JUDGMENT OF THE COURT (Sixth Chamber)
25 July 1991 *

In Case C-76/90,

REFERENCE to the Court under Article 177 of the EEC Treaty by the Oberlandesgericht (Higher Regional Court) München (Germany) for a preliminary ruling in the proceedings pending before that court between

Manfred Säger

and

Dennemeyer & Co. Ltd,

on the interpretation of Article 59 of the EEC Treaty,

THE COURT (Sixth Chamber),

composed of: G. F. Mancini, President of the Chamber, T. F. O'Higgins, C. N. Kakouris, F. A. Schockweiler and P. J. G. Kapteyn, Judges,

Advocate General: F. G. Jacobs,
Registrar: D. Louterman, Principal Administrator,

after considering the written observations submitted on behalf of:

— Manfred Säger, by P. B. Schäuble, Rechtsanwalt, Munich,

— Dennemeyer & Co. Ltd, by L. Donle, Rechtsanwalt, Munich, and C. Vajda, of the Bar of England and Wales,

* Language of the case: German.

— the German Government, by H. Teske, Ministerialrat, at the Federal Ministry of Justice, and J. Karl, Oberregierungsrat at the Ministry for Economic Affairs, acting as Agents,

— the United Kingdom, by R. Plender, QC, of the Bar of England and Wales instructed by J. Collins, Solicitor, acting as Agents,

— the Commission, by its Legal Adviser, E. Lasnet, and B. Langeheine, a member of its Legal Service, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Dennemeyer & Co. Ltd, of the German Government, represented by A. von Winterfeld, Rechtsanwalt, Cologne, acting as Agent, of the United Kingdom and of the Commission at the hearing on 15 January 1991,

after hearing the Opinion of the Advocate General at the sitting on 21 February 1991,

gives the following

Judgment

1 By order of 25 January 1990, which was received at the Court on 21 March 1990, the Oberlandesgericht München referred to the Court for a preliminary ruling under Article 177 of the EEC Treaty a question on the interpretation of Article 59 of the EEC Treaty.

2 That question was raised in proceedings between Manfred Säger, a Patentanwalt (patent agent) in Munich and Dennemeyer & Co. Ltd, a company incorporated under English law having its registered office in the United Kingdom (hereinafter referred to as 'Dennemeyer').

3 Dennemeyer is a specialist in patent renewal services. That activity, which in this instance is carried on from the United Kingdom for holders of industrial property rights established in other Member States, including in particular Germany, consists of monitoring patents by means of a computerized system, advising the holders of those patents when the fees for renewing the patents become due and paying those fees on their behalf when they return to Dennemeyer the 'Fees Reminder' which it has sent to them and ask Dennemeyer to pay the amounts indicated therein.

4 Within the framework of its activity, Dennemeyer does not provide advice to its clients either as to the choice to be made or as to the consequences of payment or non-payment of the fees. The client alone assumes the responsibility of advising Dennemeyer of any alteration in the patent situation liable to have an effect on the payment of the renewal fee. Finally, Dennemeyer charges for its service a commission which is lower than the fees generally charged by German Patentanwälte (hereinafter referred to as 'patent agents') who carry on the same activity.

5 Mr Säger complains that Dennemeyer is guilty of unfair competition and is contravening the Rechtsberatungsgesetz (Law on Legal Advice, hereinafter referred to as the 'RBerG', of 13 December 1935, BGBl. III.303-12). He considers that Dennemeyer is attending by way of business, to legal affairs on behalf of third parties without the licence required pursuant to the first indent of Paragraph 1(1) of that law.

6 According to Paragraph 1(1) of the RBerG, only persons holding a licence issued by the competent authority may, by way of business, attend to legal affairs for third parties or pay fees on their behalf. According to the same provision, licences are to be granted for specific fields listed therein and may be issued only to applicants who are trustworthy and who have the reliability, the aptitude and the competence required for the exercise of the profession (Paragraphs 6 and 8 of the Verordnung zur Ausführung des Rechtsberatungsgesetzes (Regulation implementing the RBerG) of 13 December 1935, BGBl. III.303-12-1).

7 Such a licence is not, in principle, issued to undertakings specializing in patent renewal services, since the monitoring, by way of business, of industrial property rights on behalf of third parties is not included in the fields mentioned in that law. Paragraph 1(3), of the RBerG provides that that law has been adopted without prejudice to the pursuit of those activities by notaries and other persons holding a public office, and also by lawyers and patent agents. In that respect, the Bundesgerichtshof stated in its judgment of 12 March 1987 (I ZR 31/85, BGH Neue Juristische Wochenschrift 1987, p. 3005), to which the order making the reference refers, that, by virtue of the applicable German legislation, the activities relating to the maintenance of industrial property rights, including those at issue in the main proceedings, are reserved in their entirety to patent agents.

8 The national court considered that the action raised problems concerning the interpretation of Community law. It therefore referred to the Court the following question for a preliminary ruling.

'Under Article 59 of the EEC Treaty, may a company incorporated under English law whose head office is in Great Britain be required to obtain a permit pursuant to the German Rechtsberatungsgesetz if, from its head office, in order to maintain or renew on behalf of third parties German intellectual property rights whose holders are established in the Federal Republic of Germany, it monitors the due dates of renewal fees, informs the third parties of those due dates and pays the fees on behalf of those third parties in the Federal Republic of Germany, where it is not disputed that such activities may be carried on without a permit under the law of a significant number of Member States?'

9 Reference is made to the Report for the Hearing for a fuller account of the legal context and the facts in the main proceedings, the procedure before and the written observations submitted to the Court, which are mentioned or discussed hereinafter only in so far as is necessary for the reasoning of the Court.

10 It is apparent from the order making the reference that the Oberlandesgericht takes it as settled that the German courts have international jurisdiction and that, in the main proceedings, German law is applicable, on the ground that Dennemeyer must be regarded as pursuing its activity in Germany, if only by

paying fees in the territory of that Member State. The national court states that the question referred to the Court is intended to ascertain whether Article 59 of the Treaty precludes judgment being given against the defendant in the main proceedings on the basis of the applicable provisions of national law.

11 The question referred to the Court must, accordingly, be understood as seeking to ascertain whether Article 59 of the Treaty is opposed to national legislation which prohibits a company established in another Member State from providing to the holders of patents in the national territory a monitoring and renewal service in respect of those patents by paying the fees prescribed, on the ground that that activity is, by virtue of that legislation, reserved exclusively to persons possessing a particular professional qualification, such as that of patent agent.

12 It should first be pointed out that Article 59 of the Treaty requires not only the elimination of all discrimination against a person providing services on the ground of his nationality but also the abolition of any restriction, even if it applies without distinction to national providers of services and to those of other Member States, when it is liable to prohibit or otherwise impede the activities of a provider of services established in another Member State where he lawfully provides similar services.

13 In particular, a Member State may not make the provision of services in its territory subject to compliance with all the conditions required for establishment and thereby deprive of all practical effectiveness the provisions of the Treaty whose object is, precisely, to guarantee the freedom to provide services. Such a restriction is all the less permissible where, as in the main proceedings, and unlike the situation governed by the third paragraph of Article 60 of the Treaty, the service is supplied without its being necessary for the person providing it to visit the territory of the Member State where it is provided.

14 It should next be stated that national legislation which makes the provision of certain services on the national territory by an undertaking established in another Member State subject to the issue of an administrative licence for which the possession of certain professional qualifications is required constitutes a restriction on the freedom to provide services within the meaning of Article 59 of the Treaty.

By reserving the provision of services in respect of the monitoring of patents to certain economic operators possessing certain professional qualifications, national legislation prevents an undertaking established abroad from providing services to the holders of patents in the national territory and also prevents those holders from freely choosing the manner in which their patents are to be monitored.

15 Having regard to the particular characteristics of certain provisions of services, specific requirements imposed on the provider, which result from the application of rules governing those types of activities, cannot be regarded as incompatible with the Treaty. However, as a fundamental principle of the Treaty, the freedom to provide services may be limited only by rules which are justified by imperative reasons relating to the public interest and which apply to all persons or undertakings pursuing an activity in the State of destination, in so far as that interest is not protected by the rules to which the person providing the services is subject in the Member State in which he is established. In particular, those requirements must be objectively necessary in order to ensure compliance with professional rules and to guarantee the protection of the recipient of services and they must not exceed what is necessary to attain those objectives (see, most recently, the judgments in Cases C-154/89 *Commission* v *France* [1991] ECR I-659, C-180/89 *Commission* v *Italy* [1991] ECR I-709 and C-198/89 *Commission* v *Greece* [1991] ECR I-727).

16 In that respect, it should first be pointed out that national legislation, such as that described by the national court, is clearly intended to protect the recipients of the services in question against the harm which they could suffer as a result of legal advice given to them by persons who did not possess the necessary professional or personal qualifications.

17 It should next be stated that the public interest in the protection of the recipients of the services in question against such harm justifies a restriction of the freedom to provide services. However, such a provision goes beyond what is necessary to protect that interest if it makes the pursuit, by way of business, of an activity such as that at issue, subject to the possession by the persons providing the service of a professional qualification which is quite specific and disproportionate to the needs of the recipients.

18 As the Advocate General has pointed out in paragraph 33 of his Opinion, the person providing a service such as that referred to in the present case does not advise his clients, who are themselves often patent agents or undertakings which employ qualified patent experts. He confines himself to alerting them when renewal fees have to be paid in order to prevent a patent from lapsing, to requesting them to state whether they wish to renew the patent and to paying the corresponding fees on their behalf if they so desire. Those tasks, which are carried out without its being necessary for the provider of the service to travel, are essentially of a straightforward nature and do not call for specific professional aptitudes, as is indicated by the high level of computerization which, in the present case, appears to have been attained by the defendant in the main proceedings.

19 It should be added that, as the Commission has rightly pointed out, the risk for the holder of a patent of the failure by a company entrusted with monitoring German patents to fulfil its obligations is very limited. Two months after the date for renewal, the German patent office sends an official reminder to the holder of a patent pointing out that, failing payment of the fee, increased by a surcharge of 10%, his patent will expire four months after the sending of the reminder (Paragraph 17(3) of the Patentgesetz).

20 It must therefore be stated that neither the nature of a service such as that at issue nor the consequences of a default on the part of the person providing the service justifies reserving the provision of that service to persons possessing a specific professional qualification, such as lawyers or patent agents. Such a restriction must be regarded as disproportionate to the objective pursued.

21 The reply must therefore be that Article 59 of the EEC Treaty precludes provisions of a Member State which prohibit a company established in another Member State from providing patent-owners in the territory of the first State with a service for monitoring those patents and renewing them by payment of the requisite fees, on the ground that, by virtue of those provisions, such activities are reserved to persons holding a special professional qualification, such as a qualification as patent agent.

Costs

22 The costs incurred by the German Government, the Government of the United Kingdom and the Commission of the European Communities, which submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties to the main proceedings, in the nature of a step in the action pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT (Sixth Chamber),

in reply to the question referred to it by the Oberlandesgericht München, by order of 25 January 1990, hereby rules:

Article 59 of the EEC Treaty precludes provisions of a Member State which prohibit a company established in another Member State from providing patent-owners in the territory of the first State with a service for monitoring those patents and renewing them by payment of the requisite fees, on the ground that, by virtue of those provisions, such activities are reserved to persons holding a special professional qualification, such as a qualification as patent agent.

Mancini O'Higgins

Kakouris Schockweiler Kapteyn

Delivered in open court in Luxembourg on 25 July 1991.

J.-G. Giraud
Registrar

G. F. Mancini
President of the Sixth Chamber