering catering services.

The CIVC lodged an appeal against that judgment and the Provincial Appellate Court of Barcelona submitted a request for a preliminary ruling, seeking guidance from the Court of Justice on the interpretation of the concept of evocation referred to in Article 103.2 of [Regulation \(EU\) no. 1308/2013](#), which establishes the scope of protection of designations of origin in the European Union.

## 02 · Findings

After summarising the different types of infringement of PDOs laid down in Regulation no. 1308/2013 and in [Regulation no. 1151/2012](#), the Court of Justice goes on to answer the first question posed by the Provincial Appellate Court of Barcelona, concerning whether the protection against misuse, imitation or evocation of the PDO only covers conduct relating to goods or whether it also extends to services. The CJ, on the basis of the wording of the legislation, finds that the protection refers both to conduct relating to goods and conduct relating to services.

The Court then refers specifically to the concept of evocation, relying on several of its earlier rulings on this issue. In this regard, it states categorically that the concept of evocation does not require that the goods covered by the PDO and the goods or services identified by the contested name be identical or similar. Furthermore, it points out that the existence of an evocation is established where the use of a name creates, in the mind of an average European consumer, who is reasonably well informed and reasonably observant and circumspect, a sufficiently clear and direct link between that name and the PDO.

Finally, the CJ answers the last question raised by the Provincial Appellate Court of Barcelona concerning the relationship between the concept of evocation and acts of unfair competition. In this respect, the Court considers that they are two independent regulations, and protection of PDOs is thus a specific protection which applies independently of national rules on unfair competition.

## 03 · Remarks

This judgment is particularly important because it is the first time that there has been an express finding from the Court of Justice in favour of extending the protection of PDOs to situations other than the use of similar names to designate goods of a similar nature to those

protected by the designation of origin.

Moreover, although it is not something new with respect to the Court's findings in other earlier rulings, in this judgment it goes further in emphasising that the concept of evocation does not require that the goods covered by the PDO and the goods or services designated by the disputed name be similar. The difference in this regard with respect to the comparison criteria under trademark law is thus highlighted by the Court.

The acknowledgement of the need to protect designations of origin against uses which take advantage of their reputation in different sectors, in relation to both goods and services, is very important for highly prestigious designations such as Champagne, and this judgment is an important step forward in that direction.

**Carlos MORÁN**



# 25 · Concept of “legitimate interest” in relation to requests for amendment of the conditions of a PDO product specification. Judgment of the Court of Justice of 15 April 2021, Hengstenberg (C-53/20)

## 01 · Background

On 18 February 2012, an association of producers of gherkins from the Spree Forest (Germany) filed an application with the DPMA (German Patent and Trademark Office) for amendment of the product specification of the protected geographical indication “Spreewälder Gurken”. The aim of the application was to change the production method for the PGI-protected gherkins by using certain food additives.

The gherkin company “Hengstenberg” filed an action, arguing that such a change could lead to a devaluation of the protected indication. The action was dismissed on grounds of a lack of legitimate interest, given that the company was not located within the protected territory.

An appeal was lodged against the decision, given the absence of a definition of the indeterminate concept of ‘legitimate interest’ in [Regulation \(EU\) No 1151/2012](#). In this regard, the German court referred the matter to the Court of Justice for a preliminary ruling, essentially raising questions on the concept of “legitimate interest” and the criteria for standing to prevent amendments to the conditions of the specification of a product covered by a protected designation.

## 02 · Findings

The Court of Justice states that, although the term “legitimate interest” is not defined in the Regulation, this does not mean that this concept has not been examined in case-law and, for its correct application, it must be analysed in relation to three relevant aspects.

Firstly, an interpretation of the legislation and its origins must be carried out. Secondly, the context must be established with regard to the provisions that are linked to legitimate interest and, finally, the objectives pursued by the Regulation and the protection of geographical indications and designations of origin of agricultural products and foodstuffs must be analysed.

In this regard and in accordance with the provisions of Article 49(3) and (4) in relation to Article 53(2) of [Regulation \(EU\) No 1151/2012](#), as regards the objective pursued, it follows from the addition of the terms “*any natural person*” that lawmakers intended a non-restrictive application of the provision. Thus, the concept of “legitimate interest” is not reserved solely to those operators who produce products or foodstuffs comparable to the products or foodstuffs covered by a protected geographical indication.

With regard to the context, the Court takes note of the division of powers and, in particular, that registration involves verification of compliance with the conditions linked to the approval of protection for the geographical indication. This analysis involves both the Member State concerned and the natural or legal persons who may benefit from or be adversely affected economically by the registration or substantial amendment of the conditions of a specific product.

As regards the origins of the legislation, the Court notes that in the context of the procedure

for registration, the right to object is conferred on “*any legitimately concerned natural or legal person*”, a concept which has been interpreted in case-law of the Court of Justice as including the existence of a legitimate economic interest.

Finally, it should be borne in mind that the Regulation seeks to establish a quality scheme for specific products, both as regards their origin and their method of production.

In this regard, the Court concludes that the aim of the Regulation is to prevent the misuse of protected designations of origin and thus prevent harm to producers who have made great efforts to guarantee the quality they have lawfully attained. This would have the direct consequence of harming the interests of consumers of the protected products, a situation which the Regulation seeks to avoid.

### 03 · Remarks

It is clear from the analysis in relation to the three most relevant aspects proposed by the CJ of [Regulation \(EU\) No 1151/2012](#) that the concept of “legitimate interest” should be subject to a broad interpretation.

On the one hand, it ensures that compliance with quality, as well as the method of production of protected products, can be promoted and defended by means of an opposition or appeal, and that this instrument is available to a large number of persons or interested parties.

In turn, the judgment prevents producers whose products are covered by a protected designation from being able to obtain a competitive advantage through a direct reduction in quality following a substantial amendment of the conditions of the product specification.

In conclusion, the concept of “legitimate interest” includes any natural or legal person who potentially, provided that it is reasonably plausible, could be economically affected by an amendment of the conditions of the product specification.

Enrique JACOBO



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# Personal Data



# 26 · Consent of subscribers and execution of the right to erasure in telephone directories. Judgment of the Court of Justice of 27 October 2022, Proximus (C-129/21)

## 01 · Background

Proximus is a Belgian telecommunications services company which is also a provider of public telephone directories and directory enquiry services. The directories include the personal identification and contact details of subscribers of different operators of telephone services available to the public.

One of the people listed in the directories asked Proximus to remove his personal data from the directories produced by Proximus and not to pass on his data to other telephone directory providers. Thus, Proximus stopped including the person's details in its directories, informing him that it had given notice of his request to third-party directory providers.

Despite the above, this person's details were published in the directory of a third party to which Proximus provided personal information. The person therefore filed a complaint with the Belgian Data Protection Authority, which ruled that Proximus had breached certain provisions of [Regulation \(EU\) 2016/679](#), hereinafter referred to as GDPR. Proximus appealed that ruling to the Belgian courts.

Finally, the Brussels Appeal Court referred several questions to the CJ for a preliminary ruling, including whether a person's consent to be listed in telephone directories must be obtained within the meaning of the GDPR, whether the subscriber's request not to be listed in the directory should be categorised as a request for erasure, within the meaning of said Regulation, and whether the telephone directories provider must take appropriate measures to inform third-party providers to which it has provided personal information of data subjects about the withdrawal of their consent for listing in the directories.

## 02 · Findings

The CJ rules on the first question, declaring that, in the context of the matter referred, consent must be given within the meaning of Article 4(11) of the [GDPR](#). Therefore, it must be a "*freely given, specific, informed and unambiguous*" indication of the data subject's wishes by which he or she, by a "*clear affirmative action*", agrees to the processing of his or her personal data for the described purposes.

The CJ also holds that if a subscriber has given a telephone services operator consent for his or her personal details to be listed in a public directory, it will not be necessary for directory providers such as Proximus or other third parties to obtain consent again to publish the details in a public directory, as they have the same purpose for which the consent was initially given.

Furthermore, in relation to the second question referred for a preliminary ruling, Article 12 of [Directive 2002/58](#) on privacy and electronic communications provides for subscribers to be able to withdraw the personal data for which they originally gave consent to be listed in the telephone directories.

However, the Directive does not contain any indication with regard to carrying out requests for

erasure. Therefore, the CJ rules that, as is clear from recital 10 of said Directive, the provisions of the GDPR are applicable.

In this regard, the CJ clarifies that when the subscriber requests that his or her details are no longer listed in a directory, he or she would be to all intents and purposes withdrawing his or her consent for their publication. Therefore, this withdrawal of the subscriber's consent means that any further processing of the data would be unlawful, which gives the subscriber the right to request the deletion of his or her personal data from that directory, pursuant to Article 17 of the GDPR.

As for the third question, the CJ holds that Proximus and the third-party directory providers to which it provides information base their data processing on a single consent of the subscriber to be listed in the directories. In relation to the fourth question, the withdrawal of this consent must also imply that it is communicated to search engines.

Therefore, the subscriber may contact any of them, without distinction, to withdraw his or her consent, and it shall be obliged to implement appropriate measures to inform the other directory providers to which it provided the information and de-index the data from the different search engines.

### 03 · Remarks

The judgment is of particular interest in that the CJ clarifies the interpretation of Article 12 of [Directive 2002/58](#), indicating that consent must be given in accordance with the requirements of Article 4(11) of the [GDPR](#).

Furthermore, the CJ emphasises that a subscriber's refusal to have his or her details listed in a telephone directory must be understood as a right to erasure in accordance with the GDPR. This refusal also implies that the directory provider must have in place technical and organisational measures to communicate to other providers and search engines the subscriber's wish not to be listed in telephone directories.

In short, the judgment clarifies several relevant issues when applying data protection regulations in line with the provisions established by the regulations on electronic communications.

Candela ZURITA

# 27 · General retention of traffic and location data. Judgment of the Court of Justice of 20 September 2022, SpaceNet ([C-793/19](#) and [C-794/19](#))

## 01 · Background

SpaceNet and Telekom Deutschland provide publicly available internet access services in Germany and Telekom Deutschland also provides publicly available telephone services. Both challenged, before the Administrative Court of Cologne (Germany), the obligation under Article 113a(1) in conjunction with Article 113b of the German Telecommunications Act (GTA) to retain traffic and location data relating to the telecommunications of their customers for a retention period of four and ten weeks respectively.

The Administrative Court of Cologne ruled in favour of SpaceNet and Telekom, holding that following the judgment of 21 December 2016, *Tele2 Sverige and Watson and Others* ([C-203/15](#) and [C-698/15](#)), this retention obligation was contrary to EU law. The Federal Republic of Germany appealed to the German Federal Administrative Court, which ultimately referred the matter to the CJ.

The CJ has already definitively established, in the ruling in *Tele2 Sverige and Watson and Others* ([C-203/15](#) and [C-698/15](#)), that the rules relating to the retention of traffic and location data and access to such data by national authorities fall within the scope of [Directive 2002/58/EC](#) and that the retention obligation at issue can only be justified on the basis of Article 15(1) of that Directive. That is to say, that national legislation cannot provide for the general and indiscriminate retention of all traffic and location data of all subscribers and registered users in connection with all means of electronic communication.

The GTA does not require any reason for the retention of the data or any link between the data retained and a criminal offence or a risk to public security. But the referring court raises the question because the GTA, in turn, presents differences with respect to the *Tele2 Sverige and Watson and Others* cases, at least with regard to the type of data that is subject to the retention obligation, the retention period (4 or 10 weeks as opposed to the previous period of between 6 months and 2 years) and the purpose for which the data may be used (only to combat serious crime or to prevent a specific risk to a person's physical integrity, life or freedom or to the existence of the Federal Republic or a *Land*).

## 02 · Findings

The CJ declares that Article 15(1) of [Directive 2002/58/EC](#) does not preclude national legislative measures which, for the purposes of combating a serious and present or foreseeable threat to national security, require providers of electronic communications services to retain their users' traffic and location data, where:

- the retention period is limited to what is strictly necessary (although it may be extended if the threat persists) and can be subject to effective review by a court or an independent administrative body, whose decision is binding,

- the measures provide for the targeted retention of traffic and location data which is limited, on the basis of objective and non-discriminatory factors, according to the categories of persons concerned or using geographical criteria,
- the measures provide for the general and indiscriminate retention of IP addresses attributed to the source of an internet connection, for a period of time limited to what is strictly necessary,
- the measures provide for the general and indiscriminate retention of data relating to the civil identity of users of electronic communications systems, and
- the measures provide for an instruction that requires providers of electronic communications services, by means of a decision of the competent authority that is subject to effective judicial review, to carry out, for a specified time period, expedited retention of traffic and location data,

provided that such measures ensure, by means of clear and precise rules, that the retention of data concerned is subject to compliance with the relevant substantive and procedural conditions and that the persons concerned have effective safeguards against the risks of abuse.

### 03 · Remarks

This decision by the CJ complements the position set out in the judgment of 21 December 2016, *Tele2 Sverige and Watson and Others* ([C-203/15](#) and [C-698/15](#)), outlining the criteria that lawmakers of any Member State must take into account in order to be able to establish measures requiring traffic and location data from electronic communications providers. Those criteria, in essence, seek to balance the two interests at stake in these situations: on the one hand, the national security of the Member States and, on the other, the rights and freedoms of users and, very specifically, the right to protection of their personal data.

Ruth BENITO



## 28

## Points on a driving licence as data relating to criminal convictions and offences. Judgment of the Court of Justice of 22 June 2021, Latvijas Republikas Saeima (C-439/19)

### 01 · Background

B is a natural person who, in accordance with the legislation of the Republic of Latvia, had penalty points imposed on his driving licence as a result of a traffic offence, those points being entered on the Latvian national vehicle and driver register, again in accordance with Latvian law.

Since the national vehicle and driver register is a public register, B filed a constitutional complaint on the ground that the provisions of law which made this public were unconstitutional because they were contrary to the right to respect for private life enshrined in the Constitution of the Republic of Latvia.

The Latvian Constitutional Court, in order to interpret and apply the right to respect for private life provided for in the Latvian Constitution, referred several questions to the CJ for a preliminary ruling, including whether information relating to the number of points on a driving licence falls within the scope of Article 10 of the [GDPR](#), that is, whether that information can be regarded as “*personal data relating to criminal convictions and offences*”.

If the answer is in the affirmative, the Latvian Constitutional Court considers that the regulations on road traffic could be considered to be in breach of Article 10 GDPR, insofar as it requires that the processing of such data be carried out only “*under the control of official authority*” or if there are “*appropriate safeguards for the rights and freedoms of data subjects*”.

### 02 · Findings

The CJ, in assessing whether personal data relating to penalty points imposed on drivers for traffic offences can be considered data relating to criminal convictions and offences, points out that there are three criteria for determining whether an offence is criminal in nature:

- The legal classification of the offence under national law.
- The intrinsic nature of the offence.
- The severity of the penalty that may be imposed.

With regard to the first criterion, the CJ states that even in cases where the law of a Member State does not classify a given offence as “criminal”, the nature of the offence and its severity may result in it being criminal in nature.

As regards the criterion of the intrinsic nature of the offence, according to the CJ, this involves ascertaining whether the penalty specifically has a punitive purpose, irrespective of whether or not it may also have a deterrent purpose. In this regard, the CJ considers that the imposition of points for traffic offences, as well as fines or other penalties resulting from those offences, has a punitive purpose.

Finally, with regard to the criterion of the severity of the offence, the CJ emphasises that only traffic offences of a certain seriousness entail the imposition of points, which thus already confers a certain level of severity.

Furthermore, the CJ points out that the imposition of points is a consequence which is normally additional to the corresponding penalty for committing the offence and that the accumulation of points also has legal consequences, such as the obligation to take tests or a driving ban.

Consequently, in light of all of the above, the CJ ultimately concludes that the processing of personal data relating to points imposed on drivers for traffic offences may fall within the scope of Art. 10 [GDPR](#), finding that the public disclosure of data relating to traffic offences, such as the points imposed for committing these offences, may lead to the stigmatisation of the data subject.

### 03 · Remarks

The General Data Protection Regulation establishes, in Article 10, a series of special provisions regarding the processing of personal data relating to criminal convictions and offences, determining that this may only be carried out “*under the control of official authority*” or when there are “*appropriate safeguards for the rights and freedoms of data subjects*”.

It is notable how clearly the judgment establishes that personal data relating to points imposed on drivers for traffic offences can be regarded as data relating to criminal offences and convictions in accordance with Art. 10 GDPR, despite the fact that traffic offences are administrative and not criminal offences.

Moreover, the CJ provides a series of criteria for determining when a given offence can be considered a “criminal offence” in accordance with Art. 10 [GDPR](#), and the classification of the type of offence (e.g. criminal or administrative) is not decisive in this regard.

This all results, in practice, in a general broadening of the scope of application of Art. 10 GDPR and, in particular, of the concept of “*data relating to criminal convictions and offences*” provided for in that article.

Eduardo OLIVEROS

# 29 · Processing of personal data in the electronic communications sector in relation to criminal proceedings. Judgment of the Court of Justice of 2 March 2021, Prokuratuur ([C-746/18](#))

## 01 · Background

The judgment concerns a request for a preliminary ruling made in the context of criminal proceedings in Estonia.

The proceedings were brought against an individual for, *inter alia*, fraudulent use of another person's bank card.

The conviction of this individual was based on police reports drawn up on the basis of data obtained from electronic communications.

The data was obtained in accordance with Estonian national law, specifically, the Law on Electronic Communications, which provides for the obligation for service providers to retain data relating to the communications of users.

The data was obtained from the provider of electronic telecommunications services after authorisation was granted by the Public Prosecutor's Office, and the data related to telephone numbers of the accused and various IMEI numbers of hers, in respect of a specific time period.

Following the conviction at first instance, upheld on appeal, the individual lodged an appeal on a point of law, contesting, *inter alia*, the admissibility of the police reports drawn up on the basis of the data obtained from the provider of electronic communications services.

The questions referred for a preliminary ruling concern (i) whether the access of authorities to the electronic data of citizens constitutes so serious an interference with fundamental rights that it must be restricted to the fighting of serious crime, (ii) whether the amount of data accessible has a bearing on the degree of interference, (iii) whether the interference with the privacy of users can be justified by the objectives of prevention, investigation, detection and prosecution of criminal offences and, lastly, whether the Estonian Public Prosecutor's Office may be regarded as an independent authority with the power to authorise access to the electronic data of users.

## 02 · Findings

Firstly, in relation to the first two questions referred for a preliminary ruling, the judgment examines Estonian national law, specifically, the Law on Electronic Communications, which obliges service providers to retain, *generally and indiscriminately*, traffic and location data (on the basis of which it is possible to establish the source and destination of communications, determine the date, time, duration and nature of communications, identify the equipment used and the frequency of the communications) in respect of *any type of criminal offence*, and it also analyses [Directive 2002/58](#) of 12 July 2002 (amended in 2009) concerning the processing of personal data and the protection of privacy in the electronic communications sector.

The Court of Justice, as it has held in earlier rulings, finds that the Directive precludes national legislative measures which provide for the general and indiscriminate retention of the

aforementioned data as a preventive measure.

Access to data on electronic communications may be justified only by the public interest objective and, therefore, the seriousness of the intended interference should be analysed in relation to the public interest objective pursued.

In light of the above, since access to traffic and location data of users, provided for under the Estonian Law on Electronic Communications, constitutes a serious interference with the users' fundamental rights laid down in Articles 7 and 8 of the [Charter of Fundamental Rights of the EU](#), pursuant to the principle of proportionality, only action to combat serious crime and measures to prevent serious threats to public security are capable of justifying such interference.

However, the judgment states that merely obtaining data relating to the civil identity of users, not associated with information on the communications made, cannot be regarded as a serious interference, given that no information on the private lives of users may be inferred from that data. The interference in such cases may be justified by the objective of preventing, investigating, detecting and prosecuting criminal offences in general, without it being necessary for the offences to be serious.

The CJ finds that the data that may be retained pursuant to the Estonian Law on Electronic Communications would be liable to permit precise conclusions to be drawn concerning the private lives of the persons whose data has been retained, such as their habits, their everyday lives, places of residence, movements, etc., irrespective of the amount of data gathered.

In relation to the last question referred for a preliminary ruling, regarding whether the Estonian Public Prosecutor's Office may be regarded as an independent administrative authority which is capable of authorising access of police forces to data on electronic communications of users, the judgment holds that [Directive 2002/58](#) precludes national legislation that confers such power on the Public Prosecutor's Office.

While the Public Prosecutor's Office is obliged to act independently, the fact is that it does not have a neutral stance in the proceedings, given that it represents the public prosecution before the court and is therefore party to the proceedings.

Therefore, the judgment concludes that the Estonian Public Prosecutor's Office cannot carry out the prior review on the interference constituted by the access to electronic communications data affecting the privacy of users.

Finally, the judgment states that the lack of a review by the Public Prosecutor's Office may not be made up for by a subsequent review carried out, for example, by a court, given that the independent review must be conducted at the beginning, that is, prior to any access to the private data of users, except in the event of duly justified urgency.

### 03 · Remarks

This ruling by the CJ, together with other earlier rulings, consolidates its stance opposing national legislation which provides for general and indiscriminate retention of electronic communications data, as is the case with Estonian law, although the same assertion could be made with respect to Spanish law ([Act 25/2007 of 18 October 2007](#)).

The judgment establishes that authorities may access data on the electronic communications of users, for the prevention and investigation, detection and prosecution of any type of criminal offence.

However, this interference with the privacy of users and thus with their fundamental rights, should depend on whether it is a serious criminal offence. Therefore, the principle of proportionality must be followed.

The CJ has not established which types of criminal offence are regarded as serious and, therefore, it would appear to be left to the discretion of the Member States.

**Tránsito RUIZ**





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# Plant Varieties





# 30 · Prescription of infringement claim in respect of Community plant varieties. Judgment of the Court of Justice of 14 October 2021, Nadorcott mandarins ([C-186/18](#))

## 01 · Background

The company Nadorcott Protection SARL obtained protection for the plant variety 'Nadorcott' on 8 November 2005, which was published on 15 February 2006 by the Community Plant Variety Office.

Since 2006, the company José Cánovas Pardo, S.L. had been operating a mandarin plantation of the Nadorcott variety in Murcia without a licence or authorisation. In this regard, it received two formal notices demanding that it discontinue this activity: one on 30 October 2007 and the second on 30 March 2011.

When these formal notices proved unsuccessful, the *Club de Variedades Vegetales Protegidas*, the entity managing the exclusive rights of Nadorcott Protection SARL at that time, filed an infringement action in November 2011.

In the action, it sought a declaration of infringement from the publication of the grant of plant variety protection until such time as the defendant ceased the unauthorised cultivation of the 'Nadorcott' mandarin.

At first instance the court ruled in favour of the defendant. The court held that the infringement action was time barred because more than the period of 3 years indicated in Article 96 of [Regulation 2100/94](#) had elapsed between the formal notices.

The Provincial Appellate Court, however, considered that the defendant had continued to plant and cultivate the trees of the plant variety in question over time and, therefore, that the acts of infringement had been continuous. However, it interpreted Article 96 in such a way that only infringing acts committed less than 3 years prior to the filing of the action were not time barred, while those prior to that date were time barred.

The dispute reached the Supreme Court (SC), which stayed the proceedings and referred three questions to the CJ for a preliminary ruling.

With the first question, the SC seeks to ascertain whether the case law doctrine of ongoing acts of infringement, whereby the prescription periods are extended for as long as the infringing act continues, can be applied to the rules on prescription set out in Article 96 of the Regulation. This doctrine basically implies that as long as the infringing act has not ceased, the period of prescription for bringing legal action does not start to run.

With the second and third questions, if this doctrine is not applicable, the SC asks whether the Provincial Appellate Court's interpretation is correct, that is, that infringing acts dating from prior to three years before the claim is filed are time barred, and thus an injunction and damages may only be sought for acts that occurred within the three years prior to the filing of the claim.

## 02 · Findings

The CJ states, in an initial finding, that the correct interpretation of Article 96 of the [Regulation](#) is that in which the three-year period starts to run, irrespective of whether the infringing act is ongoing or has ceased, from the date of the last event to occur: the grant of the Community plant variety right (objective event), on the one hand, and, on the other, the right holder being aware of the existence of the act of infringement and the identity of the party liable for the act (subjective event).

However, the Court goes on to argue, an interpretation of the Regulation whereby the expiry of the three-year period would result in the prescription of all acts of infringement, as the defendant argued, would be contrary to the very objective of the provision: *“if claims (...) were required to be declared time barred on the grounds that those relating to the ‘initial act’ at the source of the infringing course of action were time barred, the holder (...) would be deprived of all protection against acts of infringement committed after the period of prescription relating to that initial act”*.

The above is addressed in a second finding in which it is established that, in order to determine the period of prescription for the action, it will be necessary to examine, in accordance with the aforementioned rules, each of the acts of infringement individually as part of a ‘set of acts’.

## 03 · Remarks

Although at first sight it might appear, on the basis of the first finding, that the CJ departs from the SC’s doctrine on the prescription of actions against ongoing infringements, nothing could be further from the truth. With its second finding, it reinforces that doctrine.

However, there is an important detail. In order to justify the fact that the action is not time barred, a greater degree of technical precision is required, given that each act of infringement must be considered individually, whether it occurs alone or as part of a ‘set of acts’, and it cannot simply be argued, as has been the case until now, that the act of infringement was of an ongoing nature in order to avoid a time bar against action.

This requirement of greater precision, although it should not imply an enormous effort when preparing the claim, entails an additional technical analysis that has not been required of the plaintiff until now.

**Alessandro PELLICIONI**



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# Trade Secrets



# 31 · The need to strike a balance between the principles of transparency and confidentiality in public tenders. Judgment of the Court of Justice of 26 April 2022, Antea Polska (C-54/21)

## 01 · Background

The ruling deals with an issue that commonly arises when entities, companies and individuals are contracted by public administrative bodies through tenders.

In the case concerned in Poland, one of the tenderers who was not awarded a state public contract brought an action seeking (i) annulment of the decision awarding the contract; (ii) a re-examination of the bids and (iii) the disclosure of certain information.

In light of this action, the competent court in the Republic of Poland decided to stay the proceedings and referred different questions to the CJ for a preliminary ruling on the limits of the confidentiality of the information submitted by tenderers with their bids in the context of public procurement.

## 02 · Findings

Firstly, the CJ states that the applicable national regime must allow contracting authorities to refuse to disclose information which, while not deemed to be a trade secret, must not be accessible because of its importance and confidentiality. This is due, on the one hand, to the fact that the scope of confidentiality is broader than that of trade secrets and, on the other hand, to the importance of protecting such information.

Secondly, the CJ establishes that for the purpose of determining whether access to the information should be refused to a tenderer whose bid has already been rejected, the contracting authority must assess whether:

- that information has commercial value, and its disclosure might undermine the legitimate commercial interests of the tenderers that have submitted information or fair competition;
- disclosure of that information would impede law enforcement or be contrary to the public interest.

However, even if the contracting authority decides to refuse full access to the information, access must be granted to its essential content.

Therefore, not all the information may be considered confidential, unless it is intended to ensure compliance with a prohibition or requirement laid down by law or the protection of the public interest.

In this regard, the CJ distinguishes between:

- Name-specific data: the contracting authority must determine whether the disclosure of identification data may undermine the protection of confidentiality in respect of the tenderer, taking into account all relevant circumstances (subject matter of the public contract, interest of the tenderer, etc.).

In any case, the disclosure of information sent to the contracting authority cannot be refused if said information has no commercial value.

Non-name-specific data: the CJ considers that this must be accessible to all tenderers. This is due to the importance of the essential data for the award of the contract, whether the qualifications or professional capacities of the interested parties, the size and format of the workforce constituted for the contract or the share of performance of the contract work that the tenderer intends to entrust to subcontractors.

Design and description of the manner of performance of the project: it is for the contracting authority to examine whether there are elements that may be protected by intellectual property rights. If so, there are grounds for refusal of disclosure.

It would be understood that publication of that design and description (with associated commercial value) may be liable to distort competition, reducing the ability of the operator to distinguish itself in future procurement procedures. Even so, the essential content must be accessible, even if the full content is withheld.

Finally, the CJ states that where there is a finding of an obligation on the part of the contracting authority to disclose to the applicant information wrongly treated as confidential and a breach of the right to an effective remedy as a result of the failure to disclose that information, such a finding should not necessarily lead to a new contract award decision.

### 03 · Remarks

In conclusion, it should be borne in mind that when the private and public spheres converge in public tenders, there is a very fine line that must be clearly established on a case-by-case basis when it comes to publishing bidder information, in an effort to strike a balance between protection of confidentiality and the requirements of transparency and effective judicial protection. This ruling by the CJ is therefore an important step that sets down case-law in all Member States of the European Union.

Jorge PARADA

# Acronyms

CJ	Court of Justice of the European Union
CTCA	Consolidated Text of the Copyright Act
DPMA	German Patent and Trademark Office
EEA	European Economic Area
EPO	European Patent Office
EUIPO	European Union Intellectual Property Office
GDPR	General Data Protection Regulation
PGI	Protected geographical indication
PDO	Protected designation of origin
SC	Spanish Supreme Court
TRIPS Agreement	The Agreement on Trade-Related Aspects of Intellectual Property Rights
WIPO	World Intellectual Property Organization
WTO	World Trade Organization







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