

Court of Justice EU, 18 april 2013, Colloseum v Levi Strauss



TRADE MARK LAW

Genuine use of a registered trademark constituting one of the elements of a composite mark is possible

- The condition of genuine use of a trade mark, within the meaning of Article 15(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, may be satisfied where a registered trade mark, which has become distinctive as a result of the use of another composite mark of which it constitutes one of the elements, is used only through that other composite mark, or where it is used only in conjunction with another mark, and the combination of those two marks is, furthermore, itself registered as a trade mark.
- the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.
- a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1).

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Court of Justice EU, 18 april 2013

(T. von Danwitz, A. Rosas, E. Juhász, D. Šváby, C. Vajda)

JUDGMENT OF THE COURT (Fifth Chamber) 18 April 2013 (*)

(Trade marks – Regulation (EC) No 40/94 – Article 15(1) – Definition of ‘genuine use’ – Trade mark used only as one element of a composite mark or in conjunction with another mark)

In Case C-12/12, REQUEST for a preliminary ruling under Article 267 TFEU from the Bundesgerichtshof (Germany), made by decision of 24 November 2011,

received at the Court on 9 January 2012, in the proceedings

Colloseum Holding AG

v

Levi Strauss & Co.,

THE COURT (Fifth Chamber),

composed of T. von Danwitz, President of the Chamber, A. Rosas, E. Juhász (Rapporteur), D. Šváby and C. Vajda, Judges, Advocate General: P. Mengozzi, Registrar: K. Malacek, Administrator,

having regard to the written procedure and further to the hearing on 29 November 2012, after considering the observations submitted on behalf of:

– Colloseum Holding AG, by M. Klette, Rechtsanwalt,
– Levi Strauss & Co., by H. Harte-Bavendamm and M. Goldmann, Rechtsanwälte,

– the German Government, by T. Henze and J. Kemper, acting as Agents,

– the Italian Government, by G. Palmieri, acting as Agent, and by M. Santoro, avvocato dello Stato,

– the United Kingdom Government, by C. Murrell, acting as Agent, and by S. Ford, Barrister,

– the European Commission, by F. Bulst and F. Wilman, acting as Agents, having decided, after hearing the Advocate General, to proceed to judgment without an Opinion, gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 15(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), a provision reproduced without amendment in the first subparagraph of Article 15(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1).

2 The request has been made in proceedings between Colloseum Holding AG (‘Colloseum’) and Levi Strauss & Co. (‘Levi Strauss’) concerning the interpretation of the term ‘genuine use’, referred to in Article 15(1) of Regulation No 40/94, where a registered trade mark is used only through another composite mark, as one element of that composite mark, or where it is used only in conjunction with another mark, and the combination of the two marks is itself registered as a trade mark.

Legal context

International law

3 Paragraphs (1) and (2) of Article 5.C of the Paris Convention for the Protection of Industrial Property signed in Paris on 20 March 1883, as last revised at Stockholm on 14 July 1967 and amended on 28 September 1979 (United Nations Treaties Series, No 11851, vol. 828, p. 305), provide:

‘(1) If, in any country, use of the registered mark is compulsory, the registration may be cancelled only after a reasonable period, and then only if the person concerned does not justify his inaction.

(2) Use of a trademark by the proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the countries of the Union

[established by the Convention] shall not entail invalidation of the registration and shall not diminish the protection granted to the mark.'

European Union law

4 The ninth recital in the preamble to Regulation No 40/94 states:

'Whereas there is no justification for protecting Community trade marks or, as against them, any trade mark which has been registered before them, except where the trade marks are actually used.'

5 Article 7 of the regulation, entitled 'Absolute grounds for refusal', provides in paragraph (1):

'The following shall not be registered:

...

(b) trade marks which are devoid of any distinctive character;

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

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

...

6 Article 7(3) of that regulation is worded as follows:

'Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.'

7 Article 9 of Regulation No 40/94, entitled 'Rights conferred by a Community trade mark', provides in paragraph (1):

'A Community 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: ...

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

...

8 Article 15 of that regulation, entitled 'Use of Community trade marks', provides:

'(1) If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.

(2) The following shall also constitute use within the meaning of paragraph 1:

(a) use of the Community trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered;

...

9 Article 98(1) of Regulation No 40/94 lays down that:

'Where a Community trade mark court finds that the defendant has infringed or threatened to infringe a Community trade mark, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with.'

German law

10 Paragraph 14(2)(2) of the Law on the protection of trade marks and other signs (Gesetz über den Schutz von Marken und sonstigen Kennzeichen, BGBl. 1994 I, p. 3082), as amended by the Law of 7 July 2008 (BGBl. 2008 I, p. 1191), a provision which corresponds to Article 9 (1)(b) of Regulation No 40/94, lays down the right of a trade mark proprietor to prevent the use:

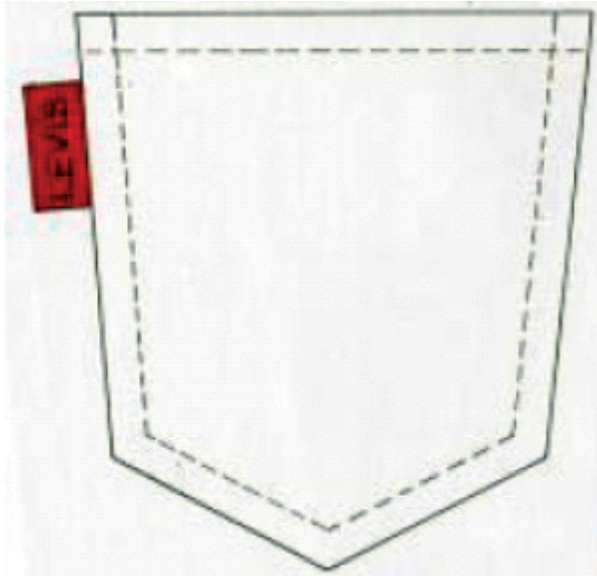
'... of any sign where, because of its identity with or similarity to the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trade mark, ...'.

11 Paragraph 14(5) of that law provides:

'Anyone using a sign in breach of paragraphs 2 to 4 may have prohibitory injunction proceedings brought against them by the trade mark proprietor, where there is a risk of recurrence. The right of prohibition may be asserted even where the threat of infringement arises for the first time.'

The dispute in the main proceedings and the questions referred for a preliminary ruling

12 Levi Strauss is the proprietor of several trade marks and, in particular, of the Community word mark LEVI'S, amongst others, for articles of clothing, and of the German word and figurative mark No DD 641 687, registered on 12 January 1977, for trousers, shirts, blouses and jackets for men, women and children ('mark No 3'). Mark No 3, which contains the word element 'LEVI'S' in a red rectangular element at the left upper edge of a pocket, appears as follows:



13 Levi Strauss is also the proprietor of the coloured Community figurative mark No 2 292 373, in red and blue, registered on 10 February 2005 for trousers ('mark No 6'). According to its description in the register, it is a position mark and consists of a rectangular red label, made of textile, sewn into and protruding from the upper part of the left-hand seam of the rear pocket of trousers, shorts or skirts. It appears as follows:



14 The entry in the register for mark No 6 contains a disclaimer to the effect that the mark does not create any exclusive right to the shape and colour of the pocket per se. Mark No 6 was registered on the basis of having become distinctive through use, pursuant to Article 7(3) of Regulation No 40/94.

15 Colloseum is a retailer of outerwear. In the course of that trade, it placed trousers on the market, namely jeans under the trade marks COLLOSEUM, S. MALIK and EURGIULIO. Those trousers have small rectangular red fabric tags, on which appear the relevant brands or the word 'SM JEANS', sewn into the upper part of the outer right seam of the right rear pocket.

16 Levi Strauss applied to the competent court of first instance seeking, inter alia, an order that Colloseum be directed to refrain from offering or marketing such trousers or stocking them for those purposes. Colloseum raised, inter alia, a defence alleging lack of use of mark No 6.

17 The court of first instance granted Levi Strauss' application and the appeal court dismissed the appeal brought by Colloseum against the decision given at first instance.

18 Hearing Colloseum's appeal on a point of law, the referring court set aside the appeal court's decision and remitted the case back to that court. Following the appeal court's further dismissal of Colloseum's appeal, Colloseum brought a fresh appeal on a point of law before the referring court.

19 The referring court observes that the outcome of the second appeal on a point of law turns on the interpretation of Article 15(1) of Regulation No 40/94. It finds that there would be a likelihood of confusion, on the basis of Article 9(1)(b) of Regulation No 40/94, between mark No 6 and the trouser styles marketed by Colloseum, should mark No 6 still be valid.

20 The referring court states that it therefore needs to know whether Mark No 6 has been put to genuine use within the meaning of Article 15(1) of Regulation No 40/94. It notes that, according to the findings of the appeal court by which it is bound under procedural provisions of German law, Mark No 6 was registered on 10 February 2005. Its proprietor would therefore have its rights revoked if the mark had not been put, before the end of the appeal court hearing on 18 February 2010, to genuine use within the meaning of that provision.

21 The referring court observes next that, according to the findings of the appeal court, Levi Strauss has used mark No 6 only in the form of mark No 3. The outcome of the proceedings turns, therefore, in particular on whether a registered trade mark, which constitutes one of the elements of another mark, and which has become distinctive as a result of the use of that other mark under Article 7(3) of Regulation No 40/94, can also be put to genuine use within the meaning of Article 15(1) of the regulation on the basis of the use of that other mark.

22 The referring court states that the question cannot be regarded as having already been decided. It also notes that marks No 3 and No 6 do not differ from each other only in elements which do not alter the distinctive character of the marks and that, consequently, the conditions in Article 15(2)(a) of Regulation No 40/94 are not satisfied in this case; this distinguishes the case in the main proceedings from the facts that gave rise to the request for a preliminary ruling and [the judgment in Case C-553/11 Rintisch \[2012\] ECR I-0000](#).

23 The referring court observes, in addition, that it is also conceivable that the use of the rectangular red tag with the word 'LEVI'S' by Levi Strauss, when marketing trousers, results in genuine use of both mark No 6 and the word mark LEVI'S, since the combination of those two marks has itself been

registered as mark No 3. It therefore raises the question of whether a trade mark can be put to genuine use, within the meaning of Article 15(1) of Regulation No 40/94, where it is used only in conjunction with another mark, the public considers the two marks to be independent distinctive signs, and the combination of the two marks is, furthermore, itself registered as a trade mark.

24 In those circumstances the Bundesgerichtshof (Federal Court of Justice) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'Is Article 15(1) of Regulation No 40/94 to be interpreted as meaning that:

1. a trade mark which is part of a composite mark and has become distinctive only as a result of the use of the composite mark can be used in such a way as to preserve the rights attached to it if the composite mark alone is used?

2. a trade mark is being used in such a way as to preserve the rights attached to it if it is used only together with another mark, the public sees independent signs in the two marks and, in addition, both marks are registered together as a trade mark?'

Consideration of the questions referred

25 By these questions, which it is appropriate to consider together, the referring court asks, in essence, whether the condition of genuine use of a trade mark, namely use such as to preserve the rights of the trade mark proprietor, as referred to in Article 15(1) of Regulation No 40/94, is satisfied where a registered trade mark, which has become distinctive as a result of the use of another composite mark of which it constitutes one of the elements, is used only through that other composite mark, or where it is used only in conjunction with another mark, and the combination of the two marks is, furthermore, itself registered as a trade mark.

26 In accordance with the settled case-law of the Court, distinctiveness of a mark within the meaning of Article 7 of Regulation No 40/94 means that the mark serves to identify the goods in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish those goods from those of other undertakings (Case C-311/11 P Smart Technologies v OHIM [2012] ECR I-0000, paragraph 23 and the caselaw cited). The essential function of the mark is to identify, in the eyes of consumers, the undertaking of origin of the goods (see, to that effect, [Case C-245/02 Anheuser-Busch \[2004\] ECR I-10989, paragraph 59 and the case-law cited](#)).

27 As regards the acquisition of distinctive character by a mark, for the purpose of its registration, through the use which has been made of it within the meaning of Article 7(3) of Regulation No 40/94, the Court has held, in the context of Article 3(3) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), which provision corresponds, in essence, to Article 7(3) of Regulation No 40/94, that acquisition of distinctive character may

result both from the use, as part of a registered trade mark, of a component thereof and from the use of a separate mark in conjunction with a registered trade mark. In both cases it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the goods or service, designated exclusively by the mark applied for, as originating from a given undertaking ([Case C-353/03 Nestlé \[2005\] ECR I-6135, paragraph 30](#)).

28 Therefore, regardless of whether the sign is used as part of a registered trade mark or in conjunction with the registered trade mark, the fundamental condition is that, as a consequence of that use, the sign for which registration as a trade mark is sought may serve to identify, in the minds of the relevant class of persons, the goods to which it relates as originating from a particular undertaking.

29 Furthermore, the Court has already held that the finding made in [paragraph 30 of the judgment in Nestlé](#) is of general application and applies also where the issue is establishing whether an earlier mark has a particularly distinctive character in order to ascertain whether there is a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see [Case C-488/06 P L & D v OHIM \[2008\] ECR I-5725, paragraphs 50 to 52](#)).

30 In light of the scheme and purpose of Regulation No 40/94 and the wording of Article 15(1) of that regulation, the conclusion reached by the Court in [paragraph 30 of the judgment in Nestlé](#) must also be applied in respect of 'genuine use' for the purpose of preserving the rights of the proprietor of a registered trade mark, within the meaning of that provision.

31 It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, 'use' within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish 'use' within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32 Nevertheless, as is apparent from [paragraphs 27 to 30 of the judgment in Nestlé](#), the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33 As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34 Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1).

36 In the light of the above considerations, the answer to the questions referred is that the condition of genuine use of a trade mark, within the meaning of Article 15(1) of Regulation No 40/94, may be satisfied where a registered trade mark, which has become distinctive as a result of the use of another composite mark of which it constitutes one of the elements, is used only through that other composite mark, or where it is used only in conjunction with another mark, and the combination of those two marks is, furthermore, itself registered as a trade mark.

Costs

37 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. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

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

The condition of genuine use of a trade mark, within the meaning of Article 15(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, may be satisfied where a registered trade mark, which has become distinctive as a result of the use of another composite mark of which it constitutes one of the elements, is used only through that other composite mark, or where it is used only in conjunction with another mark, and the combination of those two marks is, furthermore, itself registered as a trade mark.

* Language of the case: German.