

TRIBUNAL DE JUSTICIA DE LAS COMUNIDADES EUROPEAS
SOUDNÍ DVŮR EVROPSKÝCH SPOLEČENSTVÍ
DE EUROPÆISKE FÆLLESSKABERS DOMSTOL
GERICHTSHOF DER EUROPÄISCHEN GEMEINSCHAFTEN
EUROOPA ÜHENDUSTE KOHUS
ΔΙΚΑΣΤΗΡΙΟ ΤΩΝ ΕΥΡΩΠΑΪΚΩΝ ΚΟΙΝΟΤΗΤΩΝ
COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES
COUR DE JUSTICE DES COMMUNAUTÉS EUROPÉENNES
CÚIRT BHREITHIÚNAIS NA gCÓMHPHOBAL EORPACH
CORTE DI GIUSTIZIA DELLE COMUNITÀ EUROPEE
EIROPAS KOPIENU TIESA



EUROPOS BENDRIJŲ TEISINGUMO TEISMAS
EURÓPAI KÖZÖSSÉGEK BÍRÓSÁGA
IL-QORTI TAL-ĠUSTIZZJA TAL-KOMUNITAJIET EWROPEJ
HOF VAN JUSTITIE VAN DE EUROPESE GEMEENSCHAPPEN
TRYBUNAŁ SPRAWIEDLIWOŚCI WSPÓLNOT EUROPEJSKICH
TRIBUNAL DE JUSTIÇA DAS COMUNIDADES EUROPEIAS
SÚDNY DVOR EURÓPSKÝCH SPOLEČENSTEV
SODIŠČE EVROPSKIH SKUPNOSTI
EUROOPAN YHTEISÖJEN TUOMIOISTUIN
EUROPEISKA GEMENSKAPERNAS DOMSTOL

Press and Information

PRESS RELEASE No 93/04

16 November 2004

Judgment of the Court in Case C-245/02

Anheuser-Busch Inc. v Budějovický Budvar, národní podnik

**THE USE OF A TRADE NAME WHICH IS IDENTICAL OR SIMILAR TO A
TRADE MARK MAY INFRINGE THE EXCLUSIVE RIGHTS CONFERRED BY
THE TRADE MARK**

Such use may nevertheless be permitted if it is made in good faith

On 1 February 1967, the Czech brewery Budvar registered its trade name in the Czechoslovakian commercial register in Czech ("Budějovický Budvar, národní podnik"), English ("Budweiser Budvar, National Corporation") and French ("Budweiser Budvar, Entreprise nationale"). Budvar registered the marks Budvar and Budweiser Budvar in Finland in 1962 and 1972 respectively, but the Finnish courts declared that it had forfeited its rights as a result of a failure to use the trade marks.

Between 1985 and 1992, the United States brewery Anheuser-Busch registered in Finland several marks designating beer, including Budweiser, Bud, Bud Light and Budweiser King of Beers.

In October 1996, Anheuser-Busch brought an action before the Finnish courts, seeking to prohibit Budvar from using certain marks (Budějovický Budvar, Budweiser Budvar, Budweiser, Budweis, Budvar, Bud and Budweiser Budbraü) in Finland to market and sell beer. Anheuser-Busch argued that those signs could be confused with its trade marks. Budvar contended that, under international law, the registration of its trade name conferred on it an earlier right in Finland and that that right was therefore protected.

Since trade-mark law falls within the scope of Community law, in this case by virtue of a 1989 Directive¹, the Korkein oikeus (Supreme Court, Finland), before which the case was brought at final instance, referred a number of questions on the interpretation of the TRIPs Agreement, in particular Article 16, which concerns the scope of the exclusive rights conferred by a trade mark, to the Court of Justice of the European Communities. This is the

¹ First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

second case involving these breweries to have been brought before the Court, the first having led to a judgment of 18 November 2003 in Case C-216/01 *Budějovický Budvar*.²

The temporal scope of the TRIPs Agreement

The Court observed that, although the acts which Budvar was alleged to have committed in Finland began before the TRIPs Agreement entered into force (1 January 1996), they continued beyond that date. Whilst the TRIPs Agreement does not impose obligations with respect to "acts which occurred" before it became applicable, it does not exclude such obligations with regard to situations which continued after that date. Consequently, the Court held that the TRIPs Agreement was applicable to this case.

Under what conditions may the proprietor of a trade mark preclude the use of a trade name?

The Court pointed out that the essential function of a trade mark is to serve consumers as a guarantee of the origin of the goods. It is for the national court to examine whether the consumers targeted are likely to interpret the sign, as it is used by Budvar, as designating the undertaking from which the goods originate and, thus, as serving to distinguish the goods in question. If that condition is satisfied and the sign is used in "in the course of trade", the protection afforded to the trade mark by Community law is absolute if both the sign and the trade mark and the goods or services are identical.

By contrast, should the Finnish court find that Budvar does not use the sign to distinguish the goods in question but rather as a trade or company name, it must refer to its own legal order in order to determine the extent and nature of the protection afforded to Anheuser-Busch.

Use of a trade name as an honest practice

However, the Court pointed out that the TRIPs Agreement and the 1989 Directive permit third parties to use a sign in order to indicate their name or address. That exception is subject to the condition that such use be made in good faith (under the TRIPs Agreement) or in accordance with honest practices (under the 1989 Directive). In assessing whether that condition is satisfied, account must be taken of the extent to which the use of the trade name is understood by the public as indicating a link between the third party's goods and the trade-mark proprietor or a person authorised to use the trade mark, and secondly of the extent to which the third party ought to have been aware of that. The national court must carry out an overall assessment of all the relevant circumstances (for example the labelling of the bottle) in order to establish whether Budvar can be regarded as unfairly competing with Anheuser-Busch.

Can a trade name be regarded as an "existing" prior right?

The Court observed that, under the TRIPs Agreement, where the proprietor of a trade name has a right which arose prior to the trade mark with which it is alleged to conflict, the use of that trade name cannot be prohibited. The Court held that a trade name is a right falling within the scope of the TRIPs Agreement and can therefore constitute an existing right. It is for the Finnish court to establish whether Budvar's right was "existing", in other words protected, when Budvar relied on it to counter the claims made by Anheuser-Busch. The Court stated that the protection of trade names is to be guaranteed and that such protection may not be

² Case C-216/01 *Budějovický Budvar v Rudolf Ammersin GmbH*

made subject to any registration requirement. However, conditions relating to minimum use or minimum awareness of the trade name may be imposed under national law.

Finally, the Court explained that "priority" means that the basis for the right in question must have arisen at a time prior to the grant of the trade mark concerned.

Unofficial document for media use, not binding on the Court of Justice.

Languages available: EN, FR, DE, CS, FI

The full text of the judgment may be found on Court's internet site

<http://curia.eu.int/jurisp/cgi-bin/form.pl?lang=en>

It can usually be consulted after midday (CET) on the day of delivery.

For further information, please contact Christopher Fretwell

Tel: (00 352) 4303 3355; Fax: (00 352) 4303 2731