

In Peek & Cloppenburg KG (Düsseldorf) v Office for Harmonisation in the Internal Market (OHIM) and Peek & Cloppenburg KG (Hamburg) the Court of Justice of the European Union (CJEU) has confirmed the decisions of the General Court and Boards of Appeal in the joint Cases C-325/13 P and C-326/13 P. The Community trade mark (CTM) applications for PEEK & CLOPPENBURG in Classes 25 and 35 respectively are finally rejected on the basis of Article 8(4) CTMR in conjunction with Sections 5(2), 6(3), 15(2) and (3) of the German Act on the Protection of Trade Marks and other Symbols (hereinafter referred to as "MarkenG").

In the present case, Peek & Cloppenburg KG (Düsseldorf) raised the plea that the General Court had misinterpreted Article 8(4) CTMR insofar as the conditions set forth therein required that the earlier right must extend to the *entire geographic* national territory, in accordance with the relevant national legislation. They argued that this (alleged) requirement followed from an autonomous interpretation of the phrase "*where and to the extent ... that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.*" In the alternative, it followed from the criterion "*of more than mere local significance*" in Article 8(4) CTMR. They further asserted that the above was confirmed by Articles 110 and 111 CTMR which distinguish between signs "*of more than mere local significance*" and "*of mere local significance*".

Under Article 8(4) CTMR the proprietor of a non-registered trade mark or another sign used in the course of trade *of more than mere local significance* can oppose a subsequent Community trade mark, *where and to the extent*, pursuant to the Community legislation or the law of the Member State governing that sign, *such sign confers on its proprietor the right to prohibit the use of such subsequent trade mark.*

It follows that the extent to which a protected sign in a Member State confers the right to prohibit the use of a subsequent trade mark must be examined in the light of the applicable national law. In this context, the cited national legislation and the provisions adopted in the Member State's court decisions must be considered. On this basis, the opposing party must establish that the sign concerned falls within the scope of the law of the Member State relied on and that it allows for the prohibition of the use of the subsequent mark. The opponent, however, is not required to provide actual evidence that the earlier right has been used, or that the opponent has actually been able to prohibit such use.

In the present case, the Board of Appeal concluded that the opponent had established that they had the right to use the business indication "Peek & Cloppenburg" on the basis of Sections 5, 6 and 15 MarkenG, which prohibits a subsequent trade mark in Germany.

Contrary to the assertions of Peek & Cloppenburg (Düsseldorf), the CJEU held that Article 8(4) CTMR must not be interpreted as meaning that the right to prohibit the use must refer to the *entire geographic* national territory to prevent the registration of a subsequent Community trade mark. This was clear from the wording and the structure of Article 8(4) CTMR. The provision confers on the owner of an earlier sign, the right to successfully oppose the registration of a subsequent Community trade only if the use of the first sign is "*of more than mere local significance.*" This condition must be assessed in the light of the law of the European Union. The CJEU has held in the past that in order to be capable of preventing the registration of a new sign, the sign relied on in the opposition must actually be used in a sufficiently significant manner in the course of trade and its geographical extent must not be merely local. The latter implies, where the territory in which that sign is protected may be regarded as other than local, the sign must be used in a substantial part of that territory. In other words, while a right to opposition must be reserved to signs which actually have a real economic presence in their relevant market, Article 8(4) only requires, in terms of geographical extension of protection of the sign, that they are "*not merely local*".

Unlike the assumptions of Peek & Cloppenburg (Düsseldorf), the wording of Article 8(4) CTMR does not suggest more stringent requirements where two identical signs are protected in the territory of a single Member State. If it were required in this case that the right granted in the Member State referred to the *entire* national territory, the respective owners would be barred from preventing the registration of a Community trade mark not only by one of them, but also by any other third party, regardless of whether the signs in question are actually and truly present in their relevant market. The independent requirement that the earlier sign must be used in a significant way in the course of trade would thus be deprived of its effect.

Moreover, the interpretation of Article 8(4) CTMR from the perspective of an autonomous interpretation of the regulation, respecting the unity of the arrangements introduced by this protective system, must not vary depending on how individual Member States have implemented a provision of the current CTMR, even if one assumes that it corresponds to Article 8(4) CTMR. The Community trade mark regime is an autonomous system that is composed of its own set of rules and objectives peculiar to it; it applies independently of any other system.

As to the argument that according to the distinction made in Article 110 and 111 CTMR only signs “*of more than mere local significance*” (i.e. signs which extend to the *entire geographic* national territory) would be entitled to prohibit the use of a subsequent trade mark in the territory of the Member State, the CJEU emphasized that Article 110 applies to “*earlier rights within the meaning of Article 8 CTMR*”, so that the requirements provided in Article 8 CTMR, and as stated in the above, determine which rights are protected. In addition, an overall assessment of Articles 8, 110 and 111 CTMR allows for the finding that the CTMR distinguishes between two categories of signs whereby only signs “*of more than mere local significance*” can prevent the registration of a later Community trade mark and can prohibit their use under the national law, excluding those signs which are “*of mere local significance*” under Article 111 CTMR.

It follows from the above, that Article 8(4) CTMR does indeed not require the person who invokes Article 8(4) as basis of the opposition to have the right to prohibit the use of a subsequent trade mark throughout the *entire* national territory.

This ruling serves as an important clarification not only in respect of the provisions of the German trade mark law, but will be also applicable to the relevant national right in other jurisdictions referred to in Article 8(4) CTMR, for example the law of passing-off under English law.

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