JUDGMENT OF THE COURT (Fifth Chamber)

4 March 1999 *

In Case C-87/97,

REFERENCE to the Court under Article 177 of the EC Treaty by the Handelsgericht Wien (Austria), for a preliminary ruling in the proceedings pending before that court between

Consorzio per la Tutela del Formaggio Gorgonzola

and

Käserei Champignon Hofmeister GmbH&Co. KG,

Eduard Bracharz GmbH,

on the interpretation of Articles 30 and 36 of the EC Treaty,

* Language of the case: German.

THE COURT (Fifth Chamber),

composed of: J.-P. Puissochet (Rapporteur), President of the Chamber, P. Jann, C. Gulmann, D. A. O. Edward and L. Sevón, Judges,

Advocate General: F. G. Jacobs,
Registrar: L. Hewlett, Administrator,

after considering the written observations submitted on behalf of:

— the Consorzio per la Tutela del Formaggio Gorgonzola, by Günther Frosch and Peter Klein, Rechtsanwälte, Vienna,

— Käserei Champignon Hofmeister GmbH&Co. KG and Eduard Bracharz GmbH, by Christian Hauer, Rechtsanwalt, Vienna,

— the Austrian Government, by Christine Stix-Hackl, Gesandte in the Federal Ministry of Foreign Affairs, acting as Agent,

— the Greek Government, by Ioannis-Konstantinos Chalkias, Assistant Legal Adviser with the State Legal Council, and Ioanna Galani-Maragkoudaki, Assistant Special Legal Adviser in the Special Department for Community Affairs, Ministry of Foreign Affairs, acting as Agents,

— the French Government, by Kareen Rispal-Bellanger, Deputy Head of the Legal Directorate of the Ministry of Foreign Affairs, and Frédéric Pascal, Administrative Attaché in the same directorate, acting as Agents,

— the Italian Government, by Professor Umberto Leanza, Head of the Legal Department in the Ministry of Foreign Affairs, acting as Agent, assisted by Ivo M. Braguglia, Avvocato dello Stato,

— the Commission of the European Communities, by José Luis Iglesias Buhigues, Legal Adviser, acting as Agent, assisted by Bertrand Wägenbaur, Rechtsanwalt, Hamburg,

having regard to the Report for the Hearing,

after hearing the oral observations of the Consorzio per la Tutela del Formaggio Gorgonzola, represented by Günther Frosch and Peter Klein; Käserei Champignon Hofmeister GmbH&Co. KG and Eduard Bracharz GmbH, represented by Christian Hauer; the Greek Government, represented by Ioannis-Konstantinos Chalkias and Ioanna Galani-Maragkoudaki; the French Government, represented by Christina Vasak, Assistant Secretary for Foreign Affairs in the Legal Directorate of the Ministry of Foreign Affairs, acting as Agent; the Italian Government, represented by Ivo M. Braguglia; and the Commission, represented by José Luis Iglesias Buhigues, assisted by Bertrand Wägenbaur, at the hearing on 24 September 1998,

after hearing the Opinion of the Advocate General at the sitting on 17 December 1998,

gives the following

Judgment

1 By order of 18 July 1996, received at the Court on 27 February 1997, the Handelsgericht (Commercial Court), Vienna, referred to the Court for a preliminary ruling under Article 177 of the EC Treaty two questions on the interpretation of Articles 30 and 36 of that Treaty.

2 Those questions arose in proceedings brought by the Consorzio per la Tutela del Formaggio Gorgonzola against Käserei Champignon Hofmeister GmbH&Co. KG (hereinafter 'Käserei Champignon') and Eduard Bracharz GmbH (hereinafter 'Eduard Bracharz') concerning an application for an order prohibiting the marketing in Austria of a blue cheese under the designation 'Cambozola' and requiring cancellation of the 'Cambozola' trade mark.

3 The Consorzio per la Tutela del Formaggio Gorgonzola initially based its application on provisions of international law and Austrian legislation.

The relevant provisions of international law and national legislation

4 Under Article 3 of the international Convention for the use of designations of origin and names of cheeses, signed at Stresa on 1 June 1951 (hereinafter 'the Stresa Convention'), only 'cheese manufactured or matured in traditional regions, by

virtue of local, loyal and uninterrupted usages' may benefit from designations of origin governed by national legislation. Article 1 of the Convention prohibits the use of descriptions which contravene that principle. Following the addition of the protocol annexed to it, the Convention lists 'Gorgonzola (Italy)' as a designation of origin.

5 The Stresa Convention applied in Austrian territory with effect from 11 July 1955 and ceased to produce its effects there as from 9 February 1996, following its abrogation by the Austrian Government by diplomatic note of 30 November 1994.

6 Article 2 of the Agreement between the Austrian Government and the Italian Government on geographical designations of origin and names of certain products, signed in Rome on 1 February 1952, prohibits the importation and sale of all products bearing, or displaying on their packaging or in their trade marks, designations and names listed in the annex, which are liable to mislead the public as to the origin, variety, nature or specific qualities of those products or goods. The Additional Protocol to the Agreement, signed in Vienna on 17 December 1969, extended protection under the Agreement to the designation 'Gorgonzola', but only in the event of the expiry or amendment of the Stresa Convention.

7 Section 2 of the Gesetz gegen den unlauteren Wettbewerb (Austrian Law against unfair competition) outlaws misleading practices, in particular with respect to the quality, origin and method of production of goods, and Section 9 thereof prohibits the abuse of trade names.

Community law

8 Under Article 2 of Commission Regulation (EC) No 1107/96 of 12 June 1996 on the registration of geographical indications and designations of origin under the procedure laid down in Article 17 of Council Regulation (EEC) No 2081/92 (OJ 1996 L 148, p. 1) and Title A of the annex thereto, 'Gorgonzola' is a designation of origin protected at Community level with effect from 21 June 1996. Articles 13 and 14 of Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1) lay down the conditions for the continuing use of a trade mark which may be incompatible with a designation of origin in respect of which an application for registration has been lodged after the trade mark was registered.

9 Under Article 13(1) and (2) of Regulation No 2081/92:

'1. Registered names shall be protected against:

(a) any direct or indirect commercial use of a name registered in respect of products not covered by the registration in so far as those products are comparable to the products registered under that name or in so far as using the name exploits the reputation of the protected name;

(b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation" or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the public as to the true origin of the product.

...

2. However, Member States may maintain national measures authorising the use of the expressions referred to in paragraph 1(b) for a period of not more than five years after the date of publication of this regulation, provided that:

— the products have been marketed legally using such expressions for at least five years before the date of publication of this regulation,

— the labelling clearly indicates the true origin of the product.

However, this exception may not lead to the marketing of products freely on the territory of a Member State where such expressions are prohibited.'

10 Article 14(2) of that regulation provides:

'With due regard for Community law, use of a trade mark corresponding to one of the situations referred to in Article 13 which was registered in good faith before the date on which application for registration of a designation of origin or geographical indication was lodged may continue notwithstanding the registration of a designation of origin or geographical indication, where there are no grounds for invalidity or revocation of the trade mark as provided respectively by Article 3(1)(c) and (g) and Article 12(2)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks.'

11 Article 3(1) 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) provides:

'The following shall not be registered or if registered shall be liable to be declared invalid:

...

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

...

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

...'

12 Article 12(2) of that directive provides:

'A trade mark shall also be liable to revocation if, after the date on which it was registered,

...

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

The questions referred

13 After making an interim order on 24 June 1994 prohibiting the defendants in the main proceedings from marketing blue cheese under the name 'Cambozola' for the duration of the proceedings, the Handelsgericht Wien raised the question whether, following the accession of the Republic of Austria to the European Union, the measures applied for — the subject of the order for reference — were compatible with the Community rules on the free movement of goods. Arguably, they may constitute a measure having equivalent effect to a quantitative restriction within the meaning of Article 30 of the Treaty but, their aim being to protect an indication of geographical origin, they may be justified under Article 36 of the Treaty.

14 Considering that it needed an interpretation of those provisions in order to adjudicate on the dispute, the Handelsgericht Wien decided to stay proceedings and refer the following two questions to the Court for a preliminary ruling:

'Is it compatible, in the current state of Community law, with the principles of the free movement of goods (Articles 30 and 36 of the EC Treaty) that a cheese which has been lawfully produced in a Member State since 1977 and designated by the name "Cambozola", and which has been marketed in another Member State since 1983, is not permitted to be marketed in the latter Member State under the name "Cambozola", on the basis of a national measure referring to an international agreement for the protection of geographical designations of origin and names of certain products (which protects the designation "Gorgonzola" ...) and referring to a national prohibition of misleading statements?

Does it make any difference to the answer to that question if the packaging of the cheese designated as "Cambozola" bears a clearly visible indication of the country of manufacture ("Deutscher Weichkäse" [German soft cheese]), if that cheese is as a rule not displayed and sold to consumers in the form of whole cheeses, but in pieces, sometimes without the original packaging?'

15 Protection of the designation of origin 'Gorgonzola' was brought within the purview of Community law with effect from 21 June 1996, the date of the entry into force of the registration of that designation under Regulation No 1107/96, in accordance with Regulation No 2081/92. Thus, the questions referred to the Court must be addressed solely in the context of the Community rules for the protection of designations of origin for agricultural products and foodstuffs.

16 Even though, strictly speaking, the national court has directed its questions solely to the interpretation of Articles 30 and 36 of the Treaty, the Court is not thereby precluded from providing the national court with all those elements for the interpretation of Community law which may be of assistance in adjudicating on the case pending before it, whether or not that court has specifically referred to them in its questions (see, in particular, to that effect Case C-241/89 *SARPP* [1990] ECR I-4695, paragraph 8, and Case C-315/92 *Verband Sozialer Wettbewerb* ('*Clinique*') [1994] ECR I-317, paragraph 7).

17 In this case, it is plain from the forms of order sought in the main proceedings that the debate concerning the law as it stood before the entry into force of Regulation No 1107/96 and before registration of the protected designation of origin 'Gorgonzola' has no bearing on the outcome of the case. That is also clear from the actual wording of the questions, by which the national court expressly seeks a ruling from the Court on 'the current state of Community law'.

18 The plaintiff argues that, in so far as the protection afforded by a Member State to a designation of origin is wider in scope than that available under Community law, that national protection continues after the designation has been registered in accordance with Regulation No 2081/92. That argument is, however, contradicted by the wording of Article 17(3) of that regulation, which permits Member States to maintain national protection of a name only until such time as a decision has been taken on its registration as a name protected at Community level (see, to that effect, Joined Cases C-129/97 and C-130/97 *Chiciak and Fol* [1998] ECR I-3315, paragraph 28). Consequently, only the legal rules laid down by Regulation No 2081/92

are, together with the Treaty rules, relevant for the purpose of answering the questions referred.

19 By its questions — which must be considered together — the national court asks essentially whether Community law precludes national measures which, in order to ensure the protection of the designation of origin 'Gorgonzola', prohibit the distribution of blue cheese under the name 'Cambozola' even where the packaging of the product in question indicates its true origin.

20 Articles 30 and 36 of the Treaty do not preclude the application of rules laid down by a bilateral convention between Member States on the protection of indications of provenance and designations of origin, provided that the protected names have not become generic in the country of origin (see Case C-3/91 *Exportur* [1992] ECR I-5529, paragraph 39). *A fortiori*, they do not preclude Member States from taking the measures necessary for the protection of names registered in accordance with Regulation No 2081/92 and which, as such, pursuant to Article 3 of that regulation, are not generic. In order to give the national court a useful answer in the present case, it is therefore enough to provide it with the interpretation of the Community provisions governing the possibility of continuing to use a trade mark such as 'Cambozola'.

21 Article 14 of Regulation No 2081/92 specifically governs the relationship between names registered under the regulation and trade marks. Accordingly, although Article 13(2) thereof allows, by way of exception, the maintenance of national measures authorising the use of certain expressions during a period of five years, the aim of that provision is not to allow the continued use of trade marks. Contrary to the Austrian Government's assertion in its observations, Article 13(2) — both in its initial version and as amended by Council Regulation (EC) No 535/97 of 17 March 1997 (OJ 1997 L 83, p. 3) — does not therefore apply to situations of the kind at issue in the main proceedings.

22 It must first be determined whether the use of a term such as 'Cambozola', in circumstances such as those of this case, corresponds to one of the situations covered by Article 13(1) of Regulation No 2081/92.

23 According to the defendants, this is not so. They contend in particular that there is no 'evocation' within the meaning of Article 13(1)(b) of Regulation No 2081/92 where there is merely an association of ideas which, in disputes concerning trade marks, does not amount to a likelihood of confusion (Case C-251/95 *SABEL* [1997] ECR I-6191), or where the term at issue merely reproduces part of a protected designation the component elements of which are not protected as such by Community law (*Chiciak and Fol*, cited above, paragraph 39).

24 On the other hand, the plaintiff in the main proceedings, the governments which have submitted written observations and the Commission all argue that the situation at issue is covered by Article 13(1) of Regulation No 2081/92. The Italian Government further observes that it is for the national court to decide how that provision should be applied to the facts of the case before it.

25 'Evocation', as referred to in Article 13(1)(b) of Regulation No 2081/92, covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected.

26 As the Advocate General states in points 37 and 38 of his Opinion, it is possible, contrary to the view taken by the defendants, for a protected designation to be evoked where there is no likelihood of confusion between the products concerned and even where no Community protection extends to the parts of that designation which are echoed in the term or terms at issue.

27 Since the product at issue is a soft blue cheese which is not dissimilar in appearance to 'Gorgonzola', it would seem reasonable to conclude that a protected name is indeed evoked where the term used to designate that product ends in the same two syllables and contains the same number of syllables, with the result that the phonetic and visual similarity between the two terms is obvious.

28 In that connection, it would also seem appropriate for the national court to take into account advertising material published by Käserei Champignon and placed before the courts by the plaintiff, which suggests that the phonetic similarity between the two names is not fortuitous.

29 Article 13(1)(b) of Regulation No 2081/92 also expressly provides that the indication of the true origin of the product on its packaging or otherwise has no bearing on the application to that product of the concepts referred to in that subparagraph.

30 Since use of a trade mark such as 'Cambozola' corresponds to one of the sets of circumstances in which registered names are to enjoy protection, it must next be determined whether the conditions laid down in Article 14(2) of Regulation No 2081/92 are satisfied, so as to allow the continued use of an earlier trade mark.

31 First, the trade mark must have been registered in good faith before the date when the application for registration of the designation of origin or geographical indication was lodged.

32 The plaintiff submits on this point that the provisions derogating from the protection of designations under Article 13 must be strictly construed and that registration of the trade mark 'Cambozola' in Austria cannot have been made in good faith within the meaning of Article 14(2) since it has been unlawful from the outset. In 1983, when the trade mark 'Cambozola' was lodged in Austria, the protection enjoyed there by the designation 'Gorgonzola' was essentially similar — albeit founded on a different legal basis — to the protection guaranteed since 1996 by Community law.

33 The Italian Government points out also that the Austrian authorities should have refused to register the trade mark 'Cambozola', which has from the outset contravened the rules in force, and which accordingly cannot be deemed to have been registered in good faith.

34 The Commission maintains that it is for the national court alone to decide whether registration was made in good faith, to which end it must first verify that registration was genuinely made in compliance with the rules of law in force at the time.

35 The concept of good faith referred to in Article 14(2) of Regulation No 2081/92 must be viewed in the light of the entire body of legislation, both national and international, in force at the time when the application for registration of the trade mark was lodged. The proprietor of the trade mark cannot in principle benefit from a presumption of good faith if the legislation in force at the material time clearly precluded acceptance of his application.

36 However, it is not for the Court, when ruling on the interpretation of Regulation No 2081/92, to decide on the effect of the provisions of national and international law which protected designations of origin in Austria before such protection was guaranteed by Community law, nor, consequently, to glean the particular circumstances in which the application may have been submitted. As the Commission

rightly observes, only the national court before which the case is pending is in a position to carry out an analysis of that nature.

37 Secondly, if the use of a trade mark registered in good faith is to be allowed to continue, it must not be liable to be declared invalid or revoked on the grounds set out in the relevant provisions of the First Directive 89/104.

38 The plaintiff submits on this point that the trade mark in question is of such a nature as to deceive the public as to the nature, quality or geographical origin of the product for which it is registered and liable to be declared invalid under Article 3(1)(g) of the First Directive 89/104.

39 The Italian Government also maintains that, in view of the trade mark's capacity to mislead the consumer, Käserei Champignon and Eduard Bracharz cannot rely on Article 14(2) of Regulation No 2081/92.

40 The Commission points out that the rules laid down in Article 3(1)(c) and (g) and Article 12(2)(b) of the First Directive 89/104 must be narrowly construed since they constitute exceptions, on grounds of public policy, to the proliferation of types of trade mark. From that, the Commission deduces that neither the trade mark 'Cambozola' nor the manner of its use makes such a specific reference to a particular geographical origin as to be liable to deceive or mislead the public as to the nature, quality or geographical origin of the product. In the Commission's view, none of the grounds set out in Articles 3 and 12 of the First Directive 89/104 precludes the use of the trade mark in question.

41 As to that, the circumstances contemplated in Article 3(1)((c) of the First Directive 89/104 do not apply to the present case. The circumstances envisaged in the other two relevant provisions of that directive — refusal of registration, invalidity of the trade mark, or revocation of the proprietor's rights, which preclude its use being continued under Article 14(2) of Regulation No 2081/92 — presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (see, on that subject, *Clinique*, cited above, Case C-470/93 *Mars* [1995] ECR I-1923, and Case C-313/94 *Graffione* [1996] ECR I-6039, paragraph 24).

42 Once again it is for the national court to apply those tests to the facts of the case before it. Although the term 'Cambozola', which evokes the designation 'Gorgonzola', cannot on that ground alone be deemed liable to deceive the public as to the nature, quality or origin of the goods designated, the assessment to be carried out with respect to the conditions for its use presupposes consideration of the facts of the case, an exercise which falls outside the Court's jurisdiction under Article 177 of the Treaty (see, to that effect, *Graffione*, paragraphs 25 and 26).

43 The answer to the questions referred must therefore be that, in the present state of Community law, the principle of the free movement of goods does not preclude Member States from taking the measures incumbent upon them in order to ensure the protection of designations of origin registered under Regulation No 2081/92. Use of a name such as 'Cambozola' may therefore be deemed, for the purposes of Article 13(1)(b) of that regulation, to evoke the protected designation of origin 'Gorgonzola', irrespective of the fact that the packaging indicates the product's true origin. It is for the national court to decide whether, on the facts, the conditions laid down in Article 14(2) of Regulation No 2081/92 allow use of an earlier trade mark to continue notwithstanding the registration of the protected designation of origin 'Gorgonzola', having regard in particular to the law in force at the time of registration of the trade mark, in order to determine whether such registration could have been made in good faith, on the basis that use of a name such as 'Cambozola' does not *per se* constitute an attempt to deceive the consumer.

Costs

44 The costs incurred by the Austrian, French, Greek and Italian 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 pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT (Fifth Chamber),

in answer to the questions referred to it by the Handelsgericht Wien by order of 18 July 1996, hereby rules:

In the present state of Community law, the principle of the free movement of goods does not preclude Member States from taking the measures incumbent upon them in order to ensure the protection of designations of origin registered under Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. Use of a name such as 'Cambozola' may therefore be deemed, for the purposes of Article 13(1)(b) of that regulation, to evoke the protected

designation of origin 'Gorgonzola', irrespective of the fact that the packaging indicates the product's true origin. It is for the national court to decide whether, on the facts, the conditions laid down in Article 14(2) of Regulation No 2081/92 allow use of an earlier trade mark to continue notwithstanding the registration of the protected designation of origin 'Gorgonzola', having regard in particular to the law in force at the time of registration of the trade mark, in order to determine whether such registration could have been made in good faith, on the basis that use of a name such as 'Cambozola' does not *per se* constitute an attempt to deceive the consumer.

Puissochet Jann Gulmann

Edward Sevón

Delivered in open court in Luxembourg on 4 March 1999.

R. Grass J.-P. Puissochet

Registrar President of the Fifth Chamber