

JUDGMENT OF THE COURT

14 September 1999 \*

In Case C-375/97,

REFERENCE to the Court under Article 177 of the EC Treaty (now Article 234 EC) by the Tribunal de Commerce de Tournai, Belgium, for a preliminary ruling in the proceedings pending before that court between

**General Motors Corporation**

and

**Yplon SA,**

on the interpretation of Article 5(2) 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),

\* Language of the case: French.

THE COURT,

composed of: J.-P. Puissochet (President of the Third and Fifth Chambers), acting for the President, P. Jann (President of Chamber), J.C. Moitinho de Almeida, C. Gulmann (Rapporteur), J.L. Murray, D.A.O. Edward, H. Ragnemalm, M. Wathelet and R. Schintgen, Judges,

Advocate General: F.G. Jacobs,

Registrar: R. Grass,

after considering the written observations submitted on behalf of:

- General Motors Corporation, by A. Braun and E. Cornu, of the Brussels Bar,
  
- Yplon SA, by E. Felten and D.-M. Philippe, of the Brussels Bar,
  
- the Belgian Government, by J. Devadder, General Adviser in the Legal Service of the Ministry of Foreign Affairs, External Trade and Development Cooperation, acting as Agent,
  
- the French Government, by K. Rispal-Bellanger, Head of the Sub-directorate for International Economic Law and Community Law in the Legal Affairs Directorate of the Ministry of Foreign Affairs, and A. de Bourgoing, Chargé de Mission in the same directorate, acting as Agents,
  
- the Netherlands Government, by J.G. Lammers, Legal Adviser in the Ministry of Foreign Affairs, acting as Agent,

— the Commission of the European Communities, by B.J. Drijber, of its Legal Service, acting as Agent,

having regard to the Report for the Hearing,

after hearing the oral observations of General Motors Corporation, represented by A. Braun and E. Cornu; of Yplon SA, represented by D.-M. Philippe; of the Netherlands Government, represented by M.A. Fierstra, Legal Adviser, acting as Agent; of the United Kingdom Government, represented by M. Silverleaf QC; and of the Commission, represented by K. Banks, of its Legal Service, acting as Agent, at the hearing on 22 September 1998,

after hearing the Opinion of the Advocate General at the sitting on 26 November 1998,

gives the following

### **Judgment**

- 1 By judgment of 30 October 1997, received at the Court on 3 November 1997, the Tribunal de Commerce (Commercial Court), Tournai, referred to the Court for a preliminary ruling under Article 177 of the EC Treaty (now Article 234 EC) a question on the interpretation of Article 5(2) 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, hereinafter 'the Directive').

- 2 The question has been raised in proceedings between General Motors Corporation (hereinafter 'General Motors'), established in Detroit, United States of America, and Yplon SA (hereinafter 'Yplon'), established at Estaimpuis, Belgium, concerning the use of the mark 'Chevy'.

### Community law

- 3 Article 1 of the Directive, entitled 'Scope', provides:

'This Directive shall apply to every trade mark in respect of goods or services which is the subject of registration or of an application in a Member State for registration as an individual trade mark, a collective mark or a guarantee or certification mark, or which is the subject of a registration or an application for registration in the Benelux Trade Mark Office or of an international registration having effect in a Member State.'

- 4 Article 5(1) and (2), of the Directive, entitled 'Rights conferred by a trade mark', provides:

'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.'

### The Benelux legislation

5 Article 13(A)(1)(c) of the Uniform Benelux Law on Trade Marks (hereinafter 'the Uniform Benelux Law'), which transposed into Benelux law Article 5(2) of the Directive, provides:

'Without prejudice to any application of the ordinary law governing civil liability, the exclusive rights in a trade mark shall entitle the proprietor to oppose:

...

- (c) any use, in the course of trade and without due cause, of a trade mark which has a reputation in the Benelux countries or of a similar sign for goods which are not similar to those for which the trade mark is registered, where use of that sign would take unfair advantage of, or would be detrimental to, the distinctive character or the repute of the trade mark;

...'

- 6 That provision, which took effect on 1 January 1996, replaced, as from that date, the old Article 13(A)(2) of the Uniform Benelux Law, under which the exclusive rights in the trade mark allowed the proprietor to oppose 'any other use [use other than that described in paragraph 1(1), namely use for an identical or similar product] of the trade mark or a similar sign in the course of trade and without due cause which would be liable to be detrimental to the owner of the trade mark'.

### **The dispute in the main proceedings**

- 7 General Motors is the proprietor of the Benelux trade mark 'Chevy', which was registered on 18 October 1971 at the Benelux Trade Mark Office for Class 4, 7, 9, 11 and 12 products, and in particular for motor vehicles. That registration asserts the rights acquired under an earlier Belgian registration on 1 September 1961 and earlier use in the Netherlands in 1961 and in Luxembourg in 1962. Nowadays, the mark 'Chevy' is used more specifically in Belgium to designate vans and similar vehicles.
- 8 Yplon is also the proprietor of the Benelux trade mark 'Chevy', registered at the Benelux Trade Mark Office on 30 March 1988 for Class 3 products and then on

10 July 1991 for Class 1, 3 and 5 products. It uses those trade marks for detergents and various cleaning products. It is also the proprietor of the trade mark 'Chevy' in other countries, including several Member States.

- 9 On 28 December 1995 General Motors applied to the Tribunal de Commerce, Tournai, for an injunction restraining Yplon from using the sign 'Chevy' to designate detergents or cleaning products on the ground that such use entails dilution of its own trade mark and thus damages its advertising function. Its action is based, as regards the period prior to 1 January 1996, on the old Article 13(A)(2) of the Uniform Benelux Law and, as from 1 January 1996, on the new Article 13(A)(1)(c) of that Law. It maintains in this regard that its mark 'Chevy' is a trade mark of repute within the meaning of the latter provision.
  
- 10 Yplon is defending the action on the ground, in particular, that General Motors has not shown that its trade mark has a 'reputation' in the Benelux countries within the meaning of the new Article 13(A)(1)(c) of the Uniform Benelux Law.
  
- 11 The Tribunal de Commerce took the view that determination of the case required clarification of the concept of a trade mark having a reputation and of the question whether the reputation must exist throughout the Benelux countries or whether it is sufficient for it to exist in part of that territory and decided to stay proceedings and refer the following question to the Court for a preliminary ruling:

'On reading Article 13(A)(1)(c) of the Uniform Benelux Law introduced pursuant to the amending protocol in force since 1 January 1996, what is the proper

construction of the term “repute of the trade mark” and may it also be said that such “repute” applies throughout the Benelux countries or to part thereof?’

### The question referred for a preliminary ruling

- 12 By its question the national court is essentially asking the Court of Justice to explain the meaning of the expression ‘has a reputation’ which is used, in Article 5(2) of the Directive, to specify the first of the two conditions which a registered trade mark must satisfy in order to enjoy protection extending to non-similar goods or services and to say whether that condition must be satisfied throughout the Benelux countries or whether it is sufficient for it to be satisfied in part of that territory.
  
- 13 General Motors contends that, in order to have a reputation within the meaning of Article 5(2) of the Directive, the earlier trade mark must be known by the public concerned, but not to the extent of being ‘well-known’ within the meaning of Article 6 *bis* of the Paris Convention for the Protection of Industrial Property of 20 March 1883 (hereinafter ‘the Paris Convention’), which is a term to which express reference is made, albeit in a different context, in Article 4(2)(d) of the Directive. General Motors further considers that it is sufficient for the trade mark concerned to have a reputation in a substantial part of the territory of a Member State, which may cover a community or a region of that State.
  
- 14 Yplon, on the other hand, contends that a trade mark registered in respect of a product or service intended for the public at large has a reputation within the

meaning of Article 5(2) of the Directive when it is known by a wide section of that public. The principle of speciality can be departed from only for trade marks which can be associated spontaneously with a particular product or service. The reputation of the trade mark in question should exist throughout the territory of a Member State or, in the case of the Benelux countries, throughout one of those countries.

- 15 The Belgian Government argues that 'trade mark having a reputation' should be construed flexibly and that there is a difference of degree between a mark with a reputation and a well-known mark. The degree to which a trade mark is well known cannot be evaluated in the abstract by, for example, setting a percentage. A reputation in any single one of the three Benelux countries applies throughout the Benelux territory.
  
- 16 The French Government submits that the Court should reply that a trade mark's reputation within the meaning of Article 5(2) of the Directive cannot be defined precisely. It is a question of assessing case by case whether the earlier trade mark is known by a wide section of the public concerned by the products covered by the two marks and whether the earlier mark is of sufficient repute that the public associates it with the later contested mark. Once it is established that the earlier mark does have a reputation, the strength of that reputation then determines the extent of the protection afforded by Article 5(2) of the Directive. Territorially, a reputation in a single Benelux country is sufficient.
  
- 17 The Netherlands Government submits that it is sufficient for the trade mark to have a reputation with the public at which it is aimed. The degree of knowledge required cannot be indicated in abstract terms. It has to be ascertained whether, in

view of all the circumstances, the earlier mark has a reputation which may be harmed if it is used for non-similar products. The mark does not have to be known throughout a Member State or, in the case of Benelux trade marks, throughout the Benelux territory.

- 18 The United Kingdom Government submits that the decisive question is whether use is made without due cause of the later mark and whether this allows unfair advantage to be taken of, or detriment to be caused to, the distinctive character or the repute of the earlier trade mark. The answer to that question depends on an overall assessment of all the relevant factors and, in particular, of the distinctive character inherent in the mark, the extent of the repute which it has gained, the degree of similarity between the two marks and the extent of the differences between the products or services covered. Protection should be afforded to all trade marks which have acquired a reputation and qualitative criteria should then be applied to limit the protection to marks whose reputation justifies it, protection being granted only where clear evidence of actual harm is adduced. In law, it is not necessary for the reputation to extend throughout the territory of a Member State. However, in practice, proof of actual damage could not be adduced in the case of a trade mark whose reputation is limited to a part of a Member State.
- 19 In the Commission's submission, 'a trade mark with a reputation' should be understood as meaning a trade mark having a reputation with the public concerned. This is something which is clearly distinguished from a 'well-known' mark referred to in Article 6 *bis* of the Paris Convention. It is sufficient for the mark to have a reputation in a substantial part of the Benelux territory and marks having a reputation in a region merit as much protection as marks having a reputation throughout the Benelux territory.
- 20 The Court observes that the first condition for the wider protection provided for in Article 5(2) of the Directive is expressed by the words 'er renommert' in the

Danish version of that provision; 'bekannt ist' in the German version; 'χάιρει φήμης' in the Greek version; 'goce de renombre' in the Spanish version; 'jouit d'une renommée' in the French version; 'gode di notorietà' in the Italian version; 'bekend is' in the Dutch version; 'goze de prestigio' in the Portuguese version; 'laajalti tunnettu' in the Finnish version; 'är känd' in the Swedish version; and by the words 'has a reputation' in the English version.

- 21 The German, Dutch and Swedish versions use words signifying that the trade mark must be 'known' without indicating the extent of knowledge required, whereas the other language versions use the term 'reputation' or expressions implying, like that term, at a quantitative level a certain degree of knowledge amongst the public.
- 22 That nuance, which does not entail any real contradiction, is due to the greater neutrality of the terms used in the German, Dutch and Swedish versions. Despite that nuance, it cannot be denied that, in the context of a uniform interpretation of Community law, a knowledge threshold requirement emerges from a comparison of all the language versions of the Directive.
- 23 Such a requirement is also indicated by the general scheme and purpose of the Directive. In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the

public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.

- 24 The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.
- 25 It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.
- 26 The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.
- 27 In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.
- 28 Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot

be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.

- 29 As far as trade marks registered at the Benelux Trade Mark Office are concerned, the Benelux territory must be treated like the territory of a Member State, since Article 1 of the Directive regards Benelux trade marks as trade marks registered in a Member State. Article 5(2) must therefore be understood as meaning a reputation acquired 'in' the Benelux territory. For the same reasons as those relating to the condition as to the existence of a reputation in a Member State, a Benelux trade mark cannot therefore be required to have a reputation throughout the Benelux territory. It is sufficient for a Benelux trade mark to have a reputation in a substantial part of the Benelux territory, which part may consist of a part of one of the Benelux countries.
- 30 If, at the end of its examination, the national court decides that the condition as to the existence of a reputation is fulfilled, as regards both the public concerned and the territory in question, it must then go on to examine the second condition laid down in Article 5(2) of the Directive, which is that the earlier trade mark must be detrimentally affected without due cause. Here it should be observed that the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it.
- 31 The answer to be given to the question referred must therefore be that Article 5(2) of the Directive is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a

substantial part of that territory, which part may consist of a part of one of the countries composing that territory.

### Costs

- 32 The costs incurred by the Belgian, French, Dutch and United Kingdom Governments, and by the Commission, which have submitted observations to the Court are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the proceedings before the national court, the decision on costs is a matter for that court.

On those grounds,

### THE COURT,

in answer to the question referred to it by the Tribunal de Commerce, Tournai, by judgment of 30 October 1997, hereby rules:

Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar

products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.

Puissochet	Jann	Moitinho de Almeida
Gulmann	Murray	Edward
Ragnemalm	Wathelet	Schintgen

Delivered in open court in Luxembourg on 14 September 1999.

R. Grass

Registrar

G.C. Rodríguez Iglesias

President