

Court of Justice EU, 8 June 2017, WF Gozze Frottierweberei v Verein Bremer Baumwollbörse



TRADEMARK LAW

The use of an individual EU trade mark as a label of quality is not a genuine use

- There is genuine use of a trade mark where the mark is used to guarantee to consumers that the goods come from a single undertaking under the control of which they are manufactured or supplied and which, consequently, is responsible for the quality of those goods

In the light of all the foregoing considerations, the answer to the first question referred is that Article 15(1) of Regulation No 207/2009 must be interpreted as meaning that the affixing of an individual EU trade mark, by the proprietor or with his consent, on goods as a label of quality is not a use as a trade mark that falls under the concept of ‘genuine use’ within the meaning of that provision. However, the affixing of that mark does constitute such genuine use if it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality. In that case, the proprietor of the mark is entitled to prevent, pursuant to Article 9(1)(b) of that regulation, the affixing by a third party of a similar sign on identical goods, if that affixing creates a likelihood of confusion on the part of the public.

An individual trade mark cannot be declared invalid, on the basis of Article 52(1)(a) and Article 7(1)(g), because the proprietor of the mark fails to ensure, by carrying out periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the mark are being met

- A trademark can be declared invalid when the registration as such is misleading

Accordingly, the answer to the first part of the second question referred for a preliminary ruling is that Article 52(1)(a) and Article 7(1)(g) of Regulation No 207/2009 must be interpreted as meaning that an individual mark cannot be declared invalid, on the basis of a joint

application of those provisions, because the proprietor of the mark fails to ensure, by carrying out periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the mark are being met.

The provisions of 207/2009 on the Community trade mark cannot be applied mutatis mutandis to individual trade marks

- Accordingly, the answer to the second part of the second question referred is that Regulation No 207/2009 must be interpreted as meaning that its provisions on collective EU trade marks may not be applied mutatis mutandis to individual EU trade marks.

Source: curia.europa.eu

Court of Justice EU, 8 June 2017

(M. Ilešič (Rapporteur), A. Prechal, A. Rosas, C. Toader and E. Jarašiūnas)

JUDGMENT OF THE COURT (Second Chamber)

8 June 2017 (*)

(Reference for a preliminary ruling — Intellectual property — EU trade mark — Regulation (EC) No 207/2009 — Articles 9 and 15 — Filing of the cotton flower sign by an association — Registration as an individual trade mark — Licences to use the mark granted to cotton textile manufacturers affiliated with the association — Application for a declaration of invalidity or revocation — Concept of ‘genuine use’ — Essential function of indicating origin)

In Case C-689/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany), made by decision of 15 December 2015, received at the Court on 21 December 2015, in the proceedings

W.F. Gözze Frottierweberei GmbH,
Wolfgang Gözze

v

Verein Bremer Baumwollbörse,
THE COURT (Second Chamber),

composed of M. Ilešič (Rapporteur), President of the Chamber, A. Prechal, A. Rosas, C. Toader and E. Jarašiūnas, Judges,

Advocate General: M. Wathelet,

Registrar: X. Lopez Bancalari, Administrator,

having regard to the written procedure and further to the hearing on 19 October 2016,

after considering the observations submitted on behalf of:

– W.F. Gözze Frottierweberei GmbH and Mr Gözze, by M. Hermans and I. Heß, Rechtsanwältinnen,

– Verein Bremer Baumwollbörse, by C. Opatz, Rechtsanwalt,

– the German Government, by M. Hellmann, T. Henze and J. Techert, acting as Agents,

– the European Commission, by T. Scharf and J. Samnadda, acting as Agents,

after hearing [the Opinion of the Advocate General](#) at the sitting on 1 December 2016, gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).

2 The request was made in proceedings between W.F. Gözze Frottierweberei GmbH ('Gözze') and Mr Wolfgang Gözze and Verein Bremer Baumwollbörse ('the VBB') concerning, first, the use by Gözze of a sign similar to an EU trade mark of which the VBB is the proprietor and, secondly, the existence of genuine use of that mark.

Legal context

3 Regulation No 207/2009 was amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21), which entered into force on 23 March 2016. However, given the date of the facts in the main proceedings, this reference for a preliminary ruling must be examined in the light of Regulation No 207/2009 as it applied prior to that amendment.

4 Article 4 of that regulation provides:

'[An EU] trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

5 Article 7(1) of that regulation provides:

'The following shall not be registered:

(a) signs which do not conform to the requirements of Article 4;

(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 services.

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

...

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

...

6 According to Article 9(1) of that regulation:

'[An EU] 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 [EU] trade mark in relation to goods or services which are

identical with those for which the [EU] trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the [EU] trade mark and the identity or similarity of the goods or services covered by the [EU] 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;

...

7 Article 15 of Regulation No 207/2009 provides:

'1. If, within a period of five years following registration, the proprietor has not put the [EU] trade mark to genuine use in the [European Union] 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 [EU] trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.

...

2. Use of the [EU] trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.'

8 Article 22(1) of that regulation provides:

'[An EU] trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the [European Union]. ...'

9 According to Article 51(1) of that regulation:

'The rights of the proprietor of the [EU] trade mark shall be declared to be revoked on application to the [European Union Intellectual Property Office (EUIPO)] or on the basis of a counterclaim in infringement proceedings:

(a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the [European Union] in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use ... ;

(b) if, in consequence of acts or inactivity of the proprietor, the trade mark has become the common name in the trade for a product or service in respect of which it is registered;

(c) if, in consequence of the use made of it by the proprietor of the trade mark or with his consent in respect of the goods or services for which it is registered, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.'

10 Article 52(1) of that regulation states:

'[An EU] trade mark shall be declared invalid on application to [EUIPO] or on the basis of a counterclaim in infringement proceedings,

(a) where the [EU] trade mark has been registered contrary to the provisions of Article 7;

...

11 Article 66 of Regulation No 207/2009 provides:

'1. A [European Union] collective mark shall be a [European Union] trade mark which is described as such when the mark is applied for and is capable of distinguishing the goods or services of the members of

the association which is the proprietor of the mark from those of other undertakings. ...

2. In derogation from Article 7(1)(c), signs or indications which may serve, in trade, to designate the geographical origin of the goods or services may constitute [European Union] collective marks within the meaning of paragraph 1. A collective mark shall not entitle the proprietor to prohibit a third party from using in the course of trade such signs or indications, provided he uses them in accordance with honest practices in industrial or commercial matters; in particular, such a mark may not be invoked against a third party who is entitled to use a geographical name.

3. The provisions of this Regulation shall apply to [European Union] collective marks, unless Articles 67 to 74 provide otherwise.'

12 Article 67 of that regulation provides:

'1. An applicant for a [European Union] collective mark must submit regulations governing its use within the period prescribed.

2. The regulations governing use shall specify the persons authorised to use the mark, the conditions of membership of the association and, where they exist, the conditions of use of the mark, including sanctions. The regulations governing use of a mark referred to in Article 66(2) must authorise any person whose goods or services originate in the geographical area concerned to become a member of the association which is the proprietor of the mark.

...

13 Article 71 of that regulation provides:

'1. The proprietor of a [European Union] collective mark shall submit to [EUIPO] any amended regulations governing use.

2. The amendment shall not be mentioned in the Register if the amended regulations do not satisfy the requirements of Article 67 or involve one of the grounds for refusal ...

...

14 Article 73 of that regulation provides:

'Apart from the grounds for revocation provided for in Article 51, the rights of the proprietor of a[n EU] collective mark shall be revoked on application to [EUIPO] or on the basis of a counterclaim in infringement proceedings, if:

(a) the proprietor does not take reasonable steps to prevent the mark being used in a manner incompatible with the conditions of use, where these exist, laid down in the regulations governing use, amendments to which have, where appropriate, been mentioned in the Register;

...

(c) an amendment to the regulations governing use of the mark has been mentioned in the Register in breach of the provisions of Article 71(2), unless the proprietor of the mark, by further amending the regulations governing use, complies with the requirements of those provisions.'

15 The version of Regulation No 207/2009 resulting from Regulation No 2015/2424 includes a new section

entitled 'EU certification marks', comprising Articles 74a to 74k of Regulation No 207/2009.

16 Article 74a provides:

'1. An EU certification mark shall be an EU trade mark which is described as such when the mark is applied for and is capable of distinguishing goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, with the exception of geographical origin, from goods and services which are not so certified.

2. Any natural or legal person, including institutions, authorities and bodies governed by public law, may apply for EU certification marks provided that such person does not carry on a business involving the supply of goods or services of the kind certified.

...

17 Pursuant to Article 4 of Regulation No 2015/2424, the provisions referred to in paragraphs 15 and 16 of the present judgment will apply as from 1 October 2017.

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

18 The VBB is an association exercising various activities linked to cotton. It is the proprietor of the following EU figurative trade mark, registered on 22 May 2008 for goods, in particular for textiles ('the cotton flower mark'):



19 It is apparent from the file submitted to the Court and the explanations provided at the hearing that, for several decades preceding that registration, that figurative sign ('the cotton flower sign') had been used by manufacturers of textiles made from cotton fibres to certify the composition and the quality of their goods.

20 Since the registration, the VBB has concluded licence agreements in respect of its cotton flower mark with undertakings affiliated to the association. Those undertakings agree to use the mark only for goods made from good-quality cotton fibres. Compliance with this commitment may be checked by the VBB.

21 Gözze, the director of which is Mr Gözze, which is not affiliated to the VBB and has not concluded a licence agreement with it, manufactures textiles made from cotton fibres and has affixed the cotton flower sign to them for several decades.

22 On 11 February 2014, the VBB brought infringement proceedings against Gözze and Mr Gözze before the competent EU trade mark court, the Landgericht Düsseldorf (Regional Court, Düsseldorf, Germany) as a result of Gözze selling towels to which hangtags are attached, the back of which is reproduced below:



23 In the course of those proceedings, Gözze brought a counterclaim on 14 April 2014 for a declaration of invalidity of the cotton flower mark as from 22 May 2008 or, in the alternative, for revocation of the mark as from 23 May 2013.

24 It claims that the cotton flower sign is purely descriptive and thus not distinctive. The sign cannot be used as an indication of origin, has not been put, within the time period referred to in Article 15 of Regulation No 207/2009, to genuine use by the VBB or its licensees and should not, in any event, have been registered as a trade mark.

25 By judgment of 19 November 2014, the Landgericht Düsseldorf (Regional Court, Düsseldorf) upheld the VBB's action and dismissed Gözze's counterclaim.

26 It held that the sign at issue may serve as an indication of origin. Furthermore, having regard to the high degree of similarity between the cotton flower sign used on Gözze's labels and the VBB's cotton flower mark, there was a likelihood of confusion within the meaning of Article 9(1)(b) of Regulation No 207/2009.

27 Gözze brought an appeal against that decision before the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany).

28 The latter court shares the finding of the first judge that there is a high degree of similarity between the cotton flower sign affixed by Gözze to its goods and the VBB's cotton flower mark since it is distinguished only by the colour in which Gözze normally prints it.

29 However, it held that Gözze's use of the cotton flower sign for identical goods did not necessarily mean that the infringement proceedings brought by the VBB were well founded. That sign and the cotton flower mark would be perceived by the public first and foremost as a 'label of quality'. In those circumstances, the use of the sign and of the cotton flower mark could be viewed as not conveying any message as to the origin of the goods. This may lead to the conclusion, first, that the VBB should have its rights in the cotton flower mark revoked for lack of 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 and, secondly, that Gözze did not commit any infringement.

30 Moreover, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) raised the question whether, in circumstances such as those in the main proceedings, the mark must be deemed to be of such a nature as to deceive the public, within the meaning of Article 7(1)(g) of the regulation. In the

present case, the VBB controls only exceptionally the quality of the goods offered for sale by its licensees.

31 That court takes the view, finally, that it might be possible, in an appropriate case, to liken the use of an individual EU trade mark such as the cotton flower mark to the use of a collective EU trade mark. That would make it possible to consider, on the basis of the principles applicable to collective trade marks, that affixing such a mark on goods serves as an indication of origin, where the public associates it with the expectation of quality control carried out by the proprietor of the mark. If that reasoning were to be followed by the Court of Justice, it could, subsequently, be possible to apply, by analogy, Article 73(a) of Regulation No 207/2009, according to which the rights of the proprietor of such a mark must be declared to be revoked if he does not take reasonable steps to prevent use of the mark in a manner incompatible with the conditions of use as laid down in the regulations governing use.

32 In those circumstances, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'(1) Can the use of an individual mark as a label of quality constitute, in relation to the goods for which it is used, use as a trade mark for the purposes of Articles 9(1) and 15(1) of Regulation No 207/2009?

(2) If Question 1 is to be answered in the affirmative: is such a mark to be declared invalid, in accordance with Article 52(1)(a) in conjunction with Article 7(1)(g) of Regulation No 207/2009, or to be revoked, in accordance with a mutatis mutandis application of Article 73(c) of that regulation, if the proprietor of the mark fails to ensure that expectations in trade relating to the quality associated with the sign are being met by carrying out periodic quality controls at its licensees?'

Consideration of the questions referred

Question 1

33 By its first question, the referring court asks, in essence, whether Article 15(1) of Regulation No 207/2009 is to be interpreted as meaning that the affixing of an individual EU trade mark, by the proprietor or with his consent, on goods as a label of quality is a use as a trade mark that falls under the concept of 'genuine use' within the meaning of that provision, with the result that the proprietor of that mark is entitled to prevent, pursuant to Article 9(1)(b) of that regulation, the affixing by a third party of a similar sign on identical goods where there is a likelihood of confusion as referred to in the latter provision.

34 As regards Article 9(1)(b) of Regulation No 207/2009, it is absolutely clear from that provision that, in a case such as that in the main proceedings, in which it is undisputed that the third party, namely Gözze, is using in the course of trade, without the consent of the proprietor of the mark, a sign which is similar to that mark for identical goods, the proprietor is entitled to

prevent that use if it creates a likelihood of confusion on the part of the public.

35 That is the case where the public is likely to believe that the goods or services designated by the sign used by the third party and those designated by the mark come from the same undertaking or, as the case may be, from economically linked undertakings (see, inter alia, judgments of 6 October 2005, [Medion, C-120/04, EU:C:2005:594](#), paragraph 26; of 10 April 2008, [adidas and adidas Benelux, C-102/07, EU:C:2008:217](#), paragraph 28; and of 25 March 2010, [BergSpechte, C-278/08, EU:C:2010:163](#), paragraph 38).

36 In the light of the high degree of similarity between the cotton flower sign affixed to the cotton textiles offered for sale by Gözze and the cotton flower mark affixed to those offered for sale by the VBB's licensees, the referring court has already held in its order for reference that there is a likelihood of confusion between the sign and the mark. However, the referring court raises the question whether, on account of the absence of any 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009, the VBB may no longer rely on the mark. In that case, the referring court would consider upholding the counterclaim filed by Gözze seeking the revocation of the cotton flower mark.

37 As regards Article 15(1), it is settled case-law that there is 'genuine use' of a trade mark, within the meaning of that provision, where the mark is used in accordance with its essential function, which is to guarantee the identity of origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark (see, inter alia, judgments of 11 March 2003, [Ansul, C-40/01, EU:C:2003:145](#), paragraph 43; of 13 September 2007, [Il Ponte Finanziaria v OHIM, C-234/06 P, EU:C:2007:514](#), paragraph 72; and of 19 December 2012, [Leno Marken, C-149/11, EU:C:2012:816](#), paragraph 29).

38 In the present case, it is common ground that the affixing, by the VBB's licensees, of the cotton flower mark on their goods is done in order to create or preserve an outlet for those goods.

39 However, the fact that a mark is used in order to create or preserve an outlet for the goods or services for which it is registered and not for the sole purpose of preserving the rights conferred by the mark is not sufficient to conclude that there is a 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009.

40 As the Court of Justice held in the case-law referred to in paragraph 37 of the present judgment, it is equally indispensable that the mark be used in accordance with its essential function.

41 As regards individual marks, the essential function 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, inter alia, judgments of 29 September 1998, [Canon, C-39/97, EU:C:1998:442](#), paragraph 28; of 12 November 2002, [Arsenal Football Club, C-206/01, EU:C:2002:651](#), paragraph 48; and of 6 March 2014, [Backaldrin Österreich The Kornspitz Company, C-409/12, EU:C:2014:130](#), paragraph 20).

42 The requirement, when applying Article 15(1) of Regulation No 207/2009, of use in accordance with the essential function of indicating origin reflects the fact that, while a mark may, admittedly, also be used to fulfil other functions, such as that of guaranteeing the quality of that product or service or that of communication, investment or advertising (see, inter alia, to that effect, judgments of 18 June 2009, [L'Oréal and Others, C-487/07, EU:C:2009:378](#), paragraph 58, and of 22 September 2011, [Interflora and Interflora British Unit, C-323/09, EU:C:2011:604](#), paragraph 38), it is nevertheless subject to the sanctions provided for in that regulation where it has not been used in accordance with its essential function for an uninterrupted period of five years. In that case, the rights of the proprietor of the mark are declared to be revoked, in accordance with the rules laid down in Article 51(1)(a) of Regulation No 207/2009, unless he is able to invoke proper reasons for failing to make use of the mark in a way that enables it to fulfil its essential function.

43 The Court will now examine, in the light of the principles set out above, whether the use of an individual mark such as that in the main proceedings as a label of quality may be regarded as being made in accordance with the essential function of the mark.

44 In that regard, the essential function of the mark should not be confused with the other functions, referred to in paragraph 42 of the present judgment, that the mark may fulfil, such as that of guaranteeing quality.

45 Where the use of an individual mark, despite certifying the composition or quality of the goods or services, does not guarantee to consumers that the goods or services come from a single undertaking under the control of which they are manufactured or supplied and which, consequently, is responsible for the quality of those goods or services, such use is not made in accordance with the function of indicating origin.

46 It follows, as the Advocate General observed in points 47 and 56 of his opinion, that there is no use in accordance with the essential function of the individual mark where it is affixed on goods for the sole purpose of being a label of quality for those goods and not that

of guaranteeing, in addition, that the goods come from a single undertaking under the control of which they are manufactured and which is responsible for their quality.

47 In the main proceedings, the VBB stated at the hearing before the Court of Justice that it is an association by State charter (kraft staatlicher Verleihung); it invests income from licensing its mark in promoting cotton; it publishes educational material on cotton and organises seminars on that subject; it also acts as an arbitration tribunal and exercises a public function by participating in setting the 'Bremen CIF price', which expresses a reference value for cotton on the market.

48 The purpose of the association, as presented by the VBB before the Court of Justice, suggests that the association is external to its licensees' production of goods and is not responsible for those goods either.

49 However, it is for the referring court to verify, on the basis of all the information submitted to it by the parties in the main proceedings, whether relevant and consistent evidence makes it possible to consider that the affixing of the VBB's cotton flower mark by the licensees of that association to their goods guarantees to consumers that the goods come from a single undertaking, namely the VBB comprising its affiliates, under the control of which the goods are manufactured and which is responsible for their quality.

50 In any event, the fact that the licence agreements enable the VBB to verify that the licensees use exclusively good-quality cotton fibres cannot constitute such evidence. It implies, at most, that the VBB certifies the quality of the raw material used. As is apparent from Article 66 of Regulation No 207/2009 and Article 74a, added to that regulation by Regulation No 2015/2424, such a certification may, depending on the circumstances, suffice for the view to be taken that a mark other than an individual mark fulfils its function as an indication of origin. Indeed, Article 66 provides that a collective mark fulfils its function as an indication of origin where it distinguishes '*the goods or services of the members of the association which is the proprietor of the mark from those of other undertakings*' and Article 74a states that a certification mark fulfils that function where it distinguishes '*goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics ... from goods and services which are not so certified*'. However, the dispute in the main proceedings concerns an individual mark registered for goods. As has been explained in paragraph 41 of the present judgment, such a mark fulfils its function as an indication of origin where its use guarantees to consumers that the goods bearing it come from a single undertaking under the control of which they are manufactured and which is responsible for the quality of those goods, in their finished state and following the manufacturing process.

51 In the light of all the foregoing considerations, the answer to the first question referred is that Article 15(1)

of Regulation No 207/2009 must be interpreted as meaning that the affixing of an individual EU trade mark, by the proprietor or with his consent, on goods as a label of quality is not a use as a trade mark that falls under the concept of 'genuine use' within the meaning of that provision. However, the affixing of that mark does constitute such genuine use if it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality. In that case, the proprietor of the mark is entitled to prevent, pursuant to Article 9(1)(b) of that regulation, the affixing by a third party of a similar sign on identical goods, if that affixing creates a likelihood of confusion on the part of the public.

Question 2

52 By its second question, the referring court asks, first, in essence, whether Article 52(1)(a) and Article 7(1)(g) of Regulation No 207/2009 must be interpreted as meaning that an individual mark may be declared invalid where the proprietor of the mark fails to ensure, by carrying out periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the mark are being met.

53 In this respect, it should be noted first of all that Article 52(1)(a) of Regulation No 207/2009 provides that the mark is invalid not only if it is of such a nature as to deceive the public within the meaning of Article 7(1)(g) of the regulation, but also, generally, where the mark has been registered in breach of Article 7 of the regulation. Consequently, if there is no risk of deception within the meaning of Article 7(1)(g), the invalidity of the mark must, in principle, nevertheless be declared if it is clear that the registration of the mark took place in breach of one of the other grounds for refusal laid down in Article 7.

54 As regards the specific case of a risk of deception, it should be noted that that situation presupposes the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (judgments of 4 March 1999, [Consorzio per la tutela del formaggio Gorgonzola, C-87/97, EU:C:1999:115](#), paragraph 41, and of 30 March 2006, [Emanuel, C-259/04, EU:C:2006:215](#), paragraph 47).

55 Furthermore, in order to find that a mark had been registered in breach of the ground for refusal relating to the risk of deception, it must be established that the sign filed for the purposes of registration as a trade mark creates per se such a risk (see, to that effect, judgment of 4 March 1999, [Consorzio per la tutela del formaggio Gorgonzola, C-87/97, EU:C:1999:115](#), paragraphs 42 and 43).

56 In the present case, in order to determine whether the cotton flower mark had been registered, on 22 May 2008, in breach of the ground of refusal laid down in Article 7(1)(g) of Regulation No 207/2009, it is for the referring court to examine whether the cotton flower sign filed by the VBB was capable per se of deceiving the consumer. The subsequent management, by the

VBB, of its mark and licences for its use is irrelevant in this respect.

57 Accordingly, the answer to the first part of the second question referred for a preliminary ruling is that Article 52(1)(a) and Article 7(1)(g) of Regulation No 207/2009 must be interpreted as meaning that an individual mark cannot be declared invalid, on the basis of a joint application of those provisions, because the proprietor of the mark fails to ensure, by carrying out periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the mark are being met.

58 The second question referred for a preliminary ruling asks, secondly, in essence, whether Regulation No 207/2009 must be interpreted as meaning that its provisions on collective EU trade marks may be applied *mutatis mutandis* to individual EU trade marks.

59 In that regard, it is important to note that the scope of Articles 66 to 74 of Regulation No 207/2009, relating to collective EU trade marks, is expressly confined, according to the wording of Article 66(1) of the regulation, to marks described as such when applied for.

60 The demarcation of the applicability of those articles must be strictly adhered to, especially as the rules they introduce, such as those set out in Article 67 of the regulation concerning regulations governing use of the mark, go hand in hand with the requirement, when making the application for registration, to expressly describe the mark applied for as a collective mark. Therefore, it is not possible to apply those rules by analogy to individual EU trade marks.

61 Accordingly, the answer to the second part of the second question referred is that Regulation No 207/2009 must be interpreted as meaning that its provisions on collective EU trade marks may not be applied *mutatis mutandis* to individual EU trade marks.

Costs

62 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 (Second Chamber) hereby rules:

1. Article 15(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that the affixing of an individual EU trade mark, by the proprietor or with his consent, on goods as a label of quality is not a use as a trade mark that falls under the concept of ‘genuine use’ within the meaning of that provision. However, the affixing of that mark does constitute such genuine use if it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality. In that case, the proprietor of the mark is entitled to prevent, pursuant to Article 9(1)(b) of that regulation, the affixing by a third

party of a similar sign on identical goods, if that affixing creates a likelihood of confusion on the part of the public.

2. Article 52(1)(a) and Article 7(1)(g) of Regulation No 207/2009 must be interpreted as meaning that an individual mark cannot be declared invalid, on the basis of a joint application of those provisions, because the proprietor of the mark fails to ensure, by carrying out periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the mark are being met.

3. Regulation No 207/2009 must be interpreted as meaning that its provisions on collective EU trade marks may not be applied *mutatis mutandis* to individual EU trade marks.

* Language of the case: German.

OPINION OF ADVOCATE GENERAL

WATHELET

delivered on 1 December 2016 (1)

Case C-689/15

W. F. Gözze Frottierweberei GmbH,

Wolfgang Gözze

v

Verein Bremer Baumwollbörse

(Request for a preliminary ruling from the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany))

(Reference for a preliminary ruling — EU trade mark — Regulation (EC) No 207/2009 — Article 9 — Article 15 — Genuine use — Use of a trade mark as a label of quality — Lack of periodic quality controls at licensees — Revocation of the rights of the proprietor of the trade mark — Certification mark)

I – Introduction

1. By this request for a preliminary ruling, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany) asks the Court to interpret, first, Article 9(1) and Article 15(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1) and, secondly, Article 52(1)(a), Article 7(1)(g) and Article 73(c) of that regulation.

2. In its answer to the national court, the Court will have to rule on whether a label of quality — namely a sign intended to guarantee the material used in the goods to which it is affixed, their quality or manufacturing process — is capable of constituting an individual EU trade mark.

II – Legal framework

3. Regulation No 207/2009 codified Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1). As the Court has pointed out, the interpretation of the rules laid down in Regulation No 40/94 may be transposed to Regulation No 207/2009 where the relevant provisions were not materially amended, as regards their wording, context or purpose, when the latter regulation was adopted. (2) That is so in the case in the main proceedings.

4. Regulation No 207/2009 was itself also recently amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21).

5. However, given the date of the facts in the main proceedings, this reference for a preliminary ruling must be examined in the light of Regulation No 207/2009 as it applied prior to that amendment.

A – Regulation No 207/2009

6. Under Article 4 of Regulation No 207/2009:

‘A[n EU] trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.’

7. Article 7(1) of that regulation provides:

‘The following shall not be registered:

...

(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;

...

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

...

8. Article 9(1) of the regulation provides:

‘A[n EU] 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 [EU] trade mark in relation to goods or services which are identical with those for which the [EU] trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the [EU] trade mark and the identity or similarity of the goods or services covered by the [EU] 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;

...

9. Article 15(1) of Regulation No 207/2009 provides as follows:

‘If, within a period of five years following registration, the proprietor has not put the [EU] trade mark to genuine use in the [European Union] 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 [EU] trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.

The following shall also constitute use within the meaning of the first subparagraph:

(a) use of the [EU] 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;

(b) affixing of the [EU] trade mark to goods or to the packaging thereof in the [European Union] solely for export purposes.’

10. Under Article 51(1) of that regulation:

‘The rights of the proprietor of the [EU] trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings:

(a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the [European Union] in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use ...;

(b) if, in consequence of acts or inactivity of the proprietor, the trade mark has become the common name in the trade for a product or service in respect of which it is registered;

(c) if, in consequence of the use made of it by the proprietor of the trade mark or with his consent in respect of the goods or services for which it is registered, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.’

11. Article 52(1) of Regulation No 207/2009 states:

‘A[n EU] trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

(a) where the [EU] trade mark has been registered contrary to the provisions of Article 7;

...

12. Under Article 73 of that regulation:

‘Apart from the grounds for revocation provided for in Article 51, the rights of the proprietor of a[n EU] collective mark shall be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings, if:

(a) the proprietor does not take reasonable steps to prevent the mark being used in a manner incompatible with the conditions of use, where these exist, laid down in the regulations governing use, amendments to which have, where appropriate, been mentioned in the Register;

...

(c) an amendment to the regulations governing use of the mark has been mentioned in the Register in breach of the provisions of Article 71(2), unless the proprietor of the mark, by further amending the regulations governing use, complies with the requirements of those provisions.’

B – Regulation 2015/2424

13. Recital 27 of Regulation 2015/2424 provides as follows:

‘As a complement to the existing provisions on Community collective marks and to remedy the current imbalance between national systems and the EU trade mark system, it [has become] necessary to add a set of specific provisions for the purpose of providing protection to European Union certification marks (“EU certification marks”) which allow a certifying institution or organisation to permit adherents to the certification system to use the mark as a sign for goods or services complying with the certification requirements.’

14. To that end, Regulation 2015/2424 inserted Article 74a into Regulation No 207/2009, worded as follows:

‘1. An EU certification mark shall be an EU trade mark which is described as such when the mark is applied for and is capable of distinguishing goods or services which are certified by the proprietor of the mark in respect of material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics, with the exception of geographical origin, from goods and services which are not so certified.

2. Any natural or legal person, including institutions, authorities and bodies governed by public law, may apply for EU certification marks provided that such person does not carry on a business involving the supply of goods or services of the kind certified.

...

15. In accordance with Article 4 of Regulation 2015/2424, Article 74a of Regulation No 207/2009 will apply as from 1 October 2017.

III – Facts in the main proceedings

16. The main proceedings are between, on the one part, W.F. Gözze Frottierweberei GmbH (‘Gözze’) and its manager, Wolfgang Gözze (‘Mr Gözze’), and, on the other, the association Verein Bremer Baumwollbörse (‘VBB’).

17. VBB is an association which represents the interests of undertakings in the cotton textile sector. It is the proprietor of the following EU figurative trade mark (the ‘cotton flower’ mark):



18. The ‘cotton flower’ mark was filed in black and white and was registered on 22 May 2008, in particular for textiles.

19. VBB concludes licence agreements in respect of the ‘cotton flower’ mark with undertakings from the textile sector. Those undertakings agree to use the mark only for high quality goods made from cotton fibres. Compliance with this commitment may be checked by VBB.

20. Gözze pursues its business in the textile sector and markets, inter alia, towels to which hangtags are

attached, the back of which, usually printed in green and white, is reproduced below:



21. Gözze is not among VBB’s licensees. VBB did not consent to any use being made, by Gözze, of a sign which is identical or similar to the ‘cotton flower’ mark. It therefore brought infringement proceedings against Gözze before the competent EU trade mark court, the Landgericht Düsseldorf (Regional Court, Düsseldorf, Germany).

22. Gözze brought a counterclaim for a declaration of invalidity or, in the alternative, for revocation of the ‘cotton flower’ mark. It claims that the figurative ‘cotton flower’ sign is purely descriptive and thus not distinctive. Since the sign cannot be used as an indication of origin, it should not have been registered as a trade mark.

23. The Landgericht Düsseldorf (Regional Court, Düsseldorf) upheld VBB’s action and dismissed the counterclaim filed by Gözze. Gözze therefore filed an appeal before the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf).

24. The latter court considers that, in the public’s eyes, the ‘cotton flower’ sign fulfils a function other than simply indicating that the material used in the manufacture of the goods is cotton. It also takes the view that, due to the high degree of similarity between the ‘cotton flower’ sign used by Gözze and VBB’s ‘cotton flower’ mark, there is a likelihood of confusion. In this respect, it finds that the sign differs from the mark only in colour.

25. Nonetheless, this does not necessarily mean that the infringement proceedings should be upheld. The ‘cotton flower’ sign would be perceived by the public first and foremost as an indication of the quality of the goods. In those circumstances, the use of the sign and of the ‘cotton flower’ mark could be viewed as not conveying any message as to the origin of the goods. This may lead to the conclusion that VBB should have its rights revoked and that Gözze did not commit any infringement.

26. However, the national court also states that the use of an individual trade mark as a label of quality may, like the use of a collective mark, be considered to be used as a trade mark where the public associates that mark with an expectation that the proprietor has carried out quality controls.

27. In that case, the use of the mark at issue would be perceived by the public as a reference to goods manufactured under the control of the proprietor. The trade mark would thereby fulfil its essential function,

which is to indicate that the goods originate from an undertaking subject to quality assurance.

28. On that interpretation, the national court finds that it would be possible to apply *mutatis mutandis* Article 73 of Regulation No 207/2009 concerning collective marks, pursuant to which a mark is to be revoked if its proprietor does not take reasonable steps to prevent it being used in a manner incompatible with the conditions of use as laid down in the regulations governing use.

29. In those circumstances, the national court considered it necessary to stay the proceedings and to refer questions to the Court for a preliminary ruling.

IV – Request for a preliminary ruling and procedure before the Court

30. By decision of 15 December 2015, received by the Court on 21 December 2015, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) thus decided to refer to the Court under Article 267 TFEU the following questions for a preliminary ruling:

‘(1) Can the use of an individual mark as a label of quality constitute, in relation to the goods for which it is used, use as a trade mark for the purposes of Articles 9(1) and 15(1) of ... Regulation ... No 207/2009 ...?’

‘(2) If Question 1 is to be answered in the affirmative: is such a mark to be declared invalid, in accordance with Article 52(1)(a) in conjunction with Article 7(1)(g) of ... Regulation ... No 207/2009 ..., or to be revoked, in accordance with a mutatis mutandis application of Article 73(c) of that regulation, if the proprietor of the mark fails to ensure that expectations in trade relating to the quality associated with the sign are being met by carrying out periodic quality controls at its licensees?’

31. Written observations were submitted by Gözze and Mr Gözze, VBB, the German Government and the European Commission. All of them also presented oral argument at the hearing on 19 October 2016.

V – Assessment

A – First question referred for a preliminary ruling

32. By its first question, the national court essentially enquires whether a label of quality can be recognised as entailing exclusive rights of the kind conferred on the proprietors of individual trade marks under Regulation No 207/2009.

33. According to the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf), the outcome of the action brought by VBB is dependent on whether the use of an individual trade mark as a label of quality can constitute use as a trade mark for the purpose of Article 9(1) and Article 15(1) of Regulation No 207/2009. (3)

34. Regulation No 207/2009 does not recognise labels of quality as such (section 1 below). Consequently, the only way of approaching the question is from the perspective of a trade mark’s functions (sections 2 to 4 below). That review is, in short, a matter for the national court (section 5 below).

1. The non-recognition of labels of quality as EU trade marks in Regulation No 207/2009

35. Regulation No 207/2009 makes no provision for the use of a sign in order to guarantee the material of goods, their mode of manufacture or their quality, as

such. It is apparent from the historical development of EU trade mark legislation that this was a conscious choice by the legislature.

36. In its early discussions on the creation of a Community trade mark, the Commission expressly envisaged ‘certification marks’ alongside collective marks, in addition to ‘ordinary’ trade marks. (4) Indeed, this type of mark appeared in Article 86 of the Proposal for a Council Regulation (EEC) on Community trade marks, under the heading ‘Community guarantee marks’. (5) However, the legislature decided not to include marks of this kind in either Regulation No 40/94 or Regulation No 207/2009.

37. There is therefore no doubt as to the exclusion of this type of mark from the scope of Regulation No 207/2009. Were it necessary, the recognition of their existence in First Directive 89/104 confirms the deliberateness of the opposite choice made in that regulation. (6)

38. Thus, it was only with the adoption of Regulation 2015/2424 that certification marks made their first appearance as EU trade marks.

39. The legislature expressly states in recital 27 of this new regulation that ‘as a complement to the existing provisions on Community collective marks and to remedy the current imbalance between national systems and the EU trade mark system ...’, (7) it was ‘necessary to add a set of specific provisions for the purpose of providing protection to European Union certification marks’.

40. It is therefore clear that the use of a sign in order to guarantee the material of goods, their mode of manufacture or their quality cannot be covered, as such, by Regulation No 207/2009. This refers to a new type of EU trade mark introduced by Regulation 2015/2424 under the name of ‘certification mark’. (8)

41. Does this mean that such a sign can never be eligible for the protection which Regulation No 207/2009 confers on individual trade marks? I do not think that it does.

42. However, in order to confer exclusive rights on its proprietor, a sign used as a label of quality must necessarily fulfil the essential function of a trade mark.

2. The requirement that the essential function of a trade mark be fulfilled

43. According to settled case-law, ‘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’. (9)

44. The essential function of a trade mark is given concrete expression to in the use that is made of it, with Article 15(1) of Regulation No 207/2009 requiring ‘genuine use’. The Court has defined such ‘genuine

use' as *'use ... consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin'*. (10)

45. Due to the essential nature of that function, *'a trade mark is always supposed to fulfil its function of indicating origin, whereas it performs its other functions only in so far as its proprietor uses it to that end ...'*. (11)

46. Therefore, it seems to follow from this case-law that, under the scheme of Regulation No 207/2009, a label of quality must necessarily fulfil a trade mark's function of indicating origin if its proprietor is to seek to make use of the exclusive rights conferred on him by Article 9 of that regulation.

47. In other words, if the use of a sign, as a label of quality, is not only associated with an indication of the quality of the goods but also and simultaneously with an indication of origin, there is use of a sign as a trade mark for the purpose of the case-law of the Court.

3. The requirement that one of the functions of the trade mark be adversely affected

48. In the latter situation — namely where a sign is used in conjunction with an indication of the quality of the goods and with an indication of origin — it is still necessary to determine whether the use by a third party of a sign that is identical or similar to a registered EU trade mark affects or is liable to affect adversely the rights of the mark's proprietor.

49. The Court was particularly emphatic in that regard in paragraph 39 of its judgment of 22 September 2011, *Interflora and Interflora British Unit* (C-323/09, EU:C:2011:604): *'a trade mark's function of indicating origin is not the only function of the mark that is worthy of protection against injury by third parties ...'*. The Court has expressly acknowledged that these other functions include that of guaranteeing the quality of goods. (12)

50. According to the Court, the exclusive rights provided for in Article 9(1)(a) of Regulation No 207/2009 are conferred on the proprietor of a trade mark to ensure that the trade mark can fulfil its functions. They can therefore be exercised where a third party's use of a sign affects or is liable to affect adversely the functions of a trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods. (13)

51. In other words, the proprietor of a trade mark is entitled to prevent such use if it is liable to affect adversely one of the functions of the trade mark, irrespective of whether the function of indicating origin or one of the other functions is concerned. (14)

52. Thus, a contrario, the use of a sign for purely descriptive purposes is excluded from the scope of Article 9(1) of Regulation No 207/2009. (15)

53. Nevertheless, it is important to note that the Court limits the possibility of challenging the impairment of one of a trade mark's functions to the situation where a sign which is identical to an EU trade mark is used for

goods or services which are identical to those in respect of which the trade mark was registered, namely the scope of Article 5(1)(a) of Directive 2008/95 or Article 9(1)(a) of Regulation No 207/2009.

54. The Court expressly drew attention to this distinction in its judgment of 25 March 2010, *BergSpechte* (C-278/08, EU:C:2010:163):

– in the situation envisaged in Article 9(1)(a) of Regulation No 207/2009, *'in which a third party uses a sign identical with a trade mark in relation to goods or services which are identical with those for which that mark is registered, the proprietor of the mark is entitled to prohibit that use if it is liable to have an adverse effect on one of the functions of the mark'*, (16)

– in the other situation envisaged in Article 9(1)(b) of Regulation No 207/2009, *'where the third party uses a sign which is identical with the trade mark in relation to goods or services which are identical with or similar to those for which the trade mark is registered, the proprietor of the trade mark can oppose the use of that sign only where there is a likelihood of confusion'*. (17)

55. This distinction stems from the wording of Article 9(1) of Regulation No 207/2009. The protection conferred by Article 9(1)(a) of that regulation is more extensive than that provided for in Article 9(1)(b), since in order to be triggered the latter expressly requires there to be a likelihood of confusion in the event of similarity, whereas the former does not. (18)

4. Interim conclusion

56. In the light of the foregoing considerations, I consider that the use of a sign, as a label of quality, is capable of constituting use as a trade mark such as to preserve the rights of its proprietor as conferred on him by the EU trade mark, for the purpose of Article 15 of Regulation No 207/2009, provided that the use of the sign simultaneously fulfils a trade mark's essential function of indicating origin.

57. In that case, Article 9(1)(a) of Regulation No 207/2009 must be interpreted as allowing the proprietor of an EU trade mark in the form of a label of quality to prevent competitors from using an identical sign for goods or services which are identical to those in respect of which the trade mark was registered, where such use is liable to affect adversely one of the trade mark's functions, such as the indication of the quality of the goods.

58. By contrast, where a third party uses a sign which is identical or similar to a trade mark for goods or services which are identical or similar to those in respect of which the trade mark was registered, Article 9(1)(b) of Regulation No 207/2009 must be interpreted as allowing the proprietor of the EU trade mark to oppose the use of that sign only where there is a likelihood of confusion.

5. The role of the national court

59. It is for the national court to determine, first, whether the 'cotton flower' mark fulfils a trade mark's essential function and, secondly, whether a trade mark's function of indicating origin or one of its other functions is adversely affected or is liable to be so affected. (19)

a) The essential function of indicating origin

60. It is apparent from the request for a preliminary ruling that the public infers from the use of the sign an indication of the quality of the goods. (20)

61. However, although we have seen that a guarantee of the quality of goods is eligible for protection as a trade mark function, the indication of quality referred to by the national court does not automatically prevent the mark in question from also fulfilling the function of indicating origin.

62. On the contrary, I agree with the reasoning of the national court that a sign which is perceived by the public as a reference to goods under the control of the proprietor of the trade mark serves to distinguish those goods from goods of other undertakings which are not subject to such control. (21)

63. The Court has stated that *'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'*. (22)

64. Therefore, although a guarantee of quality may be protected as a trade mark function, this may be a consequence of the function of indicating origin. A guarantee of quality is linked to origin. (23)

65. It is reasonable to assume that, whilst the function of indicating origin is of interest, this interest is due to the effects associated with it. What consumers expect from goods bearing a trade mark they are familiar with or recognise is consistent quality. On the basis of that expectation of quality, created by the trade mark, the proprietor of the mark is able to uphold and consolidate the focus on quality with respect to consumers, with a view to increasing future sales. (24)

66. Furthermore, the reference to a 'single undertaking' with responsibility for the quality of goods or services should not be interpreted literally.

67. It seems that this could cover not only the proprietor of the trade mark but also 'economically connected' undertakings since the Court, in particular, has found that a trade mark's function of indicating origin can be adversely affected where an advertisement, prompted to appear after entering a keyword identical to a trade mark in an internet search engine, *'does not enable normally informed and reasonably attentive internet users, or enables them only with difficulty, to ascertain whether the goods or services referred to by the ad originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party'*. (25)

68. Similarly, I note that the Court has also referred, in determining whether a trade mark's function of indicating origin is adversely affected, to approved resellers of the proprietor of the mark (26) and to membership of the same network. (27)

69. Consequently, if the national court concludes that the indication of quality resulting from the 'cotton flower' mark also refers to VBB or to one of its

licensees, it thus also fulfils the function of indicating origin.

70. If, on the other hand, the national court finds that trust in the quality of goods bearing the 'cotton flower' sign is tied solely to the material used, irrespective of the manufacturer of the goods or the association which issues that label of quality, then the sign in question does not fulfil the essential function of a trade mark.

b) Adverse effect or likelihood of adverse effect on a trade mark's function of indicating origin or on one of its other functions

71. If the national court were to conclude that the 'cotton flower' sign fulfils the function of indicating origin, it would remain to be determined whether the use of an identical or similar sign by a third party adversely affects or is liable to adversely affect VBB's rights.

72. In the present case, the 'cotton flower' mark and the sign used by Gözze cannot, to my mind, be regarded as identical due to the colour differences between the signs. A sign is identical to a trade mark only where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer. (28)

73. Here too, however, it is for the national court to assess whether the sign used by Gözze is identical or similar to the 'cotton flower' mark. In the first situation, VBB would be entitled to prevent any use of the sign liable to affect adversely one of the functions of its trade mark, such as that of indicating the quality of the goods (under Article 9(1)(a) of Regulation No 207/2009). In the second situation, VBB could oppose the use of that sign only if there was a likelihood of confusion as regards the origin of the goods (under Article 9(1)(b) of Regulation No 207/2009).

B – Second question referred for a preliminary ruling

74. By its second question, the national court essentially asks whether it is possible to revoke an individual trade mark used as a label of quality, on the basis of Article 52(1)(a) and Article 7(1)(g) of Regulation No 207/2009, or on the basis of a mutatis mutandis application of Article 73(c) of that regulation, if the proprietor of the trade mark fails to ensure, by carrying out periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the sign are being met.

75. This question stems from one of the national court's premisses. According to the national court, in order for a label of quality to be recognised as an EU trade mark, the public must associate the label in question with an expectation that the proprietor of the sign carries out quality controls. Consequently, in order for that label to enjoy the protection intrinsic to EU trade marks, the 'approved quality' which the public associates with the label must actually be ensured. (29)

76. Although I agree with the premiss of the reasoning, I do not agree with the conclusion drawn from it.

77. As explained above, although a label of quality may be covered by the scheme of Regulation No 207/2009, it is not covered as a guarantee or certification mark, the conditions for the revocation of which may be more akin to the conditions applicable to collective marks.

(30) It is covered only as an individual trade mark.

78. Although the idea of controlling the use of a trade mark might be inferred from Article 73 of Regulation No 207/2009, the fact remains that Regulation No 207/2009 does not impose any conditions of this kind in relation to individual trade marks.

79. In line with the reasoning developed in my examination of the first question referred for a preliminary ruling, a label of quality must necessarily — and exclusively — fulfil a trade mark's function of indicating origin if its proprietor is to seek to make use of the exclusive rights conferred on him by Article 9 of Regulation No 207/2009.

80. In those circumstances, the possibility of goods being subject to quality controls may be a factor enabling the goods to be linked to a manufacturer and to undertakings which are economically connected to that manufacturer. However, there is no requirement that such controls actually be carried out. What matters is not whether controls are in fact in place, but rather whether the quality of the goods may be ascribed to a specific undertaking and the possibility of controls associated with that undertaking.

81. Consequently, I am of the view that neither Article 52(1)(a) and Article 7(1)(g) of Regulation No 207/2009, nor Article 73(c) of that regulation, allow the invalidity or revocation of an EU trade mark which is also a label of quality if the proprietor of that mark fails to ensure, by carrying out actual or periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the sign are being met.

VI – Conclusion

82. In the light of the foregoing considerations, I propose that the Court answer the questions referred for a preliminary ruling by the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf, Germany) as follows:

(1) The use of a sign, as a label of quality, is capable of constituting use as a trade mark such as to preserve rights, for the purpose of Article 15 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark, provided that the use of the sign in question simultaneously fulfils a trade mark's essential function of indicating origin.

In that case, Article 9(1)(a) of Regulation No 207/2009 must be interpreted as allowing the proprietor of an EU trade mark in the form of a label of quality to prevent competitors from using an identical sign for goods or services which are identical to those in respect of which the trade mark was registered, where such use is liable to affect adversely one of the trade mark's functions, such as the indication of the quality of the goods.

By contrast, where a third party uses a sign which is identical or similar to a trade mark for goods or services which are identical or similar to those in

respect of which the trade mark was registered, Article 9(1)(b) of Regulation No 207/2009 must be interpreted as allowing the proprietor of the EU trade mark to oppose the use of that sign only where there is a likelihood of confusion.

(2) Neither Article 52(1)(a) and Article 7(1)(g) of Regulation No 207/2009, nor Article 73(c) of that regulation, allow the invalidity or revocation of an EU trade mark which is also a label of quality if the proprietor of that mark fails to ensure, by carrying out actual or periodic quality controls at its licensees, that expectations relating to the quality which the public associates with the sign are being met.

1 Original language: French.

2 See, to that effect, judgment of 22 September 2011, *Interflora and Interflora British Unit* (C-323/09, EU:C:2011:604, paragraph 4). In that judgment, the Court additionally stated that the case-law concerning Article 5(1)(a) of 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) was also relevant for the interpretation of Article 9(1)(a) of Regulation No 40/94. Indeed, that interpretation 'has been restated on many occasions and applied in relation to Article 9(1)(a) of Regulation No 40/94' (see judgment of 22 September 2011, *Interflora and Interflora British Unit* (C-323/09, EU:C:2011:604, paragraph 38)). The wording of Article 9(1)(a) of Regulation No 207/2009 is identical to the wording of Article 9(1)(a) of Regulation No 40/94.

3 See paragraph 7 of the request for a preliminary ruling.

4 See the Commission's Memorandum on the creation of an EEC trade mark (Sec(76) 2462), Bulletin of the EC, Supplement 8/76, paragraph 69 (also see paragraphs 53 and 71).

5 Proposal for a Council Regulation (EEC) on Community trade marks submitted by the Commission to the Council on 25 November 1980 (COM/80/635FINAL) (OJ 1980 C 351, p. 5).

6 Under Article 1 of Directive 89/104, the directive applied 'to every trade mark in respect of goods or services which is the subject of registration or of an application in a Member State for registration as an individual trade mark, a collective mark or a guarantee or certification mark, or which is the subject of a registration or an application for registration in the Benelux Trade Mark Office or of an international registration having effect in a Member State' (emphasis added) (also see Article 15 entitled 'Special provisions in respect of collective marks, guarantee marks and certification marks'). The inclusion of guarantee or certification marks was retained in Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25) and the concept was defined in Article 27 of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to

approximate the laws of the Member States relating to trade marks (OJ 2015 L 336, p. 1).

7 Emphasis added.

8 See, to that effect, Rodhain, Ph., ‘La nouvelle marque de l’Union européenne: version 2.0 ou simple mise à jour?’, *Revue Lamy droit de l’immatériel*, 2016, No 127, pp. 45 to 51, particularly p. 49.

9 Judgment of 12 November 2002, Arsenal Football Club (C-206/01, EU:C:2002:651, paragraph 48 and the case-law cited).

10 Judgment of 11 March 2003, Ansul (C-40/01, EU:C:2003:145, paragraph 36).

11 Judgment of 22 September 2011, Interflora and Interflora British Unit (C-323/09, EU:C:2011:604, paragraph 40). Emphasis added.

12 See, to that effect, judgments of 18 June 2009, L’Oréal and Others (C-487/07, EU:C:2009:378, paragraph 58); of 23 March 2010, Google France and Google (C-236/08 to C-238/08, EU:C:2010:159, paragraph 77); and of 22 September 2011, Interflora and Interflora British Unit (C-323/09, EU:C:2011:604, paragraph 38). As regards the recognition of these new trade mark functions, see Bonet, G., ‘Les trois âges de la fonction de la marque. Selon la jurisprudence de la Cour de justice’, *Propriétés intellectuelles*, 2012, No 43, pp. 154 to 160.

13 See, to that effect, judgments of 12 November 2002, Arsenal Football Club (C-206/01, EU:C:2002:651, paragraph 51); of 18 June 2009, L’Oréal and Others (C-487/07, EU:C:2009:378, paragraph 58); and of 23 March 2010, Google France and Google (C-236/08 to C-238/08, EU:C:2010:159, paragraph 77).

14 See, to that effect, judgments of 18 June 2009, L’Oréal and Others (C-487/07, EU:C:2009:378, paragraph 65), and of 23 March 2010, Google France and Google (C-236/08 to C-238/08, EU:C:2010:159, paragraph 79).

15 See, to that effect, as regards Article 5(1) of Directive 89/104, judgment of 12 November 2002, Arsenal Football Club (C-206/01, EU:C:2002:651, paragraph 54). The reference to purely descriptive purposes was defined by the Court as being where the intention is to reveal the characteristics of the goods (judgment of 14 May 2002, Hölterhoff (C-2/00, EU:C:2002:287, paragraph 16)).

16 Paragraph 21 (as regards Article 5(1)(a) of Directive 89/104).

17 Paragraph 22 (as regards Article 5(1)(b) of Directive 89/104).

18 See, to that effect, judgment of 23 March 2010, Google France and Google (C-236/08 to C-238/08, EU:C:2010:159, paragraph 78). The literal interpretation of Article 9 of Regulation No 207/2009 is supported by recital 8 of that regulation. Recital 8 provides for ‘absolute’ protection of the trade mark in the case of identity between the mark and the sign and between the goods or services, but in the case of similarity, protection of the mark is only envisaged where there is a likelihood of confusion (see, to that

effect, as regards Article 5(1) of Directive 89/104, judgment of 18 June 2009, L’Oréal and Others, C-487/07, EU:C:2009:378, paragraph 59).

19 See, to that effect, judgments of 18 June 2009, L’Oréal and Others (C-487/07, EU:C:2009:378, paragraph 63); of 23 March 2010, Google France and Google (C-236/08 to C-238/08, EU:C:2010:159, paragraph 88); and of 22 September 2011, Interflora and Interflora British Unit (C-323/09, EU:C:2011:604, paragraph 46).

20 See paragraph 9 of the request for a preliminary ruling.

21 See paragraph 12 of the request for a preliminary ruling. The effect of the actual nature of the control is the subject of the second question referred for a preliminary ruling.

22 See, to that effect, judgment of 12 November 2002, Arsenal Football Club (C-206/01, EU:C:2002:651, paragraph 48 and the case-law cited).

23 See, to that effect, Bonet, G., ‘Les trois âges de la fonction de la marque. Selon la jurisprudence de la Cour de justice’, *Propriétés intellectuelles*, 2012, No 43, pp. 154 to 160, particularly p. 159. Some writers have even gone so far as to argue that trade marks do not fulfil any independent function of guaranteeing quality. If a trade mark does fulfil that function, it would be by means of the function of guaranteeing the identity of origin, ‘since consistency in origin, in principle, but nevertheless not necessarily, guarantees consistency in quality’ (free translation) (see Passa, J., ‘Les nouvelles fonctions de la marque dans la jurisprudence de la cour de justice: Portée? Utilité?’, *Cahiers de droit de l’entreprise*, January 2012, issue 5). On this view, the function of quality is an aspect or offshoot of the function of guaranteeing the identity of origin.

24 See, to that effect, Riehle, G., *Trade Mark Rights and Remanufacturing in the European Community*, ICC Studies, vol. 22, Verlag C.H. Beck, Munich, 2003, p. 50.

25 See judgment of 23 March 2010, Google France and Google (C-236/08 to C-238/08, EU:C:2010:159, paragraph 84). Emphasis added.

26 See, to that effect, judgment of 12 November 2002, Arsenal Football Club (C-206/01, EU:C:2002:651, paragraph 59).

27 See, to that effect, judgment of 22 September 2011, Interflora and Interflora British Unit (C-323/09, EU:C:2011:604, paragraph 51).

28 See, to that effect, judgment of 25 March 2010, BergSpechte (C-278/08, EU:C:2010:163, paragraph 25).

29 See paragraphs 12 and 13 of the request for a preliminary ruling.

30 As is the case in Regulation 2015/2424.