

## Case C-9/93

**IHT Internationale Heiztechnik GmbH and  
Uwe Danziger**

**v**

**Ideal-Standard GmbH and  
Wabco Standard GmbH**

(Reference for a preliminary ruling  
from the Oberlandesgericht Düsseldorf)

(Splitting of a trade mark as a result of a voluntary assignment —  
Free movement of goods)

Opinion of Advocate General Gulmann delivered on 9 February 1994 ..... I - 2793  
Judgment of the Court, 22 June 1994 ..... I - 2836

### Summary of the Judgment

1. *Free movement of goods — Industrial and commercial property — Trade mark — Owner's right to oppose unlawful use of his trade mark — Products concerned — Identical or similar products — Risk of confusion — Determination by national law*  
(EEC Treaty, Art. 36)

2. *Free movement of goods — Industrial and commercial property — Trade mark — Territorial nature of national rights — Consequence — Determination of the conditions of the protection given by the State called upon to provide it — Principle recognized by international treaty law and accepted by the EEC Treaty*  
(EEC Treaty, Art. 36)
  3. *Free movement of goods — Industrial and commercial property — Trade mark — Independence of national rights — Consequence — Possibility of assigning the trade mark for one or more States only — Principle enshrined in international treaty law*
  4. *Free movement of goods — Industrial and commercial property — Trade mark — Product put into circulation in a Member State by the trade-mark owner or with his consent — Importation into another Member State — Opposition by the owner — Not permissible — Assignment of a trade mark to an undertaking independent of the assignor and limited to one or more Member States — Right of the assignor to oppose use of the trade mark by the assignee in a Member State not covered by the assignment — Whether permissible*  
(EEC Treaty, Arts 30 and 36)
  5. *Free movement of goods — Industrial and commercial property — Trade mark — Voluntary assignment of the trade mark — Loss of the power to control products to which trade mark affixed — Consent not giving rise to exhaustion of rights*
  6. *Free movement of goods — Industrial and commercial property — Trade mark — Unified laws such as the Uniform Benelux Law — Assignment of a trade mark to an undertaking independent of the assignor and limited to part of the territory covered by the trade mark — Prohibition — Community trade mark — Opposition to the assignment of national trade marks limited to certain Member States — Absence*  
(Council Regulation No 40/94)
  7. *Competition — Agreements, decisions and concerted practices — Agreement to assign trade marks aimed at market sharing — Applicability of Article 85 of the Treaty*  
(EEC Treaty, Art. 85)
1. The object of the right of prohibition stemming from a trade mark is to protect the owner against contrivances of third parties seeking to take advantage of the reputation accruing to a trade mark by creating a risk of confusion amongst consumers. It covers not only products for which a trade mark has been acquired, but also other products where the products in question are sufficiently close to induce users seeing the same device on those products to conclude that the products come from the same undertaking. In that connection, in the absence of approx-

imation of laws at Community level, the determination of the criteria allowing the conclusion to be drawn that there is a risk of confusion — which, under Community law, does not have to be strictly interpreted — continues to be a matter for national law, subject to the limits set out in the second sentence of Article 36 of the Treaty.

2. National trade-mark rights are territorial in nature. Hence it is the law of the country where protection of a trade mark is sought which determines the conditions of that protection. The principle of the territoriality of trade-mark rights, which is recognized under international treaty law, is also accepted by the EEC Treaty. By tolerating certain restrictions on imports on grounds of protection of intellectual property, Article 36 of the Treaty presupposes that the legislation of the importing State applies to acts performed in that State in relation to the imported product.

3. Pursuant to the principle of the independence of trade marks enshrined in Articles 6(3) and 6quater of the Paris Union Convention for the Protection of Industrial Property of 20 March 1883 and Article 9ter(2) of the Madrid Agreement concerning the International Registration of Marks of 14 April 1891, a trade mark may be assigned for one country without having to be assigned at the same time for other countries. Unified laws, which bring the territory of several States into a

single territory for purposes of trade-mark law, such as the Uniform Benelux Law on Trade Marks for Goods and Services or the regulation on the Community trade mark, render void transfers of trade marks for only part of the territory to which they apply. However, those unified laws do not, any more than national laws, make the validity of a trade-mark assignment for the territory to which they apply conditional on the concomitant assignment of the trade mark for the territory of third States.

4. Articles 30 and 36 of the Treaty preclude application of national laws which give the trade-mark owner in the importing State the right to oppose the marketing of products which have been put into circulation in the exporting State by him or with his consent. That principle, known as the exhaustion of rights, applies where the owner of the trade mark in the importing State and the owner of the trade mark in the exporting State are the same or where they are economically linked. In such cases quality can be controlled by a single body and the trade mark's function of identifying origin is in no way called into question by the freedom to import.

On the other hand, where a trade mark has been assigned, for one or several Member States in which it was registered only, to an undertaking which has no

economic link with the assignor, Articles 30 and 36 do not preclude application of national legislation which allows the assignor to oppose the marketing by the assignee of goods bearing the trade mark in the State in which the assignor has retained it.

5. The consent implicit in any voluntary assignment of a trade mark is not the consent required for application of the doctrine of exhaustion of rights. For that, the owner of the right in the importing State must, directly or indirectly, be able to determine the products to which the trade mark may be affixed in the exporting State and to control their quality. That power is lost if, by voluntary assignment, control over the trade mark is surrendered to a third party having no economic link with the assignor. That situation must therefore be clearly distinguished from the case where the imported products come from a licensee. Unlike an assignor, a licensor can control the quality of the licensee's products by including in the contract clauses requiring the licensee to comply with his instructions and giving him the possibility of verifying such compliance.
6. Starting from the position that assignment of a trade mark for only part of the territory to an assignee having no links with the assignor would lead to the existence of separate sources within a single territory and that, in order to safeguard the function of the trade mark, it would then be necessary to allow prohibition of export of the assignee's products to the assignor's territory and vice versa, unified laws, such as the Uniform Benelux Law on Trade Marks for Goods and Services, render void assignments made for only part of the territory covered by the rights they create, in order to avoid creating such obstacles to the free movement of goods. By limiting the right to dispose of the trade mark in this way, such unified laws ensure single ownership throughout the territory to which they apply and guarantee free movement of the product. Although the regulation on the Community trade mark also creates a right with a unitary character, it does not replace, but is merely superimposed on, the national rights. Article 8 of the regulation, which allows the owner of a trade mark in a single Member State to oppose the registration of a Community trade mark by the proprietor of national rights for identical or similar products in all the other Member States, cannot be interpreted as precluding assignments of national trade marks confined to certain States of the Community.
7. Where undertakings independent of each other make trade-mark assignments following a market-sharing agreement, the prohibition of anti-competitive agreements under Article 85 of the Treaty applies and assignments which give effect to such an agreement are consequently void. However, a trade-mark assignment can be treated as giving effect to an agreement prohibited by Article 85 only after an analysis of the context, the commitments underlying the assignment, the intention of the parties and the consideration for the assignment.