

OPINION OF ADVOCATE GENERAL

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delivered on 16 January 2008 ¹

I — Introduction

requirement of availability for the purposes of defining the scope of the rights of a trade mark proprietor.

1. The famous sports equipment manufacturer adidas and its Netherlands subsidiary are once again challenging² other undertakings regarding the use of certain signs similar to their well-known three-stripe trade mark, alleging that those undertakings have infringed their industrial property rights in that mark.

3. These proceedings essentially concern the struggle to make headway in a market where fierce rivalries are stoked by the vast profits which the companies involved expect to make. That explains why what the uninitiated would regard as a triviality — the battle to own the rights in two or three stripes, superimposed and coloured in a particular manner — takes on dramatic proportions when the contest unfolds in the sportswear market.

2. In the present case, adidas asserts its trade mark rights against other sellers of sportswear who seek to use a double stripe in contrasting colours to conceal and strengthen the seams of their garments. In the light of those facts, the Hoge Raad raises questions concerning the application of the

4. In a highly competitive world, stars' triumphs provide the best publicity for the sportswear companies which sponsor them, naturally through the payment of large sums of money. However, there have been runners — even long distance runners —

¹ — Original language: Spanish.

² — In the field of trade marks, adidas has been a party to the following proceedings: Case C-425/98 *Marca Mode* [2000] ECR I-4861 and Case C-408/01 *adidas-Salomon AG and adidas Benelux* [2003] ECR I-12537. With regard to the Community customs regime, see Case C-223/98 *adidas* [1999] ECR I-7081.

who have won barefoot, such as the Ethiopian Abebe Bikila.³

6. Under the heading ‘Signs of which a trade mark may consist’, Article 2 of the Directive provides for the registration 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.

II — The legal framework

5. First of all, I must state that, in view of the similarity between the provisions of Directive 89/104/EEC⁴ (‘the Directive’) and those of Regulation No 40/94 on the Community trade mark (‘the Regulation’),⁵ it is appropriate, for the purposes of interpreting the Directive, to refer to a number of judgments of the Court which concern articles of the Regulation.⁶

7. Article 3, which is headed ‘Grounds for refusal or invalidity’, lists those grounds specifically in paragraph 1:

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

- (a) signs which cannot constitute a trade mark;
- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks which consist exclusively of signs or indications which may serve,

3 — Shoeless, he won the gold medal for the marathon in the 1960 Summer Olympic Games in Rome and, wearing proper shoes, he took gold in the Tokyo Games in 1964. It is not clear whether he ran barefoot to go faster or to draw attention to the poverty of his continent of origin, being as he was the first African champion in the history of the Olympics of the modern era (http://de.wikipedia.org/wiki/Abebe_Bikila). Other sporting heroes have equalled his feat and today a number of Ethiopians, such as Haile Gebrselassie, still train with nothing on their feet (<http://www.elmundo.es/1997/02/24/deportes/24N0150.html>).

4 — First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

5 — Council Regulation (EC) No 40/94 of 20 December 1993 (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 amending Regulation (EC) No 40/94 on the Community trade mark for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83) and, most recently, by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1).

6 — Specifically, Articles 4, 7, 9 and 12 of the Regulation.

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;

- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

- (e) signs which consist exclusively of:

- the shape which results from the nature of the goods themselves, or
- the shape of goods which is necessary to obtain a technical result, or
- the shape which gives substantial value to the goods;

...'

8. Article 3(3) of the Directive governs the so-called acquisition of distinctive character through use of the sign, and is worded as follows:

'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.'

9. Under the heading 'Rights conferred by a trade mark', Article 5 of the Directive sets out the range of powers conferred on the holder of an industrial property right. In particular, paragraphs 1 and 2 read as follows:

'1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

- (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

- (b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.
- (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;

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.'

- (c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;

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

10. By contrast, Article 6 of the Directive governs the 'Limitation of the effects of a trade mark'. Article 6(1), which is material to the present reference for a preliminary ruling, provides that:

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

- (a) his own name or address;

III — The facts of the main proceedings and the questions referred for a preliminary ruling

11. By means of seven international and Benelux registrations, adidas AG became the proprietor in the latter territory of a number of figurative trade marks composed of three vertical parallel stripes of equal width, running the length of the sides, shoulders, sleeves, legs and side seams of a garment, in a

colour which contrasts with the basic colour of the garment. The signs are protected by registration in respect of sports and leisure clothing.

12. The aforesaid German company, which granted an exclusive licence for the distribution of its products in Benelux to its subsidiary adidas BV (hereinafter both referred to as 'adidas'), has brought an action concerning its rights against the textile sector undertakings Marca Mode, C&A, H&M and Vendex (hereinafter jointly referred to as 'the four defendant companies'), which also have establishments in the Netherlands.

13. In 1986, adidas ascertained that Marca Mode and C&A had begun to sell sports and leisure clothing featuring two vertical parallel stripes the colour of which contrasted with the basic colour of the clothing (black on white).

14. There was clearly some communication between the rival companies prior to the dispute, since it transpires from the order for reference that, before becoming parties to the proceedings, Marca Mode and C&A were not prepared to refrain from using the two clearly contrasting vertical parallel lines.

15. In an action for interim measures against H&M, and in a substantive action against Marca Mode and C&A, both brought before the Rechtbank (District Court) Breda ('the Rechtbank'), the appellant in cassation, alleging the infringement of its industrial property rights, requested the prohibition and withdrawal from use of a sign consisting of the figurative three-stripe trade mark or any other sign similar to the adidas figurative mark, such as the two stripes described above, used by the four defendant companies.

16. H&M, Marca Mode, C&A and Vendex contested those claims. First, by a counterclaim and, subsequently, by a separate action, the four defendant companies applied to the Rechtbank for a declaration that they are entitled to use two stripes as decoration on sports and leisure clothing.

17. The judge hearing the application for interim measures, in a decision of 2 October 1997, and the Rechtbank, which was seised of the main proceedings, by interlocutory decision of 13 October 1998, found that certain aspects of the trade mark rights of adidas had been infringed.

18. The four defendant companies then each lodged appeals against those two decisions

with the *Gerechtshof te 's-Hertogenbosch* (Regional Court of Appeal, Hertogenbosch; 'the *Gerechtshof*'), which joined the appeals of its own motion.

not be extended to other stripe motifs or to simple stripe designs, which must remain available to third parties since they constitute signs in common use, which, by their nature, do not lend themselves to monopolisation.

19. By judgment of 29 March 2005, the *Gerechtshof* dismissed the claims of adidas, the claims which *Marca Mode* and *C&A* had put forward in their counterclaim, and the claims made by the four defendant companies in a separate action, and also annulled the decision of 2 October 1997.

20. The *Gerechtshof* held that the conduct of the four defendant companies did not infringe the trade mark rights relied on by adidas. However, it did not give a declaratory ruling on the use of the two stripes, since, because they were too general, the actions brought failed to take into account the scope of protection of a trade mark, which is not static but subject to a number of factors which vary in time and space, which is of particular importance in assessing infringement.

21. The *Gerechtshof* took the view that it was not possible to describe the three-stripe mark as intrinsically strong, because in itself it has little distinctive character. However, by 1996, as a result of adidas' advertising efforts, the sign had acquired distinctive character through use, from which it followed that its protection had increased. Nevertheless, the *Gerechtshof* stated that that protection must

22. Adidas appealed in cassation to the *Hoge Raad* against the judgment of the *Gerechtshof*, alleging that that judgment was incorrect. While the *Gerechtshof* recognised the importance of availability for third parties which, according to the case-law of the Court, must be taken into consideration when examining the absolute grounds for refusal in Article 3 of Directive 89/104, it refused to consider any new arguments on the interpretation of the requirement of availability for the purposes of establishing the protection afforded to a trade mark when the sign does not come under one of those grounds for refusal in Article 3.

23. With regard to the appeal in cassation, the *Hoge Raad* accepts that adidas' three-stripe trade mark has acquired considerable distinctive character through widespread use. However, the referring court is uncertain as to the scope of protection of a mark composed of a sign which in itself lacked distinctive character for the purposes of Article 3(1)(c) of Directive 89/104, which obtained such character through use, and

which was subsequently registered. In particular, the Hoge Raad wishes to ascertain whether it is necessary to take account of the general interest in ensuring that the availability of certain signs is not unduly restricted for other traders who offer the goods or services concerned (*Freihaltebedürfnis*).

relevant public as being signs used to distinguish goods or merely to embellish them?

24. In those circumstances, the Hoge Raad stayed the proceedings and referred the following questions for a preliminary ruling:

- (3) Does it, further, make any difference whether the sign contested by the holder of a trade mark is devoid of distinctive character, within the terms of Article 3(1)(b) of the Directive, or contains a designation, within the terms of Article 3(1)(c) of the Directive?

- (1) In the determination of the extent to which protection should be given to a trade mark formed by a sign which does not in itself have any distinctive character or by a designation which corresponds to the description in Article 3(1)(c) of the Directive, but which has become a trade mark through the process of becoming customary and has been registered, should account be taken of the general interest in ensuring that the availability of given signs is not unduly restricted for other traders offering the goods or services concerned (*Freihaltebedürfnis*)?

IV — The procedure before the Court of Justice

25. The order for reference was received at the Court Registry on 21 February 2007. Written observations were lodged, within the period laid down in Article 23 of the Statute of the Court of Justice, by Marca Mode, H&M, adidas, the Italian and United Kingdom governments, and the Commission of the European Communities.

- (2) If the answer is in the affirmative: does it make any difference whether the signs which are referred to therein and which are to be held available are seen by the

26. At the hearing, held on 6 December 2007, the representatives of adidas, Marca Mode and H&M, and the agents of the

Italian Government, the United Kingdom Government and the Commission presented their oral arguments.

29. However, since the Hoge Raad has referred specifically to the requirement of availability as a criterion which may be useful for the interpretation of the provisions cited, Article 6(1)(b) of the Directive is of particular importance with regard to the outcome of the proceedings, because it both provides for limitations of trade mark rights, and its wording bears a certain resemblance to that of Article 3(1)(c) of the Directive, which concerns descriptive marks.

V — Analysis of the questions referred for a preliminary ruling

A — Overview

27. The referring court asks about the scope of protection of trade marks. In order to reply to that question, it is necessary to examine the limitations of the exercise of the rights conferred by that industrial property right, under Articles 5 and 6 of the Directive.

28. According to the case-file, the contested sign acquired distinctive character through the use made of it by adidas. Accordingly, it is necessary to have regard also to the rules applicable to signs which are not capable of registration, pursuant to Article 3(1)(b), (c) and (d) of the Directive.

30. In that connection, it is appropriate to point out to the referring court the need to establish whether adidas' sign in the main proceedings comes under Article 3(1)(b) or Article 3(1)(c) of the Directive, because, in contrast with subparagraph (c), the ground for refusal of registration or invalidity, as the case may be, laid down in subparagraph (b), does not fall within the limitations of trade mark rights referred to in Article 6(1). It follows from the foregoing that the outcome will be different depending on whether the mark in itself lacked distinctive character (governed by Article 3(1)(b) of the Directive) or whether it is an indication designating the product (Article 3(1)(c) of the Directive). However, owing to its factual nature, that assessment may be made only by the Hoge Raad or, if it is barred from examining the facts in an appeal in cassation, by the court whose judgment is the subject of the appeal.

31. In view of the close connection between those two questions, I agree with the Italian Government that it is advisable to consider them together, with particular emphasis on the first question in which the Netherlands court essentially asks whether the general

interest in keeping a particular sign available constitutes a factor to be taken into account when interpreting the extent of the rights conferred on the proprietor of a mark in an action for infringement of that right.

principle of German law', according to which, 'in addition to the impediments associated with a lack of distinctive character, there are also other public interest considerations which militate in favour of limiting the registration of certain signs so that they may be used freely by all operators'.⁹

32. Errors or omissions on my part excepted, although it has frequently referred to the requirement of availability, the Court⁷ has never carried out a detailed analysis of that legal principle of German origin. I therefore feel moved to undertake a more comprehensive examination which goes beyond the simple definition I have put forward in other opinions.

34. I drew attention, on the one hand, to the German origins of the principle, even using its German name (*Freihaltebedürfnis*),¹⁰ and, on the other, to its close connection with the general interest. However, in order to understand better that principle of national law, and its significance within the Community legal system, it is appropriate to explore its development in both legal orders.

B — Introduction: the requirement of availability

1. Origin: German law

33. In the Opinion in *Koninklijke*,⁸ I referred to the 'so-called "requirement of availability"

35. An investigation of the origins of the *Freihaltebedürfnis* principle leads back to the period when the *Warenzeichengesetz* (former German Law on trade marks;

7 — For example, principally in the judgments in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779; Case C-104/00 P *DKV* [2002] ECR I-7561; Joined Cases C-53/01, C-54/01 and C-55/01 *Linde and Others* [2003] ECR I-3161; and Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089.

8 — Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619.

9 — Paragraph 52 of the Opinion cited in the previous footnote.

10 — Academic lawyers writing in German do not differentiate between that term, used, for example, in Sosnitzas, O. and Fröhlich, S., 'Freihaltebedürfnis bei mehrdeutigen Zeichen — Unterschiede in der Beurteilung durch EuGH, BGH und BPatG?', *Markenrecht*, 09/2006, p. 383 et seq., and the variant *Freihaltungsbedürfnis*, used, for example, in Bender, A., 'Absolute Eintragungshindernisse — Art. 7 GMV', Ekey, F. and Klippel, D., *Heidelberger Kommentar zum Markenrecht*, C.F. Müller, Heidelberg, 2003, p. 893.

‘the WZG’) was in force.¹¹ In practice, it was thought that the wording of Paragraph 4(2)(1) was too concise, because it prohibited only the registration of signs composed exclusively of numbers, letters or words containing an indication of the kind, age, place of production, qualities, intended purpose, price, quantity or weight of the goods.¹²

36. To overcome a number of difficulties, the case-law which was developed extended the range of signs in respect of which registration is prohibited to include all signs whose individual function as a monopoly was considered to be contrary to the interests of competitors.¹³ That approach had an effect on the examination of trade mark applications, since a refusal based on the requirement of availability exempted the German authorities from assessing the distinctive character of the mark requested.¹⁴

37. The traditional German interpretation associated three adjectives with the principle of availability, requiring it to be real, current

and serious.¹⁵ Those attributes indicated that the principle must relate solely to the goods or services linked to the application for registration (real nature), must not represent a merely hypothetical or potential risk, although a future risk founded on verifiable, accurate data could be accepted (current), and must have a high degree of gravity and importance (serious).¹⁶

38. As a result of that German case-law and administrative practice,¹⁷ an applicant for a trade mark was required to prove that the sign had distinctive character and that it had not been reserved for the use of all competitors.¹⁸

39. In short, in German trade mark law, the *Freihaltebedürfnis* principle became an unwritten condition of trade mark applications,¹⁹ created by case-law and additional to the legal requirements imposed by the WZG.

11 — The 1936 law was substantially amended in 1968 (*Bekanntmachung* of 2 January 1968; BGBl. I, pp. 1 to 29), and that version was the immediate precursor of the new law, the *Markenrechtsreformgesetz* of 25 October 1994 (BGBl. I, p. 3082).

12 — I have followed the explanation of Ströbele, P., ‘Vom Freihaltungsbedürfnis zum Allgemeininteresse im Markenrecht’, Ahrens, H.-J., Bornkamm, J. and Kunz-Hallstein, H.-P., *Festschrift für Eike Ullmann*, juris GmbH, Saarbrücken, 2006, p. 425 et seq., 426. The same author also states that the German Bundesgerichtshof (Federal Court of Justice) extended the principle to Paragraph 8(2)(2) of the WZG.

13 — On the development of the *Freihaltebedürfnis* principle, see Fezer, K.-H., *Markenrecht*, C.H. Beck, 2nd edition, Munich, 1999, p. 402.

14 — Ströbele, P., *op. cit.*, p. 427.

15 — Eisenführ, G., ‘Artikel 12’, Eisenführ, G. and Schennen, D., *Gemeinschaftsmarkenverordnung — Kommentar*, Heymanns, Cologne, 2003, p. 230.

16 — Fezer, K.-H., *op. cit.*, p. 401 et seq., describes all those aspects at length.

17 — The Bundespatentgerichtshof (Federal Patents and Trade Marks Court) also adopted the guidelines laid down by the Bundesgerichtshof.

18 — Lobato, M., *Comentario a la Ley 17/2001, de marcas*, Thomson — Civitas, 2nd edition, Pamplona, 2007, p. 238.

19 — Ströbele, P., *op. cit.*, p. 429.

40. The amendment of the German legislation which took place in 1995 with the entry into force, on 1 January of that year, of the new Law on trade marks based on the Directive, affected the wording of Paragraph 4(2) of the WZG; as a result, the absolute grounds for refusal set out therein were inserted into Paragraph 8 of the new Law.

2. Incompatibility of the principle with Community law

41. In 1997, the Landgericht München I (Regional Court I of Munich) submitted a reference to the Court for a preliminary ruling in the *Windsurfing Chiemsee* case.²⁰ It is not surprising that, in the light of the 1995 legislation, the Bavarian referring court asked, inter alia, whether the *Freihaltebedürfnis* principle was compatible with Article 3(1)(c) of the Directive.

42. It is well-known that that dispute concerned geographical indications of origin, but that does not diminish the scope or importance of the statement of the Court to the effect that '... the application

of Article 3(1)(c) of the Directive does not depend on there being a real, current or serious need to leave [a sign or indication] free ... under German case-law...'²¹ a declaration which did not go unnoticed by German legal writers.²²

43. However, the Court did not reject outright the *Freihaltebedürfnis* principle, since it acknowledged the link between the principle and the general interest underlying the provision which the Landgericht München I had asked the Court to interpret.²³ That provides the basis for the view that the prohibition of registration of descriptive signs or indications as provided for in Article 3(1)(c) of the Directive reflects the aim of precluding the monopolisation of such signs or indications to ensure that the legitimate expectation of a company to use them freely is not infringed.²⁴

44. Since then, Community case-law has repeatedly drawn attention to the need to apply the principle of availability — which is inherent in the general interest — and has linked it to the abovementioned aim of ensuring that a mark or indication may continue to be used freely when deciding

21 — Paragraph 35 of the judgment in *Windsurfing Chiemsee*.

22 — Fezer, K.-H., op. cit., p. 402, had questioned whether the German case-law on *Freihaltebedürfnis* was applicable before the judgment in *Windsurfing Chiemsee*.

23 — Paragraphs 26 and 27 of the judgment in *Windsurfing Chiemsee*.

24 — Ströbele, P., op. cit., p. 431.

20 — Cited in footnote 7.

whether it is eligible for registration.²⁵ It has also extended that view to Article 3(1)(b) and (e).²⁶

the analysis of the questions referred for a preliminary ruling to an interpretation of Article 5 of the Directive, as advocated by the appellants in cassation and the United Kingdom Government in their written observations.

45. This is an appropriate point at which to conclude the analysis of the requirement of availability, since it is not worth considering minor factors which would be of no assistance in the analysis of the questions referred for a preliminary ruling by the Hoge Raad, and which might cloud understanding of this Opinion. It is now necessary, using the relevant knowledge gained about that principle, to examine Article 6 of the Directive in more detail, and to ascertain the extent to which it includes the principle as part of the general interest.

47. I am aware that there is a logical and systematic connection between Articles 5 and 6 of the Directive, which will in all likelihood have an interpretative influence on the final outcome, but it is essential to bear in mind Article 6(1) when it comes to determining the boundaries of the exercise of the *iusprohibendi* by the proprietor of a trade mark, in accordance with the heading of the article.²⁷ In addition, the copious case-law on Article 5 of the Directive would not suffice for the purposes of replying to the referring court, which, without referring to it, relies on Article 6 of that Community legislation.

C — Interpretation of Article 6(1) of the Directive

46. Before embarking on an analysis of this provision, I must point out that I am not persuaded by the view that the resolution of the main proceedings lies in restricting

48. Article 5 of the Directive sets out the rights of a trade mark proprietor. There are two arguments in favour of finding that the requirement of availability does not apply in that context. The first is the origin of the *Freihaltebedürfnis* principle, which is clearly linked to the registration of signs rather than to the scope of the exercise of the rights of the holder of the sign. The second argument concerns the scheme of the Directive, Article 6 of which expressly provides for the limitation of those rights; accordingly, allowing the principle of German law to be taken into account when interpreting

25 — As regards Article 3(1)(c) of the Directive, in addition to *Windsurfing Chiemsee* and *Linde*, see the judgments in Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 52, and Case C-218/01 *Henkel* [2004] ECR I-1725, paragraphs 40 and 41.

26 — As regards Article 3(1)(b) of the Directive, in addition to *Henkel v OHIM*, see the judgment in Case C-329/02 *SAT.1 v OHIM* [2004] ECR I-8317, paragraphs 26 and 27. Regarding Article 3(1)(e), in addition to *Libertel*, see the judgment in Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 80.

27 — Set out in point 10 of this Opinion.

Article 5 would entail the addition of an unwritten condition, which would be contrary to the principle of legal certainty and to the spirit of the Community provision.

49. Moreover, the clear similarities and the marked differences between Articles 3(1) and 6(1) of the Directive militate in favour of an analysis of both provisions, albeit one which does not focus on Article 6(1)(a) because that provision does not concern the substance of the questions referred and has been interpreted in detail in the recent case-law of the Court.²⁸

1. The exclusion of signs devoid of any distinctive character under Article 3(1)(b) of the Directive

50. A comparison of Article 3(1)(b) with Article 6(1) reveals important differences which are derived from the fact that Article 6 is aimed at precluding a proprietor from prohibiting the use of a trade mark by third parties, rather than at denying registration of a similar mark.

51. Accordingly, Article 6(1) includes as signs whose use the holder of the industrial property right may not prohibit: names (subparagraph (a)), descriptive signs (subparagraph (b)), and the use of the trade mark to indicate the intended purpose of the goods or services concerned (subparagraph (c)), provided that such use takes place ‘in accordance with honest practices in industrial or commercial matters’.

52. There is no reference to marks which are devoid of any distinctive character, as provided for in Article 3(1)(b). Since Article 3(3) makes it possible to register such marks, it is clear that, in those cases, the acquisition of distinctive character through use weakens the obstacle presented by the original defect of lack of distinctive character, and that the legislature recognises an effort by the proprietor of a mark to overcome that shortcoming by permitting him to object to use of the mark by competitors.

53. The reason for such a significant omission may be found in a view which I have espoused for some time, albeit in relation to the Regulation,²⁹ namely, that considerations of public interest militating in favour of denying registration to certain signs so that they may remain fully available for all

28 — Judgment in Case C-17/06 *Céline* [2007] ECR I-7041, paragraph 29 et seq.

29 — The following considerations are taken from the Opinion I delivered in *Henkel v OHIM*, cited above, in particular points 48 and 78 to 82.

operators (requirement of availability) may not be taken into account in connection with Article 7(1)(b) of the Regulation (Article 3(1)(b) of the Directive).

it comes from, or signs which are customary in the current language or in the bona fide and established practices of the trade.

54. That assertion is based on the fact that the purpose of the absolute ground for refusal in those provisions is to prohibit the registration of signs which are devoid of any real distinctive character, that is to say, those signs which the average consumer, who is reasonably well informed and reasonably observant and circumspect, cannot identify as reliably indicating commercial origin, since, as has been rightly pointed out, generic signs are the antithesis of trade marks.³⁰

56. However, that protection must not be extended to signs which, without being descriptive, are for other reasons devoid of any specific distinctive character. It would not be logical to assert that there is any general interest in maintaining in the public domain signs which are incapable of identifying the commercial origin of the goods or services which they designate. Accordingly, once a trader has achieved his wish of obtaining from an insignificant sign a trade mark which, through use and publicity, is recognised by the public, the nature of the industrial property right requires that he be rewarded for having succeeded in neutralising the sign's lack of distinctive character and making it suitable to fulfil the role of indicating the commercial origin of the goods or services. The transformation of a bagatelle into an intangible property right takes place by virtue of Article 3(3) of the Directive.

55. Subparagraphs (c), (d) and (e) of Article 7(1) of the Regulation (the same subparagraphs of Article 3(1) of the Directive) deal with the public interest in preventing certain operators from appropriating signs which are useful from an aesthetic or technical point of view, or apt to describe the product per se, its actual or supposed qualities and other characteristics, such as where

57. The foregoing considerations will assist the Hoge Raad if it takes the view, having regard to the factual uncertainty referred to in paragraph 30 of this Opinion, that the three stripes of adidas were initially devoid of any distinctive character within the meaning of Article 3(1)(b) of the Directive. Otherwise, should the Hoge Raad conclude that the three-stripe mark gives an indication of the qualities of the product, it will be necessary to embark on a detailed analysis of Article 6(1)(b) of the Directive.

30 — Fernández-Nóvoa, C., *El sistema comunitario de marcas*, Montecorvo, Madrid, 1995, p. 119, referring to the American system under which generic terms and trade marks are regarded as mutually exclusive.

2. The scope of Article 6(1)(b) of the Directive

objectives of the Treaty aimed at ensuring balanced, fair competition between traders.

58. The interpretation of this provision warrants a brief outline of the judgments of the Court which refer to it.

(a) Analysis of the case-law of the Court

59. In *BMW*,³¹ the Court considered the purpose of the provision which it found was to reconcile trade mark protection with the free movement of goods and freedom to provide services in the common market in such a way that trade mark rights play an essential role in the system of undistorted competition which the Treaty seeks to establish and maintain.³²

60. According to the Court, it is necessary to combine the exercise of the rights granted to the proprietor of industrial property with the

61. In *Windsurfing Chiemsee*, the referring court did not in fact request an interpretation of Article 6(1)(b) of the Directive but rather asked whether that provision has any bearing on the interpretation of Article 3 of the Directive. The Court replied to that question in the negative but described the *scope* of the former provision by going on to state that Article 6(1)(b) does not confer on third parties the right to use a geographical name as a trade mark but merely guarantees their right to use it descriptively, that is to say, as an indication of geographical origin, provided that it is used in accordance with honest practices in industrial and commercial matters.³³

62. As a result of that clarification, the use by competitors of a descriptive sign which has been accepted for registration is dependent on the twofold condition that those competitors do not use the sign as a trade mark and they respect honest commercial practices.³⁴

63. With regard to the *methodology* of the application of Article 6(1)(b), the Court provided some guidance in *Gerolsteiner Brunnen*. After noting that the provision draws no distinction between the possible

31 — Case C-63/97 [1999] ECR I-905.

32 — Paragraph 62 of the judgment in *BMW*, which in turn refers to the judgment in Case C-10/89 *Hag GF* [1990] ECR 3711, 'Hag II', paragraph 13.

33 — Paragraph 28 of the judgment in *Windsurfing Chiemsee*.

34 — That view was confirmed recently in the judgment in Case C-48/05 *Adam Opel* [2007] ECR I-1017, paragraph 43.

uses of the indications to which it refers, the Court stated, with regard to its function, that for such an indication to fall within the scope of the article, it suffices that it refers to one of the characteristics set out therein, like geographical origin.³⁵ Since it concerns questions of fact, the task of determining whether an indication falls within the scope of the provision falls to the national court, which must carry out an overall assessment of all the relevant circumstances.³⁶

64. Furthermore, it is important to recall that, according to settled case law,³⁷ the actions of third parties are measured by reference to the condition of ‘honest use’, which constitutes the expression of a duty to act fairly in relation to the legitimate interests of the trade mark proprietor, in particular the duty not to discredit or denigrate the mark.³⁸

65. None of those judgments makes any reference to the link between Article 6(1)(b) of the Directive and the requirement of availability. That oversight is, in part, offset by

two rulings, one in the field of the Community trade mark and the other concerning the question whether colours per se may be registered.

66. In the first of those cases,³⁹ Advocate General Jacobs linked the requirement of availability to the scope of Article 12 of the Regulation (the mirror image of Article 6 of the Directive).⁴⁰ The judgment in ‘*Baby-Dry*’ essentially followed the opinion,⁴¹ and inferred from Articles 7 and 12 of the Regulation taken together (Articles 3 and 6 of the Directive) that the purpose of the prohibition of registration of purely descriptive signs or indications as trade marks is to prevent protection on the register of signs or indications which, because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function.⁴²

67. In the second case, *Libertel*, the Court gave lukewarm approval to the *Frei-haltebedürfnis* principle. After accepting, in the field of Community trade mark law, ‘a public interest in not unduly restricting the availability of colours for the other traders’, the Court dismissed an argument put forward by the Commission, which, in

35 — Judgment in Case C-100/02 [2004] ECR I-691, paragraph 19.

36 — Judgment in *Gerolsteiner Brunnen*, paragraph 26.

37 — Judgments in Case C-228/03 *Gillette Company and Gillette Group Finland* [2005] ECR I-2337, paragraph 41 (hereinafter ‘*Gillette*’); *BMW*, paragraph 61, and *Gerolsteiner Brunnen*, paragraph 24.

38 — Judgment in *Gillette*, paragraph 44.

39 — Case C-383/99 P *Procter & Gamble v OHIM* [2001] ECR I-6251 (‘*Baby-Dry*’).

40 — Point 77 et seq. of his Opinion.

41 — In that assertion I agree with Eisenführ, G., op. cit., p. 230.

42 — Paragraph 37 of ‘*Baby-Dry*’.

all likelihood relying on the Opinion cited in the previous paragraph, maintained that the spirit of the requirement of availability surfaces in Article 6 of the Directive.⁴³

68. The Court detected in that idea the risk of proposing that there should be a minimal review of the absolute grounds for refusal in Article 3 of the Directive at the time when the application for registration is considered, any errors in which would be offset by the limitation of the exercise of trade mark rights by virtue of the requirement of availability under Article 6. The Court held that that proposal is tantamount to transferring the review of those grounds from the registration authorities to the judicial authorities, an approach which it regarded as incompatible with the scheme of the Directive which is founded on a review prior to registration, not on a posteriori review.⁴⁴

69. In short, the Court has not ruled on the requirement of availability as a criterion for the interpretation of Article 6 of the Directive, since, in the sections of the judgments summarised in the foregoing paragraphs, the Court merely dismissed an argument put forward by the Commission proposing the use of that legal principle *exclusively* within the context of that article, but did not express any opinion on its use as a criterion for limiting the rights of a trade mark proprietors.

70. Accordingly, it is necessary to put forward a legal solution to that difficulty.

(b) The solution proposed

71. I have already referred to the similarities between Articles 3(1) and 6(1) of the Directive. Likewise, I have pointed out the difference between those articles in terms of the scheme of the Directive, in that the former governs access to registration while the latter concerns the exercise of the *ius prohibendi* by the holder of a mark.

72. However, the remarkable similarity between the wording of subparagraphs (c) and (b) respectively, of the two provisions cannot be overlooked. With the exception of the phrase 'which consist exclusively of' in Article 3(1)(c), the wording is identical.

73. The reason for the aforementioned difference is that, in so far as Article 3 refers to registration, it may be inferred from a contrary interpretation that it is possible to register complex signs consisting, inter alia, of descriptive indications within the meaning of Article 3(1)(c). However, that exception

43 — Paragraph 57 et seq. of the judgment in *Libertel*.

44 — Paragraphs 58 and 59 of the judgment in *Libertel*.

loses all relevance in connection with the exercise of the rights of a trade mark proprietor under Article 6, which is aimed simply at ensuring that any sign covered by one of the cases in Article 6(1)(c) remains available for all traders. Article 5 of the Directive applies without restriction to the other aspects of complex trade marks.

a mark which, under a strict application of the criteria, would be available for everyone. The fact that the mark has subsequently been monopolised, because it is part of a complex sign or in error,⁴⁵ cannot be invoked to the detriment of other economic operators who seek freely to use such descriptive indications, or to the detriment of the other group of individuals affected by the provision, in other words consumers, who seek transparent, truthful information which is exactly what those indications generally provide.⁴⁶

74. Furthermore, from the point of view of the scheme of the Directive, Article 6(1)(b) is one of a group of three of its provisions, which also include the examination of the grounds for refusal of registration and the examination of the grounds for invalidity. Accordingly, when determining whether a sign comes within any of the categories of indications in Article 6(1)(b), there is nothing in the Directive which implies that its effects are limited for a registered trade mark in relation to the effects of the application for registration or the grounds for invalidity, under the aegis of Article 3(1)(c).

76. The sacrifice which holders of an industrial property right are required to make in accordance with Article 6(1)(b) means that courts must seek to balance the rights conferred on those proprietors by Article 5 of the Directive with the opposing rights of the other traders and consumers. However, courts should not apply mechanically the principle that provisions which limit rights must be interpreted restrictively.

77. While also finding support in academic legal texts,⁴⁷ that approach is fully compatible

75. I also venture to propose that it is not even necessary to interpret Article 6 restrictively merely because it is a provision which limits rights, namely the ones conferred by Article 5 of the Directive. What is exceptional in that case is that it is possible to hold

45 — It has been rightly suggested that the large number of trade mark applications has resulted in the erroneous registration of generic or descriptive signs, due to the speed with which applications must be handled; Hacker, F., '§23', Ströbele, P. and Hacker, F., *Markengesetz*, Heymanns, 8th edition, Cologne, 2006, p. 917.

46 — Fernández-Nóvoa, C., *Tratado sobre Derecho de marcas*, Marcial Pons, Madrid, 2001, p. 367, correctly refers to consumers in that context, albeit in connection with Article 33 of the Spanish Law on Trade Marks.

47 — Academic writers have proposed with varying degrees of enthusiasm that that limitation of the rights of a trade mark proprietor should be assessed in a manner consistent with the requirement of availability. See Eisenführ, G., 'Artikel 7', Eisenführ, G and Schennen, D., op. cit., p. 113 et seq., and Fezer, K.-H., op. cit., p. 402.

with the case-law of the Court on the legislative purpose of the provision and its aim of reconciling the protection of trade mark rights with the fundamental principles of the common market in such a way that trade marks are able to fulfil their essential role in the system of undistorted competition.⁴⁸ However, it must be recalled that competitors are not authorised to use the indication as a trade mark but merely for descriptive purposes.⁴⁹

78. Accordingly, all those arguments indicate that it is appropriate to take account of the general interest, by means of the requirement of availability, including when assessing Article 6(1)(b) of the Directive.

79. Moreover, that finding does not appear to conflict with paragraph 57 et seq. of the judgment in *Libertel*, in which, as I have already explained, the Court did not provide a ruling on whether the *Freihaltebedürfnis* must be evaluated in the context of Article 6 of the Directive. Instead, the Court merely dismissed an argument put forward by the Commission to the effect that its application should be restricted *exclusively* to the scope of that article.

80. In short, the answer I propose to the questions referred for a preliminary ruling must state that it is necessary to invoke the requirement of availability for the purpose of establishing the scope of protection of a mark composed of a sign corresponding to one of the indications referred to in Article 3(1)(c) of the Directive, where that mark has acquired distinctive character through use and has been registered. However, it is not appropriate to rely on that principle where a sign lacked distinctive character in itself, as provided for in Article 3(1)(b), but subsequently acquired such character through use.

81. Finally, in reply to the second question referred by the Hoge Raad, it is necessary to state that the perception by the public of a sign subject to the requirement of availability has only limited relevance in the previous stage, namely, for the purposes of establishing whether the sign corresponds to any of the indications referred to in Article 6(1)(b) of the Directive.

82. If the average consumer regards the sign as having a merely decorative purpose, he would not identify the sign with the commercial origin of the goods or services, from which it follows that the sign would not be suitable for performing its principal function and its value as a mark would therefore be called into question.⁵⁰ Otherwise, if it were

48 — Judgments in *BMW*, paragraph 62, and *Gerolsteiner Brunnen*, paragraph 16.

49 — Judgment in *Windsurfing Chiemsee*, paragraph 28.

50 — Judgment in *adidas-Salomon and adidas Benelux*, paragraphs 39 to 41.

possible to deduce the origin of the goods and services, the contrary situation would arise.

83. Nevertheless, once it has been established that a sign concerns any of the indications or characteristics referred to in Article 6(1)(b) of the Directive, there is no indication that its perception by the consumer can have any influence on the interpretation of the general interest.

84. Accordingly, the answer proposed to the first question obviates any need to analyse the argument of H&M advocating the application of the *Freihaltebedürfnis* principle, at least in relation to signs registered before the entry into force of the Directive. That argument thus refers to the liberal practice of registration in Benelux in the period before the harmonisation of trade mark legislation, but that situation falls within the scope of the invalidity of marks without distinctive character which has little connection with the exercise of the rights conferred by Article 5 of the Directive and the limitation of those rights pursuant to Article 6(1)(b). It is therefore unnecessary for me to elaborate on the answer to the second question, in view of the outcome of my analysis.

VI — Conclusion

85. In the light of the foregoing considerations, I propose that the Court should reply to the Hoge Raad as follows:

‘To determine the scope of protection of a trade mark consisting of a sign which corresponds to one of the indications referred to in 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, but which has acquired distinctive character through use and has been registered, it is necessary to take account of the general interest in ensuring that the availability of certain signs is not unduly restricted for other traders offering similar goods or services.

However, where the same sign lacked distinctive character in itself but subsequently acquired such character through use, the rights of the trade mark proprietor must not be examined in the light of the requirement of availability.'