
European Union: Court of Justice of the European Union (“CJEU”) Decisions on Unitary EU Law

A. National Laws do not Supplant EU law on GIs

Instituto dos Vinhos do Douro e do Porto v. EU Intellectual Property Office (EUIPO) (Case C-56/16 P) (September 14, 2017) .

On October 27, 2006,

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On October 27, 2006, Bruichladdich Distillery Co. Ltd. (“Bruichladdich”) applied to register PORTCHARLOTTE in Class 33 for “alcoholic beverages.” Registration issued on October 18, 2007 and the mark was published later that month. On April 7, 2011, Instituto dos Vinhos do Douro e do Porto (“Instituto”) brought an invalidity action against this mark, based on its PORTO and PORT appellations of origin that were protected in the EU and Portugal (“A/Os”). In response, Bruichladdich limited its coverage to “whisky.” The invalidity action proceeded, however, and was rejected by the Cancellation Division on April 30, 2013. Instituto’s subsequent appeal to the Fourth Board of Appeal was dismissed.

Of importance is that in its invalidity action, Instituto claimed that its PORTO and PORT A/Os were protected in all Member States based on (i) Article 53(1)(c) of Regulation No. 207/2009, read in conjunction with Article 8(4) thereof (together, protecting against registration of marks conflicting with

prior rights in a Member State (here, the Portuguese A/Os)), and (ii) EU Regulation No [1234/2007] which, puts simply, protects designations of origin for “wines.” The Board of Appeal rejected (i) on the ground that protection for designations of origin for wines is governed exclusively by EU Regulation No. [1234/2007] and not national law. And, as to (ii), since the subject mark at that point only covered “whisky,” EU Regulation No. [234/2007] did not apply. And, to the extent that Instituto relied on “reputation,” the Board of Appeal did not find that PORT CHARLOTTE “evoke[d]” PORTO or PORT, so it was not necessary to determine whether these terms had a reputation. For these reasons, among others, the appeal was rejected.

Instituto then appealed to the EU General Court (Fourth Chamber) (Case T-659/14), which, on November 19, 2015, ruled in Instituto’s favor. The most significant aspect of the General Court’s decision was its rejection of the Board of Appeal’s conclusion that protection of designations of origin for wines was governed exclusively by EU Regulation No. 1234/2007. This result constituted an apparent departure from prior EU jurisprudence, seemingly settled by the *Budějovický Budvar* case in 2009 (C 478/07) (also referenced below).

On further appeal, the EU Court of Justice (Second Chamber) (“CJEU”) reversed, agreeing with the traditional view expressed by the Board of Appeal, that the law on geographical indications for wines is governed exclusively by EU law. The CJEU reasoned, in relevant part, that “[t]he risk of thus undermining the main objective of Regulation No 1234/2007, which is that of guaranteeing the quality of the agricultural products concerned, is particularly high because, unlike in the case of trade marks, no measure harmonising any national systems of protection for geographical indications has to date been adopted by the EU legislature (see, by analogy, judgment of 8 September 2009, *Budějovický Budvar*, C 478/07, EU:C:2009:521, paragraph 113).” (CJEU decision, Par.84). In the meantime, The Board of Appeal itself had issued a decision in another case, in effect rejecting the General Court’s ruling on this point in PORT CHARLOTTE. See *Porto PGI v. Portobello Road EUTM*, Case R 1105/2015-4, in which the Fourth Board of Appeal commented that “[t]here is no double protection of one and the same geographical indication for wine through national law on the one hand and through EU law on the other hand ... thenational protection is only available for geographical indications which are not protected or protectable at EU level, but these judgments are absolutely clear in emphasizing the prevalence of EU Law to the extent the European legislator has exercised its competence ... The Board cannot see any

convincing argument of law in the judgment of 18.11.2015, T-659/14, “PORT CHARLOTTE”, that would challenge that conclusion.” (Case R 1105/2015-4, June 15, 2016, Pars 35, 37).

B. Preliminary Rulings Facilitate EU-wide Injunction

Nintendo Co. Ltd. v. BigBen Interactive GmbH, BigBen Interactive SA (EUIPO) (Joined Cases C-24/16 and C-25/16) (September 27, 2017)

By way of relevant background (as detailed in the CJEU decision), Nintendo Co. Ltd. (“Nintendo”) produces and sells video games and video game consoles, including the Wii video games console and accessories, among them remote-control devices. BigBen France manufactures remote controls and other accessories compatible with the Wii video games console and sells them through its website to consumers located in France, Belgium, and Luxembourg, among other locations, and to its German subsidiary, BigBen Germany. BigBen Germany sells these goods through its website to consumers in Germany and Austria.

In 2016, Nintendo sued BigBen Interactive SA (“BigBen France”) and BigBen Interactive GmbH (“BigBen Germany”) in the Landgericht Dusseldorf (Regional Court, Dusseldorf, Germany) based on their sale and image display of Wii accessories/goods allegedly infringing certain of Nintendo’s registered Community designs, seeking a declaration of infringement as well as relief on a number of supplementary claims. The court ruled in Nintendo’s favor on the infringement, but dismissed the claims relating to use of images of the goods corresponding to the infringed designs. BigBen Germany was ordered to cease use of the designs throughout the EU. The court also granted relief on the supplementary claims, including, without territorial limitation, damages and destruction or recall of the subject goods, plus attorneys’ fees. With respect to BigBen France, the court ruled that it had international jurisdiction and issued a pan-European injunction as well. As to the supplementary claims, the court limited the scope of the judgment to BigBen France’s supply of goods to BigBen Germany, though without limiting the territorial scope of its judgment, and applied the law as that of the place of infringement (German, Austrian and French law).

All parties appealed. BigBen France claimed that the German courts lacked jurisdiction to grant an EU-wide injunction against it. Nintendo objected to the injunction being limited to the goods within the supply chain between BigBen France and BigBen Germany, and argued that the injunction should have been extended to images of the goods as well. Nintendo also argued that the law to be applied should have

been German law and French law, with respect to BigBen France and BigBen Germany, respectively. As a preliminary matter, the Düsseldorf court referred three questions to the CJEU. These are detailed below, as quoted from Official Journal of the European Union (25.4.2016 C145/16), with the CJEU answers included below each question, and our comments below those.

(1) In a Community design infringement case, can the court of a Member State whose jurisdiction over a defendant is based only on Art. 79(1) of [Regulation No.6/2002] in conjunction with Art. 6(1) of [Regulation No 44/2001], grant EU-wide relief, on the ground that the defendant, domiciled in another Member State, supplied the defendant domiciled in the pertinent member State with allegedly infringing goods?

CJEU: YES, noting the unitary character of the registered Community design, enforceable throughout the EU, including by injunction as well as remedies such as damages, costs, provision of information and documents and accounts, etc.

Comment: This result appears to significantly strengthen the enforcement capability of the owner of a unitary IP right in the EU.

(2) Does Art. 20(1)(c) of [Regulation No 6/2002] mean that a third party may use images of a Community design for commercial purposes if it intends to sell accessories for the right holder's goods corresponding to the Community design? If so, what are criteria to be applied? (Text of Art. 20(1)(c) is below)

CJEU: The court held that "a third party that lawfully sells goods intended to be used with specific goods corresponding to Community designs and reproduces the latter in order to explain or demonstrate the joint use of the goods it sells and a product corresponding to a protected design carries out an act of reproduction for the purpose of making 'citations' within the meaning of Article 20(1)(c) of Regulation No 6/2002." The court imposed three "cumulative conditions" on such uses, "namely the compatibility of the acts of reproduction with fair trade practice, the absence of undue prejudice to the normal exploitation of the design on account of such acts, and mention of the source."

Comment: This interpretation of 20(1)(c) could be seen as giving too much license to unauthorized third parties to take a free ride on the right owner's intellectual property, putting the right holder to the task of

demonstrating that an objectionable “citation” was not for the purpose of explaining or demonstrating, as here, the joint use, as well as a defendant’s failure to comply with the “cumulative conditions.”

(3) For purposes of Art. 8(2) of Regulation (EC) No. 864/2007, how is the place “in which the act of infringement was committed” to be determined when the infringer (a) offers goods infringing a Community design on a website and that website is also directed at Member States other than that in which the plaintiff is domiciled, and/or (b) ships the infringing goods to a Member State other than the one in which it is domiciled? Do Art. 15(a) and (g) of Reg. No. 864/2007 mean that the law determined in this matter also applies to participatory acts of other persons? [We note that Reg. No. 6/2002 was subsequently replaced by Reg. No. 1215/2012.]

CJEU: The court concluded “that Article 8(2) of Regulation 864/2007 must be interpreted as meaning that the ‘country in which the act of infringement was committed’ ... refers to the country where the event giving rise to the damage occurred. Where the same defendant is accused of various acts of infringement committed in various Member States, the correct approach for identifying the event giving rise to the damage is not to refer to each alleged act of infringement, but to make an overall assessment of that defendant’s conduct in order to determine the place where the initial act of infringement at the origin of that conduct was committed or threatened by it.”

Comment: This portion of the court’s ruling will likely make enforcement of supplemental claims subject to national laws (such as damages) against multi-state infringers easier by allowing for application of the law of a single member state, rather than multiple states.

—[JLH](#)

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