

Case C-35/21

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:

19 January 2021

Referring court:

Varhoven kasatsionen sad (Bulgaria)

Date of the decision to refer:

29 December 2020

Appellant in cassation:

‘Konservinvest’ OOD

Respondent in cassation:

‘Bulkons Parvomay’ OOD

Subject matter of the main proceedings

Dispute about whether it is permissible for a geographical indication of an agricultural product or foodstuff to be registered solely under the national legislation of a Member State and to enjoy protection only under national civil law, irrespective of the protection regime established at Union level by Regulation No 1151/2012.

Subject matter and legal basis of the request

Interpretation 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 on the basis of point (b) of the first paragraph and the third paragraph of Article 267 TFEU.

Question referred for a preliminary ruling

Does 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 allow, outside the cases of transitional protection provided for in that provision, a national system for the registration and protection of geographical indications for agricultural products and foodstuffs covered by that regulation, and does that provision leave Member States free to apply at national level other rules that are applicable in parallel (similar to the parallel system for trade marks) in order to settle legal disputes concerning infringements of the right to such a geographical indication between local traders who produce and market agricultural products and foodstuffs covered by Regulation No 1151/2012 within the Member State in which the geographical indication was registered?

Provisions of EU law relied on

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 (OJ 2012 L 343, p. 1; ‘Regulation No 1151/2012’), Articles 2, 5 and 9

Case-law relied on

Judgment of the Court of Justice of 8 September 2009, *Budějovický Budvar* (C-478/07, EU:C:2009:521, paragraphs 114 to 117)

Judgment of the Court of Justice of 7 November 2000, *Warsteiner Brauerei* (C-312/98, EU:C:2000:599, paragraph 50)

Judgment of the Court of Justice of 7 May 1997, *Jacques Pistre and Others* (Joined Cases C-321/94, C-322/94, C-323/94, C-324/94, EU:C:1997:229, operative part 1)

Provisions of national law relied on

Zakon za markite i geografskite oznachenia (Law on trade marks and geographical designations, published in State Gazette (‘DV’) No 81 of 14 September 1999, repealed; ‘the ZMGO [repealed]’), Articles 51, 53, 57a and 76

Prehodni i zaklyuchitelni rasporedbi kam Zakona za izmenenie i dopalnenie na zakona za markite i geografskite oznachenia (Transitional and final provisions of the Law amending and supplementing the Law on trade marks and geographical designations, published in DV No 61 of 2018; ‘the PZR ZID ZMGO’), Paragraph 8

Zakon za prilagane na Obshtata organizatsia na pazarite na zemedelski produkti na Evropeiskia sayuz (Law on the implementation of the common organisation of the market in agricultural products of the European Union, published in DV No 96 of 28 November 2006; 'the ZPOOPZPES'), Articles 1, 24 and 25

Succinct presentation of the facts and procedure in the main proceedings

- 1 By decision of the President of the Patent Office of the Republic of Bulgaria of 3 July 2013, 'Bulkons Parvomay' AD was registered under the ZMGO (repealed) as a user of a geographical designation, namely the geographical indication 'Lyutenitsa Parvomai', for the product 'Lyutenitsa'. According to a certificate of registered users of a registered geographical indication issued by the national patent office, 'Bulkons Parvomay' OOD is the only registered user of that geographical indication.
- 2 'Konservinvest' OOD has registered its own national trade marks, namely the composite trade mark 'K Konservinvest Parvomayska lyutenitsa' (registered with the national patent office on 12 February 1999 for goods in Class 29 – Lyutenitsa) and the composite trade mark 'Parvomayska lyutenitsa Rachenitsa' (applied for on 15 May 2003 and registered on 3 May 2005). In both trade marks, the elements 'parvomayska lyutenitsa, all inscriptions in small print' are not eligible for protection.
- 3 Following an opposition by 'Konservinvest' OOD, administrative proceedings were conducted concerning the annulment of the decision (of 3 July 2013) on the registration of the geographical indication 'Lyutenitsa Parvomay'. The opponent stated that the President of the Bulgarian Patent Office is not competent to register a geographical indication for an agricultural product or foodstuff falling within the scope of Regulation No 1151/2012. According to that regulation, registration of a geographical indication for such agricultural products is permitted only at European Union level in accordance with the procedure laid down in the regulation, and not in accordance with national law.
- 4 In those proceedings, the patent office and 'Bulkons Parvomay' OOD contested the application, on the ground that the decision on the registration of the geographical indication 'Lyutenitsa Parvomay' constitutes a valid administrative act and that the Bulgarian Patent Office has the power to register a geographical indication for an agricultural product or foodstuff in accordance with national law.
- 5 By judgment of 12 July 2017, the Varhoven administrativen sad (Supreme Administrative Court, Bulgaria) dismissed the application of 'Konservinvest' OOD for annulment of the decision on the registration of the applicant's geographical indication on the ground that it is precisely the President of the Bulgarian Patent Office who is competent to register a geographical designation at national level. The Supreme Administrative Court also stated that Regulation No 1151/12 is not applicable to the dispute, as the parties have not sought the protection afforded by it.

- 6 Subsequently, ‘Bulkons Parvomay’ OOD brought an action against ‘Konservinvest’ OOD before the Sofiyski gradski sad (Sofia City Court, Bulgaria), by which it seeks judicial protection under civil law for the geographical indication in question under the national legal system. In particular, ‘Bulkons Parvomay’ OOD requested that the court: (i) find and declare that the defendant infringed the applicant’s rights to the registered geographical indication ‘Lyutenitsa Parvomay’ via its commercial use of the signs ‘Parvomayska Lyutenitsa’, ‘Domashna edrosmlyana’ and ‘Parvomayska lyutenitsa Rachenitsa’ to designate the product ‘Lyutenitsa’, which is identical to the product for which the geographical indication is registered; (ii) order the defendant to cease the infringement; (iii) order the seizure and destruction of the product which is the subject of the infringement, the costs of which are to be borne by the defendant; (iv) award the applicant compensation for the material damage suffered and the loss of income for the period from 1 November 2013 to 30 September 2014; (v) have the operative part of the judgment published in two daily newspapers and announced during the broadcasting time of a television station with national coverage, at the defendant’s expense.
- 7 The actions were dismissed by the court of first instance. On 28 February 2019, the judgment of that court was set aside by the appellate court (Sofiyski apelativen sad; Court of Appeal, Sofia, Bulgaria), which granted, in their entirety, the forms of order sought.
- 8 ‘Konservinvest’ OOD contested the judgment of the appellate court before the Varhoven kasatsionen sad (Supreme Court of Cassation, Bulgaria; ‘the VKS’), citing the inadmissibility of that judgment. By order of 14 April 2020, the VKS granted leave for the appeal in cassation with a view to reviewing the admissibility of the judgment of the appellate court. Furthermore, the VKS considers the form of order sought in the appeal in cassation, requesting a preliminary ruling from the Court of Justice of the European Union on the interpretation of Regulation No 1151/2012, to be well founded and asks the question for a preliminary ruling already set out above. The VKS takes the view that the answer to the question referred is material to the decision on the admissibility of the actions.

Essential arguments of the parties in the main proceedings

- 9 In the proceedings at first instance before the Sofia City Court, the applicant ‘Bulkons Parvomay’ OOD stated that it is the sole user of the geographical designation registered by it, the geographical indication ‘Lyutenitsa Parvomay’. Since the defendant is not registered as a user of that geographical indication, submits the applicant, it has infringed the provisions of the ZMGO (repealed) by designating the products that it produces (‘Parvomayska lyutenitsa’, ‘Domashna edrosmlyana’, ‘Parvomayska lyutenitsa’ and ‘Parvomayska lyutenitsa Rachenitsa’) as ‘Parvomayska lyutenitsa’. According to the applicant, the defendant unlawfully uses the geographical indication registered for the applicant

and thereby misleads consumers as to the true origin of the product. The actions are admissible and well founded, as the ZMGO (repealed), Regulation No 1151/2012 and the ZPOOPZPES regulate different relationships which are neither mutually exclusive nor in competition with each other, with the result that those legal acts ensure parallel protection of different rights.

- 10 The defendant 'Konservinvest' OOD opposes the claims on the ground that it has not committed an infringement, as it has exercised its right to label its products with the trade marks registered by it. Furthermore, submits the defendant, the geographical indication cannot be protected in accordance with the procedure and modalities invoked by the applicant, since Article 14 of Regulation No 1151/2012 is directly applicable by virtue of the earlier registration of its trade marks. The defendant contends that the geographical indication was registered in breach of the legal requirements, since the registration of agricultural products and foodstuffs, which include Lyutenitsa, is directly governed by Regulation No 1151/2012, and precludes national schemes for registration and, accordingly, for the protection of geographical indications for those products.
- 11 The Sofia City Court dismissed the applications as unfounded. That court of first instance found that the ZMGO established a general scheme for geographical indications. According to that court, this particular case concerns a specific product (Lyutenitsa) to which Regulation No 1151/2012 is directly applicable. The regulation requires that geographical designations for agricultural products and foodstuffs (including Lyutenitsa) be registered with the European Commission; legal protection in the Member States (including in the Republic of Bulgaria) is granted only after entry in the European register of agricultural products and foodstuffs with protected geographical indications. This task of registration is assumed *ex officio* by the Patent Office of the Republic of Bulgaria. The court of first instance stated that, in accordance with Article 24(1) of the ZPOOPZPES, legal protection for agricultural products and foodstuffs within the scope of Regulation No 1151/2012 is granted by means of entry in the European register of foodstuffs registered as a traditional speciality guaranteed. In addition, Article 25(1)(1) of that law prohibits the use of a sign, designation or name as a geographical indication for an agricultural product or foodstuff which is not entered in the European Register. The actions were dismissed owing to the lack of substantive standing to bring proceedings, derived from the improper registration of the geographical indication.
- 12 The Court of Appeal, Sofia set aside the judgment of the Sofia City Court and granted the forms of order sought. To that end, the appellate court held that the actions are admissible. It was assumed, in essence, that the applicant's geographical indication had been validly registered and that the ZMGO (repealed) (Articles 75-77) governed the protection under civil law of geographical indications registered under the national procedure, disagreeing with the assessment of the court of first instance that Regulation No 1151/2012 precludes national protection. The appellate court found the actions to be well founded, as the defendant had not been registered as a user of the geographical indication at

the Patent Office of the Republic of Bulgaria, despite the fact that this was procedurally possible; accordingly, there is an infringement of the applicant's right to the registered geographical indication. The appellate court did not share the view that Regulation No 1151/2012 precludes national protection. It did share the view that the actions are admissible and well founded, as the ZMGO (repealed), Regulation No 1151/2012 and the ZPOOPZPES regulate different relationships which are neither mutually exclusive nor in competition with each other, with the result that those legal acts ensure parallel protection of different rights.

- 13 By its appeal in cassation, the appellant in cassation ('Konservinvest' OOD) challenges the inadmissibility of the actions that results from Paragraph 8 of the PZR ZID ZMGO (DV No 61/2018). According to that provision, the holders of rights to registered geographical designations for agricultural products or foodstuffs falling within the scope of Regulation No 1151/2012 would not be able to bring actions for infringements committed before the entry into force of the law and no administrative penalty proceedings would be initiated for infringements of rights to registered geographical designations for agricultural products and foodstuffs falling within the scope of Regulation (EU) No 1151/2012 committed before the entry into force of the law.
- 14 In essence, the appellant in cassation submits that the actions are also unfounded on account of the direct application of Regulation (EU) No 1151/2012, which precludes national protection of a geographical indication registered solely under the national procedure.
- 15 The dispute between the parties is essentially limited to the question of whether the geographical indication 'Lyutenitsa Parvomay', which was registered with the Patent Office of the Republic of Bulgaria solely under the national ZMGO (repealed) during the period of validity of Regulation No 1151/2012, can enjoy the protection under civil law granted by the Bulgarian legal system if the infringement at issue was committed on the territory of the Republic of Bulgaria and the infringer is a trader registered under Bulgarian law. In other words, it is necessary to assess whether it is permissible for a geographical indication for an agricultural product or a foodstuff (such as Lyutenitsa) to be registered only in one specific Member State under its national legislation and to be protected only under the national legal system and not under the protection regime provided for and established at Union level in Regulation No 1151/2012.

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

- 16 First, the VKS recalls that, according to the Bulgarian national legal system, a geographical designation, specifically a geographical indication, inter alia for agricultural products and foodstuffs, enjoys national protection if it has been duly registered with the competent authority; there is therefore the possibility of judicial intervention to prevent unauthorised use by another legal entity,

irrespective of its nationality. On the one hand, this guarantees high quality for consumers and identifies the product specifications and, on the other hand, creates an obstacle to the deterioration of that quality through the production of the same product by producers not registered under that procedure.

- 17 Next, the VKS points out that the subject matter of the legal protection for geographical designations for agricultural products and foodstuffs at Community level has been developed in the period spanning from the first Community legislative act, Council Regulation (EEC) No 2081/92 of 14 July 1992, to Regulation (EU) No 1151/2012, currently in force, which repealed and replaced Regulation (EC) No 509/2006 and Regulation (EC) No 510/2006. That legal act which is now in force reflects the evolving appreciation for the creation of uniform protection mechanisms through registration of geographical indications at Union level.
- 18 The development of this normative basis to regulate the registration of geographical indications for agricultural products and foodstuffs of which the quality and uniqueness are associated with certain European regions suggests (particularly in the light of Article 9 of Regulation No 1151/2012 read in conjunction with recitals 15 and 24 of the Regulation) that national registration and national legal protection for those products is precluded.
- 19 The VKS takes the view that, despite this trend in the development of the subject matter governed by Regulation No 1151/2012, the possibility of registering agricultural products and foodstuffs covered by that regulation at national level alone is not expressly precluded. Nor is the possibility of specific protection in the territory of a Member State expressly precluded where the dispute is between local producers of the same agricultural product concerning a geographical indication registered only at national level and the alleged infringements were committed exclusively within that Member State.
- 20 The referring court points out that, on the one hand, EU law does not make express provision governing the permissibility of the parallel national registration of a geographical indication for agricultural products and foodstuffs and the resulting protection only in the territory of the registering Member State. The VKS considers that one argument militating in favour of that conclusion consists in the fact that Article 9 of Regulation No 1151/2012 does not expressly preclude national registration and protection of geographical indications for agricultural products and foodstuffs covered by the regulation. On the other hand, that provision, interpreted in conjunction with recitals 15 and 24 of the regulation, suggests that national protection schemes at national level are not permissible outside the cases of transitional protection provided for in the provision in question.
- 21 For the above reasons, the VKS considers it necessary for the Court of Justice to give it a useful interpretation of Article 9 of Regulation No 1151/2012 with a view to assessing whether the protection regime established by the regulation precludes

the possibility of national protection under the ZMGO in cases where the geographical indications for agricultural products and foodstuffs covered by it are registered only in the territory of the Republic of Bulgaria in accordance with the procedure under the ZMGO and protection is sought against an infringer in the same Member State using a name similar to the registered geographical indication.

WORKING DOCUMENT