

Case C-63/97

Bayerische Motorenwerke AG (BMW) and BMW Nederland BV

v

Ronald Karel Deenik

(Reference for a preliminary ruling
from the Hoge Raad der Nederlanden)

(Trade marks directive — Unauthorised use of the BMW trade mark in advertisements for a garage business)

Opinion of Advocate General Jacobs delivered on 2 April 1998 I - 909

Judgment of the Court, 23 February 1999 I - 925

Summary of the Judgment

1. *Approximation of laws — Trade marks — Directive 89/104 — Application of national transitional rules pre-dating transposition of the directive into national law — Whether permissible — Conditions*
(Council Directive 89/104, Art. 5(4))
2. *Approximation of laws — Trade marks — Directive 89/104 — Scope of Articles 5(1) and 2(5) respectively*
(Council Directive 89/104, Arts 5(1), 2 and 5)

3. *Approximation of laws — Trade marks — Directive 89/104 — Product placed on the market in a Member State by the proprietor or with his consent — Use of the trade mark within the meaning of Article 5(1)(a) of the directive — Meaning — Information conveyed to the public by another undertaking concerning the sale or repair and maintenance of products covered by the mark — Covered*

(Council Directive 89/104, Art. 5(1)(a))

4. *Approximation of laws — Trade marks — Directive 89/104 — Product placed on the market in a Member State by the proprietor or with his consent — Where the proprietor of the trade mark contests its use by a third party for advertising purposes in relation to the sale, repair and maintenance of the products covered by the mark — Not permissible — Exception — Risk of confusion between the third undertaking and the proprietor of the trade mark*

(Council Directive 89/104, Arts 5 to 7)

1. Subject to the duty of the national court to interpret national law as far as possible in conformity with Community law, it is not contrary to the latter for a transitional rule of national law to provide that an appeal against a decision given before the date on which the rules transposing the First Directive 89/104 to approximate the laws of the Member States relating to trade marks into national law were belatedly brought into force is to be decided in accordance with the rules applicable before that date, even where judgment is given after that date.

possible in the light of the wording and purpose of the directive.

2. The scope of application of Article 5(1) and (2) of the First Directive 89/104 to approximate the laws of the Member States relating to trade marks, on the one hand, and Article 5(5), on the other, depends on whether the trade mark is used for the purpose of distinguishing the goods or services in question as originating from a particular undertaking, that is to say, as a trade mark as such, or whether it is used for other purposes.

Although Article 5(4) of the directive seeks to limit the effects in time of the new national rules transposing the directive, the directive does not make provision for determining the national law applicable in situations other than those referred to in that provision. Accordingly, the national courts must, in applying the rules of national law, including the transitional rules, interpret national law so far as is

3. The use of a trade mark, without the proprietor's authorisation, for the purpose of informing the public that another undertaking carries out the repair and maintenance of goods covered by that mark or that it has specialised or is a specialist in such goods constitutes use of the mark

within the meaning of Article 5(1)(a) of the First Directive 89/104 to approximate the laws of the Member States relating to trade marks, since the mark is used to identify the source of the goods in respect of which the services are supplied, and thus to distinguish those goods from any others in respect of which the same services might have been provided.

It is only when assessing the legality of the use of a mark in situations covered by Article 5(2) or (5) of the First Directive 89/104, and not when classifying its use under Article 5 thereof, that the question arises whether use of the mark takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark by, for example, giving the public a false impression of the relationship between the advertiser and the trade mark owner.

4. Articles 5 to 7 of the First Directive 89/104 to approximate the laws of the Member States relating to trade marks do not entitle the proprietor of a trade mark to prohibit a third party from using the mark for the purpose of informing the public that he carries out the repair and maintenance of goods covered by that trade mark and put on the market under that mark by the proprietor or with his consent, or that he has specialised or is a specialist in the sale or the repair and maintenance of such goods, unless the mark is used in a way

that may create the impression that there is a commercial connection between the other undertaking and the trade mark proprietor, and in particular that the reseller's business is affiliated to the trade mark proprietor's distribution network or that there is a special relationship between the two undertakings.

First, as regards use of a trade mark to inform the public of the resale of products covered, such an informative use of a mark is necessary to guarantee the right of resale under Article 7 of the directive and does not take unfair advantage of the distinctive character or repute of that trade mark. The mere fact that the reseller derives an advantage from using the trade mark in that advertisements for the sale of goods covered by the mark, which are in other respects honest and fair, lend an aura of quality to his own business does not constitute a legitimate reason within the meaning of Article 7(2) of the directive.

Secondly, as regards use of a trade mark to advertise to the public the repair and maintenance of products covered, such a use does not constitute further commercialisation for the purposes of Article 7 of the directive, but use indicating the intended purpose of the service within the meaning of Article 6(1)(c) thereof, which is legitimate provided that the use is necessary to indicate that purpose and is in accordance with honest practices in industrial or com-

mercial matters. In that regard, the condition requiring use of the trade mark to be made in accordance with honest practices in industrial or commercial matters constitutes in substance the expression of a duty to act fairly in relation to the legitimate interests of the trade mark owner, similar to that imposed on the reseller where he uses another's trade mark to advertise the resale of products covered by that mark.

Just like Article 7 of the directive, Article 6 seeks to reconcile the fundamental interests of trade mark protection with those of free movement of goods and freedom to provide services in the common market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition which the Treaty seeks to establish and maintain.