OPINION OF ADVOCATE GENERAL KOKOTT
delivered on 7 April 2011 [1]

I — Introduction

1. May a company fill the used packaging of a competitor with its own product and offer it for sale in that form where that packaging is protected as a trade mark? That is the question in the present case. In that regard, if one thinks, for example, of the well-known Coca Cola bottle, the answer appears obvious. However, does the same apply in relation to an innovative gas bottle for which a customer has paid more than for the gas it contains?

II — Legal framework

2. The relevant provisions are to be found in the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks. [2]

3. The rights associated with a trade mark are set out in Article 5 of Directive 89/104:

'(1) The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

(2) Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark

1 — Original language: German.

2 — OJ 1989 L 40, p. 1, last amended by Annex XVII to the Agreement on the European Economic Area, OJ 1994 L 1, p. 482, repealed and replaced by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (codified version), OJ 2008 L 299, p. 25.

in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

(3) The following, inter alia, may be prohibited under paragraphs l and 2:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(c) importing or exporting the goods under the sign;

(d) using the sign on business papers and in advertising.'

4. The tenth recital in the preamble to Directive 89/104 explains the function of the protection afforded by a trade mark as follows:

'Whereas the protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and goods or services....'

5. Article 7 of Directive 89/104 governs the exhaustion of the right to the trade mark and the rights of the proprietor thereafter.

'(1) The trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.

(2) Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.'

6. According to the referring court, those provisions were transposed into Danish law almost word for word.

III — Facts and reference for a preliminary ruling

7. According to the reference for a preliminary ruling, the facts of the case are as set out below.

8. The business of BP Gas A/S ('BP', now Kosan Gas A/S, 'Kosan') consists, inter alia, in the production and sale of bottled gas to both

private and commercial customers. The name and logo of BP are registered as Community trade marks. Both the word mark and the figurative mark are registered, inter alia, for chemical products, including gas.

9. Since 2001, BP has marketed bottled gas in Denmark in a composite bottle (lightweight bottle). The particular form of the bottle is registered as a Community trade mark and a Danish trade mark. Both registrations are 3D marks, covering both gaseous fuels and containers used for liquid fuels. [3] The composite bottle is used by BP in accordance with a sole distribution agreement entered into with the Norwegian producer of the bottle. BP has an exclusive licence for the use of the composite bottle as a shape trade mark (*vareudstyrsmærke*) in Denmark and has the right to take legal proceedings against infringements of the design in Denmark. The word mark and/or figurative mark of BP is/are affixed to the composite bottle.

10. On first purchase of a composite bottle filled with gas from one of BP's dealers the consumer also pays for the bottle, which thus becomes the consumer's property. The business of BP also includes the refilling of empty bottles. In this procedure, a consumer goes to one of the dealers of BP and, on payment for the gas, can simply obtain a new composite bottle filled by BP in exchange for an empty one.

11. The business of Viking Gas A/S ('Viking') consists in the sale of gas and related activities. Viking does not itself produce gas. It has a filling station in Denmark, from which bottles, in particular composite bottles, are distributed, after being filled with gas, to independent dealers with whom Viking has an arrangement. After filling, Viking attaches to the bottle an adhesive label bearing the name of Viking and the filling station number and a further adhesive label providing information as required by law on the filling station and the contents of the bottle, etc. The BP marks on the bottle are neither removed nor covered. The consumer can go to one of the dealers of Viking and, on payment for the gas, get an empty gas bottle – which may be a composite bottle – exchanged for a similar one filled by Viking.

12. BP previously also used other bottles as gas bottles. These were steel canisters of the same type as those used by almost all operators on the market and used as standard throughout much of the world, namely,

3 — The registration for the relevant Community trade mark (No 003780343) also covers gas containers.

uniform, yellow steel canisters in a variety of sizes. These other canisters are not registered as shape trade marks, but, like the composite bottles, bear the word and/or figurative mark of BP. Viking argues that BP has for many years accepted, and continues to accept, the fact that other firms refill these (other) canisters.

13. At issue in the case is whether, in the filling and sale of gas in the composite bottles of BP, Viking has infringed the trade-mark rights of BP. Two previous instances have prohibited Viking from using the shape trade mark and other marks of BP in filling BP's composite bottles with bottled gas with a view to sale.

14. Against that background, the Højesteret, the Danish Supreme Court, requests the Court of Justice of the European Union to reply to the following questions:

'(1) Is Article 5, in conjunction with Article 7, of Directive 89/104 to be interpreted in such a way that company B is guilty of an infringement of a trade mark if it fills gas bottles which originate from company A with gas which it then sells, where the following circumstances apply:

(a) Company A sells gas in composite bottles with a special shape, which is registered as such, that is to say, as a shape trade mark, under a Danish trade mark and a Community trade mark. Company A is not the proprietor of those shape trade marks but has an exclusive licence to use them in Denmark and has the right to take legal proceedings in respect of infringements in Denmark.

(b) On first purchase of a composite bottle filled with gas from one of company A's dealers the consumer also pays for the bottle, which thus becomes the consumer's property.

(c) Company A refills the composite bottles by a procedure under which the consumer goes to one of company A's dealers and, on payment for the gas, has an empty composite bottle exchanged for a similar one filled by company A.

(d) Company B's business consists in filling gas into bottles, including composite bottles covered by the shape trade mark referred to in paragraph (a), by a procedure under

which consumers go to a dealer associated with company B and, on payment for the gas, can have an empty composite bottle exchanged for a similar one filled by company B.

(e) When the composite bottles in question are filled with gas by company B, adhesive labels are attached to the bottles indicating that the filling was undertaken by company B?

(2) If it may be assumed that consumers will generally receive the impression that there is an association between company B and company A, is this to be regarded as significant for the purpose of answering Question 1?

(3) If Question 1 is answered in the negative, may the outcome be different if the composite bottles – apart from being covered by the shape trade mark referred to – also feature (are imprinted with) the registered figurative and/or word mark of company A, which is still visible irrespective of any adhesive labels affixed by company B?

(4) If either Question 1 or Question 3 is answered in the affirmative, may the outcome be different if it is assumed that, with regard to other types of bottle which are not covered by the shape trade mark referred to but which feature company A's word and/or figurative mark, company A has for many years accepted, and continues to accept, the refilling of the bottles by other companies?

(5) If either Question 1 or Question 3 is answered in the affirmative, may the outcome be different if the consumer himself goes to company B directly and there:

(a) on payment for the gas, obtains, in exchange for an empty composite bottle, a similar one filled by company B, or

(b) on payment, has a composite bottle which he has brought filled with gas?'

15. Viking, Kosan as legal successor to BP, the Italian Republic and the European Commission participated in the written procedure and at the hearing on 20 January 2011.

IV — Legal appraisal

A — *The first four questions*

16. By the first four questions, the referring court seeks to establish, in essence, whether a company, in the refilling of gas bottles and commercialisation thereof, infringes the trade mark rights of another company which in relation to the bottle holds a shape trade mark for gas and gas containers.

17. Under the first sentence of Article 5(1) of Directive 89/104, the registered trade mark confers exclusive rights on its proprietor. By virtue of Article 5(1)(a) of that directive, those exclusive rights entitle the proprietor to prevent all third parties not having his consent from using, in the course of trade, any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered.

18. The composite bottle is registered as a trade mark for gas and gas bottles. In the present case, both products were sold, which necessarily results in the use of that trade mark for both products. On the sale of the gas bottle, it is identified by the mark, and the filling of the gas bottle corresponds to affixing the mark on the gas as a product. Thus, the case is covered by Article 5(1)(a) of Directive 89/104.

19. The use of the sign identical to the mark – the composite bottle – is indeed used in the course of trade, since it takes place in the context of commercial activity with a view to economic advantage and not as a private matter. [4]

20. If one were to examine the wording of Article 5(1)(a) of Directive 89/104 in isolation, Kosan would be entitled thus to prohibit Viking from selling refilled composite bottles. However, on closer examination, it is clear that the right associated with the mark is subject to considerable restrictions. To that extent, a distinction must be made between the sale of the bottle and the sale of the gas.

1. Sale of the gas bottle

21. Article 7 of Directive 89/104 contains an exception to the proprietor's exclusive right laid down in Article 5, in that it provides that the proprietor's right to prohibit all third parties from using the mark is exhausted where goods have been placed on the market in the

4 — Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 40.

EEA [5] under that trade mark by the proprietor or with his consent, unless there are legitimate reasons for the proprietor to oppose further commercialisation of the goods. [6]

22. The resale by a third party of second-hand goods, which had originally been placed on the market under the trade mark by the proprietor of that mark or by a person authorised by him, constitutes a 'further commercialisation of the goods' within the meaning of Article 7. Therefore, the use of that mark for the purposes of that resale can be prohibited by that proprietor only where there are 'legitimate reasons', within the meaning of Article 7(2), such as to justify his opposition to that commercialisation. [7]

23. According to Article 7(2) of the Directive, a legitimate reason for opposition exists in particular where the condition of the goods is changed or impaired after they have been placed on the market. However, a legitimate reason exists also when the use of a sign identical with a trade mark seriously damages the reputation of that mark. [8]

24. In the present case, the likelihood that the reputation of the mark may be damaged as a result of modification results simply from the argument advanced by Kosan, the legal successor to BP, concerning the risk of an explosion of the gas bottle or a fire which might destroy the labelling of the bottle. If Viking, for example, as a result of filling errors or special characteristics of the gas used, were responsible for such an accident and the indication of that responsibility lost, the reputation of Kosan could be damaged.

25. However, such a risk is typical for the sale of second-hand goods and, consequently, is accepted, in principle, as inherent in the principle of exhaustion. Indeed, numerous products are conceivable which on resale are susceptible to much greater risk of harm arising than a refilled gas bottle and where the manufacturer has no opportunity to oppose the resale. One need think only of all possible kinds of vehicle, in particular, cars, motorcycles and bicycles. Simply on the basis of their previous use these may have acquired unseen defects which, subsequently, follow-

5 — Commercialisation in other Member States would mean exhaustion in relation to bottles which Viking subsequently imports to Denmark, see Case 119/75 *Terrapin (Overseas)* [1976] ECR 1039, paragraph 6, Joined Cases 55/80 and 57/80 *Musik-Vertrieb membran and K-tel International* [1981] ECR 147, paragraph 10, and Case C-200/96 *Metronome Musik* [1998] ECR I-1953, paragraph 14.

6 — Case C-558/08 *Portakabin and Portakabin* [2010] ECR I-6963, paragraph 74.

7 — Ibid., paragraph 76.

8 — Ibid., paragraph 79.

ing their acquisition by the purchaser, result in accidents which may potentially affect the manufacturer's reputation.

26. However, irrespective of that risk to its reputation, where the goods have not been changed or impaired, a proprietor cannot oppose the resale of goods identified with its mark.

27. Although, in addition, Kosan mentions the risk of liability under the law on product liability, pursuant to Article 4 of Directive 85/374/EEC, [9] such liability presupposes that the injured person proves a defect and the causal link between defect and damage. Therefore, in the absence of a defect in the product for which Kosan is responsible, the possibility of product liability is excluded. Consequently, this risk also does not constitute a legitimate reason to oppose the resale.

28. A legitimate reason within the meaning of Article 7(2) of Directive 89/104 also exists where the reseller gives the impression that there is a commercial connection between the reseller and the trade mark proprietor, and in particular that the reseller's business is affiliated to the proprietor's distribution network or that there is a special relationship between the two undertakings. Such an impression would be misleading and, moreover, is not essential to the further commercialisation of goods placed on the market under the trade mark by its proprietor or with his consent or, therefore, to the purpose of the exhaustion rule laid down in Article 7. [10]

29. For that reason, the bottle must be appropriately labelled to exclude any impression that there is an association between the two companies, as is mentioned in Question 2. If consumers, as is mentioned in Question 4, are accustomed to the fact that gas bottles are refilled by other companies, this should not constitute an insurmountable obstacle. [11]

30. However, any marks of Kosan affixed to the composite bottles specifying the bottle's origin should not be so impaired by those adhesive labels as to conceal that fact. In such a case, damage is caused to the essential function of the trade mark, which is to indicate and guarantee the origin of the goods, and the consumer is prevented from distinguishing the goods originating from the proprietor and those originating from the reseller or other third parties. [12]

9 — Council Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products, OJ 1985 L 210, p. 29, as amended by Directive 1999/34/EC of the European Parliament and the Council of 10 May 1999, OJ 1999 L 141, p. 20).

10 — *Portakabin and Portakabin*, cited in footnote 6, paragraph 80.

11 — See *Portakabin and Portakabin*, cited in footnote 6, paragraph 84.

12 — Ibid., paragraph 86.

31. Admittedly, it is not certain that the removal of a mark in all cases precludes the further commercialisation of the goods.[13] However, if that removal is not based on a legitimate interest of the purchaser of the goods,[14] trade mark law protects the – as a rule, legitimate – interest of the proprietor of the mark in making his achievement visible.

32. As the referring court states that the marks of Kosan affixed to the bottle were neither removed nor covered and in Question 3 specifically asks if this results in a different outcome, it must be presumed that the labelling of the refilled composite bottles satisfies those requirements.

33. As regards the interest in having exclusive use of the composite bottles for the commercialisation of bottled gas, that interest is not covered by the protection of the mark as an indicator of the origin of gas bottles. Therefore, it must be examined subsequently in connection with the commercialisation of gas.

34. Thus, a gas bottle, which is registered as a mark, may be resold following its initial commercialisation by the proprietor unless on account of particular circumstances a legitimate interest exists to justify the opposition of the proprietor of the mark. However, in the present case, no such interest can be discerned.

2. Sale of the gas

35. It must now be examined whether the proprietor of the trade mark may oppose the sale of gas in the gas bottle which has been registered as a mark.

36. In relation to the gas filled by Viking, the possibility that the right to the mark represented by the composite bottle has been exhausted does not arise, as that gas was not previously commercialised by the proprietor under that mark. Thus, the application of Article 5(1)(a) of Directive 89/104 is not precluded as a result of Article 7(1).

37. However, the proprietor of a mark cannot oppose the use of sign identical to that mark on the basis of Article 5(1)(a) of Directive 89/104, if that use is not liable to adversely

13 — See, for example, the Opinion of Advocate General Jääskinen of 9 December 2010 in pending Case C-324/09 *L'Oréal and Others*, point 73 et seq.

14 — Thus, end consumers are likely to have a legitimate interest – in the case of clearly recognisable marks – not to become an advertiser on behalf of the proprietor of the mark such that removal of the mark will not subsequently preclude the resale of the product.

affect any of the functions of that mark. [15] Those functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, [16] but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising. [17]

(a) The function in relation to origin

38. The function of indicating the origin of the mark is adversely affected if the use thereof does not enable reasonably well informed and reasonably observant and circumspect consumers, or enables them only with difficulty, to ascertain whether the goods or services thus labelled originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party. [18]

39. As a consequence, the function by which the origin of the product is guaranteed is adversely affected not only where, on the purchase of a gas bottle filled by another company, consumers assume that the gas originates from the proprietor of the trade mark but also where, as mentioned in Question 2, consumers are given the impression that there is a connection between the proprietor of the trade mark and the company filling the bottle. The proprietor of the trade mark could oppose use of that kind.

40. However, the function by which the origin of the product is guaranteed is not adversely affected if there is effective prevention of mistakes as to the origin of the gas or the relationship between the refilling company and the proprietor of the trade mark. In that regard, it does not suffice simply to display notices to that effect in sales outlets, as away from the sales outlet the impression could arise that the bottles were filled with gas originating from the trade mark proprietor. [19] However, that argument cannot be successfully advanced if the bottles themselves are labelled.

41. Whether or not the adhesive labels mentioned by the referring court are adequate to indicate clearly that the gas in the bottle does not originate from the proprietor of the trade

15 — *Arsenal Football Club*, cited in footnote 4, paragraph 51; Case C-487/07 *L'Oréal and Others* [2009] ECR I-5815, paragraph 60; Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-2417, paragraph 76; and *Portakabin and Portakabin*, cited in footnote 6, paragraph 29.

16 — As Article 5(1)(b) of Directive 89/104 presupposes a likelihood of confusion - that is, an impairment of the function guaranteeing origin - in the case of non-identical signs an infringement of a mark simply in relation to the other functions of the mark is difficult to conceive, see *L'Oréal and Others*, cited in footnote 15, paragraph 59, and *Portakabin and Portakabin*, cited in footnote 6, paragraph 50 et seq.; see also the Opinion of Advocate General Poiares Maduro in Joined Cases C-236/08 to C-238/08 *Google France and Google* [2010] ECR I-2417, point 100.

17 — *L'Oréal and Others*, cited in footnote 15, paragraph 58, *Google France and Google*, cited in footnote 15, paragraph 77, and *Portakabin and Portakabin*, cited in footnote 6, paragraph 30.

18 — *Google France and Google*, cited in footnote 15, paragraph 84, with further references.

19 — *Arsenal Football Club*, cited in footnote 4, paragraph 57.

mark is a question of fact. That must be assessed by the competent national court.

42. Crucial to that assessment will be the question of how the average consumer of that kind of product perceives the labelling [20] and, thus, also the sales practices in the market for bottled gas. If, as Question 4 suggests, consumers are accustomed to the fact that gas bottles are refilled by companies which did not initially place them on the market, the likelihood of a mistake is reduced.

43. The question whether, as Question 3 suggests, additional marks of the company which initially sold the bottle remain visible, notwithstanding labelling by the refilling company, must be taken into account in assessing whether the labelling by the latter suffices to preclude a mistake as to the origin of the gas.

44. In the case that a mistake as to the origin of the gas is effectively prevented, it must be assessed whether use of the bottle by another company for the commercialisation of gas adversely affects one of the other functions of a trade mark.

(b) Guarantee as to the quality of the goods

45. As a rule, the function of guaranteeing the quality of the goods goes hand in hand with the function of guaranteeing its origin. The trade mark indicates that the goods satisfy the quality standards of the recognisable proprietor of the trade mark. Therefore, as a rule, the function in relation to quality is adversely affected, if goods not attaining those quality requirements are commercialised under the trade mark, for example, by licensees [21] or following impairment by the purchaser. [22]

46. If, however, the labelling of the bottles excludes any connection to the proprietor of the trade mark, consumers have no reason to presume in the present case that the proprietor of the trade mark acts as a guarantor for the quality of the gas.

47. However, cases also exist in which a trade mark indicates the quality of goods without referring to its specific origin. For example, an association of German mineral water companies is the proprietor of a collective trade mark in the form of a water bottle. That bottle is used by many companies and, thus, cannot indicate the origin of the water. However, it can only be used for mineral water and, thus, signalises that product characteristic.

20 — Case C-251/95 *Sabèl* [1997] ECR I-6191, paragraph 23, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 25, and Case C-353/03 *Nestlé* [2005] ECR I-6135, paragraph 25.

21 — Article 8(2) of Directive 89/104, see my Opinion in Case C-59/08 *Copad* [2009] ECR I-3421, point 28 et seq.

22 — In this case, Article 7(2) of Directive 89/104 may apply.

Accordingly, use in connection with table water would adversely affect the function through which quality is guaranteed. [23]

48. However, in the present case, there is nothing to suggest that the gas bottle is intended to guarantee a particular quality of gas which is, in that sense, independent of the origin of the gas. Moreover, the Commission emphasised the fact that bottled gas is a standardised product and, as a result, consumers expect, in general, the same quality of product from all providers.

49. Thus, where there are adequate indications of the refilling company, there is nothing to suggest an adverse effect on the function by which quality is guaranteed.

(c) Communication, investment and advertising functions

50. The commercialisation of refilled bottles could, however, adversely affect the functions of the trade mark with respect to communication, investment and advertising.

51. Only in its judgment in *Google France and Google* has the Court hitherto ruled on the substance of a specific function, that is, the *advertising function*. According to that judgment, the proprietor of a trade mark is entitled to prohibit a third party from using, without the proprietor's consent, a sign identical with its trade mark in relation to goods or services which are identical with those for which that trade mark is registered, in the case where that use adversely affects the proprietor's use of its mark as a factor in sales promotion or as an instrument of commercial strategy. [24]

52. The sale of gas originating from a different company in the composite bottles could adversely affect the possibility to use the bottle as a factor in sales promotion or as an instrument of commercial strategy.

53. Quite clearly, Kosan cannot claim in its advertising to be the *only* company selling gas in those particularly practical bottles if Viking also uses those bottles. However, that disadvantage relates to the specific technical characteristics of composite bottles as containers for gas. The commercial exploitation of technical characteristics is not covered by trade mark law but is included, for example, in the protection of patents, designs and models. Moreover, if there is intellectual property of that kind, it is exhausted on the initial sale of

23 — The judgment of the Oberlandesgericht Zweibrücken (Higher Regional Court, Zweibrücken, Germany) of 8 January 1999 on the refilling of uniform mineral water bottles (Case no: 2 U 21/98, reported in: *Gewerblicher Rechtsschutz und Urheberrecht*, 2000, p. 511) treats this as an exception to exhaustion within the meaning of Article 7(2) of Directive 89/104.

24 — *Google France and Google*, cited in footnote 15, paragraph 92.

the composite bottle. Thus, to that extent, no adverse effects on the functions of the trade mark can be discerned.

54. However, the fact that the bottle does not remain exclusively associated with gas from Kosan has implications for the gas bottle's significance as a trade mark and its use for publicity purposes.

55. The immediate purpose of trade mark rights is to ensure exclusive use of the mark such that the proprietor may strengthen the connection between that sign and its goods and services. If it uses that sign intensively and exclusively, that sign acquires a distinctive character. The goods and services labelled with the mark can be identified more easily as originating from the proprietor of the mark. As a result, competition is strengthened as consumers can distinguish more readily between different products. [25]

56. That function of the trade mark is affected where others use the mark even if it is clarified in the context of such use that the goods or services are of a different origin. Consumers who have bought from a different company goods bearing that mark will associate them less readily with its proprietor.

57. These consequences are clearly evident in the present case. In particular, a consumer who at a sales outlet sees from a distance the composite bottle will not necessarily presume that this contains gas originating from Kosan if he knows that Viking also sells gas in such bottles.

58. This constitutes a disadvantage for Kosan which concerns the functions of the trade mark. To that extent, not only is the advertising function but also the communication function and, indirectly, taking account of the cost of the licence for the composite bottle, also the investment function affected. If the fee payable for the licence to use the trade mark for the bottle includes also a price for using the mark in relation to gas it must be presumed that Kosan can no longer achieve the economic return anticipated.

59. However, not every adverse affect on those functions justifies the application of Article 5(1) of Directive 89/104. The protection of those functions on the basis of that provision, *first*, must not undermine the

25 — See the Opinion of Advocate General Ruíz-Jarabo Colomer in Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, point 45.

requirements of specific protective rules [26] and, *second*, must respect overriding other interests. [27]

60. The disadvantage – as set out above – to the proprietor of the trade mark consists, ultimately, in the dilution of the mark [28] against which, in principle, only marks with a reputation within the meaning of Article 5(2) of Directive 89/104 are protected. However, the referring court evidently presumes that the composite bottle does not constitute a mark with a reputation within the meaning of Article 5(2). In addition, that protection presupposes a use of the sign without due cause which takes unfair advantage of the distinctive character of the mark.

61. Admittedly, where identical signs are used to designate goods and services covered by the trade mark, simple trade marks are protected, in principle, against dilution. However, that protection is nothing other than a reflex of the protection afforded to the function by which origin is guaranteed. The fact that this has no bearing of its own is evident simply from the fact that simple trade marks may be used by others for goods and services which are not comparable. That kind of use, too, is susceptible to undermine the distinctive character of the mark.

62. However, even if one were inclined to protect the mark on account of the more serious dilution resulting from the use of the same kind of goods, in the present case, that is outweighed by other interests.

63. The fact that such a balancing is possible can be seen from the judgment in *Google France and Google* on the advertising function. [29] In that case, it was established that the third party use of a trade mark in the framework of an Internet referencing service can increase the costs to the proprietor of that trade mark if it seeks to use that service for its own advertising. However, the Court did not regard that disadvantage as likely to constitute an adverse effect in relation to the advertising function as it considered such advertising measures to be only of secondary importance.

26 — See also the Opinion of Advocate General Jacobs in Case C-337/95 *Parfums Christian Dior* [1997] ECR I-6013, point 42, who expressed considerable caution concerning the protection of a mark on the basis of those functions if mistakes as to the origin or the quality of the goods were unlikely.

27 — Opinion of Advocate General Poiares Maduro in *Google France and Google*, cited in footnote 16, point 102.

28 — See the definition set out in *L'Oréal and Others*, cited in footnote 15, paragraph 39.

29 — Cited in footnote 15, paragraphs 94 to 97.

64. Ultimately, that result is the outcome of a balancing of interests as is required, in the view of Advocate General Poiares Maduro, whenever the scope of the protection afforded to the functions of a trade mark – with the exception of the function by which origin is guaranteed – is assessed. [30]

65. In the circumstances of the present case, the consumer's property rights in the composite bottle and the protection of competition [31] outweigh the affected functions of the trade mark.

66. Consumers would no longer be free to exercise their property rights in the bottle but in practice tied to a single supplier if other suppliers were precluded from putting the bottles to practical use.

67. At the same time, competition in the market for bottled gas would be considerably restricted. If consumers could only exchange empty gas bottles with Kosan they would not be potential customers for other suppliers. To that extent, the situation is comparable to the provision of repair services for a particular make of car. Pursuant to Article 6(1) of Directive 89/104, not applicable here, one may advertise those services using the mark of the relevant make of car as otherwise competition between authorised repairers and independent repairers would be precluded. [32]

68. From that, it must be concluded that the use of simple shape trade marks for goods of the same kind without any adverse affect on the function by which origin is guaranteed may not be regarded as impermissible on grounds of adversely affecting the distinctive character of the mark, at any rate, where a prohibition on use of that kind would seriously restrict the property rights of consumers and competition. It is unnecessary in the present case to determine how such use of the trade mark might be assessed where the adverse effects on competition are less serious and the restriction on the property rights of the consumer has a lower value.

30 — *Google France and Google*, cited in footnote 16, point 102.

31 — Ibid., point 103.

32 — See Case C-63/97 *BMW* [1999] ECR I-905, paragraph 62.

69. Thus, the answer to the first four questions must be that the proprietor of the trade mark rights to a gas bottle registered as a trade mark may not oppose the sale of gas by another company in bottles of that kind which the proprietor of the mark has previously commercialised where there is adequate clarification of the fact that the gas sold does not originate from the proprietor of the mark and also that no connection to that proprietor exists.

B — *Question 5*

70. By Question 5 the referring court seeks to establish whether the outcome to the case would be different if the consumer himself goes directly to the company refilling the gas bottles and there, on payment for the gas, obtains, in exchange for an empty composite bottle, a similar refilled bottle or, on payment, has a composite bottle which he has brought filled with gas.

71. The first scenario does not differ substantively from the circumstances discussed hitherto. The refilling company sells gas in a bottle which is registered as the trade mark of another company.

72. In the light the facts of the reference for a preliminary ruling, the second scenario is fictional. In the main proceedings, the issue is quite specifically not that the consumer has his own bottle refilled but that empty bottles are exchanged for bottles which have been refilled. According to the submissions of the parties, that scenario is also unrealistic as only very few stations for the refilling of gas bottles exist where consumers can directly hand over a bottle for refilling. As the Court does not answer hypothetical questions, [33] that part of the question is inadmissible.

33 — Consistent case-law of the Court, see, for example, Case C-77/09 *Gowan Comércio* [2010] ECR I-13533, paragraph 25.

V — Conclusion

73. I therefore propose that the Court answer the questions referred for a preliminary ruling as follows:

The proprietor of the trade mark rights to a gas bottle registered as a trade mark may not oppose the sale of gas by another company in bottles of that kind which the proprietor of the mark has previously commercialised where there is adequate clarification of the fact that the gas sold does not originate from the proprietor of the mark and also that no connection to that proprietor exists.