JUDGMENT OF THE COURT (First Chamber)

7 September 2006 *

In Case C-108/05,

REFERENCE for a preliminary ruling under Article 234 EC from the Gerechtshof te 's-Gravenhage (Netherlands), made by decision of 27 January 2005, received at the Court on 4 March 2005, in the proceedings:

Bovemij Verzekeringen NV

v

Benelux-Merkenbureau,

THE COURT (First Chamber),

Composed of P. Jann, President of Chamber, K. Schiemann, N. Colneric, J.N. Cunha Rodrigues (Rapporteur) and E. Levits, Judges,

* Language of the case: Dutch.

Advocate General: E. Sharpston,
Registrar: M. Ferreira, Principal Administrator,

having regard to the written procedure and further to the hearing on 2 February 2006,

after considering the observations submitted on behalf of:

— Bovemij Verzekeringen NV, by E.M. Matser, advocaat,

— the Benelux-Merkenbureau, by C. van Nispen and E.D. Huisman, advocaten,

— the Netherlands Government, by H.G. Sevenster and M. de Grave, acting as Agents,

— the United Kingdom Government, by S. Malynicz, Barrister,

— the Commission of the European Communities, by W. Wils and N.B. Rasmussen, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 30 March 2006,

gives the following

Judgment

1 The reference for a preliminary ruling concerns the interpretation of Article 3(3) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1; 'the Directive').

2 This reference was made in the course of proceedings between Bovemij Verzekeringen NV ('Bovemij') and Benelux-Merkenbureau (Benelux Trade Mark Office, 'BMB') regarding the latter's refusal to register the sign EUROPOLIS as a trade mark.

Legal context

3 Article 1 of the Directive provides:

'This Directive shall apply to every trade mark in respect of goods or services which is the subject of registration or of an application in a Member State for registration as an individual trade mark, a collective mark or a guarantee or certification mark, or which is the subject of a registration or an application for registration in the Benelux Trade Mark Office or of an international registration having effect in a Member State.'

4 Article 3(1) of the Directive provides:

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

(a) ...

(b) trade marks which are devoid of any distinctive character;

(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;

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

...'

5 Under Article 3(3) of the Directive:

'A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character.

Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.'

The main proceedings and the questions referred for a preliminary ruling

6 On 28 May 1997, Bovemij applied to BMB to register the sign EUROPOLIS as a word mark for the following classes of services within the meaning of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended:

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs;

Class 39: Transport; packaging and storing of goods; travel arrangements.

7 By letter of 31 October 1997, BMB informed Bovemij that it was provisionally refusing registration of the application. It gave the following reasons:

'The sign EUROPOLIS is composed of the common prefix EURO (for Europe) and the noun POLIS and is exclusively descriptive of the services named in classes 36 and 39 relating to a policy in Europe. The sign therefore has no distinctive character ...'

8 By letter of 14 April 1998 Bovemij lodged an objection contesting the provisional refusal to register the mark, contending that the sign concerned had been lawfully used as a trade mark in trade since 1988 by Europolis BV, a subsidiary company of Bovemij. In support of its submission, Bovemij sent three brochures of Europolis BV concerning bicycle insurance and offered to send any further necessary supplementary evidence.

9 By letter of 5 May 1998, BMB stated that it saw no reason to alter its provisional refusal in the light of Bovemij's objection and that there was no trade acceptance of the sign through use, since the duration of the use was insufficient for that purpose and the documents submitted showed only use of the sign as a trade name.

10 By letter of 28 May 1998 BMB informed Bovemij of its decision 'definitively refusing' registration of the sign.

11 Bovemij applied to the Gerechtshof te 's-Gravenhage (Regional Court of Appeal, The Hague) for an order that BMB register the sign submitted in the trade mark register. In support of that action, Bovemij argued, primarily, that the sign EUROPOLIS has intrinsic distinctive character and, in the alternative, that that sign had become accepted through use before the date of application. BMB disputed those arguments.

12 As regards the principal argument put forward by Bovemij, the Gerechtshof found that the sign filed consists of a combination of the word 'POLIS' and the prefix 'EURO'. The Dutch word 'polis' normally refers to an insurance agreement. It is a generic name which covers many different types of insurance. 'EURO' is the name (already known at the time of the filing) of the currency currently valid in the Benelux countries and a popular abbreviation of the words 'Europe' or 'European'. According to the Gerechtshof, it is such a frequently used concept that it must be denied any independent distinguishing character. In that court's opinion, 'EURO' can also have the meaning, in normal speech, of an essential characteristic of services, namely their European quality, origin or purpose. The prefix 'EURO' thus gives the sign in question in the main proceedings the meaning of insurance with a European aspect.

13 The Gerechtshof therefore took the view that the sign EUROPOLIS consists exclusively of signs and indications that may be used in trade to designate characteristics of the product, and that that sign has no intrinsic distinctive character.

14 As regards the argument put forward in the alternative, according to which the sign EUROPOLIS has acquired distinctive character through use, Bovemij submitted that, for acceptance of a sign through use — provided that the other conditions are satisfied — it suffices that that sign is regarded as a mark in a substantial part of the Benelux territory, which may be solely the Netherlands.

15 BMB contended in that respect that the acceptance through use requires that, as a result of its use, the sign is perceived as a trade mark throughout the Benelux territory, namely the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg.

16 The Gerechtshof stated that the parties did not agree on the territory which must be taken into consideration for the purposes of establishing acceptance through use.

17 It pointed out that, for the Benelux countries, that question must be examined as at the date of the application, so that only use of the sign EUROPOLIS until 28 May 1997 may be taken into account.

18 In that context, the Gerechtshof stayed the proceedings and referred the following questions to the Court of Justice for a preliminary ruling:

'(1) Must Article 3(3) of the Directive be interpreted as meaning that in order to acquire distinctive character (in the present case through a Benelux trade mark) as a result of use, as referred to in that provision, it is necessary that the sign be regarded as a trade mark, before the date of application, by the relevant public throughout the Benelux territory and, therefore, in Belgium, the Netherlands and Luxembourg?

If the answer to Question 1 is in the negative:

(2) Is the condition for registration laid down in Article 3(3) of the Directive satisfied, for the purposes of that provision, if the sign, as result of the use made of it, is regarded as a trade mark by the relevant section of the public in a substantial part of the Benelux territory and can this substantial part be, for example, the Netherlands alone?

(3) (a) When assessing distinctive character acquired through use, within the meaning of Article 3(3) of the Directive, of a sign — consisting of one or more words of an official language in the territory of a Member State (or, as in the case in point, the Benelux territory) — is it necessary to take into account the language regions within that territory?

(b) For registration as a mark, should the other requirements for registration be satisfied, is it sufficient if/required that the sign be regarded as a trade mark by the relevant section of the public in a substantial part of the language region of the Member State (or, as in the case in point, of the Benelux territory) in which that language is an official language?'

The questions referred for a preliminary ruling

The first and second questions

19 By the first two questions, which should be considered together, the referring court asks essentially which territory must be taken into account in order to assess whether a sign has acquired a distinctive character through use, within the meaning of Article 3(3) of the Directive, in a Member State or in a group of Member States which have common legislation on trade marks, such as Benelux.

20 It must first of all be recalled that, as regards the trade marks registered at BMB, the Benelux territory must be treated like the territory of a Member State, since Article 1 of the Directive regards Benelux trade marks as trade marks registered in a Member State (Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 29).

21 Article 3(3) of the Directive does not provide an independent right to have a trade mark registered. It is an exception to the grounds for refusal listed in Article 3(1)(b) to (d) of the Directive. Its scope must therefore be interpreted in light of those grounds for refusal.

22 In order to assess whether those grounds for refusal must be disregarded because of the acquisition of distinctive character through use under Article 3(3) of the Directive, only the situation prevailing in the part of the territory of the Member State concerned (or, as the case may be, in the part of the Benelux territory) where the grounds for refusal have been noted is relevant (see, to that effect, as regards Article 7(3) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), a provision essentially identical to Article 3(3) of the Directive, judgment of 22 June 2006 in Case C-25/05 P *Storck* v *OHIM* [2006] ECR I-5719, paragraph 83).

23 Consequently, the answer to the first two questions must be that Article 3(3) of the Directive must be interpreted as meaning that the registration of a trade mark can be allowed on the basis of that provision only if it is proven that that trade mark has acquired distinctive character through use throughout the territory of the Member State or, in the case of Benelux, throughout the part of the territory of Benelux in which there exists a ground for refusal.

The third question

24 By its third question, the referring court essentially asks to what extent the linguistic areas in a Member State or, as the case may be, in Benelux, must be taken into account to assess the acquisition of a distinctive character through use in the case of a trade mark consisting of one or more words in the official language of a Member State or of Benelux.

25 In the case in the main proceedings, BMB and the referring court took the view that the mark applied for is descriptive and devoid of any distinctive character, grounds for refusal listed in Article 3(1)(b) and (c) of the Directive. They reached that conclusion on the ground, inter alia, that the Dutch word 'polis' usually refers to an insurance contract. The grounds for refusal found in the case in the main proceedings therefore exist only in the part of Benelux where Dutch is spoken.

26 In light of the answer to the first two questions, it follows that, to assess whether a mark has acquired distinctive character through use which would justify disregarding the grounds for refusal under Article 3(3) of the Directive, it is necessary to take into account the part of Benelux where Dutch is spoken.

27 In the linguistic area thus defined, the competent authority must assess whether the relevant class of persons, or at least a significant proportion thereof, identifies the product or service in question as originating from a particular undertaking because of the trade mark (see, to that effect, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 52, and Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 61).

28 Consequently, the answer to Question 3 must be that, as regards a mark consisting of one or more words of an official language of a Member State or of Benelux, if the ground for refusal exists only in one of the linguistic areas of the Member State or, in the case of Benelux, in one of its linguistic areas, it must be established that the mark has acquired distinctive character through use throughout that linguistic area. In the linguistic area thus defined, it must be assessed whether the relevant class of persons, or at least a significant proportion thereof, identifies the product or service in question as originating from a particular undertaking because of the trade mark.

Costs

29 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (First Chamber) hereby rules:

1. **Article 3(3) 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 the registration of a trade mark can be allowed on the basis of that provision only if it is proven that that trade mark has acquired distinctive character through use throughout the part of the territory of the Member State or, in the case of Benelux, throughout the part of the territory of Benelux in which there exists a ground for refusal.**

2. **As regards a mark consisting of one or more words of an official language of a Member State or of Benelux, if the ground for refusal exists only in one of the linguistic areas of the Member State or, in the case of Benelux, in one of its linguistic areas, it must be established that the mark has acquired distinctive character through use throughout that linguistic area. In the linguistic area thus defined, it must be assessed whether the relevant class of persons, or at least a significant proportion thereof, identifies the product or service in question as originating from a particular undertaking because of the trade mark.**

[Signatures]