

JUDGMENT OF THE COURT (First Chamber)

25 January 2007*

In Case C-48/05,

REFERENCE for a preliminary ruling under Article 234 EC, by the Landgericht Nürnberg-Fürth (Germany), made by decision of 28 January 2005, received at the Court on 8 February 2005, in the proceedings

Adam Opel AG

v

Autec AG,

intervener:

Deutscher Verband der Spielwaren-Industrie eV,

THE COURT (First Chamber),

composed of P. Jann, President of Chamber, K. Schieman and M. Ilešič (Rapporteur), Judges,

* Language of the case: German.

Advocate General: D. Ruiz-Jarabo Colomer,
Registrar: M. Ferreira, Principal Administrator,

having regard to the written procedure and further to the hearing on 2 February 2006,

after considering the observations submitted on behalf of:

- Adam Opel AG, by S. Völker and A. Klett, Rechtsanwälte,
- Autec AG, by R. Prager and T. Nägele, lawyers, and by D. Tergau, Patentanwalt,
- the Deutscher Verband der Spielwaren-Industrie eV, by T. Nägele, Rechtsanwalt,
- the French Government, by G. de Bergues and A. Bodard-Hermant, acting as Agents,
- the United Kingdom Government, by M. Bethell, acting as Agent, assisted by M. Tappin, Barrister, and S. Malynicz, Barrister,
- the Commission of the European Communities, by G. Braun, B. Rasmussen and W. Wils, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 7 March 2006,

gives the following

Judgment

- 1 The reference for a preliminary ruling concerns the interpretation of Articles 5(1)(a) and 6(1)(b) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1; ‘the directive’).

Legal context

- 2 Article 5 of the directive, headed ‘Rights conferred by a trade mark’, provides:

‘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.

3. The following, inter alia, may be prohibited under paragraphs 1 and 2:

- (a) affixing the sign to the goods or to the packaging thereof;
- (b) offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;
- (c) importing or exporting the goods under the sign;
- (d) using the sign on business papers and in advertising.

...

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, 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.'

3 Article 6 of the directive, headed 'Limitation of the effects of a trade mark', provides in paragraph (1):

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

(a) his own name or address;

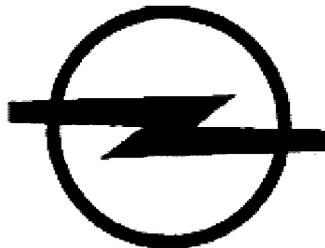
(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts,

provided he uses them in accordance with honest practices in industrial or commercial matters.'

The dispute in the main proceedings and the questions referred

- 4 Adam Opel AG ('Adam Opel'), a motor manufacturer, is the proprietor of the national figurative mark reproduced below, registered in Germany on 10 April 1990 for, inter alia, motor vehicles and toys ('the Opel logo'):



- 5 Autec AG ('Autec') manufactures, inter alia, remote-controlled scale model cars, which it markets under the trade mark 'Cartronic'.
- 6 At the beginning of 2004, Adam Opel discovered that a 1:24 remote-controlled scale model of the Opel Astra V8 coupé, bearing the Opel logo on its radiator grille like the original vehicle, was being marketed in Germany. That toy is manufactured by Autec.

- 7 The Cartronic trade mark, accompanied by the symbol ®, is clearly visible on the front page of the user instructions accompanying each scale model and also on the front of the remote control transmitter. In addition, the indications 'AUTECH® AG' and 'AUTECH® AG D 90441 Nürnberg' appear on the back of the user instructions, the latter indication appearing also on a sticker attached to the underside of the remote control transmitter.
- 8 By an application brought before the Landgericht Nürnberg-Fürth, Adam Opel sought an order, inter alia, that Autec be prohibited from commercially affixing the Opel logo on scale models of vehicles, from offering them for sale, marketing them, or holding them for such purposes, and from importing or exporting scale models bearing that trade mark, on pain of a fine of EUR 250 000 for each infringement or, in the alternative, a term of imprisonment not exceeding six months.
- 9 Adam Opel considers that use of the Opel logo on toys consisting of scale models vehicles which it manufactures and distributes constitutes an infringement of that trade mark. It claims that that mark is being used for products identical with those in respect of which it is registered, namely toys. That, it maintains, constitutes use as a trade mark within the meaning given by the Court's case-law, since the public would assume that the manufacturer of scale models of vehicles of a given mark manufactures and distributes them under a licence granted by the proprietor of the trade mark.
- 10 Basing its argument on the decisions of various German courts, Autec, supported by the Deutscher Verband der Spielwaren-Industrie eV (German toy industry association), replies that the affixing of a protected trade mark on scale models which are a true replica of vehicles of that mark does not constitute use as a trade mark as such. In this case, the original function of the Opel logo is unaffected, since, because of the use of the 'Cartronic' and AUTECH trade marks, it is obvious in the

eyes of the public that the scale model does not come from the manufacturer of the vehicle of which it is a replica. Moreover, the public is used to the fact that, for more than 100 years, the toy industry has been reproducing faithfully, i.e. right down to the affixing of the trade mark, products which exist in reality.

- 11 In the light of the judgment in Case C-63/97 *BMW* [1999] ECR I-905, the Landgericht Nürnberg-Fürth has held that use of the Opel logo by Autec can be prohibited under Article 5(1)(a) of the directive only if the use in question is made *qua* trade mark.

- 12 The Landgericht Nürnberg-Fürth is inclined to think that there is use of that logo by Autec *qua* trade mark, since that logo refers to the manufacturer of the real car. It also asks whether such use, which appears to it to constitute at the same time a descriptive use within the meaning of Article 6(1) of the directive, may be authorised in accordance with that provision even if that trade mark has also been registered for toys.

- 13 Taking the view that resolution of the dispute before it required interpretation of the directive, the Landgericht Nürnberg-Fürth decided to stay the proceedings and refer the following questions to the Court of Justice for a preliminary ruling:

(1) Does the use of a trade mark registered also for “toys” constitute use as a trade mark for the purposes of Article 5(1)(a) of the Trade Mark Directive if the manufacturer of a toy model car copies a real car in a reduced scale, including the trade mark of the proprietor of the trade mark as applied to the real car, and markets it?

(2) If the answer to Question in 1 is in the affirmative:

Is the type of use of the trade mark described in Question 1 an indication of the kind or quality of the model car within the meaning of Article 6(1)(a) of the directive ...?

(3) If the answer to Question 2 is in the affirmative:

In cases of this type what are the decisive criteria to be applied in assessing whether the trade mark corresponds to honest practices in industrial or commercial matters?

Is this in particular the case if the manufacturer of the model car applies to the packaging, and to an accessory required in order to use the model, a mark recognisable to the trade as its own trade mark together with its company name and the address of its seat?

The questions referred

The first question

The interpretation of Article 5(1)(a) of the directive

¹⁴ By its first question, the referring court effectively asks whether, when a trade mark is registered both for motor vehicles and for toys, the affixing by a third party,

without authorisation from the trade mark proprietor, of a sign identical to that trade mark on scale models of that make of car, in order to reproduce it faithfully, and the marketing of those scale models constitutes, for the purposes of Article 5(1)(a) of the directive, a use which the trade mark proprietor is entitled to prevent.

- 15 Article 5 of the directive defines the '[r]ights conferred by a trade mark', whilst Article 6 contains rules concerning '[l]imitation of the effects of a trade mark'.
- 16 Under the first sentence of Article 5(1) of the directive, the registered trade mark confers exclusive rights on its proprietor. Under Article 5(1)(a), that exclusive right entitles the proprietor to prevent all third parties, acting without his consent, from using in the course of trade any sign which is identical to the trade mark in relation to goods or services which are identical to those for which the trade mark is registered. Article 5(3) gives a non-exhaustive list of the kinds of use which the proprietor may prohibit under Article 5(1). Other provisions of the directive, such as Article 6, define certain limitations on the effects of a trade mark (*Case C-206/01 Arsenal Football Club* [2002] ECR I-10273, paragraph 38).
- 17 In order to prevent the protection afforded to the proprietor varying from one State to another, the Court must therefore give a uniform interpretation to Article 5(1) of the directive, in particular the term 'use' which appears there (*Arsenal Football Club*, paragraph 45).
- 18 In the main proceedings, it is undisputed that the use of the sign identical to the mark is indeed use in the course of trade, since it takes place in the context of commercial activity with a view to economic advantage and not as a private matter (see, to that effect, *Arsenal Football Club*, paragraph 40).

19 It is also undisputed that that use was made without the consent of the proprietor of the trade mark in question.

20 In so far as the Opel logo has been registered for toys, this is moreover the case envisaged in Article 5(1)(a) of the directive, namely that of a sign identical to the trade mark in question in relation to goods — toys — which are identical to those for which the trade mark was registered. In that regard, it should be noted in particular that the use at issue in the main proceedings is made ‘in relation to goods’ within the meaning of Article 5(1)(a) of the directive since it concerns the affixing of a sign identical to the trade mark onto goods and the offering of the goods, putting them on the market or stocking them for those purposes within the meaning of Article 5(3)(a) and (b) of the directive (see, to that effect, *Arsenal Football Club*, paragraphs 40 and 41).

21 It should, however, be remembered that, in accordance with the case-law of the Court of Justice, the exclusive right under Article 5(1) of the directive was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods (*Arsenal Football Club*, paragraph 51; Case C-245/02 *Anheuser-Busch* [2004] ECR I-10989, paragraph 59).

22 Therefore, the affixing by a third party of a sign identical to a trade mark registered for toys to scale models of vehicles cannot be prohibited under Article 5(1)(a) of the directive unless it affects or is liable to affect the functions of that trade mark.

- 23 In the case in the main proceedings, which is characterised by the fact that the trade mark in question is registered both for motor vehicles and for toys, the referring court has explained that, in Germany, the average consumer of the products of the toy industry, normally informed and reasonably attentive and circumspect, is used to scale models being based on real examples and even accords great importance to absolute fidelity to the original, so that that consumer will understand that the Opel logo appearing on Autec's products indicates that this is a reduced-scale reproduction of an Opel car.
- 24 If, by those explanations, the referring court intended to emphasise that the relevant public does not perceive the sign identical to the Opel logo appearing on the scale models marketed by Autec as an indication that those products come from Adam Opel or an undertaking economically linked to it, it would have to conclude that the use at issue in the main proceedings does not affect the essential function of the Opel logo as a trade mark registered for toys.
- 25 It is for the referring court to determine, by reference to the average consumer of toys in Germany, whether the use at issue in the main proceedings affects the functions of the Opel logo as a trade mark registered for toys. Moreover, Adam Opel does not appear to have claimed that that use affects functions of that trade mark other than its essential one.
- 26 In addition, on the basis of the *BMW* judgment, the referring court asks whether there may be use by Autec of the Opel logo in its capacity as a trade mark registered for motor vehicles.
- 27 In that respect, it is true that *BMW* concerned the use of a sign identical to the trade mark for services which were not identical to those for which that trade mark was

registered, since the BMW trade mark, at issue in the main proceedings, was registered for vehicles but not for vehicle repair services. However, the vehicles marketed under the BMW trade mark by the proprietor of that mark constituted the subject-matter of the services — the repairing of vehicles — supplied by the third party, so that it was essential to identify the origin of the BMW cars, the subject-matter of those services. It was having regard to that specific and indissociable link between the products bearing the trade mark and the services provided by the third party that the Court of Justice held that, in the specific circumstances of the BMW case, use by the third party of the sign identical to the trade mark in respect of goods marketed not by the third party but by the holder of the trade mark fell within Article 5(1)(a) of the directive.

28 Apart from that specific case of use of a trade mark by a third-party provider of services having as subject-matter the products bearing that trade mark, Article 5(1)(a) of the directive must be interpreted as covering the use of a sign identical to the trade mark in respect of goods marketed or services supplied by the third party which are identical to those in respect of which the trade mark is registered.

29 First of all, the interpretation whereby the goods or services referred to in Article 5(1)(a) of the directive are those marketed or supplied by the third party follows from the wording of that provision itself, particularly the words ‘using ... in relation to goods or services’. Secondly, the contrary interpretation could lead to the words ‘goods’ and ‘services’ used in Article 5(1)(a) of the directive designating goods or services of the trade mark proprietor, whereas the words ‘goods’ and ‘service’ appearing in Article 6(1)(b) and (c) of the directive necessarily refer to those marketed or supplied by the third party, thereby leading, contrary to the scheme of the directive, to interpreting the same words in a different way according to whether they appear in Article 5 or in Article 6.

30 In the main proceedings, since Autec does not sell vehicles, there is no use of the Opel logo by Autec as a trade mark registered for motor vehicles, for the purposes of Article 5(1)(a) of the directive.

The interpretation of Article 5(2) of the directive

31 According to consistent case-law, it is for the Court to provide the national court with all those elements for the interpretation of Community law which may be of assistance in adjudicating on the case pending before it, whether or not that court has specifically referred to them in its questions (Case C-456/02 *Trojani* [2004] ECR I-7573, paragraph 38; Case C-258/04 *Ioannidis* [2005] ECR I-8275, paragraph 20).

32 Having regard to the circumstances in this case, the referring court must also be given an interpretation of Article 5(2) of the directive.

33 Unlike Article 5(1) of the directive, Article 5(2) does not require Member States to provide in their national law for the protection to which it refers, but merely permits them to provide such protection (Case C-292/00 *Davidoff* [2003] ECR I-389, paragraph 18). However, subject to verification by the referring court, the questions submitted by the Bundesgerichtshof (Germany) and examined by the Court in *Davidoff* seem to imply that the German legislature has implemented the provisions of Article 5(2) of the directive.

34 In this case, first, the Opel logo is also registered for motor vehicles; secondly, subject to verification by the referring court, it is a trade mark well known in Germany for that kind of products, and, finally, a motor vehicle and a scale model of that vehicle are not similar products. Therefore, the use at issue in the main

proceedings is also capable of being prohibited, in accordance with Article 5(2) of the directive, if such use without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of that trade mark registered for motor vehicles.

35 Adam Opel has argued at the hearing before the Court that it has an interest in the quality of scale models of vehicles bearing the Opel trade mark being good, and in those models being absolutely up to date, as otherwise the reputation of that trade mark, as a trade mark registered for motor vehicles, would be affected.

36 This is, in any event, an assessment of a factual nature. It is for the referring court, where necessary, to determine whether the use at issue in the main proceedings constitutes use without due cause which takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the registered trade mark.

37 Therefore, the answer to the first question must be that, where a trade mark is registered both for motor vehicles — in respect of which it is well known — and for toys, the affixing by a third party, without authorisation from the trade mark proprietor, of a sign identical to that trade mark on scale models of vehicles bearing that trade mark, in order faithfully to reproduce those vehicles, and the marketing of those scale models:

- constitute, for the purposes of Article 5(1)(a) of the directive, a use which the proprietor of the trade mark is entitled to prevent if that use affects or is liable to affect the functions of the trade mark as a trade mark registered for toys;

- constitute, within the meaning of Article 5(2) of the directive, a use which the proprietor of the trade mark is entitled to prevent — where the protection defined in that provision has been introduced into national law — if, without due cause, use of that sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark as a trade mark registered for motor vehicles.

The second question

- 38 Although, in its second question, the referring court formally requests interpretation of Article 6(1)(a) of the directive, it is clear from the order for reference that it is in reality seeking an interpretation of Article 6(1)(b).
- 39 As a preliminary observation, it should be noted that the use of the Opel logo at issue in the main proceedings cannot be authorised on the basis of Article 6(1)(c) of the directive. The affixing of that trade mark on Autec’s scale models is not designed to indicate the intended purpose of those toys.
- 40 Under Article 6(1)(b) of the directive, the trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, 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.
- 41 Adam Opel and the French Government argue that the purpose pursued by that provision is, in particular, to prevent the proprietor of a trade mark from being able to oppose use by a third party of a descriptive indication of a characteristic of the

latter's goods or services. In this case, the Opel logo does not in any way indicate the kind, quality or other characteristics of the scale models. The Commission of the European Communities shares that opinion as regards the use at issue in the main proceedings, but does not exclude the possibility that, in other factual circumstances, in which the scale models were intended for collectors, identical reproduction of each detail of the original vehicle might constitute an essential characteristic of that category of products, so that Article 6(1)(b) of the directive might also cover the faithful copying of the trade mark.

42 In that regard, whilst this provision is primarily designed to prevent the proprietor of a trade mark from prohibiting competitors from using one or more descriptive terms forming part of his trade mark in order to indicate certain characteristics of their products (see, for example, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 28), its wording is in no way specific to such a situation.

43 One cannot therefore exclude a priori the possibility that that provision might authorise a third party to use a trade mark if such use consists in giving an indication concerning the kind, quality or other characteristics of products marketed by that third party, provided that use is made in accordance with honest practices in industrial or commercial matters.

44 However, the affixing of a sign which is identical to a trade mark registered, inter alia, in respect of motor vehicles to scale models of that make of vehicle in order to reproduce those vehicles faithfully is not intended to provide an indication as to a characteristic of those scale models, but is merely an element in the faithful reproduction of the original vehicles.

45 The answer to the second question must therefore be that, where a trade mark is registered, inter alia, in respect of motor vehicles, the affixing by a third party,

without the authorisation of the proprietor of the trade mark, of a sign identical to that mark to scale models of that make of vehicle, in order faithfully to reproduce those vehicles, and the marketing of those scale models, do not constitute use of an indication concerning a characteristic of those scale models, within the meaning of Article 6(1)(b) of the directive.

The third question

- ⁴⁶ In view of the answers given to the first two questions, it is unnecessary to reply to the third question.

Costs

- ⁴⁷ Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (First Chamber) hereby rules:

- 1. Where a trade mark is registered both for motor vehicles — in respect of which it is well known — and for toys, the affixing by a third party, without authorisation from the trade mark proprietor, of a sign identical to that**

trade mark on scale models of vehicles bearing that trade mark, in order faithfully to reproduce those vehicles, and the marketing of those scale models:

- **constitute, for the purposes of Article 5(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, a use which the proprietor of the trade mark is entitled to prevent if that use affects or is liable to affect the functions of the trade mark as a trade mark registered for toys;**

 - **constitute, within the meaning of Article 5(2) of that directive, a use which the proprietor of the trade mark is entitled to prevent — where the protection defined in that provision has been introduced into national law — if, without due cause, use of that sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark as a trade mark registered for motor vehicles.**
- 2. Where a trade mark is registered, inter alia, in respect of motor vehicles, the affixing by a third party, without the authorisation of the proprietor of the trade mark, of a sign identical to that mark to scale models of that make of vehicle, in order faithfully to reproduce those vehicles, and the marketing of those scale models, do not constitute use of an indication concerning a characteristic of those scale models, within the meaning of Article 6(1)(b) of Directive 89/104.**

[Signatures]