

European Court of Justice, 4 May 1999, Windsurfing Chiemsee



TRADEMARK LAW

DESCRIPTIVE TRADEMARKS

- **Aim – public interest**

Article 3(1)(c) of the Directive pursues an aim which is in the public interest that signs or indications may be freely used by all, including as collective marks or as part of complex or graphic marks

Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.

- **Geographical designation of origin**

Particularly the public interest as regards designation of origin, geographical names

As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.

- **The need to keep the mark free ('Freihaltebedürfnis')**

Not confined to graphical locations which are already famous or known, and are liable to be used in future as an indication

Article 3(1)(c) of the Directive is not confined to prohibiting the registration of geographical names as trade marks solely where they designate specified geographical locations which are already famous, or are known for the category of goods concerned, and which are therefore associated with those goods in the mind of the relevant class of persons, that is to say in the trade and amongst average consumers of that category of goods in the territory in respect of which registration is applied for. It is clear from the actual wording of Arti-

cle 3(1)(c), (...), that geographical names which are liable to be used by under-takings must remain available to such undertakings as indications of the geographical origin of the category of goods concerned. (...) 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 ('Freihaltebedürfnis') under German case-law, as outlined (...) this judgment. It does not prohibit the registration of geographical names as trade marks solely where the names designate places which are, in the mind of the relevant class of persons, currently associated with the category of goods in question; it also applies to geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods.

Assess whether it is reasonable to assume that such a name is capable of designating the geographical origin

Where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods;

in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the geographical name in question, with the characteristics of the place designated by that name, and with the category of goods concerned.

Manufacturing location irrelevant

It is not necessary for the goods to be manufactured in the geographical location in order for them to be associated with it.

DISTINCTIVE CHARACTER BY MEANS OF TRADE ACCEPTANCE

As originating from a particular undertaking

A trade mark acquires distinctive character following the use which has been made of it where the mark has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;

No differentiation as regards geographical designation of origin

It precludes differentiation as regards distinctiveness by reference to the perceived importance of keeping the geographical name available for use by other undertakings;

Overall assessment

In determining whether a trade mark has acquired distinctive character following the use which has been made of it, the competent authority must make an over-

all assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;

Distinctive character at significant proportion of the relevant class of persons

If the competent authority finds that a significant proportion of the relevant class of persons identify goods as originating from a particular undertaking because of the trade mark, it must hold the requirement for registering the mark to be satisfied;

Opinion poll acceptable

Where the competent authority has particular difficulty in assessing the distinctive character of a mark in respect of which registration is applied for, Community law does not preclude it from having recourse, under the conditions laid down by its own national law, to an opinion poll as guidance for its judgment.

Source: curia.europa.eu

European Court of Justice, 4 May 1999

(G.C. Rodríguez Iglesias, President, P.J.G. Kapteyn, J.-P. Puissechet, G. Hirsch and P. Jann, G.F. Mancini, J.C. Moitinho de Almeida, C. Gulmann and D.A.O. Edward)

JUDGMENT OF THE COURT

4 May 1999 (1)

(Directive 89/104/EEC — Trade marks — Geographical indications of origin)

In Joined Cases C-108/97 and C-109/97, REFERENCE to the Court under Article 234 EC (ex Article 177) by the Landgericht München I, Germany, for a preliminary ruling in the proceedings pending before that court between

Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) and

Boots- und Segelzubehör Walter Huber (C-108/97), Franz Attenberger (C-109/97)

on the interpretation of Articles 3(1)(c) and 3(3) of the 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),

THE COURT,

composed of: G.C. Rodríguez Iglesias, President, P.J.G. Kapteyn, J.-P. Puissechet, G. Hirsch and P. Jann (Presidents of Chambers), G.F. Mancini, J.C. Moitinho de Almeida, C. Gulmann (Rapporteur) and D.A.O. Edward, Judges,

Advocate General: G. Cosmas,

Registrar: H.A. Rühl, Principal Administrator,

after considering the written observations submitted on behalf of:

— Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC), by Stephan Gruber, Rechtsanwalt, Munich,

— Boots- und Segelzubehör Walter Huber, by Michael Nieder, Rechtsanwalt, Munich,

— Mr Attenberger, by Richard Schönwerth, Rechtsanwalt, Munich,

— the Italian Government, by Umberto Leanza, Head of the Legal Department of the Ministry of Foreign Affairs, acting as Agent, assisted by Oscar Fiumara, Avvocato dello Stato,

— the Commission of the European Communities, by Jan Berend Drijber, of its Legal Service, acting as Agent, assisted by Bertrand Wägenbaur, of the Brussels Bar,

having regard to the Report for the Hearing,

after hearing the oral observations of Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC), Boots- und Segelzubehör Walter Huber, Mr Attenberger and the Commission at the hearing on 3 March 1998,

after hearing the Opinion of the Advocate General at the sitting on 5 May 1998,

gives the following

Judgment

1. By two orders of 8 January 1997, received at the Court Registry on 14 March 1997, the Landgericht München I (Regional Court, Munich I) referred to the Court for a preliminary ruling under Article 234 EC (ex Article 177) a number of questions on the interpretation of Articles 3(1)(c) and 3(3) of the 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, hereinafter 'the Directive').

2. Those questions were raised in two sets of proceedings between Windsurfing Chiemsee Produktions- und Vertriebs GmbH (hereinafter 'Windsurfing Chiemsee'), on the one hand, and Boots- und Segelzubehör Walter Huber (hereinafter 'Huber') and Franz Attenberger, on the other, relating to the use by Huber and Mr Attenberger of the designation 'Chiemsee' for the sale of sportswear.

Community law

3. Article 2 of the Directive, entitled 'Signs of which a trade mark may consist', provides:

'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.'

4. Article 3 of the Directive, entitled 'Grounds for refusal or invalidity', provides

'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, 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;

(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;

...

(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin 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 registration¹.

5. Article 6 of the Directive, entitled 'Limitation of the effects of a trade mark', provides:

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

...

(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 matters².

6. Article 15(2) of the Directive provides, under the heading 'Special provisions in respect of collective marks, guarantee marks and certification marks':

'By way of derogation from Article 3(1)(c), Member States may provide that signs or indications which may serve, in trade, to designate the geographical origin of the goods or services may constitute collective, guarantee or certification marks. Such a mark does not entitle the proprietor to prohibit a third party from using in the course of trade such signs or indications, provided he uses them in accordance with honest practices in industrial or commercial matters; in particular, such a mark may not be invoked against a third party who is entitled to use a geographical name³.

National law

7. The Markengesetz (Law on Trade Marks), which has been applicable since 1 January 1995, transposed the Directive into German law. Under Section 8(2)(2) of the Markengesetz, trade marks 'which consist exclusively of ... indications which may serve in trade to designate the ... geographical origin ... or other characteristics of the goods' are to be refused registration.

8. Pursuant to Section 8(3) of the Markengesetz, Section 8(2)(2) does not apply '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 among the relevant class of persons⁴.

The main proceedings and the questions referred

9. The Chiemsee is the largest lake in Bavaria, with an area of 80 km². It is a tourist destination and surfing is

one of the activities carried on there. The surrounding area, called the 'Chiemgau', is primarily agricultural.

10. Windsurfing Chiemsee, which is based near the shores of the Chiemsee, sells sports fashion clothing, shoes and other sports goods which are designed by a sister company based in the same place, but are manufactured elsewhere. The goods bear the designation 'Chiemsee'. Between 1992 and 1994, Windsurfing Chiemsee registered that designation in Germany as a picture trade mark in the form of various graphic designs, in some cases with additional features or words such as 'Chiemsee Jeans' and 'Windsurfing — Chiemsee — Active Wear⁵.

11. According to the orders for reference, there is no German trade mark by which the word 'Chiemsee' as such is protected. The German registration authorities have hitherto regarded the word 'Chiemsee' as an indication which may serve to designate geographical origin and which is consequently incapable of registration as a trade mark. However, they have allowed the various particular graphic representations of the word 'Chiemsee' and the additional accompanying features to be registered as picture marks.

12. Huber has been selling sports clothing such as T-shirts and sweat-shirts since 1995 in a town situated near the shores of the Chiemsee. The clothing bears the designation 'Chiemsee', but this is depicted in a different graphic form from that of the trade marks which identify Windsurfing Chiemsee's products.

13. Mr Attenberger sells the same type of sports clothing in the Chiemsee area, also bearing the designation 'Chiemsee', but using different graphic forms and, for certain products, additional features different from those of Windsurfing Chiemsee.

14. In the main proceedings, Windsurfing Chiemsee challenges the use by Huber and Mr Attenberger of the name 'Chiemsee', claiming that, notwithstanding the differences in graphic representation of the marks on the products in question, there is a likelihood of confusion with its designation 'Chiemsee' with which, it claims, the public is familiar and which has in any case been in use since 1990.

15. The defendants in the main proceedings, on the other hand, contend that, since the word 'Chiemsee' is an indication which designates geographical origin and must consequently remain available, it is not capable of protection, and that using it in a different graphic form from that used by Windsurfing Chiemsee cannot create any likelihood of confusion.

16. The Landgericht München I makes the following observations in its orders for reference:

— if a mark consists of a descriptive indication within the meaning of Article 3(1)(c) of the Directive represented in an unusual graphic way, then the distinctive character of the mark and the extent to which it is protected are based only on the particular graphic components to be protected. Any likelihood of confusion can result only from a similarity between those components, not from any similarity between the descriptive elements;

— even if the competent authority has registered a trade mark only on the basis of a particular graphic form of a word which it regards as incapable of protection in itself, the court hearing an infringement dispute may take the view that the word itself is none the less entitled to protection and determine the 'overall impression' and distinctive character of the disputed mark differently from the registration authority;

— in order for the main proceedings to be decided, it must be determined whether and, if so, to what extent the interpretation of Article 3(1)(c) of the Directive is affected and restricted by a 'need to leave free' ('Freihaltebedürfnis'), which under German case-law must be a real, current or serious need. If it is unnecessary to have regard to or to evaluate a 'serious need to leave free', then the word 'Chiemsee' is automatically covered by Article 3(1)(c), because it may in any event serve to designate the geographical origin of clothing. If, however, consideration must be given to a 'serious need to leave free', then the fact that there is no textile industry on the shores of the Chiemsee must also be taken into account. The plaintiff's products may be designed there, but they are manufactured abroad;

— the question may also arise whether the word 'Chiemsee', can, following the use made of it, be protected as a trade mark without being registered under Section 4(2) of the *Markengesetz*. Since it follows that the requirements of Section 4(2) are fulfilled if those of Section 8(3) are fulfilled, Article 3(3) of the Directive, which constitutes the basis for Section 8(3), calls for interpretation;

— the question then arises whether Article 3(3) of the Directive implies that a sign is capable of registration when it has been used as a trade mark for a sufficient length of time and to a sufficient degree, such that a not inconsiderable proportion of the relevant circles view it as a trade mark or whether, as the German legislature has suggested by its use of the concept of 'trade acceptance' ('*Verkehrsdurchsetzung*') in Section 8(3) of the *Markengesetz*, the strict requirements which it has hitherto been German practice to impose continue to apply — which would suggest, *inter alia*, that the extent of 'trade acceptance' required varies according to how important it is for the designation to be left free ('*Freihalteinteresse*').

17. In those circumstances, the *Landgericht München I*, seeking guidance on the interpretation of the Directive, decided to stay proceedings and refer the following questions to the Court of Justice for a preliminary ruling:

'1. Questions on 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)?

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?

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

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

In particular, are the requirements the same in all cases, or are the requirements different according to the degree of the need to leave free?

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?'

18. By order of the President of the Court of 8 July 1997, the two cases were joined for the purposes of the written and oral procedure and the judgment.

Questions on Article 3(1)(c) of the Directive

19. By those questions, which may conveniently be considered together, the national court is essentially asking in what circumstances Article 3(1)(c) of the Directive precludes registration of a trade mark which consists exclusively of a geographical name. In particular, it is asking:

— if the application of Article 3(1)(c) depends on whether there is a real, current or serious need to leave the sign or indication free; and

— what connection there must be between the geographical location and the goods in respect of which registration of the geographical name for that location as a trade mark is applied for.

20. *Windsurfing Chiemsee* claims that Article 3(1)(c) of the Directive precludes registration of an indication of geographical origin as a trade mark only where the indication in fact designates a specified place, several undertakings manufacture the goods in respect of which protection is applied for in that place, and the place name is habitually used to designate the geographical origin of those goods.

21. *Huber* and *Mr Attenberger* contend that the fact that there is a serious possibility that a name may in future be used to designate geographical origin in the sector of the goods in question is sufficient to preclude registration of that name as a trade mark under Article

3(1)(c) of the Directive. That provision is not, in their view, directed exclusively at indications of origin which relate to manufacture of the goods.

22. The Italian Government submits that it must be left open to each undertaking to avail itself of the possibility of using, whether for manufacture or for trade, an indication of geographical origin to designate goods which are connected in any way with a particular place. The mere fact that the indication can be used to designate geographical origin is sufficient for Article 3(1)(c) to come into play and there does not appear to be any need for the possibility to be of a particular kind in order for that provision to apply.

23. The Commission considers that Article 3(1)(c) should be interpreted as meaning that the question whether there are grounds for refusing registration does not depend on the existence or otherwise in a particular case of a real or serious need to leave a sign or indication free for the benefit of third parties. In the case of sports fashion goods, the place or area where those goods were designed and, if relevant, where the undertaking which placed the order for their manufacture is based, are covered by indications of geographical origin under Article 3(1)(c).

24. It should first of all be observed that Article 3(1)(c) of the Directive provides that registration is to be refused in respect of descriptive marks, that is to say marks imposed exclusively of signs or indications which may serve to designate the characteristics of the categories of goods or services in respect of which registration is applied for.

25. However, Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.

26. As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.

27. The public interest underlying the provision which the national court has asked the Court to interpret is also evident in the fact that it is open to the Member States, under Article 15(2) of the Directive, to provide, by way of derogation from Article 3(1)(c), that signs or indications which may serve to designate the geographical origin of the goods may constitute collective marks.

28. In addition, Article 6(1)(b) of the Directive, to which the national court refers in its questions, does not

run counter to what has been stated as to the objective of Article 3(1)(c), nor does it have a decisive bearing on the interpretation of that provision. Indeed, Article 6(1)(b), which aims, inter alia, to resolve the problems posed by registration of a mark consisting wholly or partly of a geographical name, does not confer on third parties the right to use the 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.

29. Article 3(1)(c) of the Directive is not confined to prohibiting the registration of geographical names as trade marks solely where they designate specified geographical locations which are already famous, or are known for the category of goods concerned, and which are therefore associated with those goods in the mind of the relevant class of persons, that is to say in the trade and amongst average consumers of that category of goods in the territory in respect of which registration is applied for.

30. Indeed, it is clear from the actual wording of Article 3(1)(c), which refers to '... indications which may serve ... to designate ... geographical origin', that geographical names which are liable to be used by undertakings must remain available to such undertakings as indications of the geographical origin of the category of goods concerned.

31. Thus, under Article 3(1)(c) of the Directive, the competent authority must assess whether a geographical name in respect of which application for registration as a trade mark is made designates a place which is currently associated in the mind of the relevant class of persons with the category of goods concerned, or whether it is reasonable to assume that such an association may be established in the future.

32. In the latter case, when assessing whether the geographical name is capable, in the mind of the relevant class of persons, of designating the origin of the category of goods in question, regard must be had more particularly to the degree of familiarity amongst such persons with that name, with the characteristics of the place designated by the name, and with the category of goods concerned.

33. In that connection, Article 3(1)(c) of the Directive does not in principle preclude the registration of geographical names which are unknown to the relevant class of persons — or at least unknown as the designation of a geographical location — or of names in respect of which, because of the type of place they designate (say, a mountain or lake), such persons are unlikely to believe that the category of goods concerned originates there.

34. However, it cannot be ruled out that the name of a lake may serve to designate geographical origin within the meaning of Article 3(1)(c), even for goods such as those in the main proceedings, provided that the name could be understood by the relevant class of persons to include the shores of the lake or the surrounding area.

35. It follows from the foregoing 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 ('Freihaltebedürfnis') under German case-law, as outlined in the third indent of paragraph 16 of this judgment.

36. Finally, it is important to note that, whilst an indication of the geographical origin of goods to which Article 3(1)(c) of the Directive applies usually indicates the place where the goods were or could be manufactured, the connection between a category of goods and a geographical location might depend on other ties, such as the fact that the goods were conceived and designed in the geographical location concerned.

37. In view of the foregoing, the answer to the questions on Article 3(1)(c) of the Directive must be that Article 3(1)(c) is to be interpreted as meaning that:

— it does not prohibit the registration of geographical names as trade marks solely where the names designate places which are, in the mind of the relevant class of persons, currently associated with the category of goods in

question; it also applies to geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods;

— where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods;

— in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the geographical name in question, with the characteristics of the place designated by that name, and with the category of goods concerned;

— it is not necessary for the goods to be manufactured in the geographical location in order for them to be associated with it.

Questions on the first sentence of Article 3(3) of the Directive

38. By those questions, the national court is essentially asking what requirements must be met, for the purposes of the first sentence of Article 3(3) of the Directive, in order for a mark to have acquired distinctive character through use. In particular, it is asking whether those requirements differ according to the extent of the need to keep the mark free ('Freihaltebedürfnis'), and whether that provision lays down any requirements as to how distinctive character acquired through use is to be assessed.

39. Windsurfing Chiemsee claims that the degree of distinctive character required under Article 3(3) is the same as that initially required on registration of a mark, and that the concept of the need to keep a mark free is consequently of no relevance. It argues that there need not be specific trade acceptance amongst the relevant class of persons. When assessing distinctive character acquired through use, all the evidence must be admitted

and evaluated, including evidence relating to the turnover of the mark, advertising costs and press reports.

40. Huber contends that Article 3(3) of the Directive and Section 8(3) of the Markengesetz represent 'two sides of the same coin'. Where Article 3(3) refers to the result, that is to say the acquisition of distinctive character, Section 8(3) focuses on the way in which that result was achieved, namely trade acceptance of the mark amongst the relevant class of persons as a distinctive sign of the goods. Whether or not a descriptive name is registrable depends on the case in point and particularly on the importance of leaving the name free. The requirement that trade acceptance of descriptive names should extend to more than 50% of the relevant class of persons is compatible with Article 3(3) of the Directive. Huber

rather submits that the method to be used to assess trade acceptance of a mark is a matter for national law.

41. Mr Attenberger contends that the requirements as to distinctive character under Article 3(3) of the Directive differ from those under Article 3(1)(b), and that the concept of distinctive character is akin to that of 'trade acceptance' under Section 8(3) of the Markengesetz. In his submission, a descriptive mark acquires distinctive character through use if at least 50% of the relevant class of persons throughout the Member State under consideration recognise the sign used as an identifying commercial sign. The required degree of trade acceptance depends on how important it is for the sign to be left free. It is for the national court to determine, under the procedural provisions of its national law, the method by which distinctive character acquired through use is to be assessed.

42. The Italian Government contends that, where a mark containing a geographical name has acquired a single distinctive character through use unconnected with its graphic representation, there is no reason to deny the proprietor of that mark the broadest possible protection, even to the detriment of third parties. It should be left to the national court to make that assessment, which warrants caution in the absence of precise guidance from the Directive.

43. The Commission submits that a mark acquires distinctive character through use under Article 3(3) of the Directive if consumers regard the indication in question as a trade mark before an application for registration is made, and that the need to keep it free is of relatively little consequence in this respect. In addition, it argues that distinctive character must be assessed by examining each case individually, but that it need not be established that trade acceptance extends to over 50% of the relevant class of persons. In the Commission's view, account should be taken not only of opinion polls but also, for instance, of statements from chambers of commerce and industry, trade and professional associations and experts.

44. The first point to note is that Article 3(3) of the Directive provides that a sign may, through use, acquire a distinctive character which it initially lacked and thus be registered as a trade mark. It is therefore through the

use made of it that the sign acquires the distinctive character which is a prerequisite for its registration.

45. Article 3(3) therefore constitutes a major exception to the rule laid down in Articles 3(1)(b), (c) and (d), whereby registration is to be refused in relation to trade marks which are devoid of any distinctive character, descriptive marks, and marks which consist exclusively of indications which have become customary in the current language or in the bona fide and established practices of the trade.

46. Secondly, just as distinctive character is one of the general conditions for registering a trade mark under Article 3(1)(b), distinctive character acquired through use means that the mark must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings.

47. It follows that a geographical name may be registered as a trade mark if, following the use which has been made of it, it has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings. Where that is the case, the geographical designation has gained a new significance and its connotation, no longer purely descriptive, justifies its registration as a trade mark.

48. Windsurfing Chiemsee and the Commission are therefore right to assert that Article 3(3) does not permit any differentiation as regards distinctiveness by reference to the perceived importance of keeping the geographical name available for use by other undertakings.

49. In determining whether a mark has acquired distinctive character following the use made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings.

50. In that connection, regard must be had in particular to the specific nature of the geographical name in question. Indeed, where a geographical name is very well known, it can acquire distinctive character under Article 3(3) of the Directive only if there has been long-standing and intensive use of the mark by the undertaking applying for registration. A fortiori, where a name is already familiar as an indication of geographical origin in relation to a certain category of goods, an undertaking applying for registration of the name in respect of goods in that category must show that the use of the mark — both long-standing and intensive — is particularly well established.

51. In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of

persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.

52. If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied. However, the circumstances in which that requirement may

regarded as satisfied cannot be shown to exist solely by reference to general, abstract data such as predetermined percentages.

53. As regards the method to be used to assess the distinctive character of a mark in respect of which registration is applied for, Community law does not preclude the competent authority, where it has particular difficulty in that connection, from having recourse, under the conditions laid down by its own national law, to an opinion poll as guidance for its judgment (see, to that effect, [Case C-210/96 Gut Springenheide and Tusky \[1998\] ECR I-4657, paragraph 37](#)).

54. In the light of the foregoing, the answer to the questions on the first sentence of Article 3(3) of the Directive must be that Article 3(3) is to be interpreted as meaning that:

— a trade mark acquires distinctive character following the use which has been made of it where the mark has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;

— it precludes differentiation as regards distinctiveness by reference to the perceived importance of keeping the geographical name available for use by other undertakings;

— in determining whether a trade mark has acquired distinctive character following the use which has been made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;

— if the competent authority finds that a significant proportion of the relevant class of persons identify goods as originating from a particular undertaking because of the trade mark, it must hold the requirement for registering the mark to be satisfied;

— where the competent authority has particular difficulty in assessing the distinctive character of a mark in respect of which registration is applied for, Community law does not preclude it from having recourse, under the conditions laid down by its own national law, to an opinion poll as guidance for its judgment.

Costs

55. The costs incurred by the Italian Government and by the Commission of the European Communities, which have submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties

to the main proceedings, a step in the proceedings pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT,

in answer to the questions referred to it by the Landgericht München I by orders of 8 January 1997, hereby rules:

1. Article 3(1)(c) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that:

— it does not prohibit the registration of geographical names as trade marks solely where the names designate places which are, in the mind of the relevant class of persons, currently associated with the category of goods in question; it also applies to geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods;

— where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods;

— in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the geographical name in question, with the characteristics of the place designated by that name, and with the category of goods concerned;

— it is not necessary for the goods to be manufactured in the geographical location in order for them to be associated with it.

2. The first sentence of Article 3(3) of the First Directive 89/104/EEC is to be interpreted as meaning that:

— a trade mark acquires distinctive character following the use which has been made of it where the mark has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;

— it precludes differentiation as regards distinctiveness by reference to the perceived importance of keeping the geographical name available for use by other undertakings;

— in determining whether a trade mark has acquired distinctive character following the use which has been made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;

— if the competent authority finds that a significant proportion of the relevant class of persons identify goods as originating from a particular undertaking because of the trade mark, it must hold the requirement for registering the mark to be satisfied;

— where the competent authority has particular difficulty in assessing the distinctive character of a mark in respect of which registration is applied for, Community law does not preclude it from having recourse, under the conditions laid down by its own national law, to an opinion poll as guidance for its judgment.
