JUDGMENT OF THE COURT

11 March 2003 *

In Case C-40/01,

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

Ansul BV

and

Ajax Brandbeveiliging BV,

on the interpretation of Article 12(1) of 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),

* Language of the case: Dutch.

THE COURT,

composed of: G.C. Rodríguez Iglesias, President, J.-P. Puissochet (Rapporteur), M. Wathelet and C.W.A. Timmermans, Presidents of Chamber, C. Gulmann, A. La Pergola, P. Jann, V. Skouris, F. Macken, N. Colneric and S. von Bahr, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,
Registrar: M.-F. Contet, Principal Administrator,

after considering the written observations submitted on behalf of:

— Ansul BV, by E.J. Louwers and T. Cohen Jehoram, advocaten,

— Ajax Brandbeveiliging BV, by R.E.P. de Ranitz, advocaat,

— the Netherlands Government, by H.G. Sevenster, acting as Agent,

— the Commission of the European Communities, by K. Banks and H.M.H. Speyart, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Ansul BV and the Commission at the hearing on 4 June 2002,

after hearing the Opinion of the Advocate General at the sitting on 2 July 2002,

gives the following

Judgment

1 By a judgment of 26 January 2001, lodged at the Court on 31 January, the Hoge Raad der Nederlanden (Supreme Court of the Netherlands) referred for a preliminary ruling under Article 234 EC two questions on the interpretation of Article 12(1) of 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 Those questions were raised in proceedings between the companies Ansul BV (hereinafter 'Ansul') and Ajax Brandbeveiliging BV (hereinafter 'Ajax'), both governed by Netherlands law, relating to the use of the trade mark Minimax for goods and services sold by them.

Legal background

Community legislation

3 Article 10(1) to (3) of the Directive provides as follows:

'1. If, within a period of five years following the date of the completion of the registration procedure, the proprietor has not put the trade mark to genuine use in the Member State 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 trade mark shall be subject to the sanctions provided for in this Directive, unless there are proper reasons for non-use.

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

(a) use of the 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 trade mark to goods or to the packaging thereof in the Member State concerned solely for export purposes.

3. Use of the trade mark with the consent of the proprietor or by any person who has authority to use a collective mark or a guarantee or certification mark shall be deemed to constitute use by the proprietor.'

4 Article 12(1) of the Directive provides as follows:

'A trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine ["*normaal*" in the Dutch version] use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor's rights in a trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.'

Domestic legislation

5 Article 5(3) of the Uniform Benelux Law on Trade Marks of 19 March 1962, which entered into force on 1 January 1971 (*Benelux Bulletin* 1962-2, p. 59, hereinafter 'the UBL') was worded as follows in the version applicable up to 31 December 1995:

'The right to the trade mark shall be extinguished:

...

3. in so far as, without good reason, there has been no normal ["*normaal*"] use of the mark in Benelux territory by the proprietor or a licensee either in the three years following filing or for an uninterrupted period of five years; in the event of proceedings the court may allocate all or part of the burden of proving use to the trade mark proprietor; however non-use at a time that predates the action by more than six years must be proved by the person claiming such non-use.

...'

6 Article 5(2) and (3) of the UBL, in the version applicable from 1 January 1996, as amended by the Protocol signed on 2 December 1992 (*Nederlands Trakatenblad* 1993 No 12, p.1), which was enacted to implement the Directive, provides as follows:

'2. The right to the trade mark shall be declared extinguished within the limits set out in Article 14 C:

(a) in so far as, without good reason, there has been no normal use of the mark in Benelux territory for the goods in respect of which the trade mark is registered for an uninterrupted period of five years; in the event of proceedings the court may allocate all or part of the burden of proving use to the trade mark proprietor;

...

3. For the purposes of Article 5(2)(a) use of the trade mark shall include the following:

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

(b) affixing of the trade mark to goods or to the packaging thereof solely for export purposes;

(c) use of the trade mark by a third party with the consent of the proprietor.'

7 Article 14 C of the UBL sets out the circumstances in which application may be made to the competent national courts for revocation of a trade mark registration.

8 The provisions of the UBL referred to at paragraphs 5 to 7 of this judgment apply *mutatis mutandis* to trade marks designating services pursuant to Article 39 of the UBL.

The main proceedings

9 Ansul has been the proprietor of the Minimax word mark, which is registered at the Benelux trade mark office under No 052713 for various classes of goods, essentially comprising fire extinguishers and associated products, since 15 September 1971.

10 In 1988 the authorisation for the fire extinguishers sold by Ansul under the Minimax trade mark expired. Since 2 May 1989 at the latest, therefore, Ansul has no longer been selling fire extinguishers under that mark.

11 From May 1989 to 1994 Ansul none the less sold component parts and extinguishing substances for fire extinguishers bearing the mark to undertakings with responsibility for maintaining them. During the same period it also maintained, checked and repaired equipment bearing the Minimax mark itself, used the mark on invoices relating to those services and affixed stickers bearing the mark and strips bearing the words 'Gebruiksklaar Minimax' (Ready for use Minimax) to the equipment. Ansul also sold such stickers and strips to undertakings that maintain fire extinguishers.

12 Ajax is a subsidiary of the German company Minimax GmbH. It sells in the Netherlands fire protection materials and related items, including fire extinguishers, made by Minimax GmbH.

13 In Germany Minimax GmbH has been the proprietor of the Minimax trade mark for over 50 years. Since 16 March 1992 it has also owned the word and figurative mark registered under No 517006 and composed of the word 'Minimax', drawn and configured in a particular way, in the Benelux countries for various goods, in particular fire extinguishers and extinguishing substances, and for certain services, including the installation, repair, maintenance and refilling of fire extinguishers.

14 In 1994 Ajax and Minimax GmbH actually began to use the Minimax trade mark in the Benelux countries. Ansul objected by a letter of 19 January 1994.

15 On 13 June 1994 Ansul filed an application for the word mark Minimax for certain services, including the maintenance and repair of fire extinguishers. The mark was registered by the Benelux trade mark office under No 549146.

16 On 8 February 1995 Ajax brought an action before the Arrondissementsrechtbank te Rotterdam (District Court, Rotterdam) (Netherlands) for an order for, first of all, revocation of Ansul's rights in the Minimax trade mark registered in 1971 under No 052713 owing to non-use and, secondly, annulment of the registration of that mark effected in 1994 under No 549146, on the ground that the mark had been filed in bad faith. Ansul resisted those applications and counterclaimed for an injunction barring Ajax from using the Minimax mark in the Benelux countries.

17 By a judgment of 18 April 1996, the Arrondissementsrechtbank te Rotterdam dismissed Ajax's application and upheld Ansul's counterclaim. Ajax was thus prohibited from using the Minimax trade mark in the Benelux countries.

18 Ajax appealed against that judgment to the Gerechtshof te 's-Gravenhage (Regional Court of Appeal, The Hague) (Netherlands). That court found that Ansul had not been putting the Minimax trade mark to normal use since 1989. It found, *inter alia,* that Ansul had not been releasing new products onto the market since that time but had merely maintained, checked and repaired used equipment. The court stated that the use of stickers and strips bearing the mark was not distinctive of the extinguishers and that, even if it were to be regarded as amounting to use of the mark, it could not amount to normal use within the meaning of Article 5(3) of the UBL, because the object was not to create or preserve an outlet for fire extinguishers.

19 Consequently, by a judgment of 5 November 1998 the Gerechtshof overturned the decision under appeal, revoking Ansul's rights to the mark registered under No 052713 in 1971 and annulling its rights to the mark registered under No 549146 in 1994, and ordering that those registrations be struck off.

20 Ansul appealed in cassation to the Hoge Raad der Nederlanden. That court considered that the outcome of the main proceedings depended on the interpretation of the concept of 'normal use' of the trade mark for the purposes of Article 5(3) of the UBL.

21 The Hoge Raad found, first of all, that there is normal use of a mark within the meaning of the UBL where 'the sign in question is actually used in trade to distinguish the goods or services of an undertaking'. In that connection it held that, in assessing whether the use to which a trade mark is put is normal, regard must be had to 'all the facts and circumstances specific to the case' and those facts and circumstances must demonstrate that 'having regard to what is considered to be usual and commercially justified in the business sector concerned, the object of use is to create or preserve an outlet for trademarked goods and services and not

simply to maintain the rights in the trade mark'. The Hoge Raad added, referring to the judgment of the Benelux Court of Justice of 27 January 1981 in the case of *Turmac v Reynolds* (A 80/1, Jur. 1980-81, p. 23), that 'so far as those facts and circumstances are concerned, account must, as a rule, be taken of the kind, extent, frequency, regularity and duration of the use in conjunction with the kind of goods or service and the kind and size of the undertaking'.

22 The Hoge Raad der Nederlanden further found that the interpretation given to Article 5(3) of the UBL must be compatible with the interpretation of the corresponding concept of 'genuine use' in Article 12(1) of the Directive. Accordingly it decided to stay proceedings and to refer the following questions to the Court for a preliminary ruling:

'1. Must the words "put to genuine use" in Article 12(1) of Directive 89/104 be interpreted in the manner set out at paragraph 3.4 above [that is, the manner set out at paragraph 21 of this judgment on normal use of a trade mark within the meaning of the UBL] and, if the answer is in the negative, on the basis of which (other) criterion must the meaning of "genuine use" be determined?

2. Can there be "genuine use" as referred to above also where no new goods are traded under the trade mark but other activities are engaged in as set out in subparagraphs (v) and (vi) of paragraph 3.1 above [that is to say, those engaged in by Ansul from 1989 to 1994 which are described at paragraph 11 of this judgment]?'

The first question

23 By its first question the national court is essentially asking how the concept of genuine use within the meaning of Article 12(1) of the Directive, which is also found in Article 10(1) of the Directive, is to be interpreted and, in particular, whether that concept may be defined using the same criteria as for 'normal use' in Article 5 of the UBL or whether there are other criteria to which regard should be had.

24 The reason behind the question is the fact, mentioned at paragraph 3.5 of the order for reference, that the Gerechtshof te 's-Gravenhage considered that the fact that Ansul had not released any new fire extinguishers onto the market under the Minimax mark but was inspecting used equipment that had already been sold was crucial to the finding that it had not put the mark to normal use. Ansul, however, argues before the national court that that is not relevant to the issue of normal use of a mark within the meaning of the UBL.

25 It is necessary as a preliminary matter to determine whether, in relation to situations such as that in the main proceedings, the concept of 'genuine use' in Articles 10 and 12 of the Directive is to be interpreted uniformly within the Community legal order.

26 It follows both from the requirements of the uniform application of Community law and the principle of equality that the terms of a provision of Community law which make no express reference to the law of the Member States for the purpose

of determining its meaning and scope must normally be given an autonomous and uniform interpretation throughout the Community; that interpretation must take into account the context of the provision and the purpose of the legislation in question (Case C-287/98 *Linster* [2000] ECR I-6917, paragraph 43).

27 Although the third recital in the preamble to the Directive states that 'it does not appear to be necessary at present to undertake full-scale approximation of the trade mark laws of the Member States', the Directive none the less provides for harmonisation in relation to substantive rules of central importance in this sphere, that is to say, according to the same recital, the rules concerning the provisions of national law which most directly affect the functioning of the internal market, and the recital does not preclude the harmonisation relating to those rules from being complete (Case C-355/96 *Silhouette International Schmied* [1998] ECR I-4799, paragraph 23).

28 Thus it is clear from the seventh recital in the preamble to the Directive that 'attainment of the objectives at which this approximation [of the laws of the Member States] is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States'. The eighth recital states that 'in order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation', and the ninth recital states that 'it is fundamental, in order to facilitate the free circulation of goods and services, to ensure that henceforth registered trade marks enjoy the same protection under the legal systems of all the Member States'. Articles 10 to 15 of the Directive lay down the substantive conditions to which both maintenance of the rights conferred by the use of a mark on its proprietor and challenges to those rights on grounds, *inter alia,* of lack of genuine use — a concept which is essential to maintaining rights to the mark — are subject.

29 It is evident from all the provisions cited in the previous paragraph that it was the Community legislature's intention that the maintenance of rights in a trade mark

be subject to the same condition regarding genuine use in all the Member States, so that the level of protection trade marks enjoy does not vary according to the legal system concerned (see, to that effect, Joined Cases C-414/99 to C-416/99 *Zino Davidoff and Levi Strauss* [2001] ECR I-8691, paragraphs 41 and 42).

30 The notion of 'genuine use' also appears in Articles 15 and 50 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) as a prerequisite for revocation of the rights conferred by such a trade mark.

31 It is therefore incumbent on the Court to give a uniform interpretation of the concept of 'genuine use', as used in Articles 10 and 12 of the Directive.

32 In defining the concept of 'genuine use' it must first of all be borne in mind that, as the 12th recital in the preamble to the Directive states, 'all Member States of the Community are bound by the Paris Convention for the Protection of Industrial Property [and that] it is necessary that the provisions of this Directive are entirely consistent with those of the Paris Convention'.

33 The Convention simply states, with regard to revocation for lack of use, as follows, at Article 5C(1):

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

34 As the provisions of the Paris Convention thus contain no guidance for defining the concept of 'genuine use', the scope of that expression must be determined solely on the basis of an analysis of the provisions of the Directive itself.

35 Next, as Ansul argued, the eighth recital in the preamble to the Directive states that trade marks 'must actually be used or, if not used, be subject to revocation'. 'Genuine use' therefore means actual use of the mark. That approach is confirmed, *inter alia,* by the Dutch version of the Directive, which uses in the eighth recital the words 'werkelijk wordt gebruikt', and by other language versions such as the Spanish ('uso efectivo'), Italian ('uso effettivo') and English ('genuine use').

36 'Genuine use' must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be 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.

37 It follows that 'genuine use' of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be

marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38 Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39 Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.

40 Use of the mark may also in certain circumstances be genuine for goods in respect of which it is registered that were sold at one time but are no longer available.

41 That applies, *inter alia*, where the proprietor of the trade mark under which such goods were put on the market sells parts which are integral to the make-up or structure of the goods previously sold, and for which he makes actual use of the

same mark under the conditions described in paragraphs 35 to 39 of this judgment. Since the parts are integral to those goods and are sold under the same mark, genuine use of the mark for those parts must be considered to relate to the goods previously sold and to serve to preserve the proprietor's rights in respect of those goods.

42 The same may be true where the trade mark proprietor makes actual use of the mark, under the same conditions, for goods and services which, though not integral to the make-up or structure of the goods previously sold, are directly related to those goods and intended to meet the needs of customers of those goods. That may apply to after-sales services, such as the sale of accessories or related parts, or the supply of maintenance and repair services.

43 In the light of the foregoing considerations the reply to the first question must be that Article 12(1) of the Directive must be interpreted as meaning that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the 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. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark. The fact that a mark is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual

use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods.

The second question

44 By its second question the national court is essentially asking whether, in the light of the reply to the first question, the use by Ansul of the Minimax mark from 1989 to 1994 in the context of the commercial activities described at paragraph 11 of this judgment is 'normal' for purposes of the UBL or 'genuine' for the purposes of Article 12 of the Directive.

45 However, it is not for the Court to make that assessment. It is for the national court, under the division of functions provided for by Article 234 EC, to apply the rules of Community law, as interpreted by the Court, to the individual case before it (see Case C-320/88 *Shipping and Forwarding Enterprise Safe* [1990] ECR I-285, paragraph 11).

46 In those circumstances the reply to the second question must be that it is for the national court to draw the consequences for the resolution of the dispute before it of the interpretation of the Community law concept of 'genuine use' of the trade mark given in the reply to the first question referred for a preliminary ruling.

Costs

47 The costs incurred by the Netherlands Government and 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,

in answer to the questions referred to it by the Hoge Raad der Nederlanden by judgment of 26 January 2001, hereby rules:

1. **Article 12(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the 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. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector**

concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark. The fact that a mark that is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods.

2. It is for the national court to draw the consequences for the resolution of the dispute before it of the interpretation of the Community law concept of 'genuine use' of the trade mark given in the reply to the first question referred for a preliminary ruling.

Rodríguez Iglesias Puissochet Wathelet

Timmermans Gulmann La Pergola

Jann Skouris Macken

Colneric von Bahr

Delivered in open court in Luxembourg on 11 March 2003.

R. Grass G.C. Rodríguez Iglesias

Registrar President