

**European Court of Justice, 21 November 2002,  
Robelco v Robeco**



**TRADEMARK LAW – TRADENAME LAW**

**Protection of trademarks and tradenames**

• A Member State may, if it sees fit, and subject to such conditions as it may determine, protect a trade mark against use of a sign other than for the purposes of distinguishing goods or services, 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.

Where, as in the main proceedings, the sign is not used for the purposes of distinguishing goods or services, it is necessary to refer to the legal orders of the Member States to determine the extent and nature, if any, of the protection afforded to owners of trade marks who claim to be suffering damage as a result of use of that sign as a trade name or company name.

The reply to the first question must therefore be that Article 5(5) of the Directive must be interpreted as meaning that a Member State may, if it sees fit, and subject to such conditions as it may determine, protect a trade mark against use of a sign other than for the purposes of distinguishing goods or services, 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.

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**European Court of Justice, 21 November 2002**

(R. Schintgen, V. Skouris, F. Macken, N. Colneric and J.N. Cunha Rodrigues)

JUDGMENT OF THE COURT (Sixth Chamber)

21 November 2002 (1)

*(Directive 89/104/EEC - Article 5(5) - Provisions on protection against use of a sign other than for the purposes of distinguishing goods or services - Extent of such protection - Signs similar to the mark)*

In Case C-23/01,

REFERENCE to the Court under Article 234 EC by the Hof van Beroep te Brussel (Belgium) for a preliminary ruling in the proceedings pending before that court between

Robelco NV

and

Robeco Groep NV

on the interpretation of Article 5(5) of 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 (Sixth Chamber),

composed of: R. Schintgen, President of the Second Chamber, acting for the President of the Sixth Chamber, V. Skouris, F. Macken (Rapporteur), N. Colneric and J.N. Cunha Rodrigues, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: L. Hewlett, Principal Administrator,

after considering the written observations submitted on behalf of:

- Robelco NV, by J. Stuyck, advocaat,
- Robeco Groep NV, by P. Péters, advocaat,
- the Netherlands Government, by H.G. Sevenster, acting as Agent,
- the Commission of the European Communities, by K. Banks and H.M.H. Speyart, acting as Agents, having regard to the Report for the Hearing, after hearing the oral observations of Robelco NV, Robeco Groep NV and the Commission at the hearing on 5 March 2002,

after hearing the Opinion of the Advocate General at the sitting on 21 March 2002,

gives the following

**Judgment**

1. By a judgment of 15 January 2001, received at the Court on 22 January 2001, the Hof van Beroep te Brussel (Court of Appeal, Brussels) referred to the Court for a preliminary ruling under Article 234 EC two questions on the interpretation of Article 5(5) of 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 referred to as 'the Directive').

2. Those questions were raised in proceedings between Robelco NV and Robeco Groep NV in which the latter requested that the former be ordered to desist from using the name Robelco, or any other name similar to the name Robeco, inter alia as a trade name or company name.

**Legal background**

**Community legislation**

3. According to the first recital in its preamble, the purpose of the Directive is to approximate the laws of the Member States on trade marks in order to abolish existing disparities which may impede the free movement of goods and freedom to provide services and may distort competition within the common market.

4. However, as the third recital in its preamble makes clear, the Directive does not effect full-scale approximation of the trade mark laws of the Member States.

5. Article 5(1), (2) and (5) of the Directive, which is mainly concerned with determining the scope of the protection to be conferred by trade mark law, provides 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.

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.

...

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, 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.'

#### **The Benelux Uniform Law on trade marks**

6. Since 1971 this area of law has been governed in the three Member States of the Benelux by the Uniform Benelux Law on Trade Marks (hereinafter 'the UBL').

7. Article 13A(1) and (2) of the UBL, in the version in force until 31 December 1995, provided as follows:

'Without prejudice to any application of the ordinary law governing civil liability, the exclusive rights in a trade mark shall entitle the proprietor to oppose:

- 1. any use of the trade mark or a similar sign in respect of the goods for which the mark is registered or similar goods;
- 2. any other use of the trade mark or a similar sign in the course of trade and without due cause which would be liable to be detrimental to the owner of the trade mark'.

8. The UBL was amended with effect from 1 January 1996 by a Protocol signed on 2 December 1992, whose main purpose was to transpose the Directive.

9. Article 5 of the Directive was transposed by an amended version of Article 13A(1) of the UBL, which now provides as follows:

'Without prejudice to any application of the ordinary law governing civil liability, the exclusive rights in a trade mark shall entitle the proprietor to oppose:

- (a) any use, in the course of trade, of the mark in respect of the goods for which the mark is registered;
- (b) any use, in the course of trade, of the mark or a similar sign in respect of the goods for which the mark is registered or similar goods where there exists a risk of association on the part of the public between the sign and the mark;

(c) any use, in the course of trade and without due cause, of a trade mark which has a reputation in the Benelux countries or of a similar sign for goods which are not similar to those for which the trade mark is registered, where use of that sign would take unfair advantage of, or would be detrimental to, the distinctive character or the repute of the trade mark;

(d) any use, in the course of trade and without due cause, of a trade mark or of a similar sign other than for the purposes of distinguishing goods, 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'.

#### **The main proceedings and the questions referred for a preliminary ruling**

10. Robeco Groep NV is a Dutch group founded in 1929 which markets financial products and services. Its main activity is asset management. It currently manages funds of over NLG 180 000 million, has approximately 770 000 clients and employs around 1 500 staff. It has used the name Robeco, which is a condensed form of the words 'Rotterdams Beleggings Consortium', since 1959.

11. On 21 May 1987 the word 'Robeco' was registered as a word and figurative mark at the Benelux Trade Mark Office, together with a number of other marks in a series (including Rolinco, Rodamco, Roparco, Rotrusco). With one exception (Rodamco), those registrations are for services in Class 36 (financial and monetary matters, including services relating to saving and investing) of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

12. Robelco NV is a Belgian company set up on 20 November 1996 by two investment companies with a nominal share capital of BEF 6 million. The company's activity is for the most part based in the province of Vlaams-Brabant (Flemish Brabant) and involves property promotion (including purchases, sales, exchanges, leases, the supply of loans and the financing of property projects), particularly in the sphere of business parks and tailor-made projects. The company has expanded rapidly since its incorporation.

13. On 2 June 1999 Robeco Groep NV brought an action against Robelco NV before the Rechtbank van Koophandel te Brussel (Commercial Court, Brussels) (Belgium) for an order restraining the latter from making use of the name Robelco or of any sign similar to Robeco as a trade name or company name, on penalty of a payment of BEF 100 000 per day of delay. Robeco Groep NV contended, inter alia, that there had been an infringement of Article 13A(1)(d) of the UBL, as amended. On 9 February 2000 that court granted the application and prohibited Robelco NV from continuing to use its trade name or any sign similar to the name Robeco.

14. On 21 March 2000 Robelco NV appealed against that decision to the Hof van Beroep te Brussel. The appellant claimed that the application should be dismissed in its entirety on the ground that Robeco Groep NV was

in fact seeking trade mark protection under Article 13A(1)(b) of the UBL, as amended. In the alternative it argued that neither infringement of Article 13A(1)(d) of the UBL, as amended, nor damage to the trade name had been established.

15. The national court found first of all that there had been no infringement of Robeco Groep NV's rights in its trade name. It went on to hold that, whilst clearly displaying visual similarities, on an aural level the names Robelco and Robeco could not be regarded as similar for the purposes of Article 13A(1)(d) of the UBL, as amended. It further found that the two companies pursued different activities and operated in different geographical markets.

16. Finally the national court found, first, that Article 13A(1)(d) of the UBL, as amended, appeared to differ from Article 5(5) of the Directive. Unlike Article 5(5), Article 13A(1)(d) also covers use of a sign similar to the trade mark. Secondly, if the UBL, as amended, is consistent with Article 5(5) of the Directive, the national court questioned whether likelihood of confusion or similarity are material for the purposes of applying Article 5(5).

17. In those circumstances the Hof van Beroep te Brussel decided to stay proceedings and to refer the following questions to the Court for a preliminary ruling:

'(1) Must Article 5(5) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks be interpreted as meaning that the possibility laid down therein for protection by Member States can be afforded only against the use of a sign which is identical to the trade mark or can it also be afforded in that case against the use of a sign similar to the trade mark?

(2) If that protection can also be afforded against a sign similar to the trade mark, does unlawful similarity within the meaning of the abovementioned article require that confusion can arise as a consequence or is likelihood of association sufficient, in the sense that in the minds of those confronted by the trade mark and the sign one will suggest the other without any confusion resulting therefrom, or must no likelihood of association at all exist in that regard?'

#### **The first question**

18. By its first question the national court is essentially asking whether Article 5(5) of the Directive must be interpreted as meaning that a Member State must protect a trade mark only against the use, for purposes other than that of distinguishing goods or services, of a sign identical with the trade mark, or also against such use of a sign similar to the trade mark.

#### **Observations submitted to the Court**

19. According to Robelco NV, the purpose of Article 5(5) of the Directive is to permit a form of protection that is beyond the remit of trade mark law. The Benelux Member States thus availed themselves of the possibility of providing for more extensive protection than the minimal protection required under the Directive.

20. Robelco NV submits that it is not possible to determine from the wording of Article 5(5) of the Directive, which relates to the scope of the protection that the Member States may allow trade marks to confer, whether that protection is confined to use of an identical sign, or extends to use of a similar sign. Robelco NV none the less considers that the words 'a sign' and 'that sign' in that provision must be construed as referring to an identical sign.

21. According to Robelco NV, if that provision of the Directive was intended to allow protection against the use of a sign similar to a trade mark, marks without a reputation would, where they were used other than for the purposes of distinguishing goods or services, benefit from protection as extensive as that available for marks with a reputation under Article 5(2) of the Directive.

22. Robeco Groep NV argues that Articles 5(1) and 5(2) of the Directive refer to signs that are identical with or similar to the trade mark, whereas Article 5(5) of the Directive does not expressly define the parameters of the concept of the word 'sign'. However, according to Robeco Groep NV, it is common ground that the word 'sign' cannot be interpreted as referring exclusively to a sign identical to the mark, because the Directive did not explicitly exclude the possibility of protection for a sign similar to the mark.

23. In that connection Robeco Groep NV contends that Article 5(5) of the Directive refers back to the law of the Member States, so that the solution must be sought in the UBL, as amended, and not in the Directive. To the extent to which Article 13A(1)(d) of the UBL, as amended, did not accord the protection granted to trade marks under the corresponding provision of the original version of the UBL, it does not go beyond the possibilities available under Article 5(5) of the Directive.

24. The Netherlands Government considers that, in view of the circumstances in which the Directive was negotiated and the position under trade mark law in the Member States of the Benelux prior to its transposition, Article 5(5) of the Directive must be construed widely to apply to both identical and similar signs.

25. The Commission contends that the purpose of Article 5(5) of the Directive is not to provide a particular form of protection, or to permit such protection in a harmonised context, but categorically to exclude it from harmonisation of the law of trade mark protection. According to the Commission, it is clear from the working documents on the Directive that the purpose of Article 5(5) is to exclude from the scope of the Directive the question of the protection afforded by trade marks under the original version of the UBL against the use of a sign other than for the purpose of distinguishing goods or services. Therefore Article 5(5) of the Directive cannot serve as a source for interpreting a provision of national law in a manner consistent with the Directive, because, where a specific area is excluded from the scope of Community intervention, the duty of transposition and interpretation in a manner consistent with Community law does not apply to that area.

26. In the alternative, the Commission argues that Article 5(5) of the Directive does not make it clear that similarity between the sign in question and the registered trade mark is one of the factors that may result in infringement of the protection conferred by that provision. According to the Commission, whilst some connection between the trade mark and the sign is a condition for establishing such infringement, it is not clear from the wording of the Directive whether what is required is similarity, a likelihood of confusion or a likelihood of association.

#### **Findings of the Court**

27. It must be observed, as the Commission rightly pointed out, that it is clear from the wording of Article 5 of the Directive that the purpose of that provision is to harmonise the scope of the protection to be afforded to trade marks within the Community.

28. Thus, Article 5(1) of the Directive, which defines the content of exclusive rights in a trade mark, prohibits, at subparagraph (a), use of an identical sign for identical goods or services and, at subparagraph (b), use of an identical or similar sign for goods or services that are similar or identical where there is a likelihood of confusion, which includes the likelihood of association on the part of the relevant public.

29. Article 5(2) of the Directive provides that any Member State may extend that protection, by prohibiting the use of a sign identical with, or similar to, a trade mark which has a reputation in the Member State in relation to goods or services which are not similar to those for which the trade mark is registered, 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.

30. None the less, it is clear from Article 5(5) of the Directive that the harmonisation brought about by Article 5(1) to (4) does not affect national provisions relating to the protection of a sign against use other than for the purpose of distinguishing goods or services, where such use without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

31. It follows that reinforced protection of a trade mark's distinctive character or reputation against certain uses of a sign other than for the purpose of distinguishing goods or services is not covered by Community harmonisation.

32. That conclusion is confirmed first of all by the third recital in the preamble to the Directive which states that 'it does not appear to be necessary at present to undertake full-scale approximation of the trade mark laws of the Member States and it will be sufficient if approximation is limited to those national provisions of law which most directly affect the functioning of the internal market' and, secondly, by the sixth recital in the preamble which states that 'this Directive does not exclude the application to trade marks of provisions of law of the Member States other than trade mark law, such as the provisions relating to unfair competition, civil liability or consumer protection'.

33. It must be recalled that the purpose of the Directive, which is the first harmonising directive in the area of trade mark law, is, according to the first recital in the preamble thereto, to approximate the laws of Member States on trade marks in order to abolish existing disparities which may impede the free movement of goods and freedom to provide services. The Directive does not, however, as the third recital of the preamble makes clear, seek a full-scale approximation of those laws.

34. Accordingly, where, as in the main proceedings, the sign is not used for the purposes of distinguishing goods or services, it is necessary to refer to the legal orders of the Member States to determine the extent and nature, if any, of the protection afforded to owners of trade marks who claim to be suffering damage as a result of use of that sign as a trade name or company name.

35. The Member States may adopt no legislation in this area or they may, subject to such conditions as they may determine, require that the sign and the trade mark be either identical or similar, or that there be some other connection between them.

36. The reply to the first question must therefore be that Article 5(5) of the Directive must be interpreted as meaning that a Member State may, if it sees fit, and subject to such conditions as it may determine, protect a trade mark against use of a sign other than for the purposes of distinguishing goods or services, 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.

#### **The second question**

37. In view of the reply given to the first question there is no need to reply to the second question.

#### **Costs**

38. The costs incurred by the Netherlands Government and the Commission, 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 action pending before the national court, the decision on costs is a matter for that court.

#### **On those grounds,**

THE COURT (Sixth Chamber),

in answer to the questions referred to it by the Hof van Beroep te Brussel by judgment of 15 January 2001, hereby rules:

Article 5(5) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that a Member State may, if it sees fit, and subject to such conditions as it may determine, protect a trade mark against use of a sign other than for the purposes of distinguishing goods or services, 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.

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OPINION OF ADVOCATE GENERAL  
RUIZ-JARABO COLOMER  
delivered on 21 March 2002 (1)

Case C-23/01

Robelco NV

v

Robeco Groep NV

(Reference for a preliminary ruling from the Hof van Beroep te Brussel (Belgium))

(Trade mark - Protection against use of a sign otherwise than for the purpose of distinguishing - Signs similar to a mark - Risk of confusion)

1. This case seeks to establish whether First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks ('the Trade Mark Directive') (2) contains criteria for application of the provisions relating to protection against the misuse or unlawful use of a sign otherwise than for the purposes of distinguishing goods or services, within the meaning of Article 5(5) thereof.

#### Facts

2. The facts which form the background to this case are set out in the order for reference and may be stated as follows.

3. Robelco NV ('Robelco') was set up as a limited liability company (naamloze vennootschap), with the company name 'Robelco', on 20 November 1996 by two investment companies. The objects of the company comprise, inter alia:

- carrying out all forms of transaction directly or indirectly related to the purchase, sale, exchange, taking and granting on lease, construction, renovation, division into plots, management and development of all forms of immovable property;
- granting loans with or without a mortgage, financing property projects, provision of funding and services to undertakings and companies;
- all forms of property transaction, including renting and leasing.'

According to a number of brochures, Robelco is noted for its property-related activities in the sphere of business parks and tailor-made projects.

Robelco's initial share capital was BEF 6 million but at the end of 1998 its balance sheet recorded a balance of in excess of BEF 1 400 million.

4. Robeco Groep NV ('Robeco Groep'), which is engaged in asset management, came into existence as a Dutch financial group in 1929. It markets financial products and services, principally investment funds quoted on the stock market, and, at international level, it operates through banks and securities institutions.

The Rotterdam Beleggings Consortium began trading under the name 'Robeco' in 1959, since when it has registered a number of other words at the Benelux Trade Mark Office, including 'Robeco', 'Rorento', 'Rolinco', 'Rogiro', 'Rotrusco' and 'Roparco'. Those words were registered in Class 36, which covers financial and monetary matters and services relating to saving and investing.

In 1998, Robeco Groep managed more than NLG 170 000 million, the majority of which was on behalf of institutional investors.

It is common ground that the Robeco trade mark has a sizeable reputation with the Dutch public.

5. On 2 June 1999, Robeco Groep brought an action against Robelco for an order restraining the latter from making use of the sign Robelco, or of any sign similar to Robeco, as a trade name or company name, on penalty of a fine of BEF 100 000 per day of delay in complying with the order.

Robeco Groep claimed that there had been an infringement of Article 13A(1)(d) of the Uniform Benelux Law on Trade Marks (Benelux Merkenwet; 'the Uniform Law'), and stated that such an act was contrary to the principle of fair trading practices.

#### The judgment granted the application.

#### Relevant law

##### Community law

6. Article 5(1), (2) and (5) of the Trade Mark Directive provides:

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

(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.

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.

...

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, 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.'

##### National law

7. Since 1971, the three States of the Benelux Economic Union have been subject to the Uniform Law on Trade Marks. (3)

8. The original version of Article 13A(1) thereof was worded as follows:

'Without prejudice to any application of the ordinary law governing civil liability, the exclusive rights in a trade mark shall entitle the proprietor to oppose:

1. any use of the trade mark or a similar sign in respect of the goods for which the mark is registered or similar goods;

2. any other use of the trade mark or a similar sign in the course of trade and without due cause which would

be liable to be detrimental to the owner of the trade mark.'

9. The amended version of the Uniform Law, transposing the Trade Mark Directive, came into force on 1 January 1996.

10. Since that date, Article 13A(1) has provided as follows:

'Without prejudice to any application of the ordinary law governing civil liability, the exclusive rights in a trade mark shall entitle the proprietor to oppose:

(a) any use, in the course of trade, of the mark in respect of the goods for which the mark is registered;

(b) any use, in the course of trade, of the mark or a similar sign in respect of the goods for which the mark is registered or similar goods where there exists a risk of association on the part of the public between the sign and the mark;

(c) any use, in the course of trade and without due cause, of a trade mark which has a reputation in the Benelux countries or of a similar sign for goods which are not similar to those for which the trade mark is registered, where use of that sign would take unfair advantage of, or would be detrimental to, the distinctive character or the repute of the trade mark;

(d) any use, in the course of trade and without due cause, of a trade mark or of a similar sign other than for the purposes of distinguishing goods, 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.'

#### **The questions referred**

11. During the course of the appeal against the judgment at first instance, the Hof van Beroep (Court of Appeal), Brussels, referred the following questions to the Court of Justice for a preliminary ruling:

'(1) Must Article 5(5) of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks be interpreted as meaning that the possibility laid down therein for protection by Member States can be afforded only against the use of a sign which is identical to the trade mark or can it also be afforded in that case against the use of a sign similar to the trade mark?

(2) If that protection can also be afforded against a sign similar to the trade mark, does unlawful similarity within the meaning of the abovementioned article require that confusion can arise as a consequence or is likelihood of association sufficient, in the sense that in the minds of those confronted by the trade mark and the sign one will suggest the other without any confusion resulting therefrom, or must no likelihood of association at all exist in that regard?'

#### **Arguments of the parties**

12. Written observations were submitted by both parties to the proceedings and by the Commission.

13. Robeco Groep contends that the reply to the first question from the Belgian court should be that the word 'sign', as used in Article 5(5) of the Directive, refers to both identical and similar signs and that, under that provision, it is for national legislation to define the degree of similarity required.

14. In reply to the second question, Robeco Groep maintains that Article 5(5) of the Directive stipulates clearly the conditions which give rise to its application ('use without due cause' 'of a sign' 'which takes unfair advantage of, or is detrimental to, the trade mark') and asserts that it is not possible to infer any additional conditions, such as the likelihood of confusion or of association raised by the referring court.(4)

15. For its part, the focus of Robelco's argument is the distinction between the likelihood of confusion and the likelihood of mere association. Confusion exists where the public confuses the sign with the trade mark (direct confusion) or confuses the proprietor of the sign with the proprietor of the trade mark (indirect confusion). Mere association exists where the perception of the sign evokes the trade mark but does not become confused with it.

16. Robelco agrees that Article 5(5) of the Directive is not a provision of trade mark law. However, Robelco asserts that mere similarity is not sufficient and that, in order to activate the special type of protection concerned, the sign must be identical to the trade mark. To find otherwise would mean that it would be necessary to prove in each case that there exists a likelihood of confusion.

17. Robelco takes the view that the word 'sign' in Article 5(5) must be construed in the same way as it is in Article 5(1)(b); in other words, the sign must correspond to the trade mark. Robelco claims that that restrictive interpretation of the powers of the Member States accords with the harmonisation objective of the Directive. Otherwise, under Article 5(5), a sign without a reputation would be eligible for protection comparable to that afforded to a trade mark with a reputation under Article 5(2).

18. The Commission submits that the Court should reply that the purpose of Article 5(5) of the Directive is to exclude from harmonisation certain forms of protection which are afforded under the legal systems of the Member States, including the protection provided for in Article 13A(1)(d) of the Uniform Benelux Law on Trade Marks.

19. The Commission starts from the premiss that the referring court has described correctly the facts of the dispute - conflict between the proprietor of a trade mark and the proprietor of a company name, where there is no similarity between the goods or services concerned - as being the use of a sign otherwise than for the purposes of distinguishing goods or services, from which it follows that Article 5(5) is material.

20. From an analysis of the scheme of the provision, and in the light of the working documents, the Commission concludes that the scope of Article 5(5) falls completely outside the remit of Community harmonisation. Accordingly, the national court is entitled to interpret freely the relevant national measures in force.

21. In the alternative, the Commission proposes that the Court should declare that Article 5(5) of the Directive does not require any similarity between a sign and the trade mark concerned. Therefore, according to the Commission, the question is not whether there exists a

likelihood of confusion or of association but, rather, whether an unfair advantage is obtained owing to the distinctive character or the repute of the trade mark, or whether there is detriment to the trade mark.

**Analysis of the questions referred**

22. The Hof van Beroep seeks guidance on what degree of similarity between a sign and a trade mark is required to trigger the application of Article 5(5) of the Directive (first question) and on whether, for the same purposes, that similarity must be accompanied by a likelihood of confusion or of association (second question).

23. The doubts harboured by the national court do not stem from the wording of the Directive but rather from uncertainty about whether the provision was transposed correctly into Benelux law and about whether the legal practices developed prior to the entry into force of the Directive continue to apply.

24. Article 5 of the Trade Mark Directive, which is headed 'Rights conferred by a trade mark', sets out schematically the levels of protection available to a trade mark proprietor and creates a clear division of powers between those matters which fall within the harmonised Community sphere and those matters which continue to be governed by national law.

25. Article 5(1) defines the typical content of the exclusive rights in a trade mark, namely the entitlement to prohibit use of an identical sign for the same goods or services, as in the case of infringement (subparagraph (a)), and to prohibit use of a similar sign for goods or services which are also similar, where there is a likelihood of confusion, or merely of association, on the part of the public (subparagraph (b)).

26. That is the essential purpose of trade mark law: to protect the accuracy of the information which a registered sign provides about the commercial origin of specific goods.

27. Article 5(2) extends that protection to trade marks which have a reputation in a particular territory by permitting Member States to prohibit, in such cases, the use of a similar sign, even if there is no connection between the goods or services, where there is an attempt to take unfair advantage of the repute of the trade mark or where there is a likelihood of detriment to its proprietor. In that way, both the right of the public to be informed about the precise origin of the goods marketed to them and the right of the trade mark proprietor to protect its goodwill are safeguarded.

28. Article 5(5) excludes from the scope of the Directive provisions of national law which protect against use of a sign otherwise than for the purpose of distinguishing goods, where such use results in an unfair advantage on account of the reputation of the trade mark or its capacity to distinguish, or where it is detrimental to the trade mark.

29. The parties have explored, in varying depths, the application of Article 5(5) to trade mark law. Personally, I do not think that such an assessment has any fundamental importance. While their cognitive usefulness is undeniable, legal disciplines are always somewhat arbitrary and their boundaries ill-defined,

causing them to undergo frequent spatial and temporal alterations. Accordingly, although it may be appropriate to consider that trade mark law covers only those matters which relate essentially to the distinguishing function of trade marks, it is not unreasonable to imagine a wider category which encompasses the whole range of conflicts which might arise in relation to a trade mark.

30. It is important, however, in the sphere of trade marks, to delimit the boundary which separates the scope of application of Community law from that of national law. That boundary does not embody an attempt on the part of the Community legislature to separate trade mark law in the strict sense from other related disciplines, because it is well-known that the approximation of laws is not complete. (5)

31. Article 5 of the Directive establishes two boundaries, one positive and one negative. In the positive sense, the right to prohibit use of identical or similar signs for identical or similar products, where there is a likelihood of confusion, is a harmonised right of trade mark proprietors. In the negative sense, the strengthened protection of the distinctive character and goodwill of trade marks which have a reputation and the rules relating to use of a sign in a way which is not designed to identify the origin of goods or services are not subject to approximation at Community level.

32. I must admit to being somewhat puzzled by the wording of Article 5(5) of the Directive which, as the Commission has observed, appears to have been included primarily to accommodate a similar provision in the Benelux Uniform Law. (6) Where a sign is not used, directly or indirectly, subliminally or unintentionally, to identify goods or services, I fail to see what relevance it can have to trade for the purposes of trade mark law. The fact that the sign concerned is not used as a trade mark in the formal sense is another matter. If Article 5(5) were interpreted in that way, it could, for example, be relied on to exclude from harmonisation provisions of national law governing comparative advertising or the misuse of company names. (7)

33. The referring court has decided that it is faced with the second case, a conclusion not challenged by any of the parties. I will therefore restrict myself to that hypothesis. I have no evidence at my disposal which would lead me to an alternative view, nor does an analysis of the questions referred force me to conclude otherwise. However, the question whether, like a trade mark, a company name may be used, in the course of trade, to distinguish services in particular, and what bearing the reply to that question might have on Community law are issues which are both interesting and problematic. I believe that such an analysis would require an assessment of the practical effects of the different types of conduct concerned, rather than of predetermined categories. (8)

34. The situation where a sign is used otherwise than for the purpose of distinguishing the origin of goods or services is not covered by Article 5(1), which refers to the identification of goods and services, and is instead specifically caught by the reservation in favour of the

legislatures of the Member States laid down in Article 5(5). That area is outside the scope of the Directive, which, furthermore, and for the avoidance of any doubt, confers on the Member States the power to legislate on such matters.

35. It is also stipulated in the Directive that such a sign, if not used to distinguish goods or services, must be used to take advantage of the reputation of, or to the detriment of, a third party. That would be the most likely case in practical terms but, even without that requirement, I fail to see how the Directive could apply to a situation where a sign is used otherwise than for the purpose of distinguishing goods or services.

36. It is, however, beyond doubt that the reservation in Article 5(5) is not conditional on any other requirement. The provision makes no reference at all to the degree of similarity which the sign must display in relation to the trade mark. That being the case, it is clear that the Member States may adopt no legislation at all in that regard; alternatively, they may require a sign and a trade mark to be identical, they may determine that similarity, however minimal, will suffice, or equally they may specify any other conceivable connection.

37. There is no need to go into the silence in the legislation as to the nature of the connection between the sign concerned and the trade mark, as the referring court would wish. Nor is it appropriate to transpose to paragraph (5) the wording of the previous paragraphs of Article 5, or to compare its scope with that of paragraph (2), as Robelco claims.

38. First of all, defining what relationship must exist between a sign and a trade mark would lead inevitably, and with absolutely no basis in law, to a restriction of the freedom of action which the Council granted to the Member States in areas such as unfair competition, consumer protection and civil liability.

39. Second, although it is true that, for Article 5(1) and (2) of the Directive to apply, there must be a certain degree of similarity between the two signs concerned, it is equally true that the rationale of Article 5(5) is different, so that there are no grounds for transposing to the scope of provisions on trade mark protection, in the case of use of signs otherwise than for the purpose of distinguishing goods, elements which are justified on the basis that they do perform that function.

40. Finally, for similar reasons, it is not appropriate to compare the powers conferred on Member States under Article 5(2) with those referred to in Article 5(5), because the latter only apply to the restricted sphere of use of a sign otherwise than for the purposes of distinguishing goods and services.

41. I should also add that, in my opinion, there is nothing in the wording of Article 13A(1)(d) of the Uniform Law which would support the view that the Benelux legislature exceeded the powers expressly reserved to it under Community trade mark law.

#### **Conclusion**

In the light of the foregoing considerations, I propose that, in reply to the questions referred for a preliminary

ruling by the Hof van Beroep, Brussels, the Court of Justice should declare that:

'Article 5(5) of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks does not require a specific degree of similarity between a sign and the trade mark concerned, that being a matter which falls within the exclusive powers of the Member States.'

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1: - Original language: Spanish.

2: - OJ 1989 L 40, p. 1.

3: - See point 5, above.

4: - In the light of the judgment in Case C-251/95 Sabel [1997] ECR I-6191.

5: - As stated in the preamble to the Directive: '... it does not appear to be necessary at present to undertake full-scale approximation of the trade mark laws of the Member States and it will be sufficient if approximation is limited to those national provisions of law which most directly affect the functioning of the internal market' (third recital).

6: - Article 13A(1)1 of the original version of the Uniform Law. The current version of Article 13A(1)(d) follows the same idea but is based more on the terms of the Directive (see point 8 et seq. above).

7: - That does not apply to an advertisement concerning repair and maintenance of a particular make of car, in which case it must be considered that the mark is being used to identify the origin of the products to which the service relates (Case C-63/97 BMW [1999] ECR I-905, paragraphs 38 and 39).

8: - The Benelux Court decided that issue in its judgment in Case A87/3 Omnisport v Bauweraerts (Jurisprudence de la Cour de justice Benelux 1988, p. 90), holding that use of a company name is, in principle, not apt to distinguish products or services, as the public does not associate the company name with the goods sold or offered by the undertaking.

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