

Case C-466/20

Summary of the request for a preliminary ruling pursuant to Article 98(1) of the Rules of Procedure of the Court of Justice

Date lodged:

25 September 2020

Referring court:

Bundesgerichtshof (Germany)

Date of the decision to refer:

23 July 2020

Applicant, and appellant in the appeal on a point of law:

HEITEC AG

Defendants, and Respondents in the appeal on a point of law:

HEITECH Promotion GmbH

RW

Subject matter of the main proceedings

EU trade mark – Use by third parties – Limitation of the trade mark proprietor's exclusive right in consequence of acquiescence – Question regarding what is necessary to exclude acquiescence – Time limit

Subject matter and legal basis of the reference

Interpretation of EU law, Article 267 TFEU

Questions referred for a preliminary ruling

1. Can acquiescence within the meaning of Article 9(1) and (2) of Directive 2008/95/EC and Article 54(1) and (2) and Article 111(2) of Regulation (EC) No 207/2009 be excluded not only by means of an

administrative or court action, but also through conduct not involving a court or administrative authority?

2. If Question 1 is answered in the affirmative: Does the sending of a warning letter, in which the proprietor of the earlier sign, before initiating legal proceedings, requires the proprietor of the later sign to agree to refrain from using the sign, and to enter into an obligation to pay a contractual penalty in the event of an infringement, constitute conduct precluding acquiescence within the meaning of Article 9(1) and (2) of Directive 2008/95/EC and Article 54(1) and (2) and Article 111(2) of Regulation (EC) No 207/2009?
3. When seeking judicial redress, is the bringing of the action before the court or the receipt of the action by the defendant decisive for calculating the five-year acquiescence period for the purposes of Article 9(1) and (2) of Directive 2008/95/EC and Article 54(1) and (2) and Article 111(2) of Regulation (EC) No 207/2009? Is it significant in this regard that receipt of the action by the defendant is delayed beyond the expiry of the five-year period through the fault of the proprietor of the earlier trade mark?
4. Does the limitation of rights in accordance with Article 9(1) and (2) of Directive 2008/95/EC and Article 54(1) and (2) and Article 111(2) of Regulation (EC) No 207/2009 encompass consequential claims under trade mark law, for example, claims for compensation, provision of information or destruction, as well as prohibitory injunctions?

Provisions of EU law relied on

Article 9(1) and (2) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25) and Article 54(1) and (2) and Article 111(2) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1)

Provisions of national law relied on

Paragraph 125b, point 2, Paragraphs 18, 19 and 21(1) and (2) of the Markengesetz (Law on trade marks; ('MarkenG'))

Succinct presentation of the facts and procedure in the main proceedings

- 1 The applicant is the proprietor of the EU word mark 'HEITEC', applied for on 18 March 1998, with seniority claimed as from 13 July 1991, and registered on 4 July 2005. The applicant lodged an appeal against the cancellation of this trade

mark due to non-use by order of the European Union Intellectual Property Office (EUIPO) of 5 June 2018. The action brought against the decision of the Board of Appeal of 23 April 2019 is pending before the General Court of the European Union (Case T-520/19).

- 2 The first defendant, of which the second defendant is the managing director, was entered in the Register of Companies under the company name HEITECH Promotion GmbH on 16 April 2003 and has used that trading name ever since. It is the proprietor of the German word and figurative mark 'HEITECH PROMOTION', applied for on 17 September 2002 and registered on 4 February 2003, which it has been using at least since 29 November 2004, and of the EU word and figurative mark 'HEITECH', applied for on 6 February 2008 and registered on 20 November 2008, which it has been using at least since 6 May 2009.
- 3 The first defendant asked the applicant's representatives by letter of 29 November 2004 whether they would agree to the conclusion of a prior rights and co-existence agreement.
- 4 The applicant learned of the first defendant's application for the EU trade mark 'HEITECH' through a letter from the Office for Harmonisation in the Internal Market dated 7 July 2008. By letter of 22 April 2009, the applicant sent the first defendant a warning letter regarding use of the company sign and the trade mark 'HEITECH'. In its response of 6 May 2009, the first defendant again suggested entering into a prior rights and co-existence agreement.
- 5 The application initiating proceedings, dated 15 December 2012, was received by the Landgericht Nürnberg-Fürth (Regional Court of Nuremberg-Fürth) via fax on 31 December 2012. On 12 March 2013, the Regional Court notified the applicant's representative that no advance payment of court costs had been made and no original copies of the application initiating proceedings had been filed.
- 6 On 30 December 2013, the Regional Court received a submission dated 12 December 2013 from the applicant's representatives with a crossed cheque for the court costs and a new application initiating proceedings, dated 4 October 2013. On 14 January 2014, the Regional Court informed the applicant that the application initiating proceedings of 15 December 2012 also had to be served, which was why it had been asked to submit original documents for the court and for the defendants. These original documents reached the court on 22 February 2014. On 24 February 2014, the court informed the applicant that the claims made in the original of the action received on 22 February 2014 did not correspond with the claims made in the application initiating proceedings submitted via fax on 31 December 2012. The applicant had the original documents re-sent with a submission that was received on 21 May 2014. The court had initiated written preliminary proceedings on 16 May 2014 and arranged for copies prepared by the court of the faxed application initiating proceedings of 15 December 2012 to be served. They were served on 23 May 2014.

- 7 The applicant requests that the court order the first defendant to refrain from using the identifier ‘HEITECH Promotion GmbH’ to designate its business operations (Claim I), from affixing the sign ‘HEITECH PROMOTION’ and/or ‘HEITECH’ to goods, from offering goods and services under these signs, from using these signs in business documentation, on internet sites or in advertising (Claim II), from using or transferring the commercial internet domain ‘heitech-promotion.de’ (Claim III) and to consent to their company being removed from the Register of Companies (Claim VII). The applicant also brought claims against both defendants for provision of information, assessment of damages, destruction, and payment of the costs of the warning letter in the amount of EUR 2 667.60 plus interest (Claims IV, V, VI, VIII).
- 8 The Regional Court granted the applicant’s claim against the first defendant for payment of the costs of the warning letter in the amount of EUR 1 353.80 plus interest, and dismissed the action as to the remainder. The applicant’s appeal was unsuccessful. By way of its appeal on a point of law, which the defendants seek to have dismissed, the applicant is continuing the pursuit of its claims.

Succinct presentation of the reasoning in the request for a preliminary ruling

- 9 As regards EU law, the success of the appeal on a point of law depends upon whether the claims made by the applicant – and deemed to exist by the referring court – for infringement of its EU trade mark (point b of the second sentence of Article 9(1) of Regulation No 207/2009 in conjunction with Paragraph 125b, point 2, and Paragraphs 18 and 19 MarkenG) have been forfeited pursuant to Paragraph 21(1) and (2) MarkenG and Article 54(1) and (2) and Article 111(2) of Regulation No 207/2009. This gives rise to questions about the interpretation of Article 9(1) and (2) of Directive 2008/95 and Article 54(1) and (2) and Article 111(2) of Regulation No 207/2009.
- 10 Article 54(1) of Regulation No 207/2009 stipulates that where the proprietor of an EU trade mark has acquiesced, for a period of five successive years, in the use of a later EU trade mark in the Union while being aware of such use, he is no longer to be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later EU trade mark was applied for in bad faith.
- 11 It is also a prerequisite that use of the later sign within the meaning of Paragraph 21(1) and (2) MarkenG and Article 54(1) and (2) and Article 111(2) of Regulation No 207/2009 relates to activities within its scope of protection, because the limitation of rights in line with these provisions can only apply within the scope of protection of the later sign, not in relation to actions outside its scope of protection. A trade mark in its registered form must thus be used to designate the goods and services covered by its protection.

- 12 According to the findings of the court of appeal, the first defendant has used its trade marks since at least 6 May 2009 within their respective scope of protection in a manner corresponding to the claims asserted.
- 13 The applicant was also aware of the use of the sign by the first defendant, as is necessary for limitation due to acquiescence. The applicant obtained this knowledge from the first defendant's letter of 6 May 2009. It has not been demonstrated that the first defendant acted in bad faith.
- 14 The referring court makes the following observations on the individual questions:
- 15 Question 1: Regarding acquiescence within the meaning of Article 9(1) and (2) of Directive 2008/95 and Article 54(1) and (2) and Article 111(2) of Regulation No 207/2009, the question is whether acquiescence according to these provisions can be excluded not only by means of an administrative action or court action, but also through conduct not involving a court or administrative authority.
- 16 According to case-law of the Court of Justice relating to Directive 89/104, the concept of acquiescence within the meaning of Article 9(1) of Directive 89/104, which is not defined in codified EU law, constitutes an autonomous concept of EU law which must be given a uniform interpretation. The Court of Justice has also observed that the verb 'acquiesce' has several usual meanings in everyday language, including 'allow to continue' or 'not prevent', and is therefore not the same as 'consent', as referred to in Article 7(1) of Directive 89/104, which must be so expressed that an intention to renounce a right is unequivocally demonstrated. The characteristic of a person who acquiesces is that he is passive and declines to take measures open to him to remedy a situation of which he is aware and which is not necessarily as he wishes. The concept of 'acquiescence' implies that the person who acquiesces remains inactive when faced with a situation which he would be in a position to oppose. For the purposes of Article 9(1) of Directive 89/104, that concept of acquiescence must therefore be interpreted as meaning that the proprietor of an earlier trade mark cannot be held to have acquiesced in the long and well- established honest use, of which he has long been aware, by a third party of a later trade mark which is identical with that of the proprietor if that proprietor was not in any position to oppose that use (see judgment of 22 September 2011, *Budějovický Budvar*, C-482/09, EU:C:2011:605, paragraphs 37 and 42 to 49).
- 17 The referring court identifies a potential inaccuracy in the German version of this judgment (paragraph 49). The German version of this paragraph states that the effect of *jeder außergerichtliche oder gerichtliche Rechtsbehelf* (any extra-judicial or judicial action) initiated by the proprietor of the earlier trade mark within the period prescribed in Article 9(1) of Directive 89/104/EC is to interrupt the period of limitation in consequence of acquiescence. In German linguistic usage, the term *außergerichtlicher Rechtsbehelf* is understood to also include conduct not involving a court or administrative authority. However, in the language of the case (English), this passage reads:

‘... the effect of any administrative action or court action initiated by the proprietor of the earlier trade mark within the period prescribed in Article 9(1) of Directive 89/104 is to interrupt the period of limitation in consequence of acquiescence.’

- 18 The question is therefore whether measures precluding acquiescence can include not only an administrative action or court action, but also conduct not involving a court or administrative authority.
- 19 Question 2: If Question 1 is answered in the affirmative, it must be clarified whether the issuing of a warning letter, in which the proprietor of the earlier sign, before initiating legal proceedings, requires the proprietor of the later sign to refrain from using the sign and to enter into an obligation to pay a contractual penalty in the event of an infringement, and threatens to commence legal proceedings if such an agreement cannot be reached, constitutes conduct excluding acquiescence within the meaning of Article 9(1) and (2) of Directive 2008/95/EC and Article 54(1) and (2) and Article 111(2) of Regulation (EC) No 207/2009.
- 20 Question 3: It must be clarified whether, when seeking judicial redress, it is the bringing of the action before the court or the receipt of the action by the defendant that is decisive for calculating the five-year acquiescence period for the purposes of Article 9(1) and (2) of Directive 2008/95 and Article 54(1) and (2) and Article 111(2) of Regulation No 207/2009, and whether it is significant in this regard that receipt of the action by the defendant is delayed beyond the expiry of the five-year period through the fault of the proprietor of the earlier trade mark.
- 21 The Court of Justice has decided that the effect of any administrative action or court action initiated by the proprietor of the earlier trade mark within the period prescribed in Article 9(1) of Directive 89/104 is to interrupt the period of limitation in consequence of acquiescence (judgment of 22 September 2011, *Budějovický Budvar*, C-482/09, EU:C:2011:605, paragraph 49). The question therefore is whether initiation of an action refers to its being brought before the court or its receipt by the defendant, and whether it is significant in this regard that a delay caused by the proprietor of the earlier trade mark leads to the defendant receiving the action only after the five-year period has expired.
- 22 The referring court is of the opinion that, following an unsuccessful pre-litigation warning letter, the entitled party can only prevent acquiescence by seriously pursuing the claim in court and, following dismissal of the action, by also lodging an appeal to preclude acquiescence. Otherwise, the entitled party could prevent the forfeiture of his claims by re-issuing warning letters every five years. On these grounds, in the present case the applicant’s communications to the defendant following the warning letter to the effect that it was pursuing legal proceedings and had filed an action are possibly not sufficient to preclude acquiescence.

- 23 Furthermore, in the opinion of the referring court, in the present case, although the entitled party brought the action before the court within five years of issuing the warning letter, the fact that the action was served only after the five-year period had expired, with the entitled party being responsible for the delay, confirms acquiescence within the meaning of Article 9(1) and (2) of Directive 2008/95 and Article 54(1) and (2) and Article 111(2) of Regulation No 207/2009.
- 24 Question 4: It must be clarified which of the entitled party's claims are caught by the limitation of rights in accordance with Article 9(1) and (2) of Directive 2008/95 and Article 54(1) and (2) and Article 111(2) of Regulation No 207/2009.
- 25 According to the wording of Article 9(1) of Directive 2008/95 and of Article 54(1) and (2) of Regulation No 207/2009, in the event of acquiescence the proprietor of the earlier sign cannot apply for a declaration that the later trade mark is invalid or 'oppose the use' of the later trade mark. This therefore refers primarily to prohibitory injunctions. However, it is the general consensus in German legal literature that the limitation of rights also extends to consequential claims under trade mark law, for example for compensation, provision of information or destruction. In the opinion of the referring court, this question is to be answered in the affirmative.

WORKING DOCUMENT