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TRIBUNAL DE JUSTICIA DE LAS COMUNIDADES EUROPEAS  
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Press and Information

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Judgment of the Court of Justice in Case C-533/06

*O2 Holdings Limited and O2 (UK) Limited v Hutchison 3G UK Limited*

**O2 CANNOT RELY ON ITS TRADE MARK RIGHTS TO PREVENT THE USE OF A SIMILAR SIGN IN A COMPARATIVE ADVERTISEMENT FOR HUTCHISON 3G**

*A trade mark proprietor is not entitled to prevent the use of a sign identical with, or similar to, a mark in a comparative advertisement if there is no likelihood of confusion on the part of the consumer between the advertiser and the proprietor of the mark or between the advertiser's marks, goods or services and those of the proprietor of the mark*

Under the Community trade mark directive<sup>1</sup>, the proprietor of a mark is entitled to prevent the use, in the course of trade, of a sign which is identical with the trade mark in relation to goods or services which are identical and the use of a sign which is similar to the trade mark if there is a likelihood of confusion, which includes the likelihood of association between the sign and the trade mark.

The Community directive on comparative advertising<sup>2</sup> provides that comparative advertising is to be permitted under certain conditions, inter alia that it is not misleading, that it does not create confusion in the market place between the advertiser and a competitor or between trade marks, that it does not discredit or denigrate a trade mark, and that it does not take unfair advantage of a trade mark.

To advertise its mobile telephone services O2 uses bubble images in a host of ways and is the proprietor of two British national trade marks which consist of a static picture of bubbles.

In 2004, Hutchison 3G ('H3G'), a competitor of O2 which markets its services under the name '3', launched an advertising campaign for its pay-as-you-go service known as 'Threepay'. To that end, it broadcast a television advertisement in which it compared the price of its services with those of O2. That advertisement began by using the name 'O2' and moving black-and-white bubble imagery, followed by 'Threepay' and '3' imagery, together with a message that H3G's services were cheaper in a specific way.

<sup>1</sup> 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).

<sup>2</sup> Council Directive 84/450/EEC of 10 September 1984 concerning misleading and comparative advertising (OJ 1984 L 250, p. 17), as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997 (OJ 1997 L 290, p. 18).

O2 brought proceedings for infringement of its bubbles trade marks before the High Court, although it accepted that the price comparison in the advertisement was true and that that advertisement was not misleading. The action was dismissed. O2 therefore appealed against that judgment before the Court of Appeal, which asked the Court of Justice whether a proprietor of a mark is entitled to prevent the use of a sign which is identical with, or similar to, its mark in a comparative advertisement which does not give rise to a likelihood of confusion between the advertiser and a competitor or between the advertiser's marks, goods and services and those of a competitor.

As a preliminary point, the Court explains the interaction between the trade mark directive and the directive on comparative advertising. It considers that the use, in a comparative advertisement, of a sign identical with, or similar to, a mark of a competitor for the purposes of identifying the latter's goods and services may be prevented under the trade mark directive. However, the Court notes that the legislature sought to promote comparative advertising and, to that end, to limit to a certain extent the right conferred by the mark.

In order to reconcile the protection of marks and the use of comparative advertising, the Court notes that the proprietor of a trade mark is not entitled to prevent the use, by a third party, of a sign identical with, or similar to, his mark, in a comparative advertisement which satisfies all the conditions under which comparative advertising is permitted. Nevertheless, if there is a likelihood of confusion between the advertiser and a competitor or between the advertiser's trade marks, goods or services and those of a competitor, the advertisement does not satisfy all the conditions laid down in the directive on comparative advertising under which comparative advertising is permitted and the proprietor of the mark is entitled to prevent the use of a sign identical with, or similar to, his mark.

In response to the question referred by the Court of Appeal, the Court of Justice points out that a proprietor of a mark may prevent the use of a sign which is similar to his mark if **four conditions** are satisfied: that use must be in the course of trade; it must be without the consent of the proprietor of the mark; it must be in respect of goods or services which are identical with, or similar to, those for which the mark is registered; and it must affect or be liable to affect the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, by reason of a likelihood of confusion on the part of the public. The Court notes that the first three conditions are satisfied in the case in the main proceedings. By contrast, in accordance with the referring court's own findings, **the use by H3G of bubble images similar to the trade marks did not give rise to a likelihood of confusion on the part of consumers.** The advertisement, as a whole, was not misleading and, in particular, did not suggest that there was any form of commercial link between O2 and H3G. **Consequently, the fourth condition is not satisfied in the case in the main proceedings.**

Consequently, the Court finds that **the proprietor of a registered trade mark is not entitled to rely on his trade mark rights to prevent the use, by a third party, in a comparative advertisement, of a sign similar to that mark in relation to goods or services identical with, or similar to, those for which that mark is registered where such use does not give rise to a likelihood of confusion on the part of the public.**

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

*Languages available: CS, ES, DE, EN, EL, FR, HU, IT, PT, SK*

*The full text of the judgment may be found on the Court's internet site*  
<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=EN&Submit=rechercher&numaff=C-533/06>

*It can usually be consulted after midday (CET) on the day judgment is delivered.*

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