

European Court of Justice, 14 September 1999, Chevy



TRADEMARK LAW

Known trademark

- [Known by a significant part of the public concerned.](#)

that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers.

- [In a substantial part of that territory.](#)

In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.

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European Court of Justice, 14 September 1999

(J.-P. Puissechet, acting for the President, P. Jann, J.C. Moitinho de Almeida, C. Gulmann, J.L. Murray, D.A.O. Edward, H. Ragnemalm, M. Wathelet and R. Schintgen)

JUDGMENT OF THE COURT

14 September 1999 (1)

(Directive 89/104/EEC — Trade marks — Protection — Non-similar products or services — Trade mark having a reputation)

In Case C-375/97,

REFERENCE to the Court under Article 177 of the EC Treaty (now Article 234 EC) by the Tribunal de Commerce de Tournai, Belgium, for a preliminary ruling in the proceedings pending before that court between General Motors Corporation and

Yplon SA,

on the interpretation of Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1),

THE COURT,

composed of: J.-P. Puissechet (President of the Third and Fifth Chambers), acting for the President, P. Jann (President of Chamber), J.C. Moitinho de Almeida, C. Gulmann (Rapporteur), J.L. Murray, D.A.O. Edward, H. Ragnemalm, M. Wathelet and R. Schintgen, Judges, Advocate General: F.G. Jacobs,

Registrar: R. Grass,

after considering the written observations submitted on behalf of:

— General Motors Corporation, by A. Braun and E. Cornu, of the Brussels Bar,

— Yplon SA, by E. Felten and D.-M. Philippe, of the Brussels Bar,

— the Belgian Government, by J. Devadder, General Adviser in the Legal Service of the Ministry of Foreign Affairs, External Trade and Development Cooperation, acting as Agent,

— the French Government, by K. Rispal-Bellanger, Head of the Sub-directorate for International Economic Law and Community Law in the Legal Affairs Directorate of the Ministry of Foreign Affairs, and A. de Bourgoing, Chargé de Mission in the same directorate, acting as Agents,

— the Netherlands Government, by J.G. Lammers, Legal Adviser in the Ministry of Foreign Affairs, acting as Agent,

— the Commission of the European Communities, by B.J. Drijber, of its Legal Service, acting as Agent, having regard to the Report for the Hearing,

after hearing the oral observations of General Motors Corporation, represented by A. Braun and E. Cornu; of Yplon SA, represented by D.-M. Philippe; of the Netherlands Government, represented by M.A. Fierstra, Legal Adviser, acting as Agent; of the United Kingdom Government, represented by M. Silverleaf QC; and of the Commission, represented by K. Banks, of its Legal Service, acting as Agent, at the hearing on 22 September 1998,

after hearing the [Opinion of the Advocate General](#) at the sitting on 26 November 1998,

gives the following

Judgment

1. By judgment of 30 October 1997, received at the Court on 3 November 1997, the Tribunal de Commerce (Commercial Court), Tournai, referred to the Court for a preliminary ruling under Article 177 of the EC Treaty (now Article 234 EC) a question on the interpretation of Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1, hereinafter 'the Directive').

2. The question has been raised in proceedings between General Motors Corporation (hereinafter 'General Motors'), established in Detroit, United States of America, and Yplon SA (hereinafter 'Yplon'), established at Estaimpuis, Belgium, concerning the use of the mark 'Chevy'.

Community law

3. Article 1 of the Directive, entitled 'Scope', provides: 'This Directive shall apply 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.'

4. Article 5(1) and (2), of the Directive, entitled 'Rights conferred by a trade mark', provides:

'1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be

entitled to prevent all third parties not having his consent from using in the course of trade:

- (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;
- (b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.'

The Benelux legislation

5. Article 13(A)(1)(c) of the Uniform Benelux Law on Trade Marks (hereinafter 'the Uniform Benelux Law'), which transposed into Benelux law Article 5(2) of the Directive, provides:

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

...

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

...'

6. That provision, which took effect on 1 January 1996, replaced, as from that date, the old Article 13(A)(2) of the Uniform Benelux Law, under which the exclusive rights in the trade mark allowed the proprietor to oppose 'any other use [use other than that described in paragraph 1(1), namely use for an identical or similar product] of the trade mark or a similar sign in the course of trade and without due cause which would be liable to be detrimental to the owner of the trade mark'.

The dispute in the main proceedings

7. General Motors is the proprietor of the Benelux trade mark 'Chevy', which was registered on 18 October 1971 at the Benelux Trade Mark Office for Class 4, 7, 9, 11 and 12 products, and in particular for motor vehicles. That registration asserts the rights acquired under an earlier Belgian registration on 1 September 1961 and earlier use in the Netherlands in 1961 and in Luxembourg in 1962. Nowadays, the mark 'Chevy' is used more specifically in Belgium to designate vans and similar vehicles.

8. Yplon is also the proprietor of the Benelux trade mark 'Chevy', registered at the Benelux Trade Mark

Office on 30 March 1988 for Class 3 products and then on 10 July 1991 for Class 1, 3 and 5 products. It uses those trade marks for detergents and various cleaning products. It is also the proprietor of the trade mark 'Chevy' in other countries, including several Member States.

9. On 28 December 1995 General Motors applied to the Tribunal de Commerce, Tournai, for an injunction restraining Yplon from using the sign 'Chevy' to designate detergents or cleaning products on the ground that such use entails dilution of its own trade mark and thus damages its advertising function. Its action is based, as regards the period prior to 1 January 1996, on the old Article 13(A)(2) of the Uniform Benelux Law and, as from 1 January 1996, on the new Article 13(A)(1)(c) of that Law. It maintains in this regard that its mark 'Chevy' is a trade mark of repute within the meaning of the latter provision.

10. Yplon is defending the action on the ground, in particular, that General Motors has not shown that its trade mark has a 'reputation' in the Benelux countries within the meaning of the new Article 13(A)(1)(c) of the Uniform Benelux Law.

11. The Tribunal de Commerce took the view that determination of the case required clarification of the concept of a trade mark having a reputation and of the question whether the reputation must exist throughout the Benelux countries or whether it is sufficient for it to exist in part of that territory and decided to stay proceedings and refer the following question to the Court for a preliminary ruling:

'On reading Article 13(A)(1)(c) of the Uniform Benelux Law introduced pursuant to the amending protocol in force since 1 January 1996, what is the proper construction of the term "repute of the trade mark" and may it also be said that such "repute" applies throughout the Benelux countries or to part thereof?'

The question referred for a preliminary ruling

12. By its question the national court is essentially asking the Court of Justice to explain the meaning of the expression 'has a reputation' which is used, in Article 5(2) of the Directive, to specify the first of the two conditions which a registered trade mark must satisfy in order to enjoy protection extending to non-similar goods or services and to say whether that condition must be satisfied throughout the Benelux countries or whether it is sufficient for it to be satisfied in part of that territory.

13. General Motors contends that, in order to have a reputation within the meaning of Article 5(2) of the Directive, the earlier trade mark must be known by the public concerned, but not to the extent of being 'well-known' within the meaning of Article 6 bis of the Paris Convention for the Protection of Industrial Property of 20 March 1883 (hereinafter 'the Paris Convention'), which is a term to which express reference is made, albeit in a different context, in Article 4(2)(d) of the Directive. General Motors further considers that it is sufficient for the trade mark concerned to have a reputation in a substantial part of the territory of a Member

State, which may cover a community or a region of that State.

14. Yplon, on the other hand, contends that a trade mark registered in respect of a product or service intended for the public at large has a reputation within the meaning of Article 5(2) of the Directive when it is known by a wide section of that public. The principle of speciality can be departed from only for trade marks which can be associated spontaneously with a particular product or service. The reputation of the trade mark in question should exist throughout the territory of a Member State or, in the case of the Benelux countries, throughout one of those countries.

15. The Belgian Government argues that 'trade mark having a reputation' should be construed flexibly and that there is a difference of degree between a mark with a reputation and a well-known mark. The degree to which a trade mark is well known cannot be evaluated in the abstract by, for example, setting a percentage. A reputation in any single one of the three Benelux countries applies throughout the Benelux territory.

16. The French Government submits that the Court should reply that a trade mark's reputation within the meaning of Article 5(2) of the Directive cannot be defined precisely. It is a question of assessing case by case whether the earlier trade mark is known by a wide section of the public concerned by the products covered by the two marks and whether the earlier mark is of sufficient repute that the public associates it with the later contested mark. Once it is established that the earlier mark does have a reputation, the strength of that reputation then determines the extent of the protection afforded by Article 5(2) of the Directive. Territorially, a reputation in a single Benelux country is sufficient.

17. The Netherlands Government submits that it is sufficient for the trade mark to have a reputation with the public at which it is aimed. The degree of knowledge required cannot be indicated in abstract terms. It has to be ascertained whether, in view of all the circumstances, the earlier mark has a reputation which may be harmed if it is used for non-similar products. The mark does not have to be known throughout a Member State or, in the case of Benelux trade marks, throughout the Benelux territory.

18. The United Kingdom Government submits that the decisive question is whether use is made without due cause of the later mark and whether this allows unfair advantage to be taken of, or detriment to be caused to, the distinctive character or the repute of the earlier trade mark. The answer to that question depends on an overall assessment of all the relevant factors and, in particular, of the distinctive character inherent in the mark, the extent of the repute which it has gained, the degree of similarity between the two marks and the extent of the differences between the products or services covered. Protection should be afforded to all trade marks which have acquired a reputation and qualitative criteria should then be applied to limit the protection to marks whose reputation justifies it, protection being granted only where clear evidence of actual harm is adduced. In law, it is not necessary for

the reputation to extend throughout the territory of a Member State. However, in practice, proof of actual damage could not be adduced in the case of a trade mark whose reputation is limited to a part of a Member State.

19. In the Commission's submission, 'a trade mark with a reputation' should be understood as meaning a trade mark having a reputation with the public concerned. This is something which is clearly distinguished from a 'well-known' mark referred to in Article 6 bis of the Paris Convention. It is sufficient for the mark to have a reputation in a substantial part of the Benelux territory and marks having a reputation in a region merit as much protection as marks having a reputation throughout the Benelux territory.

20. The Court observes that the first condition for the wider protection provided for in Article 5(2) of the Directive is expressed by the words 'er renommert' in the Danish version of that provision; 'bekannt ist' in the German version; 'ἄβῆῃ ὀδῖçò' in the Greek version; 'goce de renombre' in the Spanish version; 'jouit d'une renommée' in the French version; 'gode di notorietà' in the Italian version; 'bekend is' in the Dutch version; 'goze de prestigio' in the Portuguese version; 'laajalti tunnettu' in the Finnish version; 'är kánt' in the Swedish version; and by the words 'has a reputation' in the English version.

21. The German, Dutch and Swedish versions use words signifying that the trade mark must be 'known' without indicating the extent of knowledge required, whereas the other language versions use the term 'reputation' or expressions implying, like that term, at a quantitative level a certain degree of knowledge amongst the public.

22. That nuance, which does not entail any real contradiction, is due to the greater neutrality of the terms used in the German, Dutch and Swedish versions. Despite that nuance, it cannot be denied that, in the context of a uniform interpretation of Community law, a knowledge threshold requirement emerges from a comparison of all the language versions of the Directive.

23. Such a requirement is also indicated by the general scheme and purpose of the Directive. In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.

24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark

must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.

29. As far as trade marks registered at the Benelux Trade Mark Office are concerned, the Benelux territory must be treated like the territory of a Member State, since Article 1 of the Directive regards Benelux trade marks as trade marks registered in a Member State. Article 5(2) must therefore be understood as meaning a reputation acquired 'in' the Benelux territory. For the same reasons as those relating to the condition as to the existence of a reputation in a Member State, a Benelux trade mark cannot therefore be required to have a reputation throughout the Benelux territory. It is sufficient for a Benelux trade mark to have a reputation in a substantial part of the Benelux territory, which part may consist of a part of one of the Benelux countries.

30. If, at the end of its examination, the national court decides that the condition as to the existence of a reputation is fulfilled, as regards both the public concerned and the territory in question, it must then go on to examine the second condition laid down in Article 5(2) of the Directive, which is that the earlier trade mark must be detrimentally affected without due cause. Here it should be observed that the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it.

31. The answer to be given to the question referred must therefore be that Article 5(2) of the Directive is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.

Costs

32. The costs incurred by the Belgian, French, Dutch and United Kingdom Governments, and by the Commission, which have submitted observations to the Court are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the

proceedings before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT,

in answer to the question referred to it by the Tribunal de Commerce, Tournai, by judgment of 30 October 1997, hereby rules:

Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.

OPINION OF ADVOCATE GENERAL JACOBS

delivered on 26 November 1998 (1)

Case C-375/97

General Motors Corporation

v

Yplon SA

1. In the present case the Court is asked once again to venture into the largely uncharted territory of Community trade-mark law. The question posed by the Tribunal de Commerce (Commercial Court), Tournai (Belgium) concerns the interpretation of the concept of a trade mark with 'a reputation' in a Member State, referred to in Article 4(4)(a) and Article 5(2) of the First Council Directive to approximate the laws of the Member States relating to trade marks ('the Trade Marks Directive' or simply 'the Directive'). (2)

2. The Directive itself makes no attempt at a definition. Moreover, whilst there has been discussion at international level with a view to a common definition of the concept of a 'well-known' mark within the meaning of the Paris Convention, the Directive appears to make a distinction between 'well-known' marks (which are referred to in Article 4(2)(d) of the Directive) and marks with 'a reputation'.

Facts and procedure before the national court

3. General Motors Corporation ('General Motors'), the plaintiff in the main national proceedings, is incorporated in the United States of America. It is the proprietor of the trade mark 'Chevy', in respect of which it applied for registration on 18 October 1971 to the Benelux Trade Mark Office. The mark is registered under Benelux registration number 702 63 in respect of, inter alia, motor vehicles. That registration asserts the rights acquired under an earlier Belgian application for registration dated 1 September 1961 and earlier use in the Netherlands and Luxembourg in 1961 and 1962 respectively. Nowadays the mark is used more specifically in Belgium to designate vans and similar vehicles.

4. The defendant in the main proceedings, Yplon SA ('Yplon'), has its registered office in Bailleul, Belgium. It too uses the mark 'Chevy', albeit not in relation to cars. Yplon employs the mark in relation to detergents, deodorants and various cleaning products. It is stated in the order for reference that, since 1988, Yplon has registered and made normal, even extensive, use of its mark in respect of such products in the Benelux countries and various other countries, including several other Member States and several third countries.

5. Following a series of assignments, Yplon became the registered proprietor of two Benelux registrations of the mark 'Chevy' in relation to (a) Class 3 products, namely 'washing preparations and other laundering substances; preparations for cleaning, polishing, dry-cleaning and scouring; soaps, perfumes, essential oils, cosmetics, hair lotions, toothpastes' (registration No 443 389 of 30 March 1988); and (b) detergents and cleaning products for Classes 1, 3, and 5 (registration No 506 286 of 10 July 1991).

6. In its originating application before the Belgian court, General Motors sought an order, on the basis of the former Article 13(A)(2) of the Uniform Benelux Law on Trade Marks, restraining Yplon from any use of the trade mark 'Chevy'.

7. However, as of 1 January 1996, Article 13(A)(2) of the Uniform Benelux Law was replaced by Article 13(A)(1)(c) in accordance with the protocol, amending that law, dated 2 December 1992. Consequently, General Motors now seeks a declaration by the national court that Yplon's use of the sign 'Chevy' was contrary to the former Article 13(A)(2) of the Uniform Benelux Law in so far as that use continued until 31 December 1995 and that, since 1 January 1996, that use has been contrary to Article 13(A)(1)(c) of the amended law. It seeks to prohibit Yplon's use of the mark 'Chevy' on pain of payment of a periodic pecuniary penalty.

8. The previous Uniform Benelux Law (Article 13(A)) stated that the exclusive right to a trade mark entitled the proprietor to oppose:

(1) any use of the mark or a similar sign for products for which the mark was registered or for similar products;

(2) any other use of the mark or a similar sign in the course of trade and without due cause which was liable to be detrimental to the trade mark owner.

9. That law was amended in order to implement the Trade Marks Directive in Benelux law, albeit belatedly: although the Directive was to be implemented in Member States' laws by 31 December 1992, the amended Benelux law did not enter into force until 1 January 1996. (3) Article 13(A)(1)(c) of the amended Benelux law states that a proprietor of a trade mark is entitled to oppose any use, in the course of trade and without due cause, of a trade mark which has a reputation in the Benelux countries or of a similar sign for goods which are not similar to those for which the trade mark is registered, where the use of that sign would take unfair advantage of, or would be detrimental to, the distinctive character or the repute of the trade mark. That provision is intended to implement Article 5(2) of the

Directive, the terms of which are set out at paragraph 20 below.

10. Although Yplon had used its trade mark since 1988, it was not until 12 October 1995 that Yplon received for the first time formal notice from General Motors' legal adviser demanding the voluntary cancellation of its Benelux and international registrations and a formal undertaking to abandon all use of the sign 'Chevy'. General Motors considers that Yplon's use of the sign 'Chevy' entails dilution of its trade mark and thus damages its advertising function.

11. Yplon, however, argues that General Motors' trade mark 'Chevy' does not have a reputation within the Benelux countries and thus cannot benefit from the protection afforded by the provisions in question. Moreover, since the products covered by the registrations of the respective trade marks are quite different, Yplon considers that the use of its trade mark 'Chevy' cannot be detrimental to the distinctive character of General Motors' trade mark.

12. Yplon states that on various occasions since 1994 General Motors has challenged Yplon's registration of the trade mark 'Chevy' in several European countries, in particular, in Germany, Spain and Denmark, but that on each occasion it has had its claim dismissed. Furthermore, Yplon maintains that various registrations of the trade mark 'Chevy' have been made by third parties, including many homonyms and near-homonyms, such as 'Chevi', 'Chewy', 'Chevys', 'Chevu Chase', 'Chevi-Perform', 'Chavy', and 'Cherry'.

13. Yplon has counter-claimed in the national proceedings that General Motors' mark should in fact be revoked on the grounds of non-use and that General Motors should be ordered to pay damages on account of the vexatious and frivolous nature of its action. According to Yplon, General Motors has not used its mark in the Benelux countries either in the three years following the application for registration or subsequently for an uninterrupted period of five years. General Motors, however, has produced documents to prove that it has used the mark.

14. The Commercial Court, Tournai, observes that the application of the provision of Benelux law relevant to the present case involves an understanding of the concept of a trade mark with a 'reputation'. Noting that there has been no jurisprudence concerning the meaning to be given to the concept, and considering it necessary to establish such meaning for application by the courts, it has posed the following question to this Court:

'On reading Article 13(A)(1)(c) of the Uniform Benelux Law introduced pursuant to the amending protocol in force since 1 January 1996, what is the proper construction of the term "repute of the trade mark" and may it also be said that such "repute" applies throughout the Benelux countries or to part thereof?'

15. In the proceedings before this Court written observations have been submitted by General Motors and Yplon, by the Belgian, French and Netherlands Governments and by the Commission. At the hearing General Motors, Yplon, the Netherlands and United

Kingdom Governments and the Commission were represented.

Admissibility

16. Although the question posed is in terms of an interpretation of national law, over which this Court has no jurisdiction in Article 177 proceedings, I consider the reference to be admissible since Article 13(A)(1)(c) is intended to implement Article 5(2) of the Directive. As the Commission observes, the Court can therefore assist the national court by framing its answer in terms of an interpretation of the Directive.

17. The question can accordingly be rephrased as follows:

'(1) How is the concept of a trade mark with a "reputation" within the meaning of Article 5(2) of the Directive to be interpreted?

(2) Must the reputation of the trade mark extend throughout the three Benelux countries or is it sufficient that its reputation is established in one of those countries or part thereof?'

The Directive

18. The Trade Marks Directive was adopted under Article 100a of the EC Treaty. Its aim was not 'to undertake full-scale approximation of the trade mark laws of the Member States' but to approximate 'those national provisions of law which most directly affect the functioning of the internal market' (third recital of the preamble to the Directive).

19. According to the ninth recital of the preamble, despite the harmonising aim of the Directive, Member States are not prevented from 'granting at their option extensive protection to those trade marks which have a reputation'. (4) Moreover, the sixth recital of the preamble states that the Directive 'does not exclude the application to trade marks of provisions of law of the Member States other than trade mark law, such as the provisions relating to unfair competition, civil liability or consumer protection'.

20. Article 5 of the Directive specifies the rights conferred by a trade mark:

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

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

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

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes un-

fair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.'

21. Provisions corresponding to Article 5(1)(a), 5(1)(b) and 5(2) appear in Article 4, governing refusal to register a mark, or invalidity: see Article 4(1)(a), 4(1)(b) and 4(4)(a) - Article 4(4)(a) corresponds to Article 5(2). (5)

22. Provisions similar to those in the Directive appear in Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark. (6) The Regulation refers both to national trade marks with 'a reputation in the Member State concerned' and to Community trade marks with 'a reputation in the Community' (Article 8(5) and Article 9(1)(c)).

The structure of the Directive

23. The Directive thus provides for three different levels of protection. In the first place, trade-mark owners have an automatic right to prohibit the use of identical marks in relation to goods or services which are identical to those for which the mark is registered (Article 5(1)(a)).

24. Secondly, if the sign to which the trade-mark owner is objecting is identical or similar to his registered mark and the respective goods or services are identical or similar, the trade-mark owner can prohibit the use of the sign if, but only if, there exists a likelihood of confusion on the part of the public (Article 5(1)(b)).

25. Thirdly, Member States are given the option of providing a further type of protection for marks with a reputation, in respect of the use of an identical or similar sign in relation to goods or services which are not similar to those for which the trade mark is registered, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark: pursuant to Article 5(2) Member States may provide that, in such circumstances, the proprietor of the mark shall be entitled to prevent third parties from using the mark in the course of trade without the proprietor's consent. It is the meaning of the term 'mark with a reputation' which is at issue in the present case.

Article 5(2)

26. It may be noted at the outset that, in contrast to Article 5(1)(b), there is no requirement under Article 5(2) of a likelihood of confusion on the part of the public. It had been thought in some quarters that a requirement of confusion was implicit in Article 5(2) since it seemed paradoxical that confusion should be required under Article 5(1)(b) where the respective goods or services were identical or similar, but not required under Article 5(2) in relation to dissimilar goods or services. However the issue was resolved by the Court in its judgment in SABEL, (7) which made it clear, when ruling on Article 5(1)(b), that Article 5(2) did not require confusion.

27. Nor does Article 5(2) require similarity of the goods or services concerned. Traditionally in many Member States trade marks have been protected in accordance with the principle of 'speciality', i.e. the principle that marks should be protected only in relation to the goods or services in respect of which they are registered or in relation to similar goods or services.

Protection in relation to dissimilar goods or services has often been afforded under national law concerning unfair competition and the like rather than under trademark law.

28. The Commission points out that Article 5(2) did not appear in the initial proposal for the Directive put forward by the Commission which considered that such extensive protection was not justified for national trade marks, but should be restricted to a limited number of Community marks, namely marks of wide repute. (8) However in the course of negotiations in the Council, a provision protecting marks 'with a reputation' was included at the request of the Benelux countries, and became Article 5(2) of the Directive.

29. While Article 5(2) is clearly based on Article 13A(2) of the former Uniform Benelux Law, there are none the less several important differences. First, protection is provided only for marks 'with a reputation'. Secondly, protection is provided only in relation to goods or services which are not similar. Thirdly, the Directive spells out the type of harm against which protection is provided. These are key features of Article 5(2).

Marks with a reputation and well-known marks (9)

30. Both in the proceedings before the Court, and in general debate on the issue, attention has focused on the relationship between 'marks with a reputation' in Article 4(4)(a) and Article 5(2) of the Directive and well-known marks in the sense used in Article 6 bis of the Paris Convention for the Protection of Industrial Property. Well-known marks in that sense are referred to in Article 4(2)(d) of the Directive.

31. General Motors, the Belgian and Netherlands Governments and the Commission submit that the condition in the Directive that a mark should have a 'reputation' is a less stringent requirement than the requirement of being well known. That also appears to be the view taken in the 1995 WIPO Memorandum on well-known marks. (10)

32. In order to understand the relationship between the two terms, it is useful to consider the terms and purpose of the protection afforded to well-known marks under the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). Article 6 bis of the Paris Convention provides that well-known marks are to be protected against the registration or use of a 'reproduction, an imitation, or a translation, liable to create confusion' in respect of identical or similar goods. That protection is extended by Article 16(3) of TRIPs to goods or services which are not similar to those in respect of which the mark is registered, provided that use of the mark would 'indicate a connection between those goods or services and the owner of the registered trade mark and provided that the interests of the owner of the registered trade mark are likely to be damaged by such use'. The purpose of the protection afforded to well-known marks under those provisions appears to have been to provide special protection for well-known marks against exploitation in countries where they are not yet registered.

33. The protection of well-known marks under the Paris Convention and TRIPs is accordingly an exceptional type of protection afforded even to unregistered marks. It would not be surprising therefore if the requirement of being well-known imposed a relatively high standard for a mark to benefit from such exceptional protection. There is no such consideration in the case of marks with a reputation. Indeed as I shall suggest later, there is no need to impose such a high standard to satisfy the requirement of marks with a reputation in Article 5(2) of the Directive.

34. That view is supported by at least some language versions of the Directive. In the German text, for example, the marks referred to in Article 6 bis of the Paris Convention are described as 'notorisch bekannt', whereas the marks referred to in Article 4(4)(a) and Article 5(2) are described simply as 'bekannt'. The two terms in Dutch are similarly 'algemeen bekend' and 'bekend' respectively.

35. The French, Spanish, and Italian texts, however, are slightly less clear since they employ respectively the terms 'notoirement connues', 'notoriamente conosciute', and 'notoriamente conosciuti' in relation to marks referred to in Article 6 bis of the Paris Convention, and the terms 'jouit d'une renommée', 'goce de renombre', and 'goce di notorietà' in Article 4(4)(a) and Article 5(2) of the Directive.

36. There is also ambiguity in the English version. The term 'well known' in Article 6 bis of the Paris Convention has a quantitative connotation (The Concise Oxford Dictionary defines 'well known' as 'known to many' (11)), whereas the term 'reputation' in Article 4(4)(a) and Article 5(2) might arguably involve qualitative criteria. The Concise Oxford Dictionary defines reputation as '(1) what is generally said or believed about a person's or thing's character or standing ...; (2) the state of being well thought of; distinction; respectability; ... (3) credit, fame, or notoriety'. Indeed it has been suggested that there is a discrepancy between the German text compared with the English and French texts on the grounds that the 'reputation' of a trademark is not a quantitative concept but simply the independent attractiveness of a mark which gives it an advertising value. (12)

37. Whether a mark with a reputation is a quantitative or qualitative concept, or both, it is possible to conclude in my view that, although the concept of a well-known mark is itself not clearly defined, a mark with a 'reputation' need not be as well known as a well-known mark.

38. The question then arises whether any criteria can be laid down for establishing what is meant by a mark with a reputation. The French Government submits that, because Article 5(2) derogates from a fundamental principle of trade-mark law, namely the principle of speciality, by providing protection in relation to unrelated goods and services, the provisions must be interpreted strictly. It maintains that, although Article 5(2) is not limited, as Yplon suggests, to famous marks, nevertheless if a mark is to benefit from Article 5(2) it must satisfy two conditions: first, it must be known to a

large part of the public concerned by the two products in question - in the present case, cleaning materials and cars; secondly, the earlier mark must have a reputation such that the consumer, on seeing the contested mark, associates the latter with the earlier mark and makes a connection between the two.

39. Certainly it seems to me that, if the notion of mark with a reputation is to have any meaning, it must be established that the mark is known to a significant part of the relevant sectors of the public. It seems doubtful, however, whether it is necessary to specify in detail the requirements to be satisfied by a mark with a reputation.

40. First, as the French Government itself has emphasised - as have others in these proceedings - it is difficult to give a general definition and it is essential that national courts should proceed on a case-by-case basis without using fixed criteria which may prove arbitrary in their application to specific cases. For example, the practice of using fixed percentages of the relevant public is now widely criticised, and may be inadequate if taken alone.

41. Secondly, the courts should for a realistic assessment of reputation use a variety of criteria which might include, for example, the degree of knowledge or recognition of the mark in the relevant sectors of the public; the duration, extent and geographical area of use of the mark; and the scale and scope of investment in promoting the mark. (13)

42. Above all, it is necessary to give full weight to the provisions of Article 5(2) as a whole. Thus the national court must be satisfied in every case that the use of the contested sign is without due cause; and that it takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark. These requirements, properly applied, will ensure that marks with a reputation, whether or not the reputation is substantial, will not be given unduly extensive protection.

43. It is to be noted in particular that Article 5(2), in contrast to Article 5(1)(b), does not refer to a mere risk or likelihood of its conditions being fulfilled. The wording is more positive: 'takes unfair advantage of, or is detrimental to' (emphasis added). Moreover, the taking of unfair advantage or the suffering of detriment must be properly substantiated, that is to say, properly established to the satisfaction of the national court: the national court must be satisfied by evidence of actual detriment, or of unfair advantage. The precise method of adducing such proof should in my view be a matter for national rules of evidence and procedure, as in the case of establishing likelihood of confusion: see the tenth recital of the preamble.

44. I accordingly conclude in answer to the first question that a trade mark with a reputation within the meaning of Article 5(2) of the Directive is to be interpreted as meaning a mark which is known to a significant part of the relevant sectors of the public, but which need not attain the same degree of renown as a mark which is well known within the meaning of the Paris Convention.

The second question

45. I turn now to the question whether, in view of the unified nature of the Benelux trade-mark system, the reputation of a trade mark must extend throughout the three Benelux countries or whether it is sufficient that its reputation is established in one of those countries or part thereof. The existence of the Benelux system of trade-mark registration is expressly recognised in Article 1 and Article 4(2)(a) of the Directive. However, Article 4(4)(a) and Article 5(2) refer to marks which have a reputation in the 'Member State' concerned.

46. It appears that, under the Benelux system, if an action is brought claiming simply that the use of a registered trade mark is prohibited, an order prohibiting such use can be limited to one particular country, but that the registration of a trade mark stands or falls in relation to the whole of the Benelux. (14) I agree with the Commission's view that, since the Benelux countries have unified their trade-mark legislation, the Benelux territory must be assimilated to the territory of a Member State for the purposes of the application of Article 5(2) of the Directive.

47. As to the meaning of reputation in a Member State it is sufficient in my view that a mark has a reputation in a substantial part of a Member State. It follows therefore that it is sufficient that a mark has a reputation in a substantial part of the Benelux territory which may be part only of one of the Benelux countries. That is the sole method of recognising the cultural and linguistic differences which may exist within a Member State; thus a mark may have a regional reputation, for example in the Dutch-speaking part of Belgium.

Conclusion

48. Accordingly I am of the opinion that the questions referred by the Tribunal de Commerce, Tournai, should be answered as follows:

- (1) For a trade mark to have a 'reputation' within the meaning of Article 5(2) of Directive 89/104/EEC of 21 December 1988, it must be established that the mark is known to a significant part of the relevant sectors of the public;
- (2) It is sufficient that such reputation extends to a substantial part of the Benelux territory, which may be part only of one of the Benelux countries.

1: Original language: English.

2: - Directive 89/104/EEC of 21 December 1988, OJ 1989 L 40, p. 1.

3: - Under Article 16(1) of the Directive, Member States were required to implement its provisions by 28 December 1991. However, by Decision 92/10/EEC, OJ 1992 L 70, p. 27, the Council made use of the power conferred on it by Article 16(2) and postponed the deadline for implementing the Directive until 31 December 1992.

4: - The recital should probably read, not 'extensive protection', but 'more extensive protection' (in the French text 'une protection plus large').

5: - Article 4(3) contains provisions corresponding to Article 4(4)(a) in relation to a Community trade mark, and refers to a Community trade mark which has a

reputation in the Community. Protection for such Community marks however is mandatory, not optional.

6: - OJ 1994 L 11, p. 1.

7: - Case C-251/95 SABEL v Puma [1997] ECR I-6191.

8: - See the Commission proposal, OJ 1980 C 351, p. 1 and EC Bulletin, Supplement 5/80.

9: - There is a wealth of literature on the topic: see in particular Frederick W. Mostert, *Famous and Well-Known Marks, An International Analysis*, Butterworths, 1997.

10: - Memorandum prepared by the International Bureau in relation to discussions held in November 1995 concerning the definition of a well-known mark, WKM/CE/1/2, at paragraph 35.

11: - Or 'known thoroughly' but that latter meaning is clearly inapplicable in the context of trade marks.

12: - Annette Kur, 'Well-known marks, highly renowned marks and marks having a (high) reputation - what's it all about?', 23 IIC 218 (1992).

13: - Compare the discussions of a 'well-known' mark held by the World Intellectual Property Organisation in Geneva. See in particular the following documents produced for the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications in connection with its meeting in July 1998: SCT/1/3, SCT/1/5, SCT/1/6.

14: - Thierry van Innis, *Les signes distinctifs*, Brussels, 1997, at pp. 467 to 469.
