

OPINION OF ADVOCATE GENERAL
RUIZ-JARABO COLOMER
delivered on 31 January 2002¹

1. By order of 3 June 1999, the Gerechtshof te 's-Gravenhage (Regional Court of Appeal, The Hague, Netherlands) referred to the Court of Justice 10 questions² concerning the interpretation of Articles 2 and 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks ('the Trade Mark Directive').³

I. The facts and the main proceedings

2. On 2 April 1997, Koninklijke KPN Nederland NV ('KPN') lodged with the Benelux Trade Marks Office (the Benelux-Merkenbureau, 'Merkenbureau') an application for registration of 'Postkantoor' as a word sign for paper, card and products manufactured therefrom,⁴ and a wide variety of services.⁵ In Dutch, 'postkantoor' means 'post office'.

3. On 16 June 1997, the Merkenbureau informed KPN that it was provisionally refusing registration because the sign applied for did not have distinctive character, since it merely described the goods and services it was intended to identify.

4. KPN raised objections to the provisional refusal of the application and requested either that the refusal be withdrawn or that consultations be initiated with a view to disclaiming the protection afforded by the mark for the products and services which the sign described. The Merkenbureau saw no reason to review its decision and, by letter of 28 January 1998, it notified KPN that its decision to refuse the application was now final.

5. KPN brought an action forthwith before the Gerechtshof, seeking an order requiring the Merkenbureau to register the sign in respect of all the classes applied for or, at any rate, in respect of such classes as the court might determine in its judgment.

1 — Original language: Spanish.

2 — By the same order, the Gerechtshof refers a further 15 questions to the Benelux Court of Justice.

3 — OJ 1989 L 40, p. 1.

4 — Class 16 under the Nice Agreement of 15 June 1957 concerning the international classification of goods and services for the purposes of registration of marks, as revised and amended.

5 — Included in classes 35, 36, 37, 38, 39, 41 and 42.

6. By an interim decision dated 3 December 1998, the Gerechtshof notified the parties that it would be appropriate to refer to the Court of Justice, and to the Benelux Court, a number of questions concerning the interpretation of the Trade Mark Directive and the Uniform Benelux Law on trade marks ('the Uniform Law').⁶ Finally, by order of 3 June 1999, the Gerechtshof stayed the proceedings and referred those questions, on which it had sought the views of the parties, to both courts.

Article 2, of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks... have regard not only to the sign as per the application for registration but to all the relevant facts and circumstances known to it, including those of which it was informed by the applicant (for example, that the applicant, prior to the application, already used the sign on a large scale as a trade mark of the relevant products, or that it appears on inquiry that the sign intended for the goods and/or services mentioned in the application will not be capable of misleading the public)?

II. The questions referred for a preliminary ruling

...

7. The questions which the Gerechtshof has referred to the Court are worded as follows:

- '1. (a) Must the Benelux-Merkenbureau which, under the Protocol of 2 December 1992 amending the Uniform Benelux Law on trade marks (Trb. 1993, 12), is responsible for the assessment of the absolute grounds for refusal to register a trade mark, as laid down in Article 3(1), in conjunction with
 2. Does the reply to Question IV(a) and (b) also apply to the assessment of the Benelux-Merkenbureau concerning the question whether its objections to registration of the application have been dispelled by the applicant, as well as to its decision to refuse registration in whole or in part, as provided for in Article 6a(4) of the Uniform Law?⁷
 3. Does the reply to Question IV(a) and (b) also apply to the judicial assessment

6 — Uniform Benelux Law on trade marks of 19 March 1962, as amended (*Nederlands Traktatenblad* 1962, No 58, pp. 11-39, and 1983, No 187, pp. 2-10).

7 — The Uniform Benelux Law on trade marks.

of the application to which Article 6b of the Uniform Law refers?

or regional languages of the Benelux area automatically extends to its translation in the other Benelux languages?

...

...

- 4.(a) In light of the provisions of Article 6d(B)(2) of the Paris Convention, do the marks which under Article 3(1)(c) of the Trade Mark Directive are not to be registered or, if registered, may be declared invalid, also include marks consisting of signs or indications which may serve in commerce to indicate the kind, quality, quantity, designation, value, place of origin or date of manufacture of the goods or provision of the service or other characteristics of the goods or services, even if that configuration is not the (only or most) usual name used? Does it make any difference in that connection whether there are many or only a few competitors who may have an interest in using such indications (see the judgment of the Benelux Court of Justice of 19 January 1981, NJ 1981, 294, in *P Ferrero & Co S.p.A. v Alfred Ritter Schokoladenfabrik GmbH (Kinder)*)?

Is it also relevant that under Article 13C of the Uniform Law the right to a trade mark expressed in one of the national

- 5.(a) In the assessment of the question whether a sign consisting of a (new) word made up of components, which in themselves have no distinctive character with regard to the goods or services for which the application is made, answers the description given in Article 2 of the Trade Mark Directive (and Article 1 of the Uniform Law) of a mark, must a (new) word of that kind in principle be taken to have a distinctive character?

- (b) If not, must a word of that kind (leaving aside the fact that it may have become part of everyday language) in principle be taken to have no distinctive character, and may that be otherwise only under attendant circumstances which result in the combination being more than the sum of its parts?

Is it of any importance in that connection whether the sign is the only or, at any rate, the most usual term for indicating the relevant characteristic or (combination of) characteristics, or whether there are synonyms which may reasonably also be used, or that the word indicates a commercially essential or rather an incidental attribute of the product or service?

must regard be had to the possibility that, in light of its descriptive meaning, (a part of) the public will not perceive that sign as a distinctive sign for (all or some of) those goods or services?

Is it also relevant that, under Article 13C of the Uniform Law, the right to a trade mark expressed in one of the national or regional languages of the Benelux area automatically extends to its translation in another of those languages?

- 7.(a) In the assessment of the abovementioned questions, is significance to be attached to the fact that, since the Benelux countries have chosen to have applications for registration of trade marks examined by the Benelux-Merkenbureau as a requirement of registration, the appraisal policy of the Merkenbureau under Article 6a of the Uniform Law, according to the common commentary of the Governments, “must be a cautious and restrained one whereby all concerns of commercial life must be taken into account and efforts must be focused on establishing which are the evidently inadmissible applications and refusing them”?

6. Does the mere fact that a descriptive sign is also lodged for registration as a mark for goods or services of which the sign is not descriptive warrant an assessment that the sign thereby has distinctive character as regards those goods or services (for example, the sign “postkantoor” for furniture)?

If so, under what rules does it fall to be determined whether an application is “evidently inadmissible”?

If not, in order to determine whether such a descriptive sign has descriptive character for those goods or services,

It is assumed that in invalidity proceedings, which may be initiated after

registration of a sign, there is no requirement that the sign be “evidently inadmissible.”

III. The legal framework

...

1. The international protection of trade marks

- 8.(a) Is it consistent with the scheme of the Trade Mark Directive and the Paris Convention for a sign to be registered for specific goods or services, subject to the limitation that the registration applies only to those goods and services in so far as they do not possess certain characteristics (for example, registration of the sign “Postkantoor” for the services: direct-mail campaigns and the issue of franking seals “provided they are not connected with a post office”)?

8. Trade marks, like other forms of industrial property, have long enjoyed extensive international protection, which was initiated by the Paris Convention for the Protection of Industrial Property (‘the Paris Convention’) of 20 March 1883,⁸ to which all the Member States are signatories.⁹

...

9. As I pointed out in a previous Opinion, the first provision of the Convention establishes the Union for the protection of industrial property (Article 1(1)), known as the Union of Paris. The Convention constitutes a point of reference, which the laws of the signatory States and the agreements and treaties entered into by those

9. Is it also material to the answer to be given to the questions whether a corresponding sign for similar goods or services is registered as a mark in another Member State?’

8 — As regards trade marks, the Convention was extended by the two Madrid Agreements of 1891, one concerning the repression of false and deceptive indications of source on goods and the other concerning the international registration of marks; by the Trade Mark Law Treaty of 1994; and by the Nice Agreement, cited in footnote 4.

9 — The Netherlands has been a State party to the Convention since 7 July 1884.

States between themselves must respect (Articles 25 and 19).¹⁰

customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed;

10. The substantive provisions of the Paris Convention, which regulate the international protection of the different forms of industrial property (Articles 1 to 11), contain a notable number of articles providing for the protection of trade marks, including Article 6d(B), pursuant to which:

... ,

‘Trade marks covered by this Article may be neither denied registration nor invalidated except in the following cases:

11. Article 6 *quinquies* (C)(1) of the Convention provides that: ‘In determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use.’

...

2. Trade marks in Community law

A. The Treaty establishing the European Community

2. when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become

12. Article 30 EC provides:

¹⁰ — See the Opinion of 18 January 2001 in Case C-517/99 *Merz & Krell* [2001] ECR I-6959, and in particular point 6 thereof. Article 2(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights, annexed to the Agreement establishing the World Trade Organisation, done at Marrakesh on 15 April 1994 (OJ 1994 L 336, pp. 214 to 223), provides that, in respect of, *inter alia*, trade marks, Member States shall comply with Articles 1 to 12, and Article 19, of the Paris Convention.

‘The provisions of Articles 28 EC and 29 EC shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of... the protection of industrial and commercial

property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States.’

14. Article 2 sets out the signs of which a trade mark may consist:

‘A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.’

B. The Trade Mark Directive

15. Article 3 of the Trade Mark Directive lists the cases in which a trade mark registration may be refused or, where appropriate, declared invalid:

13. With a view to the establishment and functioning of the internal market, the First Directive is aimed at approximating the laws of the Member States relating to trade marks. However, it is only aimed at partial approximation, meaning that the role of the Community legislature is limited to trade marks acquired by registration, leaving Member States free to fix the provisions of procedure concerning the registration, revocation and invalidity of trade marks so acquired.¹¹

‘1. The following shall not be registered or if registered shall be liable to be declared invalid:

(a) signs which cannot constitute a trade mark;

(b) trade marks which are devoid of any distinctive character;

¹¹ — See the first, third, fourth and fifth recitals in the preamble to, and Article 1 of, the Trade Mark Directive.

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods;

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

...

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.

...'

16. Article 5 governs the rights of the proprietors of trade marks in the following manner:

'1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a

reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

C. The Community trade mark regulation

...'

17. Article 6 limits the rights conferred by ownership of a trade mark, stipulating that:

'1. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade,

...

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

...'.
...

18. On 20 December 1993, the Council adopted Regulation (EC) No 40/94 on the Community trade mark ('the Regulation'),¹² in order, as I pointed out in the Opinion referred to above, that the internal market could enjoy conditions similar to those in a national market and, in particular, conditions which, from a legal perspective, '... enable undertakings to adapt their activities to the scale of the Community, whether in manufacturing and distributing goods or in providing services...'.¹³ The aim was to create 'trade marks... which are governed by a uniform Community law directly applicable in all Member States.'¹⁴ This aim is to be pursued but does not purport to replace the laws of the Member States on trade marks.¹⁵

19. The Regulation adopts the same approach as and uses identical wording to the Trade Mark Directive, in that it lists the signs of which a Community trade mark may consist (Article 4) and then goes on to set out the grounds for refusal of registration (Articles 7 and 8). Like the Directive, it stipulates the rights conferred by a Community trade mark (Article 9) and the limitations of the effects of such a trade mark (Article 12).

12 — OJ 1994 L 11, p. 1.

13 — First recital in the preamble to the Regulation.

14 — Third recital in the preamble.

15 — Fifth recital in the preamble.

3. *Trade marks in the Benelux Economic Union*

20. With the aim of promoting the free movement of goods between their respective territories, the three Member States of the Benelux Economic Union signed a convention on trade marks on 19 March 1962,¹⁶ under which they were each required to transpose into their national legal systems the accompanying Uniform Law.

21. The convention, which entered into force on 1 July 1969, created a new administrative body, the Benelux-Merkenbureau, which is situated in The Hague and is responsible for enforcing the Uniform Law and its implementing provisions. The courts of the three Benelux States are responsible for interpreting the legislation, and the Benelux Court has jurisdiction to give preliminary rulings.¹⁷

22. With a view to transposing the Trade Mark Directive into Benelux law, and to supplementing it with the relevant provi-

sions governing the Community trade mark, on 2 December 1992, Belgium, Luxembourg and the Netherlands signed a protocol aimed at amending the Uniform Benelux Law.¹⁸ Under Article 8, the protocol and the amendments it inserted into the Uniform Law entered into force on 1 January 1996.

23. The final paragraph of Point I(6) of the common commentary of the governments in question regarding the protocol states that: 'the appraisal policy of the Benelux-Merkenbureau... must be a cautious and restrained one, which takes account of all commercial concerns and is focused on rectifying or refusing evidently inadmissible applications. Needless to say, the examination must remain within the boundaries laid down in Benelux case-law, in particular that of the Benelux Court'.

24. In accordance with Article 1 of the Uniform Benelux Law:

'The following may be registered as individual marks: names, designs, imprints, stamps, letters, numerals, the shape of goods or their packaging, and any other signs which serve to distinguish the goods of an undertaking.

¹⁶ — *Nederlands Traktatenblad* 1962, No 58, pp. 1 to 9.

¹⁷ — See Article 10. Established by a treaty dated 31 March 1965 and inaugurated on 1 January 1974, the judicial role fulfilled by the Benelux Court of Justice is the same as that which is assigned to the Court of Justice of the European Communities at a Community level; namely, the interpretation of provisions of uniform Benelux law by means of replies to questions referred for preliminary rulings by the three Member States. Advocate General Jacobs remarked on this similarity of roles in the Opinion he delivered on 29 April 1997 in Case C-337/95 *Parfums Christian Dior* [1997] ECR I-6013, paragraphs 13 and 26.

¹⁸ — *Nederlands Traktatenblad* 1993, No 12, pp. 1 to 12.

However, shapes which result from the nature of the goods themselves, or which affect the substantial value of the goods, or which give rise to a technical result may not be registered as trade marks.’

25. Article 6a provides:

‘1. The Benelux-Merkenbureau shall refuse registration where, in its view:

(a) the sign applied for does not satisfy the description in Article 1 of a mark, in particular where it is devoid of any distinctive character within the meaning of Article 6 *quinquies* (B)(2) of the Paris Convention;

...

2. Refusal of registration must relate to the whole of a sign constituting a mark. It may be limited to one or more of the goods for which the mark is intended.

3. The Benelux Trade Mark Office shall inform the applicant forthwith in writing of its intention to refuse registration wholly or in part, stating the reasons therefor, and

shall afford the applicant the possibility of replying within such period as may be laid down in the implementing regulations.

4. If the objections of the Benelux Trade Mark Office to registration are not lifted within the period laid down, registration shall be refused in whole or in part. The office shall forthwith inform the applicant in writing of such refusal, stating the reasons therefor and informing him of his right of action against the decision under Article 6b.’

26. Article 6b provides that: ‘Within two months of the notification mentioned in Article 6a(4), the applicant may apply to the Hof van Beroep [Court of Appeal] te Brussel, the Gerechtshof te ’s-Gravenhage, or the Cour d’appel [Court of Appeal] de Luxembourg for an order for registration.’

27. Article 13C provides that the exclusive right to a trade mark expressed in one of the national or regional languages of the Benelux territory ‘extends to its translation in another of those languages.’

IV. Analysis of the questions referred for a preliminary ruling

1. Introduction

28. It is worrying that a court of recognised competence should harbour so many

doubts concerning the application of Community trade mark provisions. There appears to be a significant distortion within the system, since it is difficult to believe that the work of the European Union legislature could be so lacking in this area, or that those who are responsible for its implementation should fail to understand their role. Regardless of the reason, the Court of Justice is required to supplement and facilitate the work of others within the interpretative role conferred on it under Article 234 EC.

2. Criteria for interpretation

29. In the Opinion I delivered in *Merz & Krell*, cited above, I noted the special structure of Community trade mark law,¹⁹ which, rather like an onion, is made up of different layers which sit one on top of the other. The first, purely internal, layer corresponds to the Community trade mark Regulation. The second comprises the laws of the Member States, which have been harmonised pursuant to the Trade Mark Directive. The third and final layer consists of the international trade mark obligations entered into by all the Member States.

30. The present case sees the insertion of another layer between the last two, which corresponds to the uniform Benelux legis-

lation on this type of industrial property. The three Member States of that economic association unified their respective trade mark laws, but, in addition, they harmonised those same laws with the laws of the other Member States of the European Union by adapting the Uniform Law to the Trade Mark Directive, and naturally they did so in compliance with their commitments under the Paris Convention.

31. Therefore, the Court is required to provide an integrated interpretation of the provisions of the Trade Mark Directive referred to in the *Gerechtshof's* questions, and in doing so the Court must have regard to the whole body of Community trade mark law.

32. When performing that task, it is important not to lose sight of the *raison d'être* of trade mark law, which is to guarantee the identity of the origin of the product or service identified by the sign to the consumer or end-user, by enabling him to distinguish that product or service from products or services having a different origin, thereby contributing to the establishment of a genuine system of competition in the internal market.²⁰ In order to achieve that goal, the trade mark owner is granted an assortment of rights and powers

19 — See points 23 to 29 of that Opinion.

20 — See the judgments in Case C-10/89 *HAG II* [1990] ECR I-3711, paragraph 14, and in Case C-349/95 *Loendersloot* [1997] ECR I-6227, paragraph 24.

which must be considered in the light of the latter objective. The rights of advantage which ownership of a trade mark confers on its owner exist so that consumers will be able to distinguish the marked product or service from products or services of different origins. As such, they may also be subject to restrictions, including restrictions deriving from the fact that it is in the public interest to ensure that certain names remain as widely available as possible ('the requirement of availability').

33. In short, the relationship between the rights conferred by ownership of a registered trade mark and the trade mark itself is instrumental. For that reason, in order to determine the precise scope of the exclusive right granted to a trade mark owner, regard must be had to the essential function of the trade mark.²¹

3. *The nature of the assessment of distinctive character (Questions IV(a), V, VI, XI, XIII(a) and XVI)*

34. By these questions the national court seeks to understand the nature of the judicial assessment of whether a sign is capable of constituting a trade mark.

35. First of all (Questions IV(a), V and VI), the Gerechtshof wishes to know, in detail, if the assessment of whether a sign is capable of constituting a trade mark must be carried out in the abstract or, alternatively, by reference to the specific circumstances of each case. In that regard, the Gerechtshof points out that, prior to lodging its application, the applicant had already used the sign on a large scale as a trade mark for the products in question, and that it appeared on inquiry that, *vis-à-vis* the goods and services which it was intended to identify, the sign would not be liable to mislead the public.

36. By way of a preliminary point, the facets of the Gerechtshof's questions which relate to the individual procedural stages under current Benelux law, namely, the initial appraisal carried out by the trade mark office (Question IV(a)), the assessment — by the same body — of the applicant's objections (Question V), and the subsequent judicial assessment (Question VI), must be disregarded. The Trade Mark Directive contains no provisions governing the regulation of the registration procedure, stating instead that Member States are free to organise that procedure as they see fit.²² The Court's reply must, therefore, be restricted to the assessment carried out by 'the competent authorities in accordance with domestic law.'

37. Additionally, and for similar reasons, no special significance should be attached to the fact that Question IV(a) refers only

21 — See the judgment in *HAG II*, cited above, paragraph 14 *in fine*.

22 — Fifth recital in the preamble.

to ‘the absolute grounds for refusal... as laid down in Article 3(1) in conjunction with Article 2 of... [the] Directive...’. Although it is correct that, under the Community law scheme, the first circumstance mentioned by the national court is required to be assessed in the context of the absolute grounds for refusal, the second circumstance — which relates to the likelihood of error or confusion — must be assessed in the context of the relative grounds listed in Article 4. Since — and I must reiterate this — the Trade Mark Directive is neutral in relation to the Member States’ procedural options, there is nothing to preclude a national legal system from stipulating that both matters must be assessed simultaneously. The Court’s reply cannot disregard that fact.

38. On that basis, it can be concluded that an assessment of the conditions which must be met in order for a sign to be eligible for protection by registration as a trade mark must — essentially — be specific in nature, in the sense that a variety of factual circumstances must be taken into consideration, as quite clearly follows from the absolute rule laid down in Article 6 *quinquies* (C)(1) of the Paris Convention.²³

39. Under Article 3(1)(a) of the Trade Mark Directive, in conjunction with Article 2, during the relevant procedural phase the competent authority is required to have regard not only to whether the sign applied for is capable of distinguishing the

goods or services in question, but also to whether it is capable of being represented graphically. Where, as in the main proceedings, the sign in question is a word, it is difficult to imagine that that would not be the case.²⁴ This is the only assessment which may be somewhat abstract in nature.

40. The authority is then required to establish whether the sign meets the conditions laid down in Article 3(1)(b), (c) and (d), namely that it must distinguish the goods or services in question, and that it must not be descriptive of or generic to those goods or services. Each condition is independent of the others and requires a separate assessment, although, in practice, the same sign may frequently fail to meet more than one condition.²⁵ It is also necessary to assess whether a sign, despite being devoid of any distinctive character for the purposes of Article 3(1)(b), (c) and (d), has acquired such character through use, as laid down in Article 3(3).

It follows from Article 3(3) that signs which meet the conditions laid down in subparagraphs (b), (c) and (d) have ‘distinctive character’. It is regrettable that the legislature created such ambiguity, as a

24 — The same cannot be said of sensory phenomena, such as smells, which are not capable of being represented graphically (in that connection, see the Opinion I delivered in Case C-273/00 *Sieckmann* [2002] ECR I-11737, I-11739).

25 — As the Commission rightly notes in its written observations, a descriptive sign will generally be devoid of distinctive character for the purposes of Article 3(1)(b).

23 — See point 11 above.

result of which it is necessary to consider whether a sign is ‘capable of distinguishing’ or has a potentially distinctive character (Article 2), whether it has a definite distinctive character (Article 3(1)(b)), or whether it has a distinctive character as a category (Article 3(3)), thereby adding to the already considerable difficulties involved in conceptual delimitation.

The competent authority must also ensure that the sign in respect of which registration is sought is not liable to deceive the public as to the nature, quality or geographical origin of the product or service (Article 3(1)(g)), and that it is not likely to cause confusion with other, earlier trade marks (Article 4(1)(b)).

The factual assessment does not end there, since the Trade Mark Directive provides that signs which are contrary to public policy or to accepted principles of morality are to be refused registration or are liable to be declared invalid (Article 3(1)(f)).

41. It is almost impossible to imagine that an assessment of each of the above conditions could be carried out in the abstract, in particular the condition as to the distinctive character of a sign recognised as a category of goods or services. Indeed, signs distinguish, are descriptive or are generic by reference to the specific goods or services which they are intended to desig-

nate, and in relation to which protection is sought.²⁶

The limitation of protection to one or a few categories of goods or services, together with the limitation created by the territorial area in which the trade mark will take effect, mean that the assessment of distinctive character should be conducted from the point of view of the average consumer of the same types of goods or services in the territory in respect of which registration is applied for,²⁷ such a consumer being presumed to be ‘reasonably well-informed and reasonably observant and circumspect’.²⁸

Despite a recent judgment of the Court,²⁹ it is my view that the linguistic factor must also be assessed only by reference to the average consumer specifically characterised above. In other words, it is necessary to have regard not so much to whether that consumer speaks the language in which the sign is formulated as to whether, irrespective of the language or languages of the territory concerned, the consumer taken as a reference can reasonably be expected to

26 — On the likelihood of confusion, see Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22.

27 — See Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 29.

28 — See, *inter alia*, Case C-210/96 *Gut Springenheide and Tuský* [1998] ECR I-4657, paragraphs 30 to 32.

29 — See Case C-383/99 *P. Procter & Gamble* [2001] ECR I-6251 (*‘Baby-dry’*) (paragraph 42), in which it was held without any explanation that an assessment only needed to be carried out from the point of view of an English-speaking consumer.

perceive in the sign a meaning such as to enable it to qualify under Article 3(1)(b), (c) and (d).³⁰

account of the sign's descriptive character, the public does not perceive the sign as being capable of distinguishing all, or any of, the relevant goods or services (Question XI).

42. In short, it is appropriate to reply to the referring court that, when assessing whether a sign is eligible for registration as a trade mark, the competent authority must have regard not only to the sign as per the application for registration but to all the other relevant circumstances, including the possibility that the sign has acquired distinctive character through use, and the likelihood of error or confusion perceived from the point of view of an average consumer, bearing in mind at all times the goods or services identified by the sign.

44. As I indicated above, each of the conditions stipulated in Article 3(1)(b), (c) and (d) of the Trade Mark Directive requires a separate assessment. Accordingly, the fact that a sign is not descriptive does not necessarily mean that it has distinctive character, either in a broad sense (in other words, as a category of sign which meets all the conditions of Article 3(1)(b), (c) and (d)) or, still less, in a strict sense (*ex* Article 3(1)(b)). Moreover, as I have also pointed out, signs are distinctive, descriptive or generic only by reference to the goods or services being identified. Descriptiveness, like the other attributes in question, is a purely relative quality and, therefore, under the Trade Mark Directive the scenario to which the *Gerechtshof* refers in the alternative cannot arise.

43. The referring court also asks whether the mere fact that a descriptive sign has been lodged for registration as a trade mark for goods or services in respect of which it is not descriptive is sufficient for a finding that the sign has distinctive character. If that is not the case, the national court goes on to ask whether any importance should be attached to the fact that, specifically on

45. The Netherlands court also enquires whether a system under which it is permissible to register a sign, limiting protection to goods and services which do not possess a specific characteristic, is consistent with the Trade Mark Directive (Question XIII(a)).

30 — Thus, for example, a sign intended to identify computing goods or services must be assessed not merely by reference to the language of the territory but also by reference to certain English terminology with which operators and consumers in that sector are assumed to be familiar. The same applies to foreign terms which have become part of the shared global lexicon and which frequently acquire a separate meaning that does not necessarily correspond to their meaning in the original language. Consider the words 'light', 'premium', and perhaps even 'baby' or 'dry'.

This question concerns the so-called 'disclaimer' mechanism, which is recognised under Benelux trade mark law and by

means of which an applicant may disclaim the protection afforded by a trade mark for certain goods which either possess, or are devoid of, a particular characteristic.

domestic law in the light of the wording and purpose of the directive in order to achieve the result pursued by the latter and thereby comply with the third paragraph of Article 249 EC,³² referring questions to the Court of Justice for a preliminary ruling where appropriate.

I can find nothing in the wording of the Trade Mark Directive to preclude national authorities from administering their registration system on the basis of such disclaimers which, in any event, by merely specifying the goods or services to which protection applies, do not affect the primary purpose of enabling consumers to identify the undertaking of origin. Nor is my opinion changed by the Nice Agreement,³¹ whose classification system is, in any event, not mandatory.

There is, however, no hierarchical relationship between the Court of Justice and the national courts, nor between the national courts themselves. Nor is there any requirement that those courts must reach the same conclusions, save that they apply the same principles of interpretation. Therefore, the practices of one Member State are not binding on the authorities of another Member State. Nevertheless, in the interests of prudence and mutual trust, the basis for which is the pursuit of the abovementioned objective, those practices — and, in particular, the reasoning on which they are based — constitute a useful indication to which the competent authority may refer in its assessment of whether a sign has distinctive character.

46. Finally, the *Gerechtshof* wishes to know whether the fact that a corresponding sign has been registered in another Member State for similar goods or services is material to the assessment of the sign (Question XVI).

4. *Descriptive marks (Question IX(a))*

47. The Trade Mark Directive seeks to approximate the laws of the Member States, without unifying them. National courts are therefore required to interpret

48. Article 3(1)(c) of the Trade Mark Directive prohibits marks which consist exclusively of signs which may serve, in trade, to designate the kind, quality, quan-

31 — Cited in footnote 4.

32 — On the question of the harmonisation of trade marks, see the judgment in Case C-63/97 *BMW* [1999] ECR I-905, paragraph 22.

tity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods.

49. In connection with such signs or indications, which may be described succinctly as 'descriptive', the Gerechtshof seeks guidance from the Court regarding:

— The scope for prohibiting or permitting signs or names which describe the service or product in question, but which are not the only ones to do so, nor the ones which are used most regularly.

— The bearing which the number of competitors who may have an interest in using the indications might have on the assessment of whether the indications are descriptive in character, in addition to the relevance to that assessment of the fact that, under domestic law, the right to a trade mark expressed in one of the national or regional languages of the Benelux area automatically extends to its translation in the other Benelux languages.

50. According to the parties, the Gerechtshof seeks guidance in relation to descriptive marks because it is uncertain as to whether the case-law of the Benelux Court

which preceded the amendment of the Uniform Law to comply with the Trade Mark Directive (*Kinder*³³ and *Juicy Fruit*³⁴) is still applicable.³⁵ Such a question may not be raised before this Court. It is not for the Court of Justice either to review the national laws of the Member States or of regional unions such as the Benelux Union or, indeed, to review the case-law of their courts. As regards references for preliminary rulings, the Court's task is to provide a correct interpretation of Community law. Accordingly, it is not appropriate to analyse the Uniform Law as it stood prior to its adaptation to the Trade Mark Directive or the interpretation of the Law delivered by the competent courts. Instead, the task to be performed entails determining the scope of Article 3(1)(c) of the Trade Mark Directive in relation to descriptive trade marks.

51. Article 3(1)(c) precludes so-called descriptive trade marks on the basis that that type of representation of signs and products lacks the capacity to distinguish, the reason being that where the kind, quality, quantity or other characteristics

33 — Judgment of the Benelux Court of Justice of 19 January 1981 in Case A 80/3 *Ferrero v Ritter*, *Jurisprudence Cour de Justice Benelux*, 1980-1981, vol. 2, p. 69.

34 — Judgment of the Benelux Court of Justice of 5 October 1982 in Case A 81/4 *Wrigley v Benzon*, *Jurisprudence Cour de Justice Benelux*, 1980-1982, vol. 3, p. 20.

35 — Pursuant to that case-law, in order to determine whether a sign is descriptive the following must be taken into consideration: (a) whether the words of which the mark is composed are the only ones which are appropriate to designate the product or, alternatively, whether there are synonyms which could be used; (b) whether, from a commercial perspective, the words designate an essential attribute of the product or merely an incidental characteristic; (c) the nature of the product and the definition of the target consumer; and (d) the level of repute which the mark enjoys. Signs which, while not classed as descriptive, are evocative of the product or service in question may be registered as trade marks.

of an object are designated, it is the object itself which is being described. It is precisely because such signs fail to individualise the goods or services to which they relate that no one is permitted to register them in order to distinguish their goods and services from those of other persons.

However, in assessing whether or not a sign is descriptive, regard may also be had to certain public-interest considerations which are different in nature.

52. As the Commission rightly points out in its observations, the question posed by the referring court relates to the question whether the so-called ‘requirement of availability’ principle of German law (*Freihaltebedürfnis*) applies within the context of the Trade Mark Directive. According to that proposition, in addition to the impediments associated with a lack of distinctive character, there are also other public-interest considerations which militate in favour of limiting the registration of certain signs so that they may be used freely by all operators.

53. The Court of Justice explained the extent to which those considerations apply to the Trade Mark Directive in *Windsurfing Chiemsee*, cited above.

54. In that case, the Court held that Article 3(1)(c) of the Trade Mark Directive pursues an aim which is in the public interest, namely that descriptive signs may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs from being reserved to one undertaking alone because they have been registered as trade marks.³⁶

55. As regards indications of geographical origin, the Court held that it is in the public interest that they remain available, because they may be an indication of the characteristics of the goods concerned, and may also give rise to a favourable response.³⁷ As a result of that proviso, which relates to ‘indications which *may* serve to designate the geographical origin’, the competent authority is required to assess whether a geographical name, in respect of which application for registration as a trade mark is made, designates a place which is currently associated in the mind of the relevant class of persons with the category of goods concerned (as with geographical locations which are already well-known for those goods), or whether it is reasonable to assume that such an association may be established in the future.³⁸

³⁶ — *Windsurfing Chiemsee*, paragraph 25.

³⁷ — *Ibid.*, paragraph 26.

³⁸ — *Ibid.*, paragraphs 29 to 31.

56. The same reasoning applies, *mutatis mutandis*, to all categories of descriptive sign.³⁹

57. The Court of Justice thus held that underlying Article 3(1)(c) there is a requirement that any assessment is guided by the fact that it is in the public interest to keep certain signs available but that it is not necessary for that requirement of availability to be real, current or serious as had been held under German case-law. Such an assessment is not, however, possible in relation to Article 3(3) of the Trade Mark Directive, since this Article does not permit any differentiation as regards distinctiveness by reference to the perceived importance of keeping the geographical name available for use by other undertakings.⁴⁰

58. I must also point out that, while the *Baby-dry* judgment does not expressly contradict that case-law, it does not restate it either. Although *Baby-dry* concerned the interpretation of the Community trade mark Regulation, as opposed to the Trade Mark Directive, the two pieces of legislation are intended to be applied uniformly.

Therefore, at paragraph 37 of *Baby-dry*, the Court held that the purpose of prohibiting registration of purely descriptive signs or indications as trade marks is to prevent protection being afforded to signs or indications which, because they are no different from the usual way of designating the relevant goods or services, or their characteristics, are not able to fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function.

59. That recent judgment thus fails to refer to the public interest there is in availability. It is the case that in *Baby-dry*, unlike in *Windsurfing Chiemsee*, the issue was not specifically debated,⁴¹ but it is also the case that the appellant raised the issue at that time, claiming that the reasoning of the Court of First Instance amounted to an acceptance that Community law does recognise, to some extent, the requirement of availability and that the Court of Justice avoided the issue and delivered a judgment in general terms. There is, therefore, some uncertainty as to whether the proposition applies to Community trade mark law, which it is for the Court to dispel by either approving or overruling *expressis verbis* its earlier case-law.

39 — This can be inferred from the wording of paragraph 26 of the judgment in *Windsurfing Chiemsee* ('more particularly'), and from the general wording of paragraph 35.

40 — Judgment in *Windsurfing Chiemsee*, paragraphs 35 and 48.

41 — The contested judgment of the Court of First Instance does not contain an assessment based on those considerations.

60. In light of that uncertainty, it would be desirable, when assessing whether a sign is descriptive, to continue to bear in mind the possibility that there may be public-interest considerations aimed at retaining a certain degree of availability, as was found in *Windsurfing Chiemsee*.⁴²

61. Recently, it has become fashionable — particularly among groups whose impartiality is questionable — to assert that, contrary to the view hitherto held, trade mark law does not create any monopoly in relation to the signs which are its object. It is said, on the one hand, that the exclusive right thereby created may be exercised only in relation to the goods and products designated and that, in any event, the descriptive terms forming part of a mark may continue to be used freely.

To my mind, that reasoning is fallacious. First, monopolies are always relative, whether to a product, to a territory, or to a moment in time. A trade mark does not monopolise a term but specifically the use of that term as a trade mark, and, furthermore, it does not impose any limitation as to time. Second, a trade mark creates a privilege which enables an operator to register a sign in order to designate its goods or services. That privilege becomes all the more excessive when it concerns

expressions in everyday use. It is fair and natural that a public authority should be able to reward, with a higher level of protection, signs which demonstrate ingenuity or imagination,⁴³ and that it should require other signs, which merely reflect aspects or attributes of the products in question, to satisfy more rigorous conditions in order to be eligible for registration. Nor do I think it appropriate for economic development and the promotion of commercial initiatives that established operators should be able to register for their own benefit all the descriptive combinations imaginable, or the most effective such combinations, to the detriment of new operators, who are obliged to use invented names which are more difficult to remember and to establish.

For those reasons, in the absence of a specific statement by the Court, it is my view that the rule in *Windsurfing Chiemsee* still applies, and that Community trade mark law does, to a certain extent, recognise the requirement of availability.

62. The *Gerechtshof* also enquires whether the fact that, under domestic law, the right to a trade mark expressed in one of the national or regional languages of the Benelux area automatically extends to its trans-

42 — The fact that, according to Procter & Gamble, this could amount to an 'outdated view of trade marks' (*Baby-dry*, paragraph 30) does not affect my opinion.

43 — Signs which have a highly distinctive character. See Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 18.

lation in the other Benelux languages has any bearing on the assessment of whether the indications are descriptive in character.

63. When implementing the Trade Mark Directive, national authorities must ensure that its provisions are complied with in the territories over which they have sovereignty. If a particular territory has implemented a system of trade mark registration which covers several linguistic regions, it would be in keeping with the aims of the directive for an assessment of the distinctive character of a sign to be carried out in relation to each of the languages spoken.

5. *Composite word marks (Question X(a) and (b))*

64. The Netherlands court wishes to know whether it is possible for a sign made up of various components, each of which is devoid of distinctive character, to have distinctive character itself, or whether such a sign has distinctive character only where the combination is more than the sum of its parts. In addition, the Netherlands court asks whether, for those purposes, it is relevant that there are synonyms, or that the sign indicates an essential or an incidental attribute.

65. It is first of all appropriate to note that a combination of components, each of which is devoid of distinctive character, can have distinctive character, provided that it amounts to more than just a mere sum of its parts.

66. It is therefore necessary to determine when a combination creates a sign which is distinct from the mere sum of its parts.

67. That very issue was central to the *Baby-dry* case. The Court held that, as regards trade marks composed of words, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. *Any perceptible difference* between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination, enabling it to be registered as a trade mark.⁴⁴

Going on to assess the word combination, 'Baby-dry', itself, the Court held that, from the point of view of an English-speaking consumer, the word combination was composed of words which, despite being

⁴⁴ — Judgment in *Baby-dry*, paragraph 40.

descriptive in themselves, were juxtaposed in an unusual manner, with the result that it was not a familiar expression in the English language, either for designating the products in question or for describing their essential characteristics. Accordingly, the word combination was capable of bestowing distinctive power and could not be refused registration.⁴⁵

68. That judgment gives rise to a number of difficulties.

First of all — as I have already indicated — it casts doubt on the applicability of the precepts laid down barely two and a half years earlier in *Windsurfing Chiemsee* concerning recognition of the requirement of availability.

Second — as I have also pointed out —, it presupposes that the mother tongue of the average consumer concerned must be English, while the advantage of the disputed word combination was precisely the fact that it conveyed a highly descriptive message to a multi-linguistic public who could, nevertheless, be assumed to understand the rudiments of the *lingua franca* of our time.

45 — Ibid., paragraphs 42 to 44.

Third, the judgment contains an assessment of factual matters, such as the perception of the descriptiveness of a word combination by likely consumers, which is not within the jurisdiction of an appeal court and which the Court was not equipped to perform, since no expert evidence on the subject had been submitted.⁴⁶

69. Nor do I agree with the test which was proposed in order to determine whether a word combination made up of descriptive components has distinctive character. The Court held that ‘*any perceptible difference*’ between the terms usually used to designate the product, or its essential characteristics, and the combination of words in question was sufficient for that purpose.

If that, purely minimum, test is not tempered by the ‘requirement of availability’ approach, to which the judgment in question did not refer, I do not believe that it is

46 — Without wishing to get involved in a lengthy marketing discussion, it seems clear that ordinary consumers of disposable nappies would be people of parenting age. Furthermore, according to the judgment, they must also speak English as their mother tongue. Indeed, the Court, unsupported by any external proof, decided to offer its own opinion of the descriptive character of the word combination in question, despite the fact that only one of the Members of the Court was a native English speaker and that all of them appeared to have left that happy stage behind them. In addition, by holding that ‘Baby-dry’ is an unusual juxtaposition of an expression that is unfamiliar in the English language, the Court adopted an excessively academic view. The Court should instead have considered whether the construction was capable of provoking a semantic response, such as ‘This product keeps my *baby dry*’. Finally, had the Court used as a reference point a European consumer of the age indicated, who might have known both words, then it would have been in a position to conclude that the chosen word order corresponds to that used by speakers of Romance languages.

capable of ensuring that trade marks are not essentially descriptive in nature.

‘trade marks which consist exclusively of signs or indications which may serve... to designate...’. Although the two provisions have different purposes, the similarity of the wording indicates that a uniform approach to the two cases should be adopted.

70. However, what is at issue is a very recent decision, which was, moreover, adopted by the Court in plenary session, for which reason it will probably be of no avail to seek a reversal of precedent. Suffice it therefore to propose that, for the purposes of Article 3(1)(c), a difference will be regarded as perceptible if it affects important components of either the form of the sign or its meaning. As regards form, a perceptible difference arises where, as a result of the unusual or imaginative nature of the word combination, the neologism itself is more important than the sum of the terms of which it is composed. As regards meaning, a difference will be perceptible provided that whatever is evoked by the composite sign is not identical to the sum of that which is suggested by the descriptive components.

72. On that occasion, I took the view that, for the purposes of Article 3(1)(e), second indent, ‘purely functional shape’ is to be understood as any shape whose *essential characteristics* are attributable to the achievement of a technical result. I adjusted my interpretation referring to ‘essential characteristics’ in order to clarify that a shape only containing one arbitrary element *which, from a functional point of view, is minor*, such as its colour, does not escape the prohibition.

Nor does Article 3(1)(c) permit any difference whatsoever to qualify, allowing instead only those which are relevant to the description.

71. That view is consistent with the one I proposed in relation to Article 3(1)(e) of the Trade Mark Directive in Case C-299/99 *Philips*.⁴⁷ Article 3(1)(e) precludes the registration of ‘signs which consist exclusively of [certain shapes]’, while Article 3(1)(c) does likewise in relation to

73. As regards the prohibition on the registration of functional shapes as trade marks, I concluded that, although it only served to prevent a slight risk that trade mark rights might unduly encroach on the field of patents, the public interest should not have to tolerate such a risk, since operators are able to protect their products by the addition of arbitrary features.

47 — [2002] ECR I-5475, I-5478.

74. A similar line of argument also applies to this case. The prohibition of descriptive marks means that everyone is able freely to use signs which designate goods and services, or the essential characteristics thereof. While it is true that Article 6(1) of the Trade Mark Directive precludes the proprietor of a trade mark from preventing the use of such indications by third parties, it is also true that permitting the registration of descriptive marks unfairly precludes the use of such indications *as trade marks* by a section of operators, and maintains the advantage initially acquired over a resource that is very likely to be exhausted, such as, in relation to the goods they designate, descriptive terms with positive associations. I see no reason why Community law should tolerate such a risk of stagnation when operators could easily resort to solutions that are imaginative or original.

75. It follows from the above that considerations relating to the existence of synonyms or the essential, or incidental, nature of the descriptive element of a sign are immaterial to the assessment of distinctive character.

76. The Gerechtshof wishes to know whether the fact that the protection conferred on a trade mark expressed in one of the national or regional languages of the Benelux area extends to its translation in the other Benelux languages has any bearing on the assessment of distinctive character in relation to a sign composed of descriptive components.

77. As I stated above,⁴⁸ if a particular territory has implemented a system of trade mark registration which covers several linguistic regions, it would be in keeping with the aims of the Trade Mark Directive for an assessment of the distinctive character of a sign to be carried out in relation to each of the languages spoken.

6. Peculiarities of Benelux law

78. By Question XII(a), the national court seeks guidance concerning the significance to be attached to the appraisal policy which, under Benelux law, the Merkenbureau is obliged to follow, particularly in relation to the rules governing 'evidently inadmissible applications', and with regard to the common commentary of the governments of the Benelux area concerning the amendment of the Uniform Law on Trade Marks.⁴⁹

79. This question clearly requires an interpretation of current Benelux legal practice, rather than Community law, and that is not within the jurisdiction of the Court of Justice. The question must therefore be held inadmissible.

⁴⁸ — See points 62 and 63 above.

⁴⁹ — See point 23 above.

Conclusion

80. In the light of the above, I propose that the Court of Justice should reply to the questions referred for a preliminary ruling by the Gerechtshof te 's-Gravenhage as follows:

- (1) In assessing whether a sign is eligible for registration as a trade mark, the competent authority must, under First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, have regard not only to the sign as per the application for registration but to all the other relevant circumstances, including the possibility that the sign has acquired distinctive character through use, and the likelihood of error or confusion perceived from the point of view of an average consumer, bearing in mind at all times the goods or services identified by the sign.
- (2) The fact that a sign is not descriptive does not necessarily mean that it has distinctive character. Signs are distinctive, descriptive or generic only by reference to the goods or services which they identify.
- (3) The directive does not preclude a national system under which applicants may disclaim the protection afforded by a trade mark in respect of certain goods which either possess, or are devoid of, a particular characteristic.

- (4) Article 3(1)(c) of the directive does not merely prohibit the registration as trade marks of descriptive signs which are currently associated, in the relevant sectors, with the category of goods in question; instead, it also applies to signs which may, in all reasonable likelihood, be used in those sectors in the future.

- (5) If a particular territory, to which the directive applies, has implemented a system of trade mark registration which covers several linguistic regions, it is in keeping with the aims of the directive for an assessment of the distinctive character of a sign to be carried out in relation to each of the languages spoken.

- (6) As regards trade marks composed of words, descriptive character must be assessed not only in relation to each term taken separately but also in relation to the whole which they form. Any perceptible difference between the meaning conveyed by the combination of words submitted for registration and the terms used in everyday language by the relevant group of consumers to designate the product or service in question, or the essential characteristics thereof, will be apt to confer distinctive character on the word combination. For those purposes, a difference will be regarded as perceptible where it affects important aspects of the form or meaning of the sign.