

JUDGMENT OF THE COURT (Sixth Chamber)

23 October 2003 [\(1\)](#)

(Directive 89/104/EEC - Article 5(2) - Trade marks with a reputation - Protection against use of a sign in relation to identical or similar goods or services - Degree of similarity between the mark and the sign - Effect on the public - Sign viewed as an embellishment)

In Case C-408/01,

REFERENCE to the Court under Article 234 EC by the Hoge Raad der Nederlanden (Netherlands) for a preliminary ruling in the proceedings pending before that court between

Adidas-Salomon AG, formerly Adidas AG,

Adidas Benelux BV

and

Fitnessworld Trading Ltd,

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

THE COURT (Sixth Chamber),

composed of: J.-P. Puissechet, President of the Chamber, C. Gulmann (Rapporteur), F. Macken, N. Colneric and J.N. Cunha Rodrigues, Judges,

Advocate General: F.G. Jacobs,

Registrar: M.-F. Contet, Principal Administrator,

after considering the written observations submitted on behalf of:

- Adidas Salomon AG and Adidas Benelux BV, by C. Gielen, advocaat,
- Fitnessworld Trading Ltd, by J.J. Brinkhof and D.J.G. Visser, advocaten,
- the Netherlands Government, by H.G. Sevenster, acting as Agent,
- the United Kingdom Government, by G.J.A. Amodeo, acting as Agent, and M. Tappin, barrister,
- the Commission of the European Communities, by H.M.H. Speyart and N.B. Rasmussen, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Adidas Salomon AG and Adidas Benelux BV, represented by C. Gielen; Fitnessworld Trading Ltd, represented by D.J.G. Visser; the United Kingdom Government, represented by K. Manji, acting as Agent, and M. Tappin, and the Commission, represented by N.B.

Rasmussen and F. Tuytschaever, advocaat, at the hearing on 3 April 2003,
after hearing the Opinion of the Advocate General at the sitting on 10 July 2003,
gives the following

Judgment

1.
By judgment of 12 October 2001, received at the Court on 15 October 2001, the Hoge Raad der Nederlanden (Supreme Court of the Netherlands) referred to the Court for a preliminary ruling under Article 234 EC two questions on the interpretation of Article 5(2) of First Council Directive 89/104/EEC of 21 December 1988 approximating the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) (the Directive).
2.
Those questions have been raised in proceedings between Adidas-Salomon AG and Adidas Benelux BV, on the one hand, and Fitnessworld Trading Ltd (Fitnessworld), on the other, in connection with the marketing by Fitnessworld of sports clothing.

The legal background

3.
Article 5(1) and (2) of the Directive provide:
 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.
4.
Article 13(A)(1)(b) and (c) of the Uniform Benelux Law on Trade Marks, whose object is to transpose into Benelux law Article 5(1) and (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:

...

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

The main proceedings

5.

Adidas-Salomon AG, a company established in Germany, is the proprietor of a figurative trade mark registered at the Benelux Trade Mark Office for a number of types of clothing. That mark is formed by a motif consisting of three very striking vertical stripes of equal width, running parallel, which appear on the side and down the whole length of the article of clothing. The motif may be executed in different sizes and different colour combinations, provided that it always contrasts with the basic colour of the article of clothing.

6.

The mark is the subject of an exclusive licence granted in respect of the Benelux to Adidas Benelux BV, a company established in the Netherlands.

7.

Fitnessworld, a company established in the United Kingdom, markets fitness clothing under the name Perfetto. A number of those articles of clothing bear a motif of two parallel stripes of equal width which contrast with the main colour and are applied to the side seams of the clothing.

8.

Proceedings are pending before the Hoge Raad der Nederlanden between Adidas-Salomon AG and Adidas Benelux BV (Adidas), on the one hand, and Fitnessworld in connection with the marketing by Fitnessworld in the Netherlands of Perfetto clothing.

9.

Adidas claims that that marketing of clothing with two stripes creates a likelihood of confusion on the part of the public, since the public might associate that clothing with Adidas' sports and leisure clothing which bears three stripes, and Fitnessworld thus takes advantage of the repute of the Adidas mark. The exclusivity of that mark could thereby be impaired.

10.

The Hoge Raad takes the view that it is necessary to determine whether the reference to non-similar goods or services in Article 5(2) of the Directive and in Article 13(A)(1)(c) of the Uniform Benelux Law on Trade Marks must be interpreted as a restriction, that is to say, in the sense that the rules concerned do not apply where a sign is used in relation to similar goods or services, or whether that reference is intended merely to emphasise that those rules apply also if the goods or services are not similar, so that those rules are not restricted to cases where the sign is used for similar goods.

11.

If Article 5(2) of the Directive applies to the use of a sign in relation to similar goods, the national court seeks to ascertain, first, whether the criterion to be applied is a criterion other than

confusion as to origin and, second, whether the fact that the sign is viewed purely as an embellishment by the relevant section of the public is important to the assessment of the situation.

12.

In that context, the Hoge Raad der Nederlanden decided to stay proceedings and to refer the following questions to the Court for a preliminary ruling:

1. (a) Must Article 5(2) of the Directive be interpreted as meaning that, under a national law implementing that provision, the proprietor of a trade mark which has a reputation in the Member State concerned may also oppose the use of the trade mark or a sign similar to it, in the manner and circumstances referred to therein, in relation to goods or services which are identical with or similar to those for which the trade mark is registered?

(b) If the answer to Question 1(a) is in the negative: where Article 5(2) of the Directive is implemented in a national law, must the concept of likelihood of confusion referred to in Article 5(1)(b) of the Directive be interpreted as meaning that there exists such a likelihood if a person other than the proprietor of the trade mark uses a trade mark with a reputation or a sign similar to it, in the manner and circumstances referred to in Article 5(2) of the Directive, in relation to goods or services which are identical with or similar to those for which the trade mark is registered?

2. If the answer to Question 1(a) is in the affirmative:

(a) Must the question concerning the similarity between the trade mark and the sign in such a case be assessed on the basis of a criterion other than that of (direct or indirect) confusion as to origin, and if so, according to what criterion?

(b) If the sign alleged to be an infringement in such a case is viewed purely as an embellishment by the relevant section of the public, what importance must be attached to that circumstance in connection with the question concerning the similarity between the trade mark and the sign?

Question 1

Question 1(a)

13.

Question 1(a) contains the question whether, notwithstanding the fact that Article 5(2) of the Directive refers expressly only to use of a sign by a third party in relation to goods or services which are not similar, that provision is to be interpreted as entitling the Member States to provide specific protection for a registered trade mark with a reputation in cases where the later mark or sign, which is identical with or similar to the registered mark, is intended to be used or is used in relation to goods or services identical with or similar to those covered by that mark.

14.

Since the decision making the reference was registered, the Court has answered that question in the affirmative in Case C-292/00 *Davidoff* [2003] ECR I-389.

15.

Having regard to that interpretation and for the purposes of an answer which will be helpful in resolving the dispute in the main proceedings, Question 1(a) must be understood as also seeking to ascertain whether a Member State, where it exercises the option provided by Article 5(2) of the Directive, is bound to grant the specific protection in question in cases of use by a third party of a

later mark or sign which is identical with or similar to the registered mark with a reputation, both in relation to goods or services which are not similar and in relation to goods or services which are identical with or similar to those covered by that mark.

16.

Adidas and the Commission contend that, on that point, an affirmative answer must be given. The Commission takes the view that such an answer is necessarily inferred from paragraph 25 of *Davidoff*.

17.

The United Kingdom Government, by contrast, proposes a negative answer. A Member State is free to adopt provisions restricted to the express wording of Article 5(2) of the Directive, that is to say to goods or services which are not similar. It is not bound to grant the same protection also in relation to goods or services which are identical or similar. The United Kingdom Government contends, in any event, that it is for the national courts to interpret a provision transposing Article 5(2) of the Directive in relation to the question of what protection a Member State intended to confer on proprietors of marks with a reputation.

18.

In that regard, it should be noted that where a Member State exercises the option provided by Article 5(2) of the Directive, it must grant to the proprietors of marks with a reputation a form of protection in accordance with that provision.

19.

In *Davidoff* (paragraphs 24 and 25), the Court observed in support of its interpretation that, in the light of the overall scheme and objectives of the system of which Article 5(2) of the Directive is part, that article cannot be given an interpretation which would lead to marks with a reputation having less protection where a sign is used for identical or similar goods or services than where a sign is used for non-similar goods or services. It went on to hold, in other words, that where the sign is used for identical or similar goods or services, a mark with a reputation must enjoy protection which is at least as extensive as where a sign is used for non-similar goods or services (*Davidoff*, paragraph 26).

20.

In the light of those findings, the Member State, if it transposes Article 5(2) of the Directive, must therefore grant protection which is at least as extensive for identical or similar goods or services as for non-similar goods or services. The Member State's option thus relates to the principle itself of granting greater protection to marks with a reputation, but not to the situations covered by that protection when the Member State grants it.

21.

It has been consistently held that, in applying national law, in particular national legislative provisions which were specially introduced in order to transpose a directive, the national court is required to interpret its national law, so far as possible, in the light of the wording and the purpose of the directive (see, in particular, Case 14/83 *Von Colson and Kamann* [1984] ECR 1891, paragraph 26; Case 79/83 *Harz* [1984] ECR 1921, paragraph 26, and Case C-185/97 *Coote* [1998] ECR I-5199, paragraph 18).

22.

The answer to Question 1(a) must therefore be that a Member State, where it exercises the option provided by Article 5(2) of the Directive, is bound to grant the specific protection in question in

cases of use by a third party of a later mark or sign which is identical with or similar to the registered mark with a reputation, both in relation to goods or services which are not similar and in relation to goods or services which are identical with or similar to those covered by that mark.

Question 1(b)

23.

Since Question 1(b) was posed only in the event of a negative answer to Question 1(a), it does not require an answer.

Question 2

Question 2(a)

24.

By Question 2(a) the national court seeks essentially to ascertain whether the protection conferred by Article 5(2) of the Directive is conditional on a finding of a degree of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion between them on the part of the relevant section of the public.

25.

Adidas submits that a finding of a likelihood of confusion is not necessary. It is sufficient for the national court to find a likelihood of association on the basis of a visual, aural or conceptual similarity between the mark with a reputation and the sign. The Commission also submits that a likelihood of association is sufficient.

26.

Fitnessworld submits, by contrast, that the similarity between the mark and the sign must be such that it can create confusion on the part of the relevant section of the public, having regard to the visual, aural and conceptual similarities.

27.

In that regard, it must be noted at the outset that, unlike Article 5(1)(b) of the Directive, which is designed to apply only if there exists a likelihood of confusion on the part of the public, Article 5(2) of the Directive establishes, for the benefit of trade marks with a reputation, a form of protection whose implementation does not require the existence of such a likelihood. Article 5(2) applies to situations in which the specific condition of the protection consists of a use of the sign in question without due cause which takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark (see Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraphs 34 and 36).

28.

The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29.

The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say,

establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).

30.

The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1) (b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).

31.

The answer to Question 2(a) must therefore be that the protection conferred by Article 5(2) of the Directive is not conditional on a finding of a degree of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark.

Question 2(b)

32.

By Question 2(b), the national court seeks essentially to ascertain, in connection with the question concerning the similarity between the mark with a reputation and the sign, what importance must be attached to a finding of fact by the national court to the effect that the sign in question is viewed purely as an embellishment by the relevant section of the public.

Observations submitted to the Court

33.

Adidas submits that the fact that a sign is used or viewed as an embellishment is of no importance to the applicability of Article 5(2) of the Directive in situations such as those described by the national court. Since that provision entitles the proprietor of a mark with a reputation to oppose the use of any sign similar to his mark, there is no requirement that the sign be distinctive. It could be any other sign, such as an embellishment.

34.

Fitnessworld proposes that the question be answered to the effect that, if a sign is viewed purely as an embellishment by the relevant section of the public, there cannot in any event be an infringement to the mark.

35.

The Netherlands Government considers that even the decorative use of a sign can dilute a mark with a reputation, in particular where it is a figurative mark.

36.

The United Kingdom Government confines itself to contending that the fact that a sign is viewed as a mere embellishment is not relevant to the question whether that sign is similar to the mark with a reputation.

37.

According to the Commission, Article 5(2) of the Directive concerns protection against the use of a sign which is similar to the mark with a reputation to such an extent that the use in question involves a likelihood of dilution of or detriment to the mark's reputation. It is in fact difficult to

imagine that a sign bearing such a similarity to a mark with a reputation can be regarded as a mere embellishment. Conversely, by definition, a mere embellishment cannot be similar, within the meaning of Article 5(2) of the Directive, to a mark with a reputation.

Reply of the Court

38.

The answer to Question 2(a) shows that one of the conditions of the protection conferred by Article 5(2) of the Directive is that the degree of similarity between the mark with a reputation and the sign must have the effect that the relevant section of the public establishes a link between the sign and the mark.

39.

The fact that a sign is viewed as an embellishment by the relevant section of the public is not, in itself, an obstacle to the protection conferred by Article 5(2) of the Directive where the degree of similarity is none the less such that the relevant section of the public establishes a link between the sign and the mark.

40.

By contrast, where, according to a finding of fact by the national court, the relevant section of the public views the sign purely as an embellishment, it necessarily does not establish any link with a registered mark. That therefore means that the degree of similarity between the sign and the mark is not sufficient for such a link to be established.

41.

The answer to Question 2(b) must therefore be that the fact that a sign is viewed as an embellishment by the relevant section of the public is not, in itself, an obstacle to the protection conferred by Article 5(2) of the Directive where the degree of similarity is none the less such that the relevant section of the public establishes a link between the sign and the mark. By contrast, where, according to a finding of fact by the national court, the relevant section of the public views the sign purely as an embellishment, it necessarily does not establish any link with a registered mark, with the result that one of the conditions of the protection conferred by Article 5(2) of the Directive is then not satisfied.

Costs

42.

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

On those grounds,

THE COURT (Sixth Chamber),

in answer to the questions referred to it by the Hoge Raad der Nederlanden by judgment of 12 October 2001, hereby rules:

1. A Member State, where it exercises the option provided by Article 5(2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, is bound to grant the specific protection in question in cases of use by

a third party of a later mark or sign which is identical with or similar to the registered mark with a reputation, both in relation to goods or services which are not similar and in relation to goods or services which are identical with or similar to those covered by that mark.

2. The protection conferred by Article 5(2) of Directive 89/104 is not conditional on a finding of a degree of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark.

3. The fact that a sign is viewed as an embellishment by the relevant section of the public is not, in itself, an obstacle to the protection conferred by Article 5(2) of Directive 89/104 where the degree of similarity is none the less such that the relevant section of the public establishes a link between the sign and the mark. By contrast, where, according to a finding of fact by the national court, the relevant section of the public views the sign purely as an embellishment, it necessarily does not establish any link with a registered mark, with the result that one of the conditions of the protection conferred by Article 5(2) of Directive 89/104 is then not satisfied.

Puissochet
Gulmann
Macken

Colneric

Cunha Rodrigues

Delivered in open court in Luxembourg on 23 October 2003.

R. Grass

V. Skouris

Registrar

President

[1](#): Language of the case: Dutch.