

OPINION OF ADVOCATE GENERAL
COSMAS

delivered on 5 May 1998 *

I — Introduction

1. By the questions it has referred to the Court for a preliminary ruling, the First Commercial Chamber of the Landgericht München I (Regional Court, Munich I) seeks guidance on the interpretation of Article 3(1)(c), the first sentence of Article 3(3) and Article 6(1)(b) of the First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (89/104/EEC) ¹ (hereinafter 'the Directive').

2. The questions have been raised in proceedings between Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC), the plaintiff in the main proceedings (hereinafter 'the plaintiff'), on the one hand and, in Case C-108/97, Boots- und Segelzubehör Walter Huber (hereinafter 'the first defendant') and, in Case C-109/97, Franz Attenberger (hereinafter 'the second defendant'),

on the other. The proceedings have arisen as a result of the defendants' use of the mark 'Chiemsee', which is registered in the name of the plaintiff, to distinguish their products.

II — Directive 89/104

3. Article 2 of the Directive states:

'A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

* Original language: Greek.

¹ — OJ 1989 L 40, p. 1.

4. Article 3, which sets out the grounds for refusal or invalidity of a mark, provides:

'1. The following shall not be registered or if registered shall be liable to be declared invalid:

...

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service:

...

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.

...'

5. Article 5, which relates to the 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:

6. Furthermore, Article 6, which relates to the limitation of the effects of the trade mark, provides:

(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;

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

...

(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.

(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;

...

...'

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

III — Relevant national legislation

7. As is clear from the order for reference, the applicable law in Germany before transposition of the Directive and until 31 December 1994 was the Warenzeichengesetz (Trade Mark Law, hereinafter 'the WZG'). Paragraph 4(2)(1) of the WZG specifically excluded from registration signs 'which have no distinctive character or consist exclusively of ... words which contain indications of the kind, time and place of production, the quality or purpose ... of the goods'.

8. None the less, even signs which were devoid of distinctive character within the meaning of that provision were protected under Paragraph 4(3) of the WZG if they had gained 'trade acceptance'.

9. Furthermore, the WZG recognised, in Paragraph 25 ('Ausstattungsschutz' — 'protection of get-up'), the possibility of acquiring rights in a trade mark not by registration but by use of the mark and the effect of such use on the trade. According to the order for reference, Paragraph 25 uses the term 'trade reputation' ('Verkehrsgeltung') to describe what is required.

10. The Directive was transposed into German law by the Markengesetz (Law on Trade Marks) which entered into force on 1 January 1995.²

11. Paragraph 8(2) of the Markengesetz, which corresponds to Article 3(1)(c) of the Directive, excludes from registration, *inter alia*, trade marks 'which consist exclusively of ... indications which may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin ... or other characteristics of the goods'.

12. Under Paragraph 8(3) of the Markengesetz, a trade mark which is precluded from being protected because it falls within Paragraph 8(2)³ may still be registrable 'if the mark, before the time of the decision on registration, as a result of its use for the goods ... in respect of which registration has been applied for, has gained *acceptance* in the trade circles concerned'.

2 — Under Article 16(1) of the Directive, Member States were to transpose its provisions into national law not later than 28 December 1991. However, in adopting Decision 92/10/EEC (OJ 1992 L 6, p. 35) on 19 December 1991, the Council exercised its power under Article 16(2) of the Directive to extend the deadline for transposing it into national law to 31 December 1992.

3 — An example given by the court making the reference is that of a mark which consists exclusively of an indication which could serve to designate the geographical origin of goods.

13. Furthermore, under Paragraph 4(2) of the Markengesetz (which replaced Paragraph 25 of the previous law), it is possible to acquire rights in a mark by virtue of its use and the *reputation* it has acquired in the trade.

IV — Facts

14. Under German case-law, the concept of ‘trade acceptance’ (‘Verkehrsdurchsetzung’) is wider and more comprehensive than that of ‘trade reputation’ (‘Verkehrsgeltung’). Thus, the fact that a mark has been granted registration because it has gained trade acceptance necessarily means that it has acquired some kind of trade reputation — but the opposite is not necessarily true. In order to determine whether trade reputation or trade acceptance exists, a distinction must be drawn between those verbal and morphological aspects of a mark which are intrinsically distinctive and those which are not (such as descriptive names, particularly those designating geographical origin). The former in general justify the registration and protection of the mark whereas the latter must gain acceptance through use in the relevant trade circles. The level of trade acceptance or trade reputation varies from approximately 16% to 70%. The main method for establishing the level of acceptance or reputation is by survey. However, both German case-law and legal authors are reluctant to accept the recognition and protection of signs which need to be ‘left free’, that is to say, if I have understood correctly, they resist the notion that one business should have a monopoly on signs which other businesses have an equal interest in using.

15. The Chiemsee is the largest lake in Bavaria, with an area of 80 km². It is a tourist attraction. Surfing is one of the activities carried on there. The surrounding area, called the Chiemgau, is primarily agricultural.

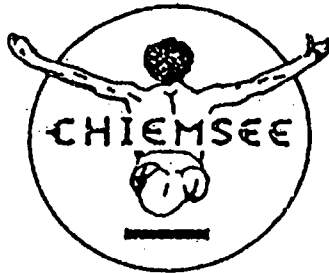
16. The plaintiff is based in Grabenstätt near the Chiemsee. It sells sports clothes and shoes as well as other sports fashion products, designed by a sister company which is also based near the Chiemsee, and manufactured in a different region. The plaintiff has been using the name of the lake to designate its products since 1990. Between 1992 and 1995, moreover, the plaintiff also registered the name as a trade mark in respect of its products as part of various graphic designs, in some cases with pictures (in particular a picture of a sportsperson diving, if I have interpreted it correctly) and additional wording such as ‘Chiemsee Jeans’, ‘Windsurfing — Chiemsee

— Active Wear', 'By Windsurfing Chiemsee' chronological order, as reproduced in the and so forth. The marks are set out below in order for the reference:

A. Registration No/Mark 2009617 Date of registration 17.2.1992



B. 2009618 17.02.1992



C. 2014831 01.06.1992



D. 2043643 31.08.1993



E.

2043644

31.08.1993



F.

2086304

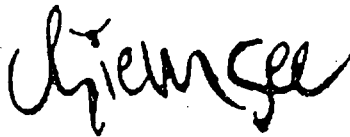
30.11.1994



G.

2901054

31.01.1995



17. As the national court observes, the competent German authorities both administrative and judicial have always considered that the term 'Chiemsee' designates a geographical origin and that it is not therefore capable in itself of being registered as a trade mark. However, they allow it to be registered exclusively on the basis of the graphic representa-

tion of the mark, which differs in each case, and the additional features.

18. The first defendant is based in an area near the Chiemsee and sells, *inter alia*, sports

clothes (such as tee shirts, sweat shirts and so on) albeit only since 1995. The products bear the distinctive sign 'Chiemsee', which has not

been registered as a trade mark and appears in the following graphic form:

(a)

Chiemsee.

19. The second defendant sells similar products to those sold by the first defendant on the outskirts of the Chiemsee. The products

bear the distinctive sign reproduced at (a) above as well as the following signs, which are also not registered:

(b)



(c)

CHIEMSEE

NATURAL

20. In the main proceedings, the plaintiff challenged the use of the name 'Chiemsee' by the defendants, claiming that, notwithstanding the differences in graphic representation, there was a risk of confusion with the name used by it since 1990 which it has registered as a trade mark and which is known in the trade.

21. The defendants, on the other hand, contend that the term 'Chiemsee' is not capable of protection because it is an indication of geographical origin which must remain available to everybody, and that accordingly its use in a different graphic form cannot create any risk of confusion.

22. That being so, the national court considers it necessary to refer the following questions to the Court:

1. Questions relating to Article 3(1)(c)

Is Article 3(1)(c) to be understood as meaning that it suffices if there is a *possibility* of the designation being used to indicate the geographical origin, or must that possibility be likely in a particular case (in the sense that other such undertakings already use that word to designate the geographical origin of their goods of similar type, or at least that there are specific reasons to believe that that may be expected in the foreseeable future), or must there even be a need to use that designation to indicate the geographical origin of the goods in question, or must there in addition also be a qualified need for the use of that indication of origin, for instance because goods of that kind, produced in that region, enjoy a special reputation?

Is it of significance for a broader or narrower interpretation of Article 3(1)(c) with respect to geographical indications of origin that the effects of the mark are restricted under Article 6(1)(b)?

different according to the degree of the need to leave free?

Do geographical indications of origin under Article 3(1)(c) cover only those which relate to the *manufacture* of the goods at that place, or does trade in those goods at that place or from that place suffice, or in the case of the production of textiles does it suffice if they are designed in the region designated but then manufactured under contract elsewhere?

Is in particular the view hitherto taken in the German case-law, namely that in the case of descriptive designations which need to be left free, trade acceptance in more than 50% of the trade circles concerned is required and is to be demonstrated, compatible with that provision?

Do requirements follow from this provision as to the manner in which descriptive character acquired by use is to be ascertained?'

2. Questions on the first sentence of Article 3(3):

V — Substance

What requirements follow from this provision for the registrability of a descriptive designation under Article 3(1)(c)?

A — *The first question*

In particular are the requirements the same in all cases, or are the requirements

23. By the first and third limbs of the first question referred, which must be considered together, the national court is essentially asking whether, and in what circumstances, a geographical name can constitute a trade mark

and, if it can, the extent to which such a trade mark is protected vis-à-vis third parties.

establish a link between them and a particular undertaking (guarantee of origin).

24. In order to answer that question, it is first of all necessary to recall the objective of the Directive and the rationale for according a trade mark protection.

As the Court has pointed out on more than one occasion, 'the essential function of the trade mark ... is to guarantee to the consumer or end user the identity of the trade-marked product's origin by enabling him to distinguish it without any risk of confusion from products of different origin'.⁴

25. As the first and third recitals make clear, the Directive is intended to achieve an initial level of harmonisation of the differing trade mark laws of the Member States, as the disparities which exist may impede the free movement of goods and the freedom to provide services and may distort competition within the common market.

28. In my view, it is in the light of precisely that function of trade marks that Article 3(1) of the Directive makes lack of distinctive character an independent ground for refusal or invalidity of a mark (paragraph (b)) but also provides for a more specific ground for invalidity or refusal in respect of marks which consist exclusively of descriptive indications (paragraph (c)) or which have become customary in the current language or in the trade (paragraph (d)).

26. To that end, the Directive, most importantly, lays down common rules for the registration of trade marks and, where appropriate, for establishing their invalidity *a posteriori* and sets out the scope and limitations of the protection conferred by a trade mark, leaving it to Member States to determine the details, particularly those relating to procedure.

29. Although in the text of the Directive, paragraphs (c) and (d) are, strictly speaking, distinct from paragraph (b), in essence they

27. The main purpose of the system adopted by the Community legislature is to safeguard and protect the essential function of the trade mark. That function, as set out particularly in the seventh recital in the preamble and in Articles 2, 3(1)(b) and 3(3), 5(5) and 10(2)(a) of the Directive is, first, to identify an undertaking's goods and to distinguish them from other similar products (distinguishing function of the trade mark) and, secondly, to

⁴ — See, *inter alia*, Case C-349/95 [1997] ECR I-6227, paragraph 24.

describe more particular or more specific or simply more typical instances of lack of distinctive character in a mark which explain and clarify the general concept of lack of distinctive character but do not introduce new or fundamentally different ideas.⁵ The same conclusion follows if Article 3(1) is interpreted alongside Article 3(3), under which a trade mark is not to be refused registration or declared invalid under paragraphs (b), (c) or (d) of Article 3(1) if it has subsequently acquired a *distinctive character* by reason of the use which has been made of it. In other words, in the circumstances set out in those paragraphs, which are dealt with together in Article 3(3), the trade mark subsequently acquires the quality which it initially lacked and the absence of which prevented it from being registered or enabled it to be struck off the register — namely distinctive character. Accordingly, it may be assumed that those cases which are not specifically mentioned in

paragraphs (c) or (d) of Article 3(1) fall within paragraph (b).⁶

30. I now turn to Article 3(1)(c). It is clear from the wording itself of this provision that three conditions must be fulfilled for a trade mark comprising a geographical indication to fall within its scope. First, the trade mark must consist *exclusively* of a geographical indication; secondly, the indication must serve in trade to designate *geographical origin*; and thirdly, the geographical origin must constitute a *characteristic* of the goods. More specifically:

(a) Exclusivity

5 — The wording of Article 2(1) of the Proposal for a First Council Directive to approximate the laws of the Member States relating to trade marks submitted by the Commission to the Council on 25 November 1980 (OJ 1980 C 351, p. 1), as amended on 17 December 1985 (OJ 1985 C 351, p. 4), makes it clear that signs which are descriptive or have become customary are sub-categories of signs devoid of distinctive character. According to that initial wording, trade marks could be refused registration or invalidated, *inter alia*, if 'on the date of application therefor ... they [were] devoid of *distinctive character* in that Member State, and *in particular*:'

(a) ... [the text of Article 3(1)(c) as currently in force appears here with the following addition, which corresponds to the current text of Article 3(3):] *unless those marks have acquired distinctive character in consequence of the use made of them*,
(b) ... [text corresponding in substance to current Article 3(1)(d)]' (emphasis added).

These cases are also addressed in the same passage by the Paris Convention for the Protection of Industrial Property of 20 March 1883, as most recently revised in Stockholm on 14 July 1967 (*United Nations Treaty Series*, T.828, No 11851, p. 305), of which Article 6 quinquies, B, 2, provides that industrial and commercial marks may neither be denied registration nor invalidated except 'where they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind ..., place of origin of the goods, or the time of production or have become customary in the current language or in the *bona fide* and established practices of the trade of the country where protection is claimed'.

I would also point out that the wording of Article 7(1) and (3) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark (OJ 1994 L 11, p. 1) is analogous to the wording of Article 3(1) and (3) of the Directive.

31. First of all, it should be noted that only trade marks which consist 'exclusively' of purely descriptive signs or indications fall within the provision. Accordingly, compound trade marks which are composed of one or more words, images or representations in addition to the descriptive indications which, whether separately or in combination with the descriptive indication, give the mark a distinctive character, do not. On that basis, trade marks such as those belonging to the plaintiff which appear at A, B, C, D and E

6 — See Cornish W. R., *Intellectual property: patents, copyright, trade marks and allied rights*, Third Edition, London, 1996, p. 588.

above and those belonging to the second defendant which appear at (c) above do not to my mind fall within the contested provision.⁷

word 'Chiemsee', the word of which they consist.

32. Therefore, the problem arises in cases such as those in the main proceedings where marks consist exclusively of a geographical indication such as the plaintiff's marks which appear at F and G above and the defendant's marks which appear at (a) and (b) above.

34. I believe that approach to be misconceived. If the only or principal constituent element of a mark is a geographical term, the question whether it may serve to designate geographical origin within the meaning of Article 3(1)(c) must be assessed according to objective criteria, taking into account the meaning conveyed by the actual term itself. The main or only constituent element of marks such as those appearing at F and G and (a) and (b) above is the verbal element, that is, the acoustic impression made by the term 'Chiemsee' upon the ear of the listener or the imagination of the viewer. The visual impression made by each of those marks is of limited scope and plays what is very much a secondary role in the perception of the mark because it is limited to differing graphical representations of the same word (in the mark appearing at (b) above, the word 'Chiemsee' simply appears inside an ellipse which is darker in colour), without other words or pictures reinforcing or highlighting the mark. The result of this is to cause confusion as to the relationship between the marks, because the impression is given that they are simply variants of the same mark and, by extension, that the goods originate from the same commercial undertaking which owns the mark. In conclusion, a different graphic representation of the same word does not constitute a distinctive or additional element tacked on to the geographical term so as to create a new 'compound' mark, as the national court mistakenly supposes. Such representations are

(b) Geographical origin

33. As stated earlier, it is clear from the order for reference that the German authorities regard a geographical indication such as the name 'Chiemsee' as descriptive and therefore not in itself capable of registration. However, they still allow it only because its graphic representation differs in each case. On that point, the national court refers to the plaintiff's marks appearing at F and G above which differ from one another only in their particular graphic representation of the

⁷ — Since Article 3(1)(c) covers marks which consist 'exclusively' of a geographical term, a mark cannot partially fall within the provision, that is to say, only the part containing the geographical indication. This is because a composite mark cannot by definition fall within that provision. In addition, more generally, since the perception which is relevant is the overall impression created by the mark (see Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23), it is not appropriate to consider each constituent element in isolation.

simple marks which are either identical or similar to one another (such as the marks appearing at F and (a) above), with the result that they give the impression of being variants of the same mark.

or have changed over the centuries (such as 'Byzantium', 'Dacia', 'Lutetia', 'Babylon' and so on).

If the opposite view were taken, the result would be a limitless proliferation of trade marks consisting of the same word, since the number of ways in which a word can be graphically represented is infinite. However, that would create utter confusion in the market and lead to an increase in conflicts between marks, which cannot have been the intention of the Community legislature.⁸

Furthermore, where it is illogical or improbable that a geographical name indicates the geographical origin of the goods in question, it cannot fall within Article 3(1)(c). The example usually given here is that of the 'Mont Blanc' trade mark for pens (because nobody could logically suppose a pen to originate from the mountain in question), 'Pôle Nord' ('North Pole') for bananas (because bananas cannot be grown in the prevailing climate at that latitude) and so on.

35. Next, it should be noted that Article 3(1)(c) does not exclude all geographical terms without exception.

Clearly, therefore, imaginary, mythical or figurative geographical names (such as 'Thule', 'Utopia', 'No Man's Land', 'Atlantis', and so on) do not fall within Article 3(1)(c) since they cannot designate any geographical origin.

Similarly, geographical terms which are completely unknown cannot fall within the provision, that is, terms referring to places unknown to the general public whether within or outside the Member State in which the question of protection of the trade mark arises, because the public is in any event not in a position to connect the goods in question with the places designated by the geographical indications concerned.

The same holds true for the names of towns, places or areas which have become obsolete

36. In all the above cases, the geographical term does not designate the geographical origin of the goods, either because of its nature or because of the circumstances, and can therefore legitimately be used as a trade mark. That is so because the connection

⁸ — See the eighth recital in the preamble to the Directive which emphasises the need to reduce the total number of trade marks and, consequently, the number of conflicts which arise between them by withdrawing protection from marks which are not actually being used.

between the 'designator' (the name itself) and the 'designee' (the thing to which the name refers) is *arbitrary*,⁹ that is to say, so original and unexpected that it does identify the goods and distinguish them from equivalent goods made by other undertakings. In such cases, therefore, the trade mark does in principle perform its distinguishing function.

that such indications have the specific meaning set out above.

37. It follows from the foregoing that Article 3(1)(c) does not prevent the use of all geographical terms in general, but only of some of them. In my view, it prevents the use of those geographical terms which, at the time when the mark was applied for, were not yet consolidated and could constitute 'indications of origin' or 'designations of origin' within the specific meaning of those legal terms under Community law at the time when the Directive was adopted.

38. The terms 'indications of origin' and 'designations of origin' had a precise meaning in Community law well before they were defined by the Community legislature in Council Regulation (EEC) No 2081/92¹⁰ at least in the sector of agricultural products and foodstuffs.

Indeed, if the Community legislature had intended to exclude indications which simply designate geographical origin, it would have referred to signs which *designate* such origin, because that is the primary function of geographical indications both in the current language and in trade. The fact that the Directive uses the circumlocution 'which may serve, in trade, to designate ...' in my view denotes

39. The Court has, in its case-law, stated what is meant by these terms, particularly when interpreting Article 36 of the EC Treaty. In the cases concerned, the question which arose was whether restrictions on the free movement of goods imposed by national law could be justified on grounds of the protection of rights which constitute the specific subject-matter of industrial and commercial property, and in particular 'indications of origin' and 'designations of origin'.

10 — Regulation of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1).

Other Community texts also contain provisions relating to geographical indications and designations of origin, particularly in the wine sector, such as Article 2(3)(s) of Commission Directive 70/50/EEC of 22 December 1969 based on the provisions of Article 33(7), on the abolition of which measures have an effect equivalent to quantitative restrictions on imports and are not covered by other provisions adopted in pursuance of the EEC Treaty (OJ, English Special Edition 1970 (I), p. 17) and Article 6(5) of Council Regulation (EEC) No 2333/92 of 13 July 1992 laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines (OJ 1992 L 231, p. 9).

9 — In the sense that there is no causal link between the 'designator' and the 'designee' (see Saussure, F., *Cours de linguistique générale*, ed. T. de Mauro, Payot, Paris, 1987, p. 100).

40. Thus, in its judgment in *Commission v Germany*,¹¹ the Court held that: 'Whatever the factors which may distinguish them, the registered designations of origin and indirect indications of origin referred to in that directive always describe at the least a product coming from a specific geographical area.

To the extent to which these appellations are protected by law they must satisfy the objectives of such protection, in particular the need to ensure not only that the interests of the producers concerned are safeguarded against unfair competition, but also that consumers are protected against information which may mislead them.

These appellations only fulfil their specific purpose if the product which they describe does in fact possess qualities and characteristics which are due to the fact that it originated in a specific geographical area.

As regards indications of origin in particular, the geographical area of origin of a product

must confer on it a specific quality and specific characteristics of such a nature as to distinguish it from all other products' (point 7).

41. Furthermore, in its judgment in *Prantl*,¹² which was clarified by its judgment in *Exportur*,¹³ the Court acknowledged that a bottle containing a product could constitute an 'indirect designation of geographical origin' (the case related to the 'Bocksbeutel' used by wine growers in Franconia and Baden for the presentation of their wines). It is clear from that judgment that such an indication may be protected if it has been used for a long period of time by producers from a specific region in order to distinguish their products, but that Articles 30 and 36 of the EC Treaty prohibit national legislation allowing only certain domestic producers to use such bottles if similar bottles are also traditionally used by producers in other Member States, and have been for a long period of time, to market their wines.

42. In *Exportur*, to which I have just referred, the question arose whether French companies had the right to produce and sell in France confectionery for which they were using the names 'Alicante' and 'Jijona' (names of Spanish towns), which a Spanish company had been using for a long period of time to describe similar products manufactured by it.¹⁴ In the judgment given in that case, the Court drew the following distinction between the concept

11 — Case 12/74 [1975] ECR p. 181. In that judgment, the Court held, *inter alia*, that German measures limiting the use of the appellations 'Sekt' and 'Weinbrand' to wines produced in Germany from a specified proportion of German grapes were contrary to the provisions of Community law, including Article 2(3)(c) of Directive 70/50 (cited in footnote 10), which states that measures which 'confine names which are not indicative of origin or source to domestic products only' must be regarded as prohibited by Article 30 et seq. of the EC Treaty.

12 — Case 16/83 [1984] ECR 1299.

13 — Case C-3/91 [1992] ECR I-5529, paragraphs 31 to 34.

14 — The problem arose because under the Franco-Spanish Convention of 1973 on the protection of designations of origin, indications of provenance and names of certain products, the names 'Alicante' and 'Jijona' could, in France, be used only for Spanish products and only under the conditions laid down by the Spanish legislation.

of ‘indications of provenance’ and ‘designations of origin’:

‘Indications of provenance (indications de provenance; indicaciones de procedencia) are intended to inform the consumer that the product bearing that indication comes from a particular place, region or country. A more or less considerable reputation may attach to that geographical provenance’ (paragraph 11).

By contrast, ‘A designation of origin (appellation d’origine; denominación de origen), for its part, guarantees, not only the geographical provenance of the product, but also that the goods have been manufactured according to quality requirements or manufacturing standards prescribed by an act of public authority and thus that they have certain specific characteristics’ (ibid.).

43. It is in the public interest for Community law to protect designations or indications of origin. Thus, a wine producer cannot be authorised to use, in descriptions relating to the method of production of his products, geographical indications which do not correspond to the actual provenance of the wine.¹⁵

44. The long process of defining the two terms in question, following a course which was largely charted by the case-law of the Court, culminated in Article 2 of Regulation No 2081/92, cited above,¹⁶ which provides the following Community definitions:

‘2. For the purposes of this regulation:

(a) “designation of origin”: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

— originating in that region, specific place or country, and

— the quality or characteristics of which are essentially or exclusively due to a particular geographical environment

¹⁵ — Case C-306/93 *SMW Winzersekt* [1994] ECR I-5555, paragraph 25.

¹⁶ — See point 38 above.

with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area;

- (b) "geographical indication": means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

— originating in that region, specific place or country, and

— which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.¹⁷

45. It follows from the foregoing considerations that, in Community law, and above all in the area of distinctive signs, which include trade marks, the concept of an 'indication of geographical origin' is a precise legal term and refers to the causal, direct and necessary link between goods and their place of origin. That causal link arises from the fact that the goods possess certain particular features, characteristics or qualities which are linked to their place of origin. Those specific characteristics may be the result of natural factors (such as raw materials, the soil or the climate in the region), of the method of manufacture or processing of the goods (such as traditional method of manufacture) or of human factors (such as a concentration of similar businesses in the same region, specialisation in the manufacture of certain products or quality maintenance at specified levels). Where the goods in question are more widely known, the place where they are manufactured also acquires a reputation, to the extent that, in the relevant circles, mention of the name of the place will subsequently evoke the goods or type of goods manufactured there (for example 'Limoges' or 'Meissen' for porcelain, 'Bordeaux' for wines, etc.).¹⁸ Furthermore, if the causal link described above between the place and the goods has been consolidated, the name of the place becomes the common property of producers based in the region which confers on them an exclusive right to use that name. That right is, as a general rule, recognised at national level and is also protected at Community level.

17 — I do not believe it necessary to emphasise that, although those definitions are valid 'for the purposes of this regulation', they are of general value and use.

18 — In these cases, the geographical term acquires a secondary metaphorical meaning in addition to its initial literal meaning. Sometimes the secondary meaning supersedes or replaces the first meaning, as in the case of the name 'Baccarat' which is discussed below.

46. None the less, as the plaintiff rightly maintains, Article 3(1)(c) of the Directive means that a geographical indication has a distinctive power and may lawfully constitute a trade mark designating the goods of a particular undertaking, provided that the choice of that indication is 'arbitrary' in the sense described above, that is to say, provided that it does not and *cannot* constitute an indication or designation of origin. The reason for this is that, if the choice is arbitrary, the perception of the geographical term will not give rise to any particular association in the mind of the public, but will have the same result as if any other purely invented term or name had been chosen.

By contrast, if the geographical indication is already well known because it is associated with certain goods, that is to say if a direct and necessary connection has already been created between the geographical indication and those goods, a single company may not arrogate to itself the exclusive right to turn it into a trade mark. It is sufficient for those purposes if, at the time of filing an application for the trade mark for which recognition is sought (or in some cases, at the time when a decision as to recognition is made), the conditions of fact to which protection of a geographical indication or of an indication or designation of origin is subject should be satisfied (manufacture in the relevant place of goods possessing certain characteristics), irrespective of whether the indication concerned is already legally registered. Indeed, according to the strict wording of the provision in ques-

tion, it is sufficient that the indication¹⁹ may 'serve, in trade, to designate ... geographical origin'.

47. To counter the argument set out above, the defendants rely on national legislation and case-law under which, as I have indicated, a geographical indication is in principle incapable of being accepted as a trade mark because it is descriptive and must remain available to all. Indeed, it would seem that the national court also adopts that line of argument.

48. In that respect, it should first of all be noted that the Court has consistently held that 'when applying national law, whether adopted before or after the directive, the national court which has to interpret that law must do so, as far as possible, in the light of the wording and the purpose of the directive so as to achieve the result which the directive has in view'.²⁰ That is particularly so in this case because the Directive expressly excludes the parallel application of national provisions of law to trade marks (sixth recital).

19 — I say 'geographical indication' for the sake of brevity and because this case relates to a geographical indication. However, the same considerations apply in respect of a 'sign' which, according to the wording of Article 3(1)(c), may serve to designate geographical origin. In such cases, the sign constitutes an *indirect indication of geographical origin*, like the 'Bocksbeutel' bottles referred to above (point 41).

20 — Case C-352/95 *Phytheron International* [1997] ECR I-1729, paragraph 18.

49. In my view, the defendant's argument accords with the position as it was under certain national laws (including German law) on the registration of geographical indications as trade marks prior to adoption of the Directive: that position should now be relinquished. Before the Directive was adopted, the laws of the Member States basically followed one of two tendencies when concerned with the problem in point here. The first was *flexible*, allowing registration of geographical indications in principle subject to certain conditions which were in essence similar to those set out above (this was the case, in particular, under French, Italian and Benelux law). The other was *rigid* and did not in principle allow registration of geographical indications for reasons broadly similar to those given by the plaintiff (this was the case, in particular, under United Kingdom, German and Scandinavian law).²¹

An example illustrating the second tendency is the case of the term 'York' in which, in 1982, the House of Lords ultimately refused registration of a trade mark in respect of trailers containing the word 'York', on the ground *inter alia* that a geographical name is *prima facie* incapable of registration, and upheld the argument put forward by the administrative authority that 'it seems entirely reasonable to conclude that at some future date, if not now, trailers or semi-trailers ... may be made there [that is, in York]'.²²

21 — On this point, see Gevers, F., 'Geographical Names and Signs used as Trade Marks' in *European Intellectual Property Review*, 1990, vol. 12, p. 285, and Bonnet, G.: 'La marque constituée par un nom géographique en droit français' in *Semaine juridique*, 1990, II, p. 782.

22 — [1982] FSR 111; see also F. Gevers cited at footnote 21 above, p. 287.

Similarly, in Germany, an application to register the trade mark 'Nola' to distinguish diet foods and cereals was refused because there was an Italian town of the same name in an area where cereal was produced despite the fact that the average German consumer was unaware of that circumstance. On this point, the German court held that 'it was not wholly improbable that the [name] Nola might, in the future, be used as an indication of geographical origin. In particular, having regard to the increase in trade between Germany and Italy under the aegis of the common market, it was in competitors' interests that geographical names, even minor ones, should be able to be used freely by all'.²³

50. Although the national court and the defendants believe there is a 'need for the geographical indication to remain available to everybody' in the sense described above, that belief is misconceived and inconsistent with the Directive.

51. First of all, the only type of 'availability' recognised in the Directive is the requirement that the sign or indication in respect of which application is made for registration as a trade mark should be available in the sense that no other undertaking has appropriated it to distinguish identical or similar products at the material time, which is in principle the date of application for registration of the trade mark (Article 4). For these purposes, it is the factual circumstances actually pertaining at the

23 — BGH, 14.1.1963 (GRUR, 1963, p. 469). See, on this point, Rothschild, A., 'Les limites à la protection du nom géographique en tant que marque', mémoire de DESS, Strasbourg, 1985, pp. 38 and 39.

material time which are examined, without reference to hypothetical situations which might arise in the future. Therefore, assuming the other conditions are also satisfied, either there is *no* earlier trade mark, in which case the new mark must be registered, or there *is* an earlier trade mark, in which case, if it is valid, the new mark will be denied registration and, if it is invalid, the new trade mark will be registered, subject to any express provisions in the Directive to the contrary.

52. The same applies by analogy to cases such as this, where the proprietor of an earlier geographical trade mark applies for protection from a later mark. The new mark can only prevail if the earlier mark is invalid at the time when the objection filed by the proprietor of the earlier mark is dealt with (for instance, because it was void *ab initio* and has failed to gain acceptance in commercial transactions, or because, though valid initially, it subsequently became a generic term as a result of the inaction of the proprietor).²⁴

24 — One example is the name 'sherry', an anglicisation of the Spanish geographical term 'Jerez' which initially designated a wine originating in that part of Spain. However, as a result of the producers' inaction, the term was widely used by other producers and became generic (see, on this point, the Opinion of Advocate General Warner in Case 12/74, cited at footnote 11 above, p. 208).

That was not the case with the names of the products 'champagne' and 'cognac', manufactured in the regions of the same name in France. It may be noted that German wine growers were barred from using those terms as long ago as 1919 under Articles 274 and 275 of the Treaty of Versailles. That protection has been reinforced by Community legislation (see, for example, Article 6 of Council Regulation (EEC) No 3309/85 of 18 November 1985 (OJ 1985 L 320, p. 9), and now Article 6(5) of Council Regulation (EEC) No 2333/92 of 13 July 1992 (OJ 1992 L 231, p. 9), which prohibit producers of sparkling wines not entitled to use the designation 'champagne' from even referring to it indirectly, for example, by using the term 'méthode champenoise' (see, on this point, the judgment in *Winzersekt*, cited at footnote 15 above)).

53. Furthermore, the point of view which I have disputed above leaves room for uncertainty depending on whether a geographical indication must remain 'available' for use as a *trade mark* or as some other type of additional *indication* appearing on the goods. If the former, then that outlook is tainted by a serious contradiction in terms. For how can the person who first had the idea of using a geographical term be denied the right to use it *now* and, what is more, on grounds of principle, in order that the term may be available to competitors likely to materialise *in the future*?

54. If, on the other hand, 'availability' is understood to mean that the geographical term must remain available to any interested party for any legitimate use *other than* as a trade mark, the matter is fully covered by Article 6(1)(b) of the Directive as I will explain below.²⁵ If that is the case, however, it limits the effects of an existing right to a trade mark. In other words, the need for the geographical term to remain available to competitors for any use other than use as a trade mark does not by any means constitute a ground for denying the proprietor the right to the trade mark.

25 — See point 60 et seq. below.

(c) Characteristic

55. The interpretation suggested above is consistent with the third requirement of Article 3(1)(c), whereby the geographical origin must amount to a 'characteristic' of the goods. In my view, that term refers not simply to a property which is common to such goods, but to a specific feature which *characterises* and distinguishes them. So far as the origin of the goods is concerned, it should be noted that all goods have an origin, in the sense that they were manufactured somewhere. Hence the fact that the goods were manufactured somewhere can be taken for granted and is of no consequence in itself — likewise it can be taken for granted and is thus also of no consequence that the goods were manufactured by someone, at a particular time, in a particular way and so on. Accordingly, the fact that the goods were manufactured in a factory in market town A or in the industrial zone in town B does not in itself constitute a 'characteristic' of the goods in the sense which is of significance here, that is to say, a feature which is capable of identifying the goods and distinguishing them from other similar goods. The place, method and time of manufacture and the identity of the manufacturer all become noteworthy and 'characterise' the goods once they acquire a significance in the trade in their own right — for example, when they have already become renowned or acquired a reputation. That is because, as I have explained, goods connected with those features share in the renown, the reputation or simply the quality associated with the place, the method of manufacture or the name of the manufacturer.

56. In this case, as the national court confirms, the Chiemsee is principally known as

a holiday destination. Tourism and agriculture are practised in the surrounding area which, it should be remembered, is known as the Chiemgau, but the region is not known for the manufacture of textiles or clothing, or indeed sports clothing. Furthermore, at the time when the plaintiff's trade marks were registered, there were no other undertakings in the area using the trade mark legally for similar products.²⁶

In those circumstances, the plaintiff's choice of the indication 'Chiemsee' to designate its products was to my mind lawful under Article 3(1)(c) of the Directive. Indeed the term does not, in this case, appear to designate geographical origin, but simply to reinforce the positive and pleasant feelings kindled in a person's imagination by the image of a lake in a beautiful natural environment (like the memory or prospect of time spent close to nature or on holiday or doing sports).²⁷

57. Furthermore, there do not appear to be any grounds for refusal in this case other than those mentioned in Article 3(1). The plaintiff's choice of the geographical term 'Chiemsee' must therefore be considered to be

26 — The first defendant states in its written submissions that there are other undertakings in the lake region which use the name 'Chiemsee' to distinguish the clothes they produce. However, these facts do not appear in the order for reference and cannot therefore be validly relied on (see *Phytheron International*, cited at footnote 20 above, paragraphs 11 to 14).

27 — See Cases C-321/94, C-322/94, C-323/94 and C-324/94 *Pistre and Others* [1997] ECR I-2343, paragraphs 37 and 38.

sufficiently original and 'arbitrary' in the sense described above and thus to comply with Article 2. Therefore, even those of the plaintiff's trade marks which consist exclusively of the name are protected and confer exclusive rights of use on the plaintiff. In particular, they confer on the plaintiff the right to prevent the use of the defendants' trade marks at (a), (b) and (c) above, since those marks are either identical with or similar to the plaintiff's earlier marks and, in addition, are used in relation to identical or similar goods, with the result that there clearly exists a likelihood of confusion on the part of the public who might assume that all the goods covered by those trade marks originate from the same undertaking.

58. If the plaintiff's marks do not infringe Article 3(1), it is unnecessary to determine whether they have acquired a distinctive character 'following the use which has been made of [them]' under Article 3(3). This is because one of the criteria for the application of Article 3(3) is a requirement that the trade mark should have acquired a distinctive force subsequently, following the use made of it, that it initially lacked — which is not the case here.

59. Furthermore, since the indication 'Chiemsee' does not, on the facts of this case, fall within the grounds for refusal or invalidity set out in Article 3(1)(c), there is not, in my view, any reason to consider the problem raised by the third limb of the first question referred for a preliminary ruling, because that

question presupposes that the indications in question *do* fall within Article 3(1)(c).²⁸

60. By the second limb of the first question referred, the national court is asking whether account must be taken of Article 6(1)(b) of the Directive when interpreting Article 3(1)(c).

61. That question must be answered in the negative.

62. The purpose of Article 6 is to temper the effects of the exclusive rights in the trade mark conferred under Article 5 of the Directive. That means that the trade mark has already been registered and is protected. Therefore, it has been examined and found to satisfy the positive and negative requirements set out in Articles 2 and 3(1) of the Directive, which include the requirements laid down in Article 3(1)(c). The question whether Article 6 applies therefore only arises subsequently and Article 6 has no direct influence on the interpretation of Article 3(1)(c).

²⁸ — I would simply point out that, in order to decide whether a geographical indication is a designation of geographical origin, in the sense I have given to that term from Article 3(1)(c), account must be taken of the place where all or the essential part of the production, preparation or processing of the goods is carried out (see the definition in Article 2(2)(b) of Regulation No 2081/92).

63. The national court may be seeking guidance as to the limitations on protection of a mark validly consisting of a geographical indication vis-à-vis third parties who have an interest in using it in the context of their commercial transactions.

64. If so, it should be noted that third parties do not in any event have the right to use the indication as it is, on its own, as a trade mark because to do so would infringe the proprietor's exclusive rights. However, third parties are entitled to use indirect indications (for example, circumlocutions or images),²⁹ designating the same geographical origin or, if necessary, the geographical indication itself as an address in documentation or information other than the trade mark in relation to their products or their commercial activities in general, provided that they use it in accordance with honest practices in the relevant field of economic activity. Thus they are entitled to use the geographical indication as a geographical term (that is to say in its primary and literal meaning) in commercial correspondence, press advertisements, labelling of the product and so on.³⁰

In this respect, mention should be made of the fate which befell the name 'Baccarat'.

29 — For example, a photograph or video of the Chiemsee used as a background for advertisements, even if they are for goods similar to those of the plaintiff.

30 — For example, I see no reason to prohibit the sale in tourist shops around the lake of shirts or other souvenirs with the word 'Chiemsee' on them, which practice is very widespread in tourist areas. The question whether such sales should fulfil certain conditions is another matter (for example, a requirement could be imposed that use of the indication should be limited to what is absolutely necessary; that the products sold should bear a valid trade mark so as to avoid creating the impression that their trade mark is 'Chiemsee'; that the goods concerned should not be displayed near goods which validly bear a 'Chiemsee' trade mark; that the words should be printed in lettering which does not create confusion, and so on).

Baccarat is a village in Lorraine which was hardly known until several decades ago when a crystal glassworks was set up there which used the name of the village as a trade mark for its goods. The goods acquired a worldwide reputation with the result that, in the mind of the general public, the term 'Baccarat' designated the goods in question and not the village. Other crystal glassworks were set up in and around the village, one of which had its registered office at Baccarat and used that name in its correspondence. The French courts rightly held that protecting the proprietor's trade mark could not extend to preventing the second company from making legitimate use of the term concerned in the manner described.³¹

B — *Second question*

65. By its second question, the national court is essentially asking whether a geographical term which is not capable of registration as a trade mark in itself can none the less be registered because it has gained acceptance in trade circles by reason of its use and, furthermore, how such acceptance can be assessed.

31 — See Cour d'Appel (Court of Appeal), Nancy, judgment of 21 February 1980 (PIBD, 1980, III, 227), and Cour de Cassation (Chambre Commerciale) (Court of Cassation (Commercial Chamber)), judgment of 17 May 1982 (PIBD, 1982, No 312, III, 238). On this point, see Bonnet, G., *op. cit.* (footnote 21 above), p. 786, and Rothschild, A: *op. cit.* (footnote 23 above), p. 33.

66. As the background to these proceedings shows, in this case there is a conflict between the defendants' new marks in respect of which they seek recognition and the previously registered marks of the plaintiff.

67. It should first of all be noted that the provisions of Article 3(3) constitute an exception to paragraphs (b), (c) and (d) of Article 3(1). This means that in cases such as this, a mark consisting of a geographical indication which was incapable of registration or liable to be declared invalid on the ground that it was devoid of distinctive character and, more particularly, that it fell within Article 3(1)(c), became registrable and was no longer at risk of being declared invalid if it subsequently acquired distinctive character by reason of the use made of it. Therefore, in order for Article 3(3) to apply, the mark in question must fall within Article 3(1)(c).

68. I have already explained my view that the plaintiff's trade marks had a distinctive character from the outset and do not therefore fall within Article 3(1)(c). If that is correct, this is not a case to which Article 3(3) applies and there is therefore no need to reply to the second question referred to the Court. However, for the sake of completeness, I will briefly consider the problems raised by that question.

69. Both marks which in themselves have distinctive character and those which subsequently acquire it by reason of the use made

of them are capable of registration under the Directive because they fulfil, albeit by different means, the essential function of a trade mark which is to identify an undertaking's goods and to distinguish them from similar goods made by other undertakings.

70. The Directive does not explain what kind of 'use' is required for the trade mark to acquire a distinctive character. However, since such use results in the acquisition of a Community right, namely entitlement to a trade mark whose content and scope are wholly governed by the Directive, the concept of use has a Community input and must be interpreted uniformly throughout the Member States. It is essentially for this reason that the relevant provisions of the national laws of Member States cannot be taken into account. Thus, as the plaintiff and the Commission rightly state in their written observations, the proposition which holds sway under German case-law that geographical indications must remain available to all — which, incidentally, as mentioned above, is incompatible with the Directive — cannot be entertained. Similarly, the subtle distinctions drawn by German law between 'trade acceptance' and 'trade reputation' cannot be taken into account.

71. In my view, use should, *firstly*, have continued for a reasonable length of time, to be

left to the discretion of the national courts. That would enable the soundness of the mark to be tested and prevent a proliferation of marks which are used occasionally or periodically and have no serious prospect of enduring. In addition, it gives those with a legitimate interest sufficient time to raise any objections to or challenge the registration of the trade mark.

72. *Secondly*, the members of the public in the commercial sector concerned must believe the mark to distinguish a particular firm's products. Essentially consumers within the sector concerned, they also include, in principle, traders and undertakings selling similar products, as well as manufacturers of such products. However, those categories, and particularly the latter, must be treated with caution. That is because, mostly for reasons of competition, such people are liable to have a particular interest in the mark being registered or refused registration, in which case the position they adopt will be based on ulterior motives.³²

So far as the particular percentages to which the national court refers are concerned, the question must in principle be left to the discretion of the national court which will take whichever decision is appropriate according

32 — For example, a company which sells similar products may have an interest in the mark not being registered so that it can take advantage of some of its rival's customers until that rival puts its products back on the market under another trade mark. It is also likely that a company which is partially affected by the new trade mark may still be in favour of its being registered because that will do comparatively greater damage to a larger competitor.

to the circumstances. However, since Article 3(3) operates as a derogation, it calls for a strict interpretation. Since the problem relates more to the number and extent of the mark's target audience than to an assessment of the mark's value, quality and substance in general, serious consideration must also be given to quantitative criteria. In that respect, a percentage of at least 50% is, to my mind, a reasonable threshold below which the mark cannot be said to be established in the market place.

73. *Finally*, so far as the size of the mark's audience is concerned, it must be acknowledged that it is not sufficient for the public to be aware of the existence of another mark on the market. There must also be a belief that products bearing that mark are connected to a specific undertaking.³³

74. The specific types of evidence which may be adduced as proof that a mark is distinctive are, on the whole, laid down by the procedural provisions on evidence in force in the Member States, and it is for the national courts to assess the types of evidence concerned.³⁴ However, the autonomy of national

33 — Obviously, that does not mean that the belief must have taken hold solely through purchases of the product.

34 — See Case C-9/93 *IHT Internationale Heiztechnik and Danziger* [1994] ECR I-2789, paragraphs 18 to 20.

legal systems in matters of procedure is not unlimited where evidence is adduced to prove that a factual condition upon which the application of a Community rule depends is satisfied. Therefore, it must be accepted that certain general rules at least can be deduced from the overall scheme of the Directive.

75. First of all, the evidence adduced must be *sufficient*, that is to say, must correspond to the fact to be proved. In such a case, if the fact to be proved is not the commercial success of the product in the market place, but the mark's resonance with the public, that is to say, the perception of the relationship between the mark and a particular undertaking, the evidence adduced must enable the extent of such resonance and its intensity to be assessed. Accordingly, the type of evidence proposed by the plaintiff — such as the mark's turnover, advertising expenses or accounts published in the press — cannot be considered sufficient because those facts relate more to the financial status of the business than the problem at issue here. On the other hand, evidence of the kind proposed by the Commission — such as the opinion of the competent Chamber of Commerce, of professional organisations or of expert bodies — must be considered adequate.

76. Furthermore, it must be acknowledged that, whilst there may be several types of evidence which are in principle sufficient, it is not permissible to limit them from the outset either in practice or, *a fortiori*, by statutory provisions. Therefore, the propensity apparent from the decisions of the German courts to rely wholly or principally on surveys, cannot be considered to be compatible with the Directive. In conclusion, the parties must have the option of adducing evidence to support

or refute all facts of which they have knowledge. It is for the national court to assess the merits of the evidence adduced and, where appropriate, to accord greater weight to particular evidence.

77. So far as surveys, in particular, are concerned, they cannot be considered unsuitable,³⁵ but recourse must only be had to them sparingly and they must be treated with caution, especially so far as their representativity and objectivity is concerned.

For that reason, the organisation which carries out the survey must produce assurances as to the soundness and reliability of the survey relating to the institutional framework in which it operates (for instance, a university department), to specialist professional competence (such as its repute as an opinion pollster) or to the fact that it is the most appropriate body in the circumstances (such as an expert upon the choice of whom all parties are agreed).

Furthermore, both the representative sample of the population to whom questions are put and the questions themselves must satisfy the criteria set out above. If they do not, the survey may not be relied on either in whole or in part.

³⁵ — Cases 29/63, 31/63, 36/63, 39/63 to 47/63, 50/63 and 51/63 *Usines de la Providence* [1965] ECR 911, and Case 37/83 *Rewe-Zentral* [1984] ECR 1229.

VI — Conclusion

78. On the basis of the foregoing considerations, I propose that the Court should answer the questions referred for a preliminary ruling as follows:

- (1) A mark which is composed exclusively of a geographical term is not contrary to Article 3(1)(c) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks if the term is imaginary or unknown to the general public or if there is no direct and necessary link, between the goods designated by the mark and the geographical region to which the term refers, resulting essentially from the fact that that region is or may be known because similar goods which are valued by consumers for their distinctiveness or quality are already manufactured there.

- (2) A mark can acquire distinctive character within the meaning of the first sentence of Article 3(3) of Directive 89/104 if, in the view of the national court, the facts show that its use for a reasonable period of time prior to an application for registration being filed has led the consumers concerned to believe that the goods designated by the mark originate from a particular undertaking.