

European Court of Justice, 17 March 2005, Gillette v LA Laboratories



v



TRADEMARK LAW

Use by a third party where it is necessary to indicate the intended purpose of a product or service

- Use of the trade is necessary in order to indicate the intended purpose of a product where such use in practice constitutes the only means of providing the public with comprehensible and complete information.

That the lawfulness or otherwise of the use of the trade mark under Article 6(1)(c) of Directive 89/104 depends on whether that use is necessary to indicate the intended purpose of a product.

Use of the trade mark by a third party who is not its owner is necessary in order to indicate the intended purpose of a product marketed by that third party where such use in practice constitutes the only means of providing the public with comprehensible and complete information on that intended purpose in order to preserve the undistorted system of competition in the market for that product.

It is for the national court to determine whether, in the case in the main proceedings, such use is necessary, taking account of the nature of the public for which the product marketed by the third party in question is intended.

Since Article 6(1)(c) of Directive 89/104 makes no distinction between the possible intended purposes of products when assessing the lawfulness of the use of

the trade mark, the criteria for assessing the lawfulness of the use of a trade mark with accessories or spare parts in particular are thus no different from those applicable to other categories of possible intended purposes of the products.

- Use does not necessarily mean that it is presenting it as being of the same quality as, or having equivalent properties to, those of the product bearing the trade mark.

The fact that a third party uses a trade mark of which it is not the owner in order to indicate the intended purpose of the product which it markets does not necessarily mean that it is presenting it as being of the same quality as, or having equivalent properties to, those of the product bearing the trade mark. Whether there has been such a presentation depends on the facts of the case, and it is for the referring court to determine whether it has taken place by reference to the circumstances.

Whether the product marketed by the third party has been presented as being of the same quality as, or having equivalent properties to, the product whose trade mark is being used is a factor which the referring court must take into consideration when it verifies that such use is made in accordance with honest practices in industrial or commercial matters.

- Where a third party that uses a trade mark of which it is not the owner markets, such use falls within the scope of Article 6(1)(c) of Directive 89/104.

That, where a third party that uses a trade mark of which it is not the owner markets not only a spare part or an accessory but also the product itself with which the spare part or accessory is intended to be used, such use falls within the scope of Article 6(1)(c) of Directive 89/104 in so far as it is necessary to indicate the intended purpose of the product marketed by the latter and is made in accordance with honest practices in industrial and commercial matters.

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European Court of Justice, 17 March 2005

(A. Rosas, A. Borg Barthet, S. von Bahr, U. Löhmus and A. Ó Caoimh)

JUDGMENT OF THE COURT (Third Chamber)

17 March 2005 (1)

(Trade marks – Directive 89/104/EEC – Article 6(1)(c) – Limitations on the protection conferred by the trade mark – Use by a third party where it is necessary to indicate the intended purpose of a product or service)

In Case C-228/03,

REFERENCE for a preliminary ruling under Article 234 EC by the Korkein oikeus (Finland), by decision of 23 May 2003, received at the Court on 26 May 2003, in the proceedings

The Gillette Company,

Gillette Group Finland Oy

v

LA-Laboratories Ltd Oy,

THE COURT (Third Chamber),
composed of A. Rosas, President of the Chamber, A. Borg Barthet, S. von Bahr, U. Löhmus and A. Ó Caoimh (Rapporteur), Judges,
Advocate General: A. Tizzano,
Registrar: R. Grass,
having regard to the written procedure and following the hearing on 21 October 2004,
after considering the observations submitted on behalf of:

- The Gillette Company and Gillette Group Finland Oy, by R. Hilli and T. Groop, asianajajat,
 - LA-Laboratories Ltd Oy, by L. Latikka, hallituksen puheenjohtaja,
 - the Finnish Government by T. Pynnä, acting as Agent,
 - the United Kingdom Government, by C. Jackson, acting as Agent, assisted by M. Tappin, Barrister,
 - the Commission of the European Communities by M. Huttunen and N.B. Rasmussen, acting as Agents,
- after hearing the [Opinion of the Advocate General at the sitting on 9 December 2004](#),

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 6(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 (OJ 1989 L 40, p. 1).

2 The reference was made in a dispute between, on the one hand, The Gillette Company and Gillette Group Finland Oy ('Gillette Company', 'Gillette Group Finland' and, collectively, 'the Gillette companies') and, on the other, LA-Laboratories Ltd Oy ('LA-Laboratories'), concerning the latter's use of the Gillette and Sensor marks on the packaging of its products.

Legal background

Community provisions

3 According to the first recital in the preamble to Directive 89/104, the trade mark laws at present applicable in the Member States contain disparities which may impede the free movement of goods and freedom to provide services and may distort competition within the common market. According to that recital, it is therefore necessary, in view of the establishment and functioning of the internal market, to approximate the laws of Member States. The third recital 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.

4 The 10th recital of the directive states, inter alia, that the aim of the protection conferred by the registered trade mark is in particular to guarantee the trade mark as an indication of origin.

5 Article 5(1) of the directive provides:

'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.'

6 Article 5(3)(a) and (b) of Directive 89/104 provide:

'The following, inter alia, may be prohibited under paragraphs 1 and 2:

a) affixing the sign to the goods or to the packaging thereof;

b) offering the goods, or putting them on the market or stocking them for these purposes ...'

7 Article 6 of that directive, headed '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,

...

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.

...'

8 Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising (OJ 1984 L 250, p. 17), as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997 (JO 1997 L 290, p. 18) is designed, according to Article 1 thereof, to protect consumers, persons carrying on a trade or business or practising a craft or profession and the interests of the public in general against misleading advertising and the unfair consequences thereof and to lay down the conditions under which comparative advertising is permitted.

9 According to Article 3a(1) of that directive:

'Comparative advertising shall, as far as the comparison is concerned, be permitted when the following conditions are met:

...

d) it does not create confusion in the market place between the advertiser and a competitor or between the advertiser's trade marks, trade names, other distinguishing marks, goods or services and those of a competitor;

e) it does not discredit or denigrate the trade marks, trade names, other distinguishing marks, goods, services, activities, or circumstances of a competitor;

...

g) it does not take unfair advantage of the reputation of a trade mark, trade name or other distinguishing marks of a competitor or of the designation of origin of competing products;

h) it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.'

National provisions

10 In Finland, trade mark law is governed by the tavaramerkkilaki (Law on Trade Marks) (7/1964) of 10 January 1964, as amended by Law No 39/1993 of 25 January 1993 ('the tavaramerkkilaki').

11 Article 4(1) of the tavaramerkkilaki, concerning the content of the exclusive rights of the trade mark owner, provides:

'The right under Articles 1 to 3 of this law to affix a distinctive sign on one's goods means that no one other than the proprietor of the sign may, in the course of trade, use as a sign for his products references which could create confusion, whether on the goods or their packaging, in advertising or business documents or otherwise, including by word of mouth ...'

12 According to Article 4(2):

'It is regarded as unauthorised use for the purposes of the first subparagraph *inter alia* if a person, when putting on the market spare parts, accessories or the like which are suited to a third party's product, refers to that party's sign in a manner that is liable to create the impression that the product put on the market originates from the proprietor of the sign or that the proprietor has agreed to the use of the sign.'

The dispute in the main proceedings and the questions referred

13 Gillette Company secured the registration in Finland of the trade marks Gillette and Sensor for products falling within Class 8 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, namely: hand tools and implements (hand-operated); cutlery; side arms; razors. Gillette Group Finland, which holds the exclusive right to use those marks in Finland, has been marketing razors in that Member State, particularly razors composed of a handle and a replaceable blade and such blades on their own.

14 LA Laboratories also sells razors in Finland that are composed of a handle and a replaceable blade and blades on their own similar to those marketed by Gillette Group Finland. Those blades are sold under the mark Parason Flexor and their packaging has affixed to it a sticker with the words 'All Parason Flexor and Gillette Sensor handles are compatible with this blade'.

15 The order for reference shows that LA Laboratories was not authorised by a trade mark licence or any other contract to use the marks of which Gillette Company is the proprietor.

16 The Gillette companies brought an action before the Helsingin käräjäoikeus (Finland) (Court of First Instance of Helsinki) arguing that LA Laboratories had infringed the registered marks Gillette and Sensor. According to them, the practices of LA Laboratories created a link in the mind of consumers between the products marketed by the latter and those of the Gillette companies, or gave the impression that that company was authorised, by virtue of a licence or for another reason, to use the Gillette and Sensor marks, which was not the case.

17 In its judgment of 30 March 2000, the Helsingin käräjäoikeus held that, under Article 4(1) of the tavaramerkkilaki, the Gillette companies held the exclusive right to affix the Gillette and Sensor marks to their products and their packaging, and to use those marks in advertising. Therefore, by mentioning those marks in an eye-catching manner on the packaging of its products, LA Laboratories had infringed that exclusive right. The Helsingin käräjäoikeus further held that Article 4(2) of the tavaramerkkilaki, which provides for an exception to that principle of exclusivity, must be interpreted narrowly in the light of Article 6(1)(c) of Directive 89/104. In its view, that provision does not relate to the essential parts of a product but only to spare parts, accessories and other similar parts, which are compatible with the manufactured product or marketed by another person.

18 That court held that both the handle and the blade were to be regarded as essential parts of the razor and not as spare parts or accessories. It therefore held that the exception under Article 4(2) of the tavaramerkkilaki did not apply. On those grounds, that court decided to prohibit LA Laboratories from pursuing or renewing the infringement of the Gillette companies' rights over the Gillette and Sensor marks, and ordered that company, first, to remove and destroy the stickers used in Finland referring to those trade marks, and, second, to pay the Gillette companies a total of FIM 30 000 in damages for the harm suffered by them.

19 On appeal, the Helsingin hovioikeus (Court of Appeal of Helsinki), by a decision of 17 May 2001, held, first, that, where a razor of the type currently at issue in the main proceedings was composed of a handle and a blade, the consumer could replace that latter part by a new blade, sold separately. The latter, being in substitution for a former part of the razor, could therefore be regarded as a spare part within the meaning of Article 4(2) of the tavaramerkkilaki.

20 Secondly, that court held that the indication on the sticker affixed to the packaging of the razor blades marketed by LA Laboratories, to the effect that, besides being compatible with handles of the Parason Flexor type, those blades were also compatible with handles marketed by the Gillette companies, could be useful to the consumer and that LA Laboratories might therefore be able to demonstrate the need to mention the Gillette and Sensor trade marks on that sticker.

21 Thirdly, the Helsingin hovioikeus held that the packaging of razor blades marketed by LA Laboratories visibly bore the Parason and Flexor signs, unequivocally indicating the origin of the product. It further held that the reference to the Gillette and Sensor marks in small standard lettering on stickers of a relatively modest size affixed to the exterior of that packaging could not in any way have given the impression that there was a commercial connection between the Gillette companies and LA Laboratories, and that the latter had therefore referred to those marks in circumstances allowed by Article 4(2) of the tavaramerkkilaki. The Helsingin hovioikeus therefore

annulled the judgment of the Helsingin käräjäoikeus and dismissed the action brought by the Gillette companies.

22 The Gillette companies appealed to the Korkein oikeus, which took the view that the case raised questions as to the interpretation of Article 6(1)(c) of Directive 89/104 in relation to the criteria for determining whether, by its nature, a product is or is not comparable to a spare part or an accessory, in relation to the requirement that use of a mark belonging to another person must be necessary in order to indicate the intended purpose of a product, and in relation to the concept of honest practices in industrial or commercial matters, the interpretation of those provisions also having to take account of Directive 84/450.

23 In those circumstances, the Korkein oikeus decided to stay the proceedings and refer the following questions to the Court of Justice for a preliminary ruling:

‘When applying Article 6(1)(c) of the First Council Directive 89/104/EEC to approximate the laws of the Member States relating to trade marks:

1) What are the criteria

a) on the basis of which the question of regarding a product as a spare part or accessory is to be decided, and

b) on the basis of which those products to be regarded as other than spare parts and accessories which can also fall within the scope of the said subparagraph are to be determined?

2) Is the permissibility of the use of a third party’s trade mark to be assessed differently, depending on whether the product is like a spare part or accessory or whether it is a product which can fall within the scope of the said subparagraph on another basis?

3) How should the requirement that the use must be “necessary” to indicate the intended purpose of a product be interpreted? Can the criterion of necessity be satisfied even though it would in itself be possible to state the intended purpose without an express reference to the third party’s trade mark, by merely mentioning only for instance the technical principle of functioning of the product? What significance does it have in that case that the statement may be more difficult for consumers to understand if there is no express reference to the third party’s trade mark?

4) What factors should be taken into account when assessing use in accordance with honest commercial practice? Does mentioning a third party’s trade mark in connection with the marketing of one’s own product constitute a reference to the fact that the marketer’s own product corresponds, in quality and technically or as regards its other properties, to the product designated by the third party’s trade mark?

5) Does it affect the permissibility of the use of a third party’s trade mark that the economic operator who refers to the third party’s trade mark also markets, in addition to a spare part or accessory, a product of his own with which that spare part or accessory is intended to be used with?’

The first, second and third questions

24 In its first, second and third questions, which it will be convenient to examine together, the national court essentially asks what criteria must be used in interpreting the requirement that use by a third party of a trade mark of which he is not the owner must be necessary in order to indicate the intended purpose of a product, within the meaning of Article 6(1)(c) of Directive 89/104. The court also asks, first, according to what criteria products must be regarded as accessories or spare parts within the meaning of that provision and, second, whether the criteria for assessing the lawfulness of the use of the trade mark in relation to those latter products are different from those applicable to other products.

25 It should be noted as a preliminary point that trade mark rights are an essential element in the system of undistorted competition which the EC Treaty seeks to establish and maintain. Under such a system, an undertaking must be in a position to keep its customers by virtue of the quality of its products and services, something which is possible only if there are distinctive marks which enable customers to identify them (see, in particular, [Case C-10/89 Hag \[1990\] ECR I-3711](#), paragraph 13; [Case C-517/99 Merz & Krell \[2001\] ECR I-6959](#), paragraph 21, and [Case C-206/01 Arsenal Football Club \[2002\] ECR I-10273](#), paragraph 47).

26 In that context, the essential function of a trade mark is to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality (see, in particular, [Case 102/77 Hoffman-La Roche \[1978\] ECR 1139](#), paragraph 7, [Case C-299/99 Philips \[2002\] ECR I-5475](#), paragraph 30, and [Arsenal Football Club](#), paragraph 48).

27 Article 5 of Directive 89/104 defines the ‘[r]ights conferred by a trade mark’, while Article 6 contains rules on the ‘[l]imitation of the effects of a trade mark’.

28 According to the first sentence of Article 5(1) of Directive 89/104, the registered trade mark confers an exclusive right on its owner. In accordance with Article 5(1)(a), the holder of that exclusive right 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 the trade mark in relation to goods or services which are identical with those for which the trade mark is registered. Article 5(3) of that directive sets out in a non-exhaustive way the types of use which the owner may prohibit under Article 5(1).

29 It is important to note that, by limiting the effects of the rights which a trade mark owner derives from Article 5 of Directive 89/104, Article 6 seeks to reconcile the fundamental interests of trade mark protection with

those of free movement of goods and freedom to provide services in the common market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition which the Treaty seeks to establish and maintain (see, in particular, [Case C-63/97 BMW \[1999\] ECR I-905](#), paragraph 62, and Case C-100/02 Gerolsteiner Brunnen [2004] ECR I-0000, paragraph 16).

30 Firstly, according to Article 6(1)(c) of Directive 89/104, the trade mark owner may not prohibit a third party from using the mark in trade where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.

31 It should be noted that that provision does not lay down criteria for determining whether a given intended purpose of a product falls within its scope, but merely requires that use of the trade mark be necessary in order to indicate such a purpose.

32 Moreover, since the intended purpose of the products as accessories or spare parts is cited only by way of example, those doubtless being the usual situations in which it is necessary to use a trade mark in order to indicate the intended purpose of a product, the application of Article 6(1)(c) of Directive 89/104 is, as the United Kingdom Government and the Commission of the European Communities have rightly pointed out in their observations, not limited to those situations. Therefore, in the circumstances of the main proceedings, it is not necessary to determine whether a product must be regarded as an accessory or a spare part.

33 Secondly, it should be noted, on the one hand, that the Court has already held that use of a trade mark to inform the public that the advertiser is specialised in the sale, or that he carries out the repair and maintenance, of products bearing that trade mark which have been marketed under that mark by its owner or with his consent, constitutes a use indicating the intended purpose of a product within the meaning of Article 6(1)(c) of Directive 89/104 (see BMW, paragraphs 54 and 58 to 63). That information is necessary in order to preserve the system of undistorted competition in the market for that product or service.

34 The same applies to the case in the main proceedings, the marks of which the Gillette Company is the owner being used by a third party in order to provide the public with comprehensible and complete information as to the intended purpose of the product which it markets, that is to say as to its compatibility with the product which bears those trade marks.

35 In addition, it is sufficient to note that such use of a trade mark is necessary in cases where that information cannot in practice be communicated to the public by a third party without use being made of the trade mark of which the latter is not the owner (see, to that effect, BMW, paragraph 60). As the Advocate General has pointed out in points 64 and 71 of his Opinion, that use must in practice be the only means of providing such information.

36 In that respect, in order to determine whether other means of providing such information may be used, it is necessary to take into consideration, for example, the

possible existence of technical standards or norms generally used for the type of product marketed by the third party and known to the public for which that type of product is intended. Those norms, or other characteristics, must be capable of providing that public with comprehensible and full information on the intended purpose of the product marketed by that third party in order to preserve the system of undistorted competition on the market for that product.

37 It is for the national court to determine whether, in the circumstances of the case in the main proceedings, use of the trade mark is necessary, taking account of the requirements referred to in paragraphs 33 to 36 of this judgment and of the nature of the public for which the product marketed by LA Laboratories is intended.

38 Thirdly, Article 6(1)(c) of Directive 89/104 makes no distinction between the possible intended purposes of products when assessing the lawfulness of the use of a trade mark. The criteria for assessing the lawfulness of the use of a trade mark with accessories or spare parts in particular are thus no different from those applicable to other categories of possible intended purposes.

39 Having regard to the above considerations, the answer to the first, second and third questions must be that the lawfulness or otherwise of the use of the trade mark under Article 6(1)(c) of Directive 89/104 depends on whether that use is necessary to indicate the intended purpose of a product.

Use of the trade mark by a third party who is not its owner is necessary in order to indicate the intended purpose of a product marketed by that third party where such use in practice constitutes the only means of providing the public with comprehensible and complete information on that intended purpose in order to preserve the undistorted system of competition in the market for that product.

It is for the national court to determine whether, in the case in the main proceedings, such use is necessary, taking account of the nature of the public for which the product marketed by the third party in question is intended.

Since Article 6(1)(c) of Directive 89/104 makes no distinction between the possible intended purposes of products when assessing the lawfulness of the use of the trade mark, the criteria for assessing the lawfulness of the use of a trade mark with accessories or spare parts in particular are thus no different from those applicable to other categories of possible intended purposes of the products.

The fourth question

40 In the first part of its fourth question, the national court seeks interpretation of the requirement in Article 6(1)(c) of Directive 89/104 that use of the trade mark by a third party within the meaning of that provision must be in accordance with honest practices in industrial or commercial matters. In the second part of that question, the national court asks whether use of the trade mark by a third party constitutes an indication that the products marketed by the latter are equivalent,

both in their quality and their technical or other characteristics, to the products bearing that trade mark.

41 As regards the first part of that question, the Court of Justice has consistently held that the condition of 'honest use' within the meaning of Article 6(1) of Directive 89/104 constitutes in substance the expression of a duty to act fairly in relation to the legitimate interests of the trade mark owner (BMW, paragraph 61; Gerolsteiner Brunnen, paragraph 24). Such an obligation is similar to that imposed on the reseller where he uses another's trade mark to advertise the resale of products covered by that mark (Case C-337/95 Parfums Christian Dior [1997] ECR I-6013, paragraph 45; BMW, paragraph 61).

42 In that regard, use of the trade mark will not comply with honest practices in industrial or commercial matters where, first, it is done in such a manner that it may give the impression that there is a commercial connection between the reseller and the trade mark proprietor (BMW, paragraph 51).

43 Nor may such use affect the value of the trade mark by taking unfair advantage of its distinctive character or repute (BMW, paragraph 52).

44 In addition, as the United Kingdom Government and the Commission have rightly pointed out in their observations, use of the trade mark will not be in accordance with Article 6(1)(c) of Directive 89/104 if it discredits or denigrates that mark.

45 Finally, where the third party presents its product as an imitation or replica of the product bearing the trade mark of which it is not the owner, such use of that mark does not comply with honest practices within the meaning of Article 6(1)(c).

46 It is for the national court to determine whether, in the case in the main proceedings, the use made of the trade marks owned by Gillette Company has been made in accordance with honest practices, taking account, in particular, of the conditions referred to in paragraphs 42 to 45 of this judgment. In that regard, account should be taken of the overall presentation of the product marketed by the third party, particularly the circumstances in which the mark of which the third party is not the owner is displayed in that presentation, the circumstances in which a distinction is made between that mark and the mark or sign of the third party, and the effort made by that third party to ensure that consumers distinguish its products from those of which it is not the trade mark owner.

47 Concerning the second part of that question, as the United Kingdom Government has rightly pointed out in its observations, the fact that a third party uses a trade mark of which it is not the owner in order to indicate the intended purpose of its product does not necessarily mean that it is presenting that product as being of the same quality as, or having equivalent properties to, those of the product bearing the trade mark. Whether there has been such a presentation depends on the facts of the case, and it is for the referring court to determine whether it has taken place by reference to the circumstances.

48 Moreover, whether the product marketed by the third party has been represented as being of the same quality as, or having equivalent properties to, the product whose trade mark is being used is a factor which the referring court must take into consideration when it verifies that such use is made in accordance with honest practices in industrial or commercial matters.

49 Having regard to the above considerations, the answer to the fourth question must be that the condition of 'honest use' within the meaning of Article 6(1)(c) of Directive 89/104, constitutes in substance the expression of a duty to act fairly in relation to the legitimate interests of the trade mark owner.

Use of the trade mark will not be in accordance with honest practices in industrial and commercial matters if, for example:

- it is done in such a manner as to give the impression that there is a commercial connection between the third party and the trade mark owner;
- it affects the value of the trade mark by taking unfair advantage of its distinctive character or repute;
- it entails the discrediting or denigration of that mark;
- or where the third party presents its product as an imitation or replica of the product bearing the trade mark of which it is not the owner.

The fact that a third party uses a trade mark of which it is not the owner in order to indicate the intended purpose of the product which it markets does not necessarily mean that it is presenting it as being of the same quality as, or having equivalent properties to, those of the product bearing the trade mark. Whether there has been such a presentation depends on the facts of the case, and it is for the referring court to determine whether it has taken place by reference to the circumstances.

Whether the product marketed by the third party has been presented as being of the same quality as, or having equivalent properties to, the product whose trade mark is being used is a factor which the referring court must take into consideration when it verifies that such use is made in accordance with honest practices in industrial or commercial matters.

The fifth question

50 By its fifth question, the referring court asks whether a trade mark owner's inability, pursuant to Article 6(1)(c) of Directive 89/104, to prohibit a third party from using the trade mark applies where that third party markets not only a spare part or accessory but also the product itself with which the spare part or accessory is intended to be used.

51 As the Finnish and United Kingdom Governments have pointed out in their observations, there is nothing in the directive to prevent a third party from relying on Article 6(1)(c) in such a case. However, that third party's use of the trade mark must be necessary in order to indicate the intended purpose of the product which it markets and must be made in accordance with honest practices in industrial and commercial matters.

52 Whether use of a trade mark by a third party in the circumstances described above is necessary in order to indicate the intended purpose of the product which it

markets and whether it is made in accordance with honest practices in industrial and commercial matters is a question of fact which it is for the national court to assess by reference to the individual circumstances of each case.

53 Having regard to the above considerations, the answer to the fifth question must be that, where a third party that uses a trade mark of which it is not the owner markets not only a spare part or an accessory but also the product itself with which the spare part or accessory is intended to be used, such use falls within the scope of Article 6(1)(c) of Directive 89/104 in so far as it is necessary to indicate the intended purpose of the product marketed by the latter and is made in accordance with honest practices in industrial and commercial matters.

Costs

54 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring court, the decision on costs is a matter for that court. The costs incurred in submitting observations to the Court, other than those of the said parties, are not recoverable.

On those grounds, the Court (Third Chamber) hereby rules:

1. The lawfulness or otherwise of the use of the trade mark under Article 6(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 depends on whether that use is necessary to indicate the intended purpose of a product.

Use of the trade mark by a third party who is not its owner is necessary in order to indicate the intended purpose of a product marketed by that third party where such use in practice constitutes the only means of providing the public with comprehensible and complete information on that intended purpose in order to preserve the undistorted system of competition in the market for that product.

It is for the national court to determine whether, in the case in the main proceedings, such use is necessary, taking account of the nature of the public for which the product marketed by the third party in question is intended.

Since Article 6(1)(c) of Directive 89/104 makes no distinction between the possible intended purposes of products when assessing the lawfulness of the use of the trade mark, the criteria for assessing the lawfulness of the use of the trade mark with accessories or spare parts in particular are thus no different from those applicable to other categories of possible intended purposes for the products.

2. The condition of ‘honest use’ within the meaning of Article 6(1)(c) of Directive 89/104, constitutes in substance the expression of a duty to act fairly in relation to the legitimate interests of the trade mark owner.

The use of the trade mark will not be in accordance with honest practices in industrial and commercial matters if, for example:

- it is done in such a manner as to give the impression that there is a commercial connection between the third party and the trade mark owner;
- it affects the value of the trade mark by taking unfair advantage of its distinctive character or repute;
- it entails the discrediting or denigration of that mark;
- or where the third party presents its product as an imitation or replica of the product bearing the trade mark of which it is not the owner.

The fact that a third party uses a trade mark of which it is not the owner in order to indicate the intended purpose of the product which it markets does not necessarily mean that it is presenting it as being of the same quality as, or having equivalent properties to, those of the product bearing the trade mark. Whether there has been such presentation depends on the facts of the case, and it is for the referring court to determine whether it has taken place by reference to the circumstances.

Whether the product marketed by the third party has been presented as being of the same quality as, or having equivalent properties to, the product whose trade mark is being used is a factor which the referring court must take into consideration when it verifies that that use is made in accordance with honest practices in industrial or commercial matters.

3. Where a third party that uses a trade mark of which it is not the owner markets not only a spare part or an accessory but also the product itself with which the spare part or accessory is intended to be used, such use falls within the scope of Article 6(1)(c) of Directive 89/104 in so far as it is necessary to indicate the intended purpose of the product marketed by the latter and is made in accordance with honest practices in industrial and commercial matters.

OPINION OF ADVOCATE GENERAL TIZZANO

delivered on 9 December 2004 (1)

Case C-228/03

The Gillette Company

and

Gillette Group Finland Oy

v

LA-Laboratoires Ltd Oy

(Reference for a preliminary ruling by the Korkein Oikeus (Finland))

(Directive 89/104/EEC – Article 6(1)(c) – Limits to protection conferred by trade mark – Use of trade mark by third party – Conditions)

I – Introduction

1. This case concerns a reference for a preliminary ruling by the Suomen Korkein Oikeus (Finnish Supreme Court) on the interpretation of Article 6(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 (hereinafter ‘Directive 89/104’, or simply ‘the Directive’). (2) In summary, the national court is asking the Court to determine in what circum-

stances the use of a third party's trade mark is to be considered lawful in terms of the Directive.

II – Legislative background

The relevant Community law

2. The Community has intervened in the area of trade mark law, so far as concerns us here, by the adoption of Directive 89/104, which approximates the laws of the Member States in various respects but stops short of full harmonisation.

3. The 10th recital of that directive states, *inter alia*, that the function of the protection afforded by the registered trade mark 'is in particular to guarantee the trade mark as an indication of origin'.

4. Next of relevance for the purposes of this case is Article 5(1), which provides as follows:

'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.'

5. Also fundamental for present purposes is Article 6(1), which reads as follows:

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

...

(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'.

6. Finally, mention must be made of Council Directive 84/450/EEC of 10 September 1984 on misleading and comparative advertising, (3) as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997 so as to include comparative advertising, (4) (hereinafter 'Directive 84/450 as amended' and 'Directive 97/55', respectively), the purpose of which, according to Article 1, 'is to protect consumers, persons carrying on a trade or business or practising a craft or profession and the interests of the public in general against misleading advertising and the unfair consequences thereof and to lay down the conditions under which comparative advertising is permitted'.

7. Article 3a(1) of Directive 84/450 as amended is in the following terms:

'Comparative advertising shall, as far as the comparison is concerned, be permitted when the following conditions are met:

...

(d) it does not create confusion in the market place between the advertiser and a competitor or between the advertiser's trade marks, trade names, other distin-

guishing marks, goods or services and those of a competitor;

(e) it does not discredit or denigrate the trade marks, trade names, other distinguishing marks, goods, services, activities, or circumstances of a competitor;

...

(g) it does not take unfair advantage of the reputation of a trade mark, trade name or other distinguishing marks of a competitor or of the designation of origin of competing products;

(h) it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.'

National law

8. In Finland, trade marks are regulated by the *Tavaramerkkilaki* (Finnish Law on Trade Marks, hereinafter the '*Tavaramerkkilaki*'). (5)

9. Article 4(1) of the *Tavaramerkkilaki* sets out the exclusive right of the proprietor of a sign in the following terms:

'The right to a sign for a product under §§1 to 3 of this law means that no one other than its proprietor may use in the course of trade as a sign for his products a sign liable to be confused therewith, on the product or its packaging, in advertising or business documents or otherwise, including also use by word of mouth'.

10. Article 4(2) then specifies:

'It is regarded as unauthorised use for the purposes of the first subparagraph *inter alia* if a person, when putting on the market spare parts, accessories or the like which are suited to a third party's product, refers to that party's sign in a manner that is liable to create the impression that the product put on the market originates from the proprietor of the sign or that the proprietor has agreed to the use of the sign'.

11. According to the order for reference, that provision is to be understood as a qualification of the trade mark owner's exclusive right in that it is not an infringement for a party when marketing its own products to mention the trade mark of a third party in such a way as not to create the impression that the product put on the market originates from the proprietor of the sign or that the latter has consented to its use.

III – Facts and procedure

12. The Gillette Company of the United States is owner of the GILLETTE and SENSOR trade marks, both registered in Finland for various products including razors. Its Finnish subsidiary Gillette Group Finland Oy (the two companies will together be referred to as 'Gillette') holds the exclusive right to use those marks in Finland, where it markets various shaving products, including a razor, consisting of a handle and a replaceable blade, and blades sold separately.

13. Products of the same kind – a razor consisting of a handle and a replaceable blade as well as blades sold separately – are also sold in Finland by the Finnish company LA-Laboratories Ltd Oy (hereinafter 'LA'). LA has been marketing blades under the PARASON FLEXOR trade mark, on the packaging of which was placed a red sticker bearing the words 'These blades fit

all PARASON FLEXOR HANDLES and all GILLETTE SENSOR HANDLES’.

14. According to the order for reference, LA was not authorised by licence or other agreement to use Gillette’s trade marks.

15. Gillette thereupon brought proceedings against LA in the Helsingin Käräjäoikeus (Helsinki District Court), claiming that the defendant’s conduct infringed its registered trade marks GILLETTE and SENSOR. According to the plaintiff, LA’s conduct created the false impression that LA’s products were identical or similar to its own products or that LA was licensed or otherwise lawfully entitled to use the said trade marks.

16. That argument was accepted by the Helsingin Käräjäoikeus, which, by decision of 30 March 2000, held that by using the trade marks in question on its Parason Flexor razor-blade packages, LA had infringed Gillette’s exclusive right under Article 4(1) of the Tavaramerkkilaki.

17. The Helsingin Käräjäoikeus took the view that the case did not come within the exception provided for by Article 4(2) of the Tavaramerkkilaki. That exception, which was subject to strict interpretation in the light of Directive 89/104, in particular Article 6(1)(c), did not apply to the main product but only to spare parts, accessories and the like. In the view of the Käräjäoikeus, both the handle and the blade were main components of the razor and hence did not fall within the ambit of the exception.

18. The Finnish court therefore ordered LA not to continue or repeat the conduct in question, to remove from the packages the references to GILLETTE and SENSOR, to destroy the relevant stickers used in Finland, and to pay damages to Gillette.

19. LA appealed to the Helsingin Hovioikeus (Helsinki Court of Appeal) which by judgment of 17 May 2001 reversed the decision of the lower court in toto.

20. The appellate court first held that the blades constituted spare parts within the meaning of Article 4(2) of the Tavaramerkkilaki. In any event, a consumer already in possession of a Gillette Sensor handle was informed by the sticker that this handle can be used not only with Gillette’s blades but with Parason Flexor blades too. The court also found that the packages of Parason razor-blades were marked prominently with the PARASON and FLEXOR trade marks, showing clearly the origin of the products, whereas the GILLETTE and SENSOR marks appeared in small letters on relatively small stickers placed on the razor-blade packages. That practice could not be regarded as exploiting the trade reputation of a third party’s trade mark or as creating the impression of a business connection between the owners of the different marks concerned. The appellate court therefore concluded that LA had used Gillette’s trade marks in a manner permitted by Article 4(2) of the Tavaramerkkilaki.

21. Gillette appealed to the Korkein Oikeus, which then raised doubts as to the interpretation of Article 6(1)(c) of Directive 89/104.

22. Accordingly, by order of 23 May 2003, it decided to stay the proceedings and to refer the following questions to the Court:

‘When applying Article 6(1)(c) of Directive 89/104:

(1) What are the criteria

(a) on the basis of which the question of regarding a product as a spare part or accessory is to be decided, and

(b) on the basis of which those products to be regarded as other than spare parts and accessories which can also fall within the scope of the said subparagraph are to be determined?

(2) Is the permissibility of the use of a third party’s trade mark to be assessed differently, depending on whether the product is like a spare part or accessory or whether it is a product which can fall within the scope of the said subparagraph on another basis?

(3) How should the requirement that the use must be “necessary” to indicate the intended purpose of a product be interpreted? Can the criterion of necessity be satisfied even though it would in itself be possible to state the intended purpose without an express reference to the third party’s trade mark, by merely mentioning only for instance the technical principle of functioning of the product? What significance does it have in that case that the statement may be more difficult for consumers to understand if there is no express reference to the third party’s trade mark?

(4) What factors should be taken into account when assessing accordance with honest commercial practice? Does the mentioning of a third party’s trade mark in connection with the marketing of one’s own product constitute a reference to the fact that the marketer’s own product corresponds, in quality and technically or as regards its other properties, to the product designated by the third party’s trade mark?

(5) Does it affect the permissibility of the use of a third party’s trade mark that the economic operator who refers to the third party’s trade mark also markets, in addition to a spare part or accessory, a product of his own which that spare part or accessory is intended to be used with?’

23. In the ensuing proceedings, written observations were submitted by the appellant in the main proceedings, the United Kingdom Government, the Finnish Government, and the Commission.

24. At the hearing on 21 October 2004, representations were made on behalf of the parties in the main proceedings, the Finnish Government, and the Commission.

IV – Legal analysis

Introduction

25. The essential function of a trade mark, according to the 10th recital to Directive 89/104 and settled case-law, is that of guaranteeing the origin of goods. (6)

26. If that function is to be properly protected, a trade mark owner must be able to prevent unauthorised use by third parties liable to engender confusion among consumers and resulting in their mistakenly attributing a particular product to the trade mark owner. Article

5(1) of the directive therefore gives the owner an exclusive right to the use of the mark.

27. That right is not absolute, however. Article 6 of the directive provides that in certain circumstances a trade mark may be lawfully affixed to products other than those of the trade mark owner.

28. In particular, according to that article, the use of a third party's trade mark is lawful where it: indicates the intended purpose of a product, is necessary to that end, and is in accordance with honest practices in industrial or commercial matters (hereinafter also 'honest practices').

29. The reasons justifying that restriction on the exclusive use of the trade mark have been elucidated by the Court. According to settled case-law, 'by a limitation of the effects of the rights derived from Article 5 of Directive 89/104 by the proprietor of a trade mark, Article 6 of that directive seeks to reconcile the fundamental interests of trade-mark protection with those of free movement of goods and freedom to provide services in the common market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition which the Treaty seeks to establish and maintain'. (7)

30. It can therefore be said that, in limiting the exclusive right provided for under Article 5, Article 6(1)(c) of Directive 89/104 seeks to balance the owner's interest in the trade mark being able to perform to the full its function of guaranteeing the product's origin against the interest of other traders in having full access to the market, but leaving the door open – as would appear borne out by the broad reference to free movement in the Court's statement quoted above and as we will see below – for other interests too to come into play.

The first and second questions

31. Following those preliminary observations, I now come to the questions referred by the national court.

32. By its first two questions, which I will consider together, the national court asks, in substance, what criteria are to be used, when applying Article 6(1)(c) of Directive 89/104, to distinguish main products from accessories and spare parts, and to determine which other products, apart from spare parts and accessories, are capable of falling within the scope of that provision. This with a view to ascertaining whether in the case of such other products the lawfulness or otherwise of affixing a third party's trade mark must be assessed differently than in the case of spare parts and accessories.

33. As we have seen, one of the conditions to be satisfied in order for a third party's trade mark to be lawfully placed on a product is that it must perform the function of indicating the intended purpose of the product, not its origin.

34. It seems to me that from that perspective the question of using a third party's trade mark to indicate intended purpose, without adding anything concerning origin, arises in substantially the same terms for every product or service.

35. Of course, the issue will arise more often for accessories and spare parts, which have to be used in

conjunction with a main product that in most cases cannot be identified otherwise than by its trade mark. One need think only of an exhaust pipe or a bicycle-rack specially designed for the Volkswagen Polo, to take the examples adduced by the United Kingdom Government. But the same situation can also arise with two products that are capable of being used together but of which neither is the accessory or spare part of the other. Taking our cue again from the United Kingdom Government, we may consider the example of a computer produced by company A and an operating system produced by company B which are mutually compatible. These are neither accessories nor spare parts because each product exists in its own right. And yet the producer in each case has a legitimate interest in informing the public that its product can have the other's product as its intended purpose.

36. I therefore take the view that there are no goods or services excluded ex ante from the scope of Article 6(1)(c) of the directive by virtue of the condition now under consideration. Thus, regardless of whether the item in question is a main product, an accessory, or a spare part, if using a third party's trade mark is necessary in order to indicate its intended purpose, this condition must be regarded as satisfied.

37. This interpretation appears to me to be borne out by other considerations. To begin with the letter of the provision in question, I note that the reference to accessories and spare parts is preceded by the expression 'in particular'. That suggests that the limitation of the exclusive right can also apply to products which are not accessories or spare parts, all the more so since, as the Commission points out, its original proposal for a directive specifically excluded that possibility but was subsequently amended in precisely that respect. (8)

38. In addition, as the United Kingdom Government pointed out, the provision in question refers to the intended purpose not only of goods but also of services, for which it would be difficult to conceive of spare parts or accessories.

39. All this confirms, in my opinion, that for the purposes of the application of Article 6(1)(c) of the directive, it is not necessary first to categorise an item as main product or accessory or spare part, because the fundamental factor in all cases is whether the use of the third party's trade mark is necessary in order to indicate the intended purpose of the product (or service) and does not give rise to confusion as to its origin.

40. But if that is so, it does not then appear to me necessary, for present purposes, for the Court to decide the criteria to be used to identify main products and to distinguish them from accessories and spare parts, as the first question asks.

41. I therefore propose that the first and second questions should be answered to the effect that since all that needs to be established, for the purposes of the application of Article 6(1)(c) of the directive, is whether the use of the third party's trade mark is necessary in order to indicate the intended purpose of the product (or service) and does not give rise to confusion as to its origin, the assessment of the lawfulness of the use of a third

party's trade mark does not vary according to whether it is a main product or an accessory or spare part.

The third question

42. By its third question, the national court asks in substance what factors should be taken into account in determining whether the use of a third party's trade mark is 'necessary', within the meaning of Article 6(1)(c) of the directive, to indicate the intended purpose of a product.

43. In their observations to the Court, the intervening parties support two very different interpretations of this condition that the use of a third party's trade mark must be necessary.

44. The United Kingdom Government suggests that the condition should be considered satisfied if the use of the trade mark is an 'efficient and accurate means' (9) of informing potential purchasers as to the intended purpose of the product.

45. It argues that the purpose of the provision in question is to assist in promoting undistorted competition and that too strict an interpretation of the condition would have the effect of neutering the provision.

46. In the United Kingdom's view, if the condition that the use of a third party's trade mark must be necessary were interpreted as being satisfied only if no other way can be found of conveying the information needed by the potential purchaser to understand the intended purpose of the product, then in practice the provision might never apply. In virtually every case it would be possible to conceive of some way of indicating the intended purpose of the product other than by using the third party's trade mark, for example by using a picture or a technical description of the type of product it will fit.

47. This view is shared by the Finnish Government and the Commission, who believe it is important also to take into account the characteristics of potential purchasers of the product carrying the third party's trade mark. What is 'necessary' to communicate varies according to whether the product is one aimed at final consumers or at other businesses. Only in the latter case could technical details adequately convey the information as to the intended purpose of the product, without it being 'necessary' therefore to use the third party's trade mark. For average consumers, however, the absence of the trade mark would make it more difficult to understand a product's intended purpose, unless there are technical standards which are universally known and which allow even the average consumer to understand easily the intended purpose of the product in question. A case in point, as was observed at the hearing, is that of tyres, where a system of easy-to-understand codes is used to let potential buyers know which models are right for their cars.

48. Quite the opposite view is taken by Gillette, which contends for a rigidly and exclusively economic interpretation of the condition in question. According to Gillette, the use of a third party's trade mark can be considered 'necessary' only if it is the sole means by which the user can market its own product on a sustainable economic basis.

49. Applying that interpretation to the case in hand, Gillette observes that LA's blades have as their intended purpose not only Gillette's handles but also LA's own handles and indeed, as emerged during the hearing, other makes of handle as well. It follows, in Gillette's view, that LA's blades would have access to the market and could be marketed on an economically viable basis even without it being stated on the packaging that they also fit the handles produced by Gillette.

50. It would be different if it were not possible to indicate any intended purpose for LA's blades without mentioning the trade marks in question, because in that case there would be no demand for the blades and therefore no possibility whatsoever of trading viably. But such is not the case here, Gillette maintains, given that LA itself also produces handles, so that its blades would not be completely denied access to the market if the Gillette trade marks were not allowed to appear on their packaging.

51. For my part, I have no difficulty accepting that the approach proposed by Gillette appears more in keeping with the letter of Article 6(1)(c) of the directive, which refers to the use of the third party's trade mark not as 'efficient' but as 'necessary', and needless to say the two are not synonymous.

52. Moreover, this seems to be borne out by a comparison of the final text of the provision and the Commission's original proposal. (10) The latter provided that third parties could use a third party's trade mark 'for the purpose of indicating the intended purpose of accessories or spare parts'; (11) the final version, as we have seen, is couched in more restrictive terms, providing that such use is permitted 'where it is necessary to indicate the intended purpose ...'.

53. That said, however, it has to be asked whether the matter can be disposed of by a semantic analysis of an isolated phrase of the provision in question or whether a more comprehensive approach is called for that takes fuller account of the meaning and scope of that provision and the purposes it seeks to achieve.

54. More specifically, it has to be asked whether trade mark protection, which is inarguably the fundamental aim of the directive, is to be seen purely in terms of the trade mark proprietor's needs, and is therefore, as Gillette argues, subject only to such limits as are strictly economically necessary to permit other suppliers to have a viable presence in the market, or whether the exception introduced by Article 6(1) is also premised on the importance of other needs.

55. It seems to me in fact that that provision opens the door also to other values and interests which it does not expressly mention but which in the broader perspective it would be difficult to ignore. All the more so as they are referred to in the judgment quoted above (see paragraph 29), where the Court stated that Article 6(1) 'seeks to reconcile the fundamental interests of trade-mark protection with those of free movement of goods and freedom to provide services in the common market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted

competition which the Treaty seeks to establish and maintain’.

56. It is therefore, as the Court points out, a matter of reconciling two different interests, both of which however are directed at ensuring a system of undistorted competition and thus, ultimately, the right of consumers to choose from a variety of interchangeable products. What this means, in other words, is that, as well as protecting the economic interests of the trade mark owner, the directive also seeks to ensure choice for consumers by allowing them not only to be sure about the origin of products but also to enjoy to the full the benefits resulting from competition between different products capable of satisfying the same need.

57. However, since the exception provided for by Article 6(1) is meant to balance these different interests, it follows that, in the context of the more comprehensive analysis of the provision I mentioned above, one cannot simply rely on textual arguments derived from one phrase in that provision to give primacy to one of those interests and to discount the others, because the purpose of the provision, according to the Court, is to reconcile all of them.

58. Moreover, an important testimony to the need to take into account, and as far as possible conciliate, the different requirements in play seems to me to be found, once more, in the case-law of the Court, in this instance in BMW, (12) in which the Court did indeed reconcile the requirement of protecting the trade mark owner with that of protecting the consumer even in terms of maximising competition and providing complete information.

59. I would recall, so far as concerns us here, that in that case the owner of a garage not part of the BMW network carried on business repairing BMW cars and described himself in advertisements as ‘specialised in BMWs’. BMW claimed that such conduct was not within the exception in Article 6(1)(c) of the directive and should therefore be held to be an infringement of BMW’s exclusive right. In its view, since the trader could also carry on an economically viable business offering repair services without naming any specific make of car (and hence any trade mark), the use of the BMW trade mark did not satisfy the condition of necessity laid down by that provision.

60. But that interpretation of the condition in question, which is not in my view dissimilar to that contended for by Gillette in this case, does not seem to me to have met the Court’s favour. For instead of considering whether the garage-owner’s business would be commercially viable were he to drop the references to the BMW trade mark, the Court focused solely on the need to provide his prospective customers with the fullest possible information.

61. Having first noted that ‘the use [of the BMW mark] [was] intended to identify the goods in respect of which the service [was] provided [and was] necessary to indicate the intended purpose of the service’, it went on to find that ‘if an independent trader carries out the maintenance and repair of BMW cars or is in fact a specialist in that field, that fact cannot in practice be

communicated to his customers without using the BMW mark’. (13)

62. In so doing, the Court espoused the approach followed by Advocate General Jacobs in his Opinion in that case, (14) when he noted that the issue in such circumstances was in effect whether a trader in the position described above was ‘free to describe the nature of the services he is offering’. (15) The Advocate General went so far as to assert that ‘to prevent such use of the mark would be an undue restriction on the trader’s freedom’. (16)

63. It seems to me that the interpretation of the condition in question emanating from that case is less rigid than what Gillette seeks. The condition appears to be satisfied simply by the fact that the use of a third party’s trade mark is the only effective means of extending the range of products from which the prospective purchaser can choose.

64. If that interpretation is transposed to the present case, it follows that, were the Gillette trade marks not to appear on LA’s blade packages, consumers might have no other means of apprehending the objective fact that those products fit Gillette handles, and might thereby be denied information material to their purchasing decisions. Accordingly, if it were the only means of providing that information, the use of the Gillette trade marks should be considered ‘necessary’ within the meaning of the directive.

65. It would naturally be for the national court to decide the issue, that is, to ascertain whether without the references to the Gillette trade marks on LA’s blade packages, potential purchasers could be effectively informed by other means that those blades can be used with Gillette handles. The use of Gillette’s trade marks might not be necessary, for example, if there were technical standards known to consumers indicating which handles fit which blades (as in the aforementioned case of tyres).

66. That being so, and while stating my preference for the above approach, I must acknowledge that, besides the fact that it does not fully meet the objections of a general nature raised by Gillette (undue reduction of the trade mark owner’s protection), it also leaves a large grey area as to its application. But this consequence, in my opinion, is difficult to avoid if the discussion of the test of necessity continues to be conducted in isolation from the remaining conditions set out in Article 6(1), reducing it in effect, as I have said, to a semantic dispute about the relevant phrase in that provision.

67. It is a different matter, however, if account is taken of the fact that that test does not represent the entirety of the provision in question, but is in fact accompanied by, and strictly correlated with, a clear condition as to the manner of use of the trade mark claimed to be necessary (i.e. in accordance with honest practices). In other words, the fact that the interpretation of that condition is the subject of a separate question referred for a preliminary ruling should not have the effect of splitting the issue in such a way as to lose sight of the direct link which exists between the

different parts of the provision and which is therefore going to affect the interpretation of each of them.

68. It seems to me that the grey area which, as I have said, is an inevitable concomitant of the test of necessity, can be resolved at the stage of examining the circumstances and manner of use of the trade mark, in the terms indicated by Article 6(1). In this way too it is possible to meet legitimate concerns as to the damage that might be done to trade mark protection as a result of a less rigorous interpretation of the condition of necessity.

69. The less rigorous that interpretation may be, the more stringent will be the scrutiny of the manner of use. At the same time, it is precisely on the more solid ground of that scrutiny that the actual 'necessity' of the use of the mark can be better assessed and such doubts as may always arise in the abstract in that regard dispelled.

70. Besides, the Court did not deal with the issue under consideration by separate and sequential tests, first 'measuring' the degree to which the use of the third party's trade mark was 'necessary' and then determining whether that use was in accordance with 'honest practices'. Instead it adopted a unitary approach, in which I would say that the emphasis was placed less on the issue of 'necessity' than on compliance with honest practices, on the basis that they are decisive in avoiding any confusion as to the origin of the product and hence to the protection of the trade mark proprietor. (17)

71. It is therefore only with the above qualifications that I propose that the Court should answer the third question to the effect that the use of a third party's trade mark is 'necessary' to indicate the intended purpose of a product if it constitutes the only means of providing consumers with complete information as to the possible uses of the product in question.

The fourth question

72. We now come to the interpretation of the phrase 'honest practices in industrial or commercial matters', which by its fourth question the national court asks the Court to provide, in view of the fact that Article 6(1) of Directive 89/104 makes the right of a third party to use a trade mark subject to compliance with those practices.

73. In this regard, I would note that, according to settled case-law, '[t]he condition of 'honest practice' constitutes ... the expression of a duty to act fairly in relation to the legitimate interests of the trade mark owner'. (18) That being so, however, it still remains to ascertain the scope of that duty, given that it is not defined in Directive 89/104.

74. It seems to me that this can be done simply by consulting the relevant case-law of the Court, which provides the means by which to demarcate the scope of the duty in question. The Court has explained that a third party cannot use a trade mark 'in a way that may create the impression that there is a commercial connection between the other undertaking and the trade mark proprietor, and in particular that ... there is a special relationship between the two undertakings'. (19) It also noted that an undertaking using a third party's

trade mark must not take 'unfair advantage of its distinctive character or repute'. An advantage will be unfair, in particular, if it is the result of prospective buyers being led to believe that there is a connection between the trade mark proprietor and the undertaking that produced the product. (20)

75. But as the referring court itself, the United Kingdom Government and the Commission suggest, useful guidance is provided not only by the case-law but also by the Community provisions on misleading and comparative advertising, in particular Directive 84/450 as amended by Directive 97/55.

76. Recitals 13 to 15 of the latter directive indicate that the exclusive right conferred on the proprietor of a trade mark by Article 5 of Directive 89/104 is not infringed where a third party uses the trade mark in compliance with the conditions laid down by Directive 97/55.

77. It follows that, if the message conveyed through the use of the trade mark is lawful for the purposes of the provisions on misleading and comparative advertising, the 'honest practices' referred to in Article 6(1) of Directive 89/104 can be regarded as having been observed.

78. In fact the conditions that are laid down by Article 3a of Directive 84/450 as amended (inserted by Article 1(4) of Directive 97/55) for comparative advertising to be lawful (and which are most relevant to the present case) do not differ substantially from those that can be inferred from the Court's case-law quoted above. Those conditions are that such advertising does not create confusion in the market place between the advertiser and a competitor (subparagraph (d)) and does not seek to take unfair advantage of the reputation of a trade mark of a competitor (subparagraph (g)).

79. It follows therefore from the case-law quoted above and from the provisions of Directive 84/450 that it is clearly unlawful to use a third party's trade mark in such a way as to create confusion among prospective purchasers as to the origin of the product. In particular, prospective purchasers must not be led to believe that the product is referable to the trade mark owner and therefore possesses the same quality as its products.

80. The Finnish and United Kingdom Governments contend, however, that when an undertaking places a third party's trade mark on its own product, it does not necessarily intend to represent that its own products and those of the trade mark proprietor are of equal quality. In BMW, the Court effectively acknowledged the lawfulness of the use of a third party's trade mark on the part of a trader wishing to 'lend an aura of quality to his own business'. (21)

81. As described above (paragraph 59), however, that case, to the extent that it is relevant here, concerned the carrying out of repairs on BMW cars. The subject-matter of the trader's business consisted of products lawfully bearing the BMW trade mark; the 'aura of quality' that the trader derived from the subject-matter of his own business was not unlawful as it was a reflection of the fact that he had the ability to

work on products whose quality was guaranteed by the presence of the BMW mark.

82. In the present case, by contrast, LA's blade production is a process that is already complete at the point when the information is conveyed that the blades can be used with the Gillette razors. Therefore, the fact that the two products are compatible should not have any bearing on consumers' judgment of the quality of LA's blades. If however the use of the trade mark led consumers to believe that the quality of both types of blade was the same, then the conclusion would have to be that the condition of compliance with honest practices was not met.

83. It is therefore for the national court to determine whether the use of the Gillette trade marks on LA's blade packages is aimed solely at informing prospective buyers of the fact that LA's blades can be attached to Gillette's razor handles because the fittings are compatible, or whether it also implies that LA's blades have the same cutting characteristics, and are hence of the same quality, as the Gillette blades.

84. The examination to be conducted by the national court for this purpose must consist of a global assessment 'taking into account all factors relevant to the circumstances of the case'. (22) That is what the Court has stipulated in relation to the manner of assessment of the likelihood of confusion in determining the scope of the exclusive right enjoyed by the trade mark proprietor under Article 5(1)(b) of Directive 89/104. Since however the determination of the honest practices condition will inevitably affect the scope of that exclusive right, by making it more or less extensive, it seems to me that the assessment to be conducted by the national court as to whether that condition is satisfied must also obey the criterion stated above. (23)

85. On the basis of the foregoing, I therefore propose that the Court answer the fourth question to the effect that a trader complies with 'honest practices in industrial or commercial matters' if by using a third party's trade mark it does not create the impression that there is a commercial connection between itself and the trade mark proprietor and does not take unfair advantage of the trade mark's distinctive character or repute. The fact that a trader also sells those products and places the third party's trade mark on them does not necessarily mean that it represents that its products are equal in quality to those of the trade mark proprietor. The trader's conduct must therefore be considered on the basis of a global assessment of all the relevant factors.

The fifth question

86. By its fifth question, the national court asks in substance whether the assessment of the lawfulness of the use of a third party's trade mark is affected by the fact that the trader who places a third party's trade mark on its own product also sells the type of product that the former is intended to be used with.

87. It seems to me that in order to answer that question there are two different aspects to consider separately, one concerning the requirement of necessity and the other concerning compliance with 'honest prac-

tices', which were considered in the analysis of the third and fourth questions respectively.

88. As regards the first aspect, I must say that if the economic approach to the condition of necessity advocated by Gillette had been accepted then the fact that, as well as the blades, LA also sells a razor handle that constitutes one of their possible intended purposes could have cast doubt on whether the condition was satisfied, since even without using the Gillette trade marks there would still be demand for LA's blades on the part of owners of LA's razor handle.

89. Since however, for the reasons given, I have come to the conclusion that the necessity condition is met if the use of a third party's trade mark on a product constitutes the only means of providing consumers with complete information as to the possible uses of the product in question, the assessment of the lawfulness of the use of the trade mark does not seem to me to be affected by the fact that the trader also sells a product which constitutes one of the possible intended purposes of the product on which it places the third party's trade mark.

90. As regards the aspect concerning 'honest practices', I will simply note, along with the United Kingdom, Finland and the Commission, that what is described in this question is just one of the factors, albeit an important one, that the national court has to take into account in assessing whether the use of the trade mark by the third party is in accordance with honest practices.

91. I therefore propose that the fifth question be answered to the effect that the fact that a trader who places a third party's trade mark on its own product also sells the type of product that the former is intended to be used with is an important factor in assessing the lawfulness of the use of the trade mark but does not alter the criteria applicable to that assessment.

V – Conclusion

92. In the light of the foregoing considerations I propose that the Court answer the questions of the Korkein Oikeus in the following terms:

(1) since all that needs to be established, for the purposes of the application of Article 6(1)(c) of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, is whether the use of the third party's trade mark is necessary in order to indicate the intended purpose of the product (or service) and does not give rise to confusion as to its origin, the assessment of the lawfulness of the use of a third party's trade mark does not vary according to whether it is a main product or an accessory or spare part;

(2) the use of a third party's trade mark is necessary to indicate the intended purpose of a product if it constitutes the only means of providing consumers with complete information as to the possible uses of the product in question;

(3) a trader complies with 'honest practices in industrial or commercial matters' if by using a third party's trade mark it does not create the impression that there is a commercial connection between itself and the trade

mark proprietor and does not take unfair advantage of the trade mark's distinctive character or repute. The fact that a trader also sells those products and places the third party's trade mark on them does not necessarily mean that it represents that its products are equal in quality to those of the trade mark proprietor. The trader's conduct must therefore be considered on the basis of a global assessment of all the relevant factors;

(4) the fact that a trader who places a third party's trade mark on its own product also sells the type of product that the former is intended to be used with is an important factor in assessing the lawfulness of the use of the trade mark but does not alter the criteria applicable to that assessment.

89/104; however, in paragraphs 62 and 63, the Court stated that the same considerations 'apply mutatis mutandis' to Article 6(1).

21 – .BMW, paragraph 53.

22 – Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40.

23 – I would note as a preliminary point that the same approach was adopted by the Court to determining whether the conditions set out by Directive 84/450, as amended, are met, when it stated that 'account should be taken of the overall presentation of the advertising at issue' (Case C-112/99 *Toshiba Europe* [2001] ECR I-7945, paragraph 60).

1 – Original language: Italian.

2 – OJ 1989 L 40, p. 1.

3 – OJ 1984 L 250, p. 17.

4 – OJ 1997 L 290 p. 18.

5 – Law on Trade Marks No 1964/7 of 10 January 1964.

6 – See, *ex multis*, Case 102/77 *Hoffman-La Roche* [1978] ECR 1139, paragraph 7, Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 51, Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 36, and Case C-245/02 *Anheuser-Busch* [2004] ECR I-0000, paragraph 59.

7 – Case C-100/02 *Gerolsteiner Brunnen* [2004] ECR I-0000, paragraph 16 and cases cited there.

8 – Article 5 of the Proposal for a First Council Directive to approximate the laws of the Member States relating to trade marks, presented by the Commission on 25 November 1980, provided that '[t]he trade mark shall not entitle the proprietor thereof to prohibit a third party from using, in the course of trade: ... (c) the trade mark for the purpose of indicating the intended purpose of accessories or spares parts ...' (OJ 1980 C 351, p. 1).

9 – Footnote not relevant to the English version.

10 – Article 5(c), quoted in footnote 8.

11 – Emphasis added.

12 – Case C-63/97 *BMW* [1999] ECR I-905.

13 – .BMW, paragraphs 59 and 60.

14 – In his Opinion delivered on 2 April 1998, Advocate General Jacobs dismissed as 'unrealistic' the proposition that the garage-owner could have provided his services without needing to name any specific make of car, observing that 'if [he] does in fact specialise in maintaining and repairing BMW cars it is difficult to see how he could effectively communicate that fact to his customers without using the sign BMW' (paragraph 54).

15 – Opinion, paragraph 54.

16 – Opinion, paragraph 55.

17 – See *BMW*, paragraphs 61 et seq. and the Opinion in that case, paragraphs 55 and 56.

18 – .BMW, paragraph 61, and *Gerolsteiner Brunnen*, paragraph 24.

19 – .BMW, paragraph 64.

20 – .BMW, paragraphs 52 and 53. I must point out that this reasoning concerned Article 7(2) of Directive