OPINION OF ADVOCATE GENERAL RUIZ-JARABO COLOMER delivered on 19 January 2006 [1]

I — Introduction

1. Trade marks are a synthesis of information in any form, but they must meet the fundamental requirements of being suitable for registration and of sufficient scope to distinguish the products or services of the trade mark owner from those offered by competitors. Proper names are recognised as displaying those qualities and there are numerous examples in the market.

2. But, when the connection between the name and the undertaking supplying the services or manufacturing goods under that designation is lost, the question arises whether it can be claimed that the message inherent in the mark is false and whether the person whose identity was assigned with it can contest its validity.

3. Those issues have been raised by the Person Appointed by the Lord Chancellor under section 76 of the Trade Marks Act 1994, through the High Court of Justice, in proceedings which, interestingly, can be linked with a very well-known social event, the marriage of the Prince of Wales and Lady Diana Spencer. [2]

4. The splendour and ceremony surrounding the wedding left a profound imprint in the memory of a public captivated by the beauty of the bride, whose dress, of impressive proportions, [3] was designed by Mrs Emanuel, a fashion designer who, as a result of being entrusted with its creation, gained a prestigious reputation in her business activity. Against the background of her popularity, she now opposes the registration, by an undertaking with which she has no connection, of a modification of the graphic trade mark Elizabeth Emanuel, which was her creation, and seeks revocation of the industrial property rights in respect of that mark,

1 — Original language: Spanish.

2 — Charles Philip Arthur George Mountbatten-Windsor, Prince of Wales, contracted marriage on 29 July 1981 with Diana Frances Spencer in St Paul's Cathedral, London, in a ceremony at which the Archbishop of Canterbury officiated.

3 — The train alone was eight metres long; 25 metres of silk and taffeta and 91 metres of tulle were used in the making of that most individualistic dress, together with 137 metres of material for the veil and 10 000 mother of pearl and pearl sequins (http://www.noticias.ya.com).

alleging that, since the links between it and her personally have been broken, the mark no longer reflects reality and is deceptive.

II — Legal background

5. Although the questions submitted by the Appointed Person expressly refer to two very specific provisions of Directive 89/104 [4] ('the Directive') on trade marks, there are other points of both Community law and international law which are of interest, and they are therefore set out below.

A — *Community law*

6. Industrial property of the kind at issue is governed in European law by, first, the Directive and, second, by Regulation (EC) No 40/94 [5] on the Community trade mark.

4 — First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

5 — Council Regulation of 20 December 1993 on the Community trade mark, amended by Council Regulation (EC) No 3288/94 of 22 December 1994 for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83), and by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1).

1. The Directive

7. Article 3(1)(g) provides:

'Grounds for refusal or invalidity

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

...

(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.

...'

8. According to Article 12(2)(b):

'Grounds for revocation

2. 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.'

2. Regulation No 40/94

9. Article 7(1)(g) provides as follows:

'Absolute grounds for refusal

1. The following shall not be registered:

...

(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'.

10. The wording of Article 50(1)(c) is as follows:

'Grounds for revocation

1. The rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings:

...

(c) if, 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, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services'.

11. Regulation No 40/94 includes a provision not found in the Directive which, being relevant to the facts of this case, must be

considered; it is Article 17, the wording of which is as follows:

'Transfer

1. A Community trade mark may be transferred, separately from any transfer of the undertaking, in respect of some or all of the goods or services for which it is registered.

2. A transfer of the whole of the undertaking shall include the transfer of the Community trade mark except where, in accordance with the law governing the transfer, there is agreement to the contrary or circumstances clearly dictate otherwise. This provision shall apply to the contractual obligation to transfer the undertaking.

...

6. As long as the transfer has not been entered in the Register, the successor in title may not invoke the rights arising from the registration of the Community trade mark.'

B — *International law*

12. In the context of these proceedings, it would not seem inappropriate also to refer to Article 21 of the TRIPs agreement: [6]

'Licensing and Assignment

Members may determine conditions on the licensing and assignment of trade marks, it being understood that ... the owner of a registered trade mark shall have the right to assign the trade mark with or without the transfer of the business to which the trade mark belongs.'

III — The facts, the main proceedings and the questions referred to the Court

13. For the reasons set out at the beginning of this Opinion, Mrs Emanuel gained a prestigious reputation as a fashion designer in the United Kingdom, particularly for her

6 — The Agreement on Trade-Related Aspects of Intellectual Property Rights, which resulted from the Uruguay Round of multilateral negotiations, in Annex 1 (Annex 1C) (OJ 1994 L 336, p. 214).

wedding dresses. In 1990, she began to trade under the name ELIZABETH EMANUEL in premises in Brook Street.

14. In 1996 she sought financial support and signed a contract with Hamlet International Plc to establish a jointly-owned company called Elizabeth Emanuel Plc, to which she transferred, among other property, her business of designing and selling clothing, together with all assets, including goodwill and an application for a composite figurative and word mark, which included a heraldic device together with the words ELIZABETH EMANUEL, which was officially registered in 1997, as follows:



15. In September of that year, the creator of that trade mark experienced serious financial difficulties and signed a new contract with Frostprint Ltd, to which she transferred the business, namely her goodwill and the registered trade mark. On the basis of that transfer, Frostprint changed its name to Elizabeth Emanuel International Limited, and took on Mrs Emanuel as an employee.

16. One month later, when the dressmaker ceased working for that company, the management asked the remaining staff to be circumspect when answering any questions about Mrs Emanuel.

17. In November 1997 the registered trade mark was assigned to Oakridge Trading Ltd which, in March 1998, applied for registration of it, although it changed the graphic arrangement and removed the heraldic device.

18. In January 1999, Mrs Emanuel filed a notice of opposition against that amendment and, in September 1999, applied for the registered trade mark embodying her name to be revoked.

19. In April 2002, title to the industrial property at issue was vested in Continental Shelf 128 Limited (hereinafter 'CSL') and the Hearing Officer heard the opposition and revocation proceedings brought by Mrs Emanuel and found against her. He stated, in two separate decisions, that customers had been deceived and confused but that that situation was legal and the inevitable consequence of the sale of a business and goodwill which had been conducted under the proprietor's own name.

20. On 16 December 2002, Mrs Emanuel brought appeal proceedings before the Appointed Person against those decisions, and the cases were joined.

21. In support of their claims, the parties relied on Article 3(1)(g) and Article 12(2)(b) of Directive 89/104. Taking the view that the decision to be given in the main proceedings depended on the proper construction of those provisions, the Appointed Person decided to stay the proceedings and refer to the Court of Justice for a preliminary ruling the questions set out below:

'(1) Is a trade mark of such a nature as to deceive the public and prohibited from registration under Article 3(1)(g) in the following circumstances:

(a) the goodwill associated with the trade mark has been assigned together with the business of making the goods to which the mark relates;

(b) prior to the assignment the trade mark indicated to a significant proportion of the relevant public that a particular person was involved in the design or creation of the goods in relation to which it was used;

(c) after the assignment an application was made by the assignee to register the trade mark; and

(d) at the time of the application a significant portion of the relevant public wrongly believed that use of the trade mark indicated that the particular person was still involved in the design or creation of the goods in relation to which the mark was used, and this belief was likely to affect the purchasing behaviour of that part of the public?

(2) If the answer to question 1 is not unreservedly yes, what other matters must be taken into consideration in assessing whether a trade mark is of such a nature as to deceive the public and prohibited from registration under Article 3(1)(g) and, in particular, is it relevant that the risk of deception is likely to diminish over time?

(3) Is a registered trade mark liable to mislead the public in consequence of the use made of it by the proprietor or with his consent and so liable to

revocation under Article 12(2)(b) in the following circumstances:

(a) the registered trade mark and the goodwill associated with it have been assigned together with the business of making the goods to which the mark relates;

(b) prior to the assignment the trade mark indicated to a significant proportion of the relevant public that a particular person was involved in the design or creation of the goods in relation to which it was used;

(c) after the assignment an application was made to revoke the registered trade mark; and

(d) at the time of the application a significant portion of the relevant public wrongly believed that use of the trade mark indicated that the particular person was still involved with the design or creation of the goods in relation to which the mark was used, and this belief was likely to affect the purchasing behaviour of that part of the public?

(4) If the answer to question 3 is not unreservedly yes, what other matters must be taken into consideration in assessing whether a registered trade mark is liable to mislead the public in consequence of the use made of it by 'the proprietor or with his consent and so liable to revocation under Article 12 (2)(b) and, in particular, is it relevant that the risk of deception is likely to diminish over time?"

IV — The proceedings before the Court of Justice

22. The order for reference was received at the Registry of the Court of Justice on 16 June 2004.

23. Written observations were submitted, within the period laid down in Article 20 of the Statute of the Court of Justice, by Mrs Emanuel, CSL, the Commission and the United Kingdom, and the first three presented oral argument at the hearing on 1 December 2005.

V — Analysis of the questions

A — *Preliminary issue: admissibility*

24. It must be emphasised, in the first place, that no reservations are expressed in the written observations concerning the admissibility of the questions submitted by the Appointed Person. However, since this is the first time that that authority [7] has submitted questions for a ruling by the Court of Justice, it is necessary for the Court to consider of its own motion whether he is entitled to make use of Article 234 EC.

25. In an earlier opinion [8] I drew attention to the insufficiently precise definition of the concept of court or tribunal for the purposes of Article 234 EC in the judgments of the Court of Justice, and proposed that the definition should include all authorities within every national judicial structure, and also those which, although not forming part of those structures, give decisions against which no subsequent judicial appeal is available. [9]

26. In recent case-law, a trend has emerged towards a stricter approach to the defining of such bodies, [10] in particular in relation to the criterion of their independence, [11] which is more in harmony with my view, and it is a trend that should continue with regard to the other main criteria.

27. The person appointed by the Lord Chancellor appears to form part of the United Kingdom judicial system. Furthermore, his origin is *statutory*, since he is mentioned in section 76 of the United Kingdom Trade Marks Act 1994 and his functions are governed by section 77 thereof; both form part of a chapter headed 'Legal proceedings and appeals'.

28. His *permanence* is to be inferred from the wording of section 76(2), according to which any person affected by a decision of the Registrar of Trade Marks may bring an appeal either to an Appointed Person or to the court, stability thereby being implied.

7 — There is, however, no lack of precedents since, in its judgment of 2 March 1999 in Case C-416/96 *Nour Eddine El-Yassin* [1999] ECR I-1209, the Court of Justice agreed to consider questions submitted by the Immigration Adjudicator, who is a person of similar standing to the Appointed Person.

8 — Opinion delivered on 28 June 2001 in Case C-17/00 *De Coster* [2001] ECR I-9445.

9 — Point 83 et seq. of the Opinion cited in the foregoing footnote.

10 — This trend has been highlighted by Cienfuegos Mateio, M.m 'La noción comunitaria de órgano jurisdiccional de un Estado miembro ex artículo 234 del Tratado CE y su necesaria revision', *Gaceta Jurídica de la Unión Europea y de la Competencia*, No 238, July-August 2005, p. 3 et seq., and that author declares himself to be in favour of reconsideration of this concept (p. 26).

11 — Judgment in Case C-516/99 *Schmidt* [2002] ECR I-4573 and the Opinion of Advocate General Tizzano in that case; Case C-53/03 *Syfait and Others* [2005] ECR I-4609; in the latter case, a reference from the Greek Competition Commission (Epitropi Antagonismou) was declared inadmissible, particular attention being drawn to its lack of independence, in that it operated under the auspices of the Greek Ministry of Development. In contrast, Advocate General Jacobs considered that it should be recognised as a judicial body.

29. Doubts as to *obligatory recourse* raised by that dual option nevertheless disappear when it is noted that appearing before the Appointed Person is not just a possibility, as in the case of going to arbitration, [12] but is one of the two sole options legally available for appeals against a decision of the United Kingdom Trade Marks Registry.

30. Nor are there any doubts as to his independence, since section 77(3) gives an exhaustive list of grounds of ineligibility, relating to extreme cases in which he cannot act, such as bankruptcy or physical or mental illness. Although it is for the Lord Chancellor to decide whether any grounds exist to disqualify the Appointed Persons from carrying out his duties, the exceptional nature of such a measure, which must necessarily be interpreted restrictively, dispels any suspicion. [13]

31. It is clear from section 76(3) and (4) of the United Kingdom Trade Marks Act that the authority at issue, on the one hand, applies legal rules and, on the other, oversees proceedings inter partes, since he must hear the parties in proceedings brought before him. [14]

32. Finally, his decision is judicial in the sense attributed to that term by the Court of Justice, [15] in that on occasions he acts at last instance, under section 76(4) of the above-mentioned Act. [16]

33. Consequently, the Appointed Person fulfils the requirements laid down by the case-law of the Court of Justice which a national judicial body must fulfil [17] in order to have recourse to the preliminary-ruling procedure under Article 234 EC and there is no problem about considering the questions which he has submitted to the Court of Justice.

12 — Case 102/81 *Nordsee* [1982] ECR 1095, paragraph 7 et seq.

13 — Resolution of the Appointed Person of 10 June 2002 in the DAAWAT case ([2003] RPC 11), p. 197.

14 — Regarding proceedings before the Appointed Person, see Kitchin, D., Llewelyn, D., Mellor, J., Meade, R., Moody Stuart, T. & Keeling, D., *Kerly's Law of Trade Marks and Trade Names*, 14ª ed., Sweet & Maxwell, London, 2005, pp. 88 to 90.

15 — In Case C-111/94 *Job Centre* [1995] ECR I-3361, paragraph 9, non-contentious proceedings are excluded from this concept; in Case C-182/00 *Lutz and Others* [2002] ECR I-547, paragraphs 15 and 16, the maintenance of a register of companies by German national courts was excluded; and in Case C-178/99 *Salzman* [2001] ECR I-4421, the functions of property Registry carried out by certain Austrian courts were excluded.

16 — It should be noted that, in accordance with my suggestion for the application of Article 234 EC, this aspect would become fundamentally important if the Appointed Person were not regarded as forming part of the United Kingdom judicial system since, under my guidelines, he would thereby be qualified to make references under that provision.

17 — Case C-54/96 *Dorsch Consult Ingenieurgesellschaft* [1997] ECR I-4961, paragraph 23, and the case-law there cited, and *Schmidt*, cited above, paragraph 34.

B — *Matters which should be considered together*

34. The similarity of the wording of the provisions of which an interpretation is sought, on the one hand, and that of the questions submitted, on the other, is such that it is appropriate to set out a number of considerations covering both, thereby making it easier to give an answer in the factual context of the main proceedings.

1. The registered trade mark as an object of commerce

35. As a kind of 'special property' [18] trade marks, despite their incorporeal nature, display characteristics such as to be the subject of commerce. Of the rules governing them, the most important is the civil-law principle of autonomy of intention, accompanied by the restrictions necessary to facilitate procedures for registration, which is of particular importance for legal certainty and, above all, for the purpose of relying on trade marks as against third parties. [19] But those limitations do not usually stand in the way of the most varied acts-in-the-law concerning registered marks, as is demonstrated by the range of contracts in which they occur.

36. Thus, in commerce, different types of agreement have evolved which embody some form of trade-mark rights, such as assignments of use (for example, the licensing of marks [20] and franchising) or disposal of them, inter vivos or upon death, [21] against the payment of consideration or otherwise; [22] within the latter case, there was particular controversy concerning the linking of incorporeal property to transfer of ownership of the undertaking with which it was associated, in so far as certain legal systems required such a link, and prohibited a trade mark and the business of which it formed part from being sold separately. Nevertheless, the legal systems of the Member States today allow trade marks to be transferred separately from the remainder of the assets of an undertaking. [23]

37. Directive 89/104 does not deal with general legal matters, presumably as a matter of respect for the competence of the Member States to regulate private property, in accordance with Article 295 EC, and having regard to the sixth recital in the preamble to the Directive, which does not exclude the application to trade marks of legislation in other areas. On the other hand, in Regulation No 40/94, Article 17 expressly provides for the independence of the Community mark from the economic entity whose products it identifies.

18 — This term is taken from the Spanish civil code, in which title IV of book II is entitled 'Certain types of special property'; Chapter III is devoted to intellectual property in the strict sense, and can unreservedly be extended to cover industrial property and, in any event, trade marks.

19 — The Directive does not refer to this point; however, it can be inferred from Articles 17(6) and 23 of Regulation No 40/94; von Kapff, P., 'Rechtsübergang — Artikel 17', in Ekey, F./Klipperl, D., *Markenrecht*, Heidelberg, 2003, p. 967.

20 — This is covered by Article 8 of the Directive, paragraph 2 of which refers to the rights of the owner of the trade mark vis-à-vis licensees.

21 — Consider for example testamentary succession, in which a will is a unilateral act-in-the-law.

22 — A hypothetical case in trade, but not impossible.

23 — Von Kapff, P., op. cit, p. 964.

38. To complete the general civil-law background to incorporeal property rights, it is necessary, in view of the facts of the main proceedings, to make reference to the general principles applicable to this sector since, in the absence of any ground of nullity or voidability of the transaction by which the ownership is transferred (bad faith, violence or fraudulent application of the law), the principle of good faith prevails, which requires due performance of contracts (*pacta sunt servanda*) and applies to all the steps taken in order to achieve the purpose of the agreement.

39. Against that background, a person who sells rights of any nature and subsequently claims them back from a third party, on whatever grounds, is not acting in accordance with the principle *bona fides semper praesumitur*; [24] such conduct evokes the maxim *venire contra factum proprium non valet*, typifying the absence of good will. The logical approach is to accept the consequences of an act of free disposal, provided that there are no grounds such as to justify recovery of what was disposed of.

40. In short, there is nothing to prevent the transfer of rights in respect of trade marks; indeed, they are frequently transferred in commercial transactions, a fact which is generally known and so common in the world of commerce that, without doubt, it underlies Article 17 of Regulation No 40/94 and Article 21 of TRIPs.

24 — In national law, it is expressly mentioned in Article 434 of the Spanish Civil Code and in Article 2268 of the French Civil Code.

2. The functions of trade marks

41. Articles 3(1)(g) and 12(2)(b) of Directive 89/104 refer to the loss of entitlement to a trade mark where it misleads the consumer, to the detriment of its essential function; it is therefore appropriate briefly to describe that function before examining the concept of user inherent in both precepts.

42. According to settled case-law, the primary purpose of trade marks consists in identifying for the final user the origin of the products or services so as to distinguish them, without confusion, from those originating elsewhere, and thereby provide a guarantee that they have been manufactured or provided by a single undertaking, which bears responsibility for their quality. [25]

43. I have referred on several occasions to the specific purpose of trade mark rights: to safeguard the correctness of the information which the registered trade mark provides

25 — Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 48; Case 102/77 *Hoffmann-La Roche* [1978] ECR 1139, paragraph 7; and Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 30.

concerning the origin of certain property, [26] although there may be other purposes. [27]

44. The Court of Justice has also emphasised the importance of the tangential purposes of this kind of incorporeal property, in particular that of an indicator of quality, on the basis that it serves to attract customers. [28]

45. It has also stressed that a trade mark 'condenses' [29] the reputation of the goods offered to the public by its proprietor, recognising that the reputation of the trade mark and, consequently, that of its owner, may be damaged by inappropriate presentation of a packaged product. [30] Writers have also stressed the importance of trade marks as an advertising vehicle for the articles which they identify. [31]

46. However, as the United Kingdom points out in its observations, the Directive does not seek the annulment of trade marks when goods do not satisfy the expectations of the customer because a particular person has ceased to be involved in their creation or manufacture, or for any other reason. In reality, the public is aware that quality may vary for diverse reasons. Consequently, consideration of the concept of deception, as used in the provisions under review, must relate only to the abovementioned essential function.

47. Moreover, according to the view put forward by the Commission, the public interest underlying those provisions is concerned with protection against registration and use as trade marks of signs which mislead the average consumer, having an impact on his purchasing decisions. It is appropriate, therefore, to consider the profile of users, with particular reference to the observations submitted in that connection both by CSL and by Mrs Emanuel.

3. The consumer taken as a point of reference

48. The standard of the 'average consumer' has been used uninterruptedly since the judgment of 16 July 1998 in *Gut Springenheide and Tusky*, [32] in which the Court adopted a generally applicable uniform

26 — Case C-23/01 *Robelco* [2002] ECR I-10913, point 26.

27 — Such as sales promotion or commercial strategy; Grynfogel, C., 'Le risque de confusion, une notion à géométrie variable en droit communautaire des marques', in *Revue de Jurisprudence de Droit des Affaires*, No 6/2000, p. 494 et seq., in particular at p. 500. See also, points 43 and 46 of my Opinion of 13 June 2002 in *Arsenal Football Club*, cited above.

28 — Case C-10/89 *HAG II* [1990] ECR I-3711, paragraph 13.

29 — A very apposite expression, taken from Fernández-Nóvoa, C., *Tratado sobre Derecho de Marcas*, Marcial Pons, Madrid, 2nd ed., 2004, p. 76.

30 — Joined Cases C-427/93, C-429/93 and C-436/93 *Bristol-Myers Squibb and Others* [1996] ECR I-3456, paragraph 75.

31 — Fernández-Nóvoa, op.cit., pp. 78 and 79.

32 — Case C-210/96 [1998] ECR I-4657.

criterion to determine whether a name, a trade mark or advertising slogan confused purchasers, based on the presumed expectations of an average consumer who is reasonably well informed and reasonably observant and circumspect, without the need for an expert's report or a consumer research poll. [33]

49. The task of verifying the scope of that presumption falls, in each specific case, to the examiner or the judicial authority hearing trade mark proceedings. I have commented elsewhere [34] that those authorities must exercise their own powers of assessment, relying on that model, as defined in Community law, and no further investigations, analytical studies, reports or statistical surveys can release them from that evaluation.

50. Therefore, the criterion referred to in the foregoing paragraphs must be used in relation to the user since, on the one hand, there is no apparent need to change it for the purposes of Articles 3 and 12 of Directive 89/104 and, on the other, the factual background to the case likewise does not show that the relevant public is made up of fashion professionals or those engaged in the bridal wear business.

33 — Ibid., paragraph 31.

34 — Opinion in Case C-136/02 P *Mag Instrument* v *OHIM* [2004] ECR I-9165, paragraph 48.

4. Proper names as trade marks

51. Finally, in examining the common factors, it is necessary to tackle the problems raised by commercial trade marks made up of the names of persons, as in this case.

52. In Community law, Article 2 of the Directive [35] contains an illustrative list [36] of signs which may be suitable as trade marks, provided that they fulfil the function of indicating their entrepreneurial origin. 'Personal names' are expressly included.

53. In evaluating the distinctive character of marks of that kind, the case-law of the Court of Justice requires use of criteria of assessment similar to those applicable to the other types of trade mark. [37] In particular, it has held that it is not appropriate to apply more rigorous conditions in determining their ability to distinguish themselves from their competitors. [38]

35 — Article 4 of Regulation No 40/94 on the Community trade mark has the same wording.

36 — According to the seventh recital in the preamble to Directive 89/104.

37 — Case C-404/02 *Nichols* [2004] ECR I-8499, paragraph 25.

38 — Ibid., paragraph 26.

54. Certainly, there is no discussion of that ability in the case of the Elizabeth Emanuel trade mark but it would seem appropriate to reiterate the view expressed in my Opinion in the *Nichols* case to the effect that there is nothing in the Directive to justify granting personal names special treatment, since Article 6(1)(a), the only provision concerned with them, confines itself to limiting the protective effects of trade marks, [39] but it bears no relation to the grounds of invalidity or revocation raised in the proceedings before the Appointed Person.

55. In short, I advocate that names and surnames should be treated in the same way as other trade marks, there being no legal basis for any other approach.

C — Particular features of the provisions at issue

56. The generally applicable parameters for interpreting the provisions at issue having thus been set out, it is appropriate to focus upon their identifying characteristics.

39 — My Opinion in *Nichols*, point 37.

1. The meaning of 'deceive' in Article 3(1)(g)of Directive 89/104 (in relation to the first and second questions)

57. From the wording of that provision it can be inferred that, in the same way as in the other paragraphs of Article 3, reference is being made to the intrinsic characteristics of the trade mark, as the United Kingdom states in its observations. The sign must, therefore, confuse the public by virtue of its qualities, containing incorrect information, which may prove deceptive [40] from an objective point of view; in other words, in every reasonably imaginable case its use must give rise to such deception. [41] Thus, a reference, as a component of the product designated by the trade mark, to a material not used in its composition would be information directly deriving from the trade mark which would cause confusion amongst consumers. [42]

58. The refusal to register in the United Kingdom the invented word 'Orlwoola' for textile articles is well known: its sound was almost identical to 'all wool', giving the public the impression that articles had been made using wool when, in fact, they contained only cotton. [43]

40 — Fernández-Nóvoa, op. cit., p. 234.

41 — Bender, A., 'Absolute Eintragungshindernisse — Artikel 7' in Ekey, F and Klippel, D., op. cit., p. 912, relating to Article 7(1)(g) of Regulation No 40/94.

42 — Gastinel, E., *La marque communautaire*, L.G.D.J., Paris, 1998, pp. 88-89, also relating to Article 7(1)(g) of Regulation No 40/94; his hypothesis is perfectly applicable to matters within the scope of the Directive.

43 — Details of this matter, which dates back to 1909, are given in Isaacs, N., *Law of Trade Marks*, Ed. CLT Professional Publishing, Birmingham, 1996, p. 39.

59. In the light of those considerations, it is appropriate to ask whether the change in ownership of a trade mark comprising the name of its owner is deceptive in any circumstances.

60. The answer must be no, for various reasons.

61. In the first place, the legislature has expressly made provision, at least with respect to the Community trade mark, for the transfer of marks separately from the sale of the undertaking with which they are associated, and the Directive also contains provisions concerning the licensing of trade marks, these being cases in which the identity between the name of the person and the registered trade mark is broken.

62. In all probability, that possibility would not have been allowed, or else exceptions would have been provided for, if it had been thought that the average consumer, as defined above, were completely remote and incapable of understanding the vicissitudes experienced by undertakings which affect, in particular, trade marks, like any other object of commerce. It is considered, therefore, that those changes do not prejudice or detract from the essential function of these industrial property rights.

63. According to a correct interpretation of Article 3(1)(g) of the Directive, a user is aware of the possibility of divergences between personal names used as trade marks and the participation of those persons in the production of the goods or the provision of the services which they cover. As CSL points out in its observations, although not necessarily apprised of the transfer, all consumers know that a fashion designer is entitled to transfer his or her business at any time.

64. Second, it must be remembered that the case-law of the Court of Justice has opted for granting to such trade marks exactly the same treatment as to other registrable marks. There is no reason whatsoever for granting additional protection where the person who created the mark using his own name severs all links with the economic operator who manufactures those goods under that trade mark.

65. In view of the foregoing explanations, the answer to the first preliminary question must be that a trade mark made up, at least in part, of a proper name, which has been transferred together with the goodwill of which it formed part, is not liable to deceive the public, within the meaning of Article 3(1)(g) of Directive 89/104, even though it may give the mistaken impression that that person is involved in the design and manufacture of the goods.

66. In view of the answer proposed for the first question, it is unnecessary to consider the second.

2. Distinctive features of Article 12(2)(b) of Directive 89/104 (in relation to the third and fourth questions)

67. The difference between the above provisions and the one analysed in the foregoing paragraphs lies in the fact that the error which the public is liable to make must derive from the use made of the trade mark. As the United Kingdom correctly points out, the issue is that the use made by an owner or a licensee of a trade mark thereby changes the information that it communicates, which ultimately confuses consumers as to the true message. [44]

68. The intrinsic identifying features of the industrial property right only therefore make it possible to determine the extent to which the trade mark has undergone alterations and the scope thereof, since the Court of Justice opted, in its judgment of 4 March 1999 in what is known as the *Gorgonzola* case, [45] for a restrictive interpretation of revocation, requiring the actual existence, or a sufficiently serious risk, of deceit of consumers. [46]

69. Therefore, the mere use of a sign, without substantial changes in the way it is communicated to the public, does not have any impact on the stimuli emanating from it, [47] even where, as in this case, the person whose name was used as the trade mark retains no connection with the undertaking that exploits it. The customer's conflicting perception, in the form of a continuing belief that that person is involved in the production process, inevitably derives from the replacement of one trade mark owner by another, but does not deserve to be classified as a case of deceit, in accordance with Article 12 of the Directive, and therefore the diminution of the presumed deceit with the passing of time, as referred to by the referring judicial authority, is irrelevant.

70. Account must also be taken here of the considerations set out in the paragraphs dealing with Article 3(1)(g) of the Directive, regarding the average consumer, [48] who is deemed to be aware of changes in the ownership of industrial property. In the

44 — In relation to Article 50(1)(c) of Regulation No 40/94, see von Mühlendahl, A./Ohlgart, D., *Die Gemeinschaftsmarke*, Verlag C.H. Beck and Verlag Stämpfli + Cie, Munich, 1998, p. 173.

45 — Case C-87/97 *Consorzio per la tutela del Formaggio Gorgonzola* [1999] ECR I-1316.

46 — Ibid., paragraph 41.

47 — The same view is expressed by Advocate General Jacobs in his Opinion in the *Gorgonzola* case.

48 — Points 60 and 61 above.

circumstances, there is likewise no change to the essential function of the trade mark. However, in order to give a decision on such deception of the public as may have occurred, it is incumbent on the national court to weigh up the specific circumstances of the case, in order to verify the precise consequences of using the mark.

71. In view of the foregoing considerations, the mere use of a registered trade mark consisting of a proper name, transferred together with the goodwill with which it is associated, does not lead to deception of the kind referred to in Article 12(2)(b); it is the responsibility of the national judicial authority to consider the particular features of the case in evaluating the influence which the use of that mark may have had on the impression received by the public.

72. In view of the response to the third question, it is unnecessary to consider the fourth.

VI — Conclusion

73. On the basis of the foregoing considerations, I am of the opinion that the Court of Justice should reply as follows to the questions submitted by the Person Appointed by the Lord Chancellor under section 76 of the Trade Marks Act 1994, through the High Court of Justice, by stating that:

'(1) Article 3(1)(g) 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 a sign comprising, at least partially, a proper name, assigned together with the goodwill of which it forms part, does not deceive the public, even if it evokes the mistaken impression that that person took part in the design and creation of the goods for which it is used.

(2) In the same circumstances, the mere use of the registered mark does not deceive the public within the meaning of Article 12(2)(b) of the said directive. It is for the national judicial authority to consider the particular features of the case in evaluating the influence which the use of that mark may have had on the impression received by the public.'