JUDGMENT OF THE COURT
13 December 1990 *

In Case C-238/89,

REFERENCE to the Court under Article 177 of the EEC Treaty by the Landgericht München I for a preliminary ruling in the proceedings pending before that court between

Pall Corp.

and

P. J. Dahlhausen & Co.,

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

THE COURT,

composed of: G. F. Mancini, President of Chamber, acting as President, T. F. O'Higgins, J. C. Moitinho de Almeida, G. C. Rodríguez Iglesias and M. Díez de Velasco (Presidents of Chamber), Sir Gordon Slynn, C. N. Kakouris, F. A. Schockweiler, F. Grévisse, M. Zuleeg and P. J. G. Kapteyn, Judges,

Advocate General: G. Tesauro
Registrar: J. A. Pompe, Deputy Registrar,

after considering the observations submitted on behalf of

Pall Corp., by Mr Pagenberg, Rechtsanwalt;

P. J. Dahlhausen & Co., by Mr Donle, Rechtsanwalt;

* Language of the case: German.

The Federal Republic of Germany, by Ernst Röder, Regierungsdirektor at the Ministry of Foreign Affairs, and Horst Teske, Ministerialrat at the Ministry of Justice, acting as Agents;

the Italian Republic, by Oscar Fiumara, avvocato dello Stato, acting as Agent;

the United Kingdom of Great Britain and Northern Ireland, by S. J. Hay, of the Treasury Solicitor's Department, acting as Agent;

the Commission of the European Communities, by its Legal Adviser, Jörn Sack, assisted by Renate Kubicki, official of the Ministry of Justice of the Federal Republic of Germany, on secondment to the Commission's Legal Department, acting as Agents;

having regard to the Report for the Hearing,

having heard the oral argument presented at the hearing on 3 July 1990 by P. J. Dahlhausen & Co., the Federal Republic of Germany, represented by Mr von Mühlendahl, the Italian Republic and the Commission,

after hearing the Opinion of the Advocate General delivered at the sitting on 9 October 1990,

gives the following

Judgment

1 By order of 29 June 1989, which was received at the Court on 31 July 1989, the Landgericht München I (Regional Court, Munich I) referred to the Court for a preliminary ruling under Article 177 of the EEC Treaty two questions on the interpretation of Articles 30 and 36 of the EEC Treaty.

2 Those questions arose in proceedings between Pall Corp. (hereinafter referred to as 'Pall'), the plaintiff in the main proceedings, and P. J. Dahlhausen & Co. (hereinafter referred to as 'Dahlhausen'). The latter markets in the Federal Republic of Germany blood filters which it imports from Italy. The Italian producer places on the filters themselves and on their packaging the trade mark 'Miropore', followed by the letter (R) in a circle.

3 Pall applied *inter alia* for an injunction restraining Dahlhausen from using, in the Federal Republic of Germany, the letter (R) after the trade mark 'Miropore' for blood filters, on the ground that that trade mark was not registered in Germany. Pall argued that the use of the letter (R) in those circumstances constituted misleading advertising, which was prohibited under Paragraph 3 of the Gesetz gegen den unlauteren Wettbewerb (German law on unfair competition). The aforementioned paragraph prohibits 'misleading statements regarding . . . [the] origin . . . of specific goods . . . or their source'.

4 The Landgericht München I, hearing the action, takes the view that under the German legislation the injunction restraining marketing sought by Pall must be granted, but considers that such an injunction might amount to a quantitative restriction within the meaning of Article 30 of the Treaty.

5 Accordingly, the national court decided to stay the proceedings until the Court of Justice had given a preliminary ruling on the following questions:

'(1) Is the prohibition laid down in the case-law of the courts of the Federal Republic of Germany founded on Paragraph 3 of the Gesetz gegen den unlauteren Wettbewerb (Law on Unfair Competition) on putting goods into circulation in the Federal Republic of Germany with the symbol (R) added to the name of the product when there is not trade-mark protection in the Federal Republic of Germany tantamount in its effect to a quantitative restriction prohibited by Article 30 of the EEC Treaty if it is also applied to cases in which there is trade-mark protection in another EEC country?

(2) In the particular circumstances of the case in question, is Paragraph 3 of the Gesetz gegen den unlauteren Wettbewerb applicable for the purpose of protecting the legal interests mentioned in Article 36 of the EEC Treaty?'

6 Reference is made to the Report for the Hearing for a fuller account of the facts of the main proceedings, the course of the procedure and the written observations submitted to the Court, which are mentioned or discussed hereinafter only in so far as is necessary for the reasoning of the Court.

7 By way of a preliminary observation, it should be pointed out that the Court may not, within the framework of Article 177 of the Treaty, rule on the compatibility of a provision of national law with the Treaty. It may, however, provide the national court with all those elements by way of interpretation of Community law which may enable it to assess that compatibility for the purposes of the case before it.

8 The questions referred for a preliminary ruling must therefore be understood as asking whether Articles 30 and 36 of the EEC Treaty are to be interpreted as precluding the application of a national provision on unfair competition which enables a trader to obtain a prohibition, in the territory of a Member State, on the marketing of a product bearing the letter (R) in a circle next to a trade mark if that trade mark is not registered in the Member State in question but is registered in another Member State.

9 The use of the symbol (R) — derived from the English word 'registered' — next to a trade mark to indicate that it is a registered trade mark and that it is therefore legally protected, is a practice which originated in the United States, where it is regulated by legislation. The practice is common in a number of the Member States of the Community.

10 As the documents before the Court show, German trade-mark legislation does not contain any rules on the use of the symbol (R). Accordingly, the problem raised, which concerns the compatibility of a national provision on unfair competition with the Community rules on the free movement of goods, must be considered in the light of Article 30 alone.

11 The Court has consistently held since its judgment in Case 8/74 *Procureur du Roi* v *Dassonville* [1974] ECR 837, paragraph 5, that the prohibition of all measures having equivalent effect laid down in Article 30 of the Treaty covers all trading rules enacted by Member States which are capable of hindering, directly or indirectly, actually or potentially, intra-Community trade.

12 The Court has also consistently held that obstacles to intra-Community trade resulting from disparities between provisions of national law must be accepted in so far as such provisions, applicable to domestic and to imported products without distinction, may be justified as necessary in order to satisfy imperative requirements relating, *inter alia*, to consumer protection and fair trading. However, in order to be permissible, such provisions must be proportionate to the objective pursued and that objective must not be capable of being achieved by measures which are less restrictive of intra-Community trade (see, in particular, the judgment in Case 120/78 *Rewe* v *Bundesmonopolverwaltung* [1979] ECR 649).

13 A prohibition such as the one at issue in this case is capable of impeding intra-Community trade because it can force the proprietor of a trade mark that has been registered in only one Member State to change the presentation of his products according to the place where it is proposed to market them and to set up separate distribution channels in order to ensure that products bearing the symbol (R) are not in circulation in the territory of Member States which have imposed the prohibition at issue.

14 Moreover, such a prohibition is applicable to domestic and to imported products without distinction. It seeks to prevent the risk of error as to the place in which the trade mark of the product is registered and protected, and the question whether the product is of national or foreign origin is of no relevance whatsoever in that regard.

15 Consideration must therefore be given to the question whether such a prohibition can be justified by the abovementioned imperative requirements.

16 It has been argued that the prohibition is justified because the use of the symbol (R), which indicates that a trade mark is registered, misleads consumers if the trade mark is not registered in the country in which the goods are marketed.

17 That argument cannot be upheld.

18 Firstly, it has not been established that in practice the symbol (R) is generally used and understood as indicating that the trade mark is registered in the country in which the product is marketed.

19 Secondly, even assuming that consumers, or some of them, might be misled on that point, such a risk cannot justify so considerable an obstacle to the free movement of goods, since consumers are more interested in the qualities of a product than in the place of registration of the trade mark.

20 It has also been argued that the use of the symbol (R) in a State in which the trade mark is not registered should be regarded as unfair competition *vis-à-vis* competitors and that, if the registration of a trade mark in any Member State is sufficient to justify the use of the symbol at issue, manufacturers could elect to register their trade marks in the States with the least demanding requirements.

21 That argument must be rejected. Firstly, prudent economic operators with an interest in knowing whether or not a trade mark is registered can determine the legal situation concerning the trade mark in question at the public register. Secondly, the principal aim of a person registering a trade mark in a particular State is to obtain legal protection in that State. The symbol (R), like other symbols which indicate that a trade mark is registered, is, in relation to that legal protection, which constitutes the object of the registration, of an ancillary or supplementary nature.

22 Finally, having regard to the arguments advanced by the Federal Republic of Germany based on Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising (Official Journal 1984 L 250, p. 17), it must be added that, since the prohibition at issue has been found not to be justified by imperative requirements relating to consumer protection or fair trading, it can also find no basis in the aforementioned directive. That directive confines itself to a partial harmonization of the national laws on misleading advertising by establishing, firstly, minimum objective criteria for determining whether advertising is misleading, and, secondly, minimum requirements for the means of affording protection against such advertising.

23 The reply to the questions referred for a preliminary ruling must therefore be that Article 30 of the EEC Treaty is to be interpreted as precluding the application of a national provision on unfair competition which enables an economic operator to obtain a prohibition in the territory of a Member State on the marketing of a product bearing the letter (R) in a circle next to the trade mark, if that trade mark is not registered in that State but in another.

Costs

24 The costs incurred by the Federal Republic of Germany, the Italian Republic and the United Kingdom of Great Britain and Northern Ireland and by the Commission of the European Communities, which have submitted observations to the court, are not recoverable. As these proceedings are in the nature of 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,

in answer to the questions submitted to it by the Landgericht München I, by order of 29 June 1989, hereby rules:

Article 30 of the EEC Treaty must be interpreted as precluding the application of a national provision on unfair competition which enables an economic operator to obtain a prohibition in the territory of a Member State on the marketing of a product bearing the letter (R) in a circle next to the trade mark, if that trade mark is not registered in that State but in another.

Mancini O'Higgins Moitinho de Almeida Rodríguez Iglesias

Díez de Velasco Slynn

Kakouris Schockweiler Grévisse Zuleeg Kapteyn

Delivered in open court in Luxembourg on 13 December 1990.

J.-G. Giraud
Registrar

G. F. Mancini
President of Chamber
for the President