JUDGMENT OF THE COURT (Third Chamber)

14 June 2007 *

In Case C-246/05,

REFERENCE for a preliminary ruling under Article 234 EC from the Oberster Patent- und Markensenat (Austria), made by decision of 9 February 2005, received at the Court on 10 June 2005, in the proceedings

Armin Häupl

v

Lidl Stiftung & Co. KG,

THE COURT (Third Chamber),

composed of A. Rosas, President of the Chamber, A. Tizzano, A. Borg Barthet (Rapporteur), U. Lõhmus and A. Ó Caoimh, Judges,

* Language of the case: German.

Advocate General: D. Ruiz-Jarabo Colomer,
Registrar: B. Fülöp, Administrator,

having regard to the written procedure and further to the hearing on 21 September 2006,

after considering the observations submitted on behalf of:

— A. Häupl, Patentanwalt, by himself, assisted by W. Ellmeyer, Patentanwalt,

— Lidl Stiftung & Co. KG, by H. Sonn, Patentanwalt,

— the Austrian Government, by C. Pesendorfer, acting as Agent,

— the French Government, by G. de Bergues, J.-C. Niollet and A.-L. During, acting as Agents,

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

after hearing the Opinion of the Advocate General at the sitting on 26 October 2006,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Articles 10(1) and 12(1) 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 The reference has been made in a dispute between Mr Häupl and Lidl Stiftung & Co. KG ('Lidl') concerning the cancellation of a trade mark owned by the latter.

Legal framework

Community legislation

3 Article 10(1) of the Directive provides:

'If, within a period of five years following the date of the completion of the registration procedure, the proprietor has not put the trade mark to genuine use in the Member State in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five

years, the trade mark shall be subject to the sanctions provided for in this Directive, unless there are proper reasons for non-use.'

4 Under Article 12(1) of the Directive, '[a] trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use ...'.

International legislation

5 Article 3(4) of the Madrid Agreement concerning the International Registration of Marks of 14 April 1891, last revised at Stockholm on 14 July 1967 and amended on 28 September 1979 ('the Madrid Agreement'), states that '[t]he International Bureau [of the World Intellectual Property Organisation (WIPO); "the International Bureau"] shall register immediately the marks filed in accordance with Article 1. The registration shall bear the date of the application for international registration in the country of origin, provided that the application has been received by the International Bureau within a period of two months from that date'.

6 The Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the Marrakesh Agreement establishing the World Trade Organisation was approved on behalf of the European Community by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached

in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1) ('the TRIPS Agreement'). Article 19(1) thereof refers to the requirement of use of the registered trade mark in the following terms:

'If use is required to maintain a registration, the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other government requirements for goods or services protected by the trademark, shall be recognised as valid reasons for non-use.'

National legislation

7 Paragraph 19 of the 1970 Law on the protection of trade marks (Markenschutzgesetz 1970, BGBl. 260/1970; 'the MSchG') provides that the 'trade mark right arises on the day on which it is entered in the register of trade marks (registration). The protection period ends 10 years after the end of the month of registration.'

8 Paragraph 33a(1) of the MSchG reads as follows:

'Anyone may apply for the cancellation of a mark which has been registered in Austria for at least five years or which enjoys protection in Austria pursuant to

Paragraph 2(2), if that mark has not been put to genuine use in Austria in respect of the goods or services in respect of which it was registered (Paragraph 10a) either by the proprietor of the mark or, with his permission, by a third party within the five years preceding the day on which the application for cancellation was lodged, unless the proprietor of the mark can justify the non-use.'

9 In accordance with Paragraph 2, the MSchG is to apply analogously to trade mark rights acquired for the territory of the Republic of Austria on the basis of international agreements.

The main proceedings and the questions referred for a preliminary ruling

10 Lidl is the proprietor of the word and figurative mark 'Le Chef DE CUISINE'. The German basic mark has been protected since 8 July 1993 and the international mark, which is also registered in respect of Austria, has been protected since 12 October 1993. The international mark was published on 2 December 1993 by the International Bureau and notified to the designated Contracting States.

11 Lidl operates a supermarket chain established in Germany since 1973. The first Lidl supermarket in Austria was opened on 5 November 1998. The defendant in the main proceedings sells ready-made meals bearing the mark 'Le Chef DE CUISINE' only in its own sales outlets. Before its first Austrian supermarkets opened, Lidl displayed the goods in the interior of its premises, agreed upon this with its suppliers and began to store the goods which had already been delivered.

12 On 13 October 1998, Mr Häupl sought, on the basis of Paragraph 33a(1) of the MSchG, to have that mark cancelled for the territory of the Republic of Austria on the ground of non-use. In his view, the five-year period provided for in that provision began to run from the beginning of the protection period, namely on 12 October 1993. Lidl challenged the application for cancellation. It submitted that that period began to run on 2 December 1993, with the result that it did not expire until 2 December 1998. On that date, the defendant was displaying for sale goods bearing the mark at issue in its first Austrian supermarket. It stated, moreover, that an expansion into Austria had already been contemplated since 1994, but that the opening of new supermarkets in that Member State had been delayed by 'bureaucratic obstacles', in particular delays in the issue of operating licences.

13 The Nichtigkeitsabteilung des Patentamtes (Cancellation Division of the Austrian Patent Office) declared that the mark was no longer protected in Austria as from 12 October 1998. Lidl lodged an appeal against that decision with the Oberster Patent- und Markensenat (Supreme Patent and Trade Mark Adjudication Tribunal).

14 In those circumstances, the Oberster Patent- und Markensenat decided to stay proceedings and to refer the following questions to the Court for a preliminary ruling:

'(1) Is Article 10(1) of the ... Directive ... to be interpreted as meaning that the "date of the completion of the registration procedure" means the start of the period of protection?

(2) Is Article 12(1) of the ... Directive to be interpreted as meaning that there are proper reasons for non-use of a mark if the implementation of the corporate strategy being pursued by the trade mark proprietor is delayed for reasons outside the control of the undertaking, or is the trade mark proprietor obliged to change his corporate strategy in order to be able to use the mark in good time?'

The jurisdiction of the Court

15 Before answering the questions referred, it is necessary to determine whether the Oberster Patent- und Markensenat is a court or tribunal within the meaning of Article 234 EC and whether the Court therefore has jurisdiction to rule on the questions referred to it.

16 According to settled case-law, in order to determine whether the body making a reference is a court or tribunal for the purposes of Article 234 EC, which is a question governed by Community law alone, the Court takes account of a number of factors, such as whether the body is established by law, whether it is permanent, whether its jurisdiction is compulsory, whether its procedure is inter partes, whether it applies rules of law and whether it is independent (see, in particular, Case C-54/96 *Dorsch Consult* [1997] ECR I-4961, paragraph 23, and Case C-53/03 *Syfait and Others* [2005] ECR I-4609, paragraph 29).

17 In that respect, it is necessary to consider, as the Advocate General has done in points 25 to 29 of his Opinion, the provisions of the 1970 Law on Patents (Patentgesetz 1970, BGBl. 259/1970; 'the Patentgesetz').

18 First, it follows from Paragraphs 74 and 75 of that law, which set out the jurisdiction and composition of the Oberster Patent- und Markensenat, that that body complies with the criteria relating to establishment by law and independence. Further, Paragraph 74(9) of that law provides expressly that the members of that body are to perform their duties entirely independently, without being bound by any directions. Paragraph 74(6) and (7) provides that their mandate is renewable every five years and may be terminated before the end of that period only for exceptional and well-defined reasons, such as the loss of Austrian nationality or a restriction on legal capacity.

19 The permanent nature of the Oberster Patent- und Markensenat may be inferred from Paragraph 70(2) and (3) and Paragraph 74(1) of the Patentgesetz, which provide that that body is to have jurisdiction to hear appeals against decisions of the Nichtigkeitsabteilung des Patentamtes and decisions of the Beschwerdeabteilung des Patentamtes (Opposition Division of the Austrian Patent Office) without any time-limit. It is clear from those provisions that the jurisdiction of that body is compulsory, since its competence to decide the abovementioned appeals is provided for by law and is not optional.

20 As regards the procedure before the Oberster Patent- und Markensenat, Paragraph 140(1) of the Patentgesetz refers to Paragraphs 113 to 127 and 129 to 136 of that law, which specifically lay down procedural rules indicating that that body applies rules of law and that the procedure before it is inter partes.

21 It follows from the foregoing that the Oberster Patent- und Markensenat is a court or tribunal within the meaning of Article 234 EC and that the Court therefore has jurisdiction to answer the questions submitted to it by that body.

The questions referred

The first question

22 By its first question, the national court asks whether Article 10(1) of the Directive is to be interpreted as meaning that the words 'date of the completion of the registration procedure' refer to the start of the period of protection. It therefore wishes to know whether the prescribed period of five years within which the trade mark proprietor must begin to put that trade mark to genuine use runs from the time at which the protection period of the trade mark concerned starts.

23 The applicant in the main proceedings and the Austrian Government take the view that the date of registration, that is, the time from which the protection period under Austrian law begins to run, is the 'date of the completion of the registration procedure' within the meaning of Article 10(1) of the Directive.

24 By contrast, for the defendant in the main proceedings, the French Government and the Commission of the European Communities, the words 'date of the completion of the registration procedure' refer not to the beginning of the protection period but to the date on which the examination procedure before the office responsible for that procedure is completed. Where there is an international registration procedure

under the Madrid Agreement, that procedure cannot be completed before the period within which the national authorities may make a provisional refusal of protection has expired or the protection has been confirmed once and for all by those authorities.

25 In order to answer the first question in the reference, it is first of all necessary to point out that several legal systems are involved when a trade mark is registered internationally, as in the case in the main proceedings. Both the provisions of the Madrid Agreement, which in the main establishes the part of the registration taking place before the International Bureau, and the national legal provisions, which must comply with Community law, in particular the Directive, apply. In that respect, Article 1 of the Directive provides that it 'shall apply to every trade mark ... which is the subject of ... an international registration having effect in a Member State'.

26 Further, it should be pointed out, as stated in the third recital in the preamble to the Directive, that the latter is not intended to approximate fully the trade mark laws of the Member States. The fifth recital therein states in that respect that '... Member States ... remain free to fix the provisions of procedure concerning the registration, the revocation and the invalidity of trade marks acquired by registration; ... they can, for example, determine the form of trade mark registration and invalidity procedures, decide whether earlier rights should be invoked either in the registration procedure or in the invalidity procedure or in both and, if they allow earlier rights to be invoked in the registration procedure, have an opposition procedure or an *ex officio* examination procedure or both ...'. It is thus apparent from those recitals in the preamble to the Directive that it does not harmonise the procedural aspect of trade mark registration.

27 Account must be taken of those recitals for the purpose of interpreting Article 10(1) of the Directive. In that respect it should be noted that that provision does not determine in an unambiguous manner the beginning of the period of use and therefore the starting point of the five-year period for which it provides. Indeed, its wording defines that starting point in relation to the registration procedure, and thus an area which is not harmonised by the Directive. As submitted by the Commission, that wording makes it possible to adapt that period to the specific features of national procedures.

28 It follows that the Member States are free to organise their registration procedure and, accordingly, they can decide in particular when that procedure is to be regarded as having been completed.

29 In the case of international registration, such as that at issue in the main proceedings, it is thus for the Member State for which the registration application has been filed to determine the time at which the registration procedure comes to an end in accordance with its own procedural rules.

30 Consequently, the argument of the applicant in the main proceedings that the date of registration corresponds to the 'date of the completion of the registration procedure' within the meaning of Article 10(1) of the Directive cannot be accepted. That argument is tantamount to interpreting that provision solely in the light of Austrian procedural rules, whereas the determination of the date referred to by that provision may, for the reasons set out in the preceding paragraphs, vary according to national law.

31 In the light of the foregoing, the answer to the first question referred for a preliminary ruling must be that the 'date of the completion of the registration procedure' within the meaning of Article 10(1) of the Directive must be determined in each Member State in accordance with the procedural rules on registration in force in that State.

The second question

32 By its second question, the national court asks whether Article 12(1) of the Directive is to be interpreted as meaning that there are proper reasons for non-use of a mark if the implementation of the corporate strategy being pursued by the trade mark proprietor is delayed for reasons outside the control of the undertaking, or whether the trade mark proprietor is obliged, in such a case, to change that strategy so as to be able to use the mark in good time.

33 In that respect, according to the decision making the reference, the deferment of the sale on the Austrian market of the goods bearing the mark at issue in the main proceedings resulted, first, from Lidl's strategy of selling those goods only in its own sales outlets and, second, from the fact that the opening of its first Austrian supermarkets was delayed by 'bureaucratic obstacles'.

34 The Austrian Government expresses doubts as to whether that question is admissible, given that it is formulated in extremely abstract terms and the description of the facts is not sufficiently specific.

35 Although it is true that the decision making the reference gives only a short summary of the facts underlying the second question, whereas the parties to the main proceedings, by contrast, set out an extensive range of factual matters, the fact none the less remains that that circumstance is not such as to result in the inadmissibility of that question in the present case. Although the presentation of the facts by the national court is brief, it none the less enables the Court to understand sufficiently the context of which that question is part so that it can give a useful answer to that question enabling that court to decide the case in the main proceedings having regard to all the facts, which it alone may assess. The second question must therefore be considered to be admissible.

36 As for the substance, the observations submitted to the Court concerning the interpretation of Article 12(1) of the Directive converge in ascribing to the words 'proper reasons' the meaning of external circumstances or circumstances arising independently of the will of the undertaking concerned.

37 The applicant in the main proceedings states, however, that a corporate strategy can never, as such, constitute a ground of excuse and that in any event it is necessary to assess the actual conduct of the trade mark proprietor in response to difficulties outside the control of the undertaking.

38 For its part, the defendant in the main proceedings takes the view that factors outside the control of the undertaking which delay the implementation of a sound corporate strategy on an economic level do constitute proper reasons for non-use of the mark.

39 The Commission is of the opinion that there are no proper reasons for non-use of the mark when the implementation of the corporate strategy being pursued by the proprietor of that mark, which is generally within the purview of the latter, has been delayed for reasons outside the control of that proprietor, but the latter has failed to adapt that corporate strategy in good time.

40 According to the Austrian Government, there are proper reasons for non-use of a mark when it is the result of a delay in the implementation of a corporate strategy genuinely being pursued which is attributable to reasons outside the control of the undertaking, in particular legal reasons or overriding economic reasons.

41 Finally, the French Government submits that 'proper reasons' should be understood as circumstances arising independently of the will of the undertaking, such as government requirements or cases of force majeure.

42 First of all, it is necessary to decide whether the term 'proper reasons' within the meaning of Article 12(1) of the Directive should be given a uniform interpretation.

43 The need for uniform application of Community law and the principle of equality require that the terms of a provision of Community law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an autonomous and uniform interpretation throughout the European Community (see, to that effect, Case C-287/98 *Linster* [2000] ECR I-6917, paragraph 43, and Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 26).

44 In paragraph 31 of the judgment in *Ansul*, the Court took the view that a uniform interpretation must be given to the concept of 'genuine use' of a trade mark as used in Articles 10 and 12 of the Directive. It is apparent from the seventh, eighth and ninth recitals in the preamble to the Directive and from Articles 10 to 15 thereof that it was the Community legislature's intention that the maintenance of rights in a trade mark be subject to the same condition regarding genuine use in all the Member States, so that the level of protection enjoyed by trade marks does not vary according to the legal system concerned (paragraphs 27 to 29 of *Ansul*). Since the objective of proper reasons is to make it possible to justify situations in which there is no genuine use of the mark in order to avoid revocation of the mark, their function is thus closely linked to that of genuine use, with the result that the concept of 'proper reasons' addresses the same need for a uniform interpretation as does the concept of 'genuine use' of the mark.

45 It is therefore for the Court to give a uniform interpretation to the concept of 'proper reasons for non-use', as referred to in Article 12(1) of the Directive.

46 That provision governs cases in which a mark has been registered but its proprietor has not made use of it. If that is the case during a continuous period of five years, the mark is liable to revocation unless the proprietor can demonstrate proper reasons.

47 It must be stated that Article 12(1) does not contain any indication of the nature and characteristics of the 'proper reasons' to which it refers.

48 However, the TRIPS Agreement, to which the Community is party, also deals, in Article 19(1), with the requirement of use of the mark and the reasons which may justify its non-use. The definition of that concept given there may therefore constitute a factor in the interpretation of the similar concept of proper reasons used in the Directive.

49 Thus, under Article 19(1) of the TRIPS Agreement, circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark are to be recognised as valid reasons for non-use.

50 It is therefore necessary to determine what kind of circumstances constitute an obstacle to the use of the trademark within the meaning of that provision. Although, quite often, circumstances arising independently of the will of the owner of the trademark will at some time hinder the preparations for the use of that mark, the difficulties in question are difficulties which can be overcome in a good many cases.

51 In that respect, it should be noted that the eighth recital in the preamble to the Directive states that 'in order to reduce the total number of trade marks registered ... in the Community ... it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation'. It appears in the light of that recital that it would be contrary to the scheme of Article 12(1) of the Directive to confer too broad a scope on the concept of proper reasons for non-use of a mark. Achievement of the objective set out in that recital would be jeopardised if any obstacle, however minimal yet none the less arising independently of the will of the owner of the trade mark, were sufficient to justify its non-use.

52 In particular, as correctly stated by the Advocate General in point 79 of his Opinion, it does not suffice that 'bureaucratic obstacles', such as those pleaded in the main proceedings, are beyond the control the trade mark proprietor, since those obstacles must, moreover, have a direct relationship with the mark, so much so that its use depends on the successful completion of the administrative action concerned.

53 It must be pointed out, however, that the obstacle concerned need not necessarily make the use of the trade mark impossible in order to be regarded as having a sufficiently direct relationship with the trade mark, since that may also be the case where it makes its use unreasonable. If an obstacle is such as to jeopardise seriously the appropriate use of the mark, its proprietor cannot reasonably be required to use it none the less. Thus, for example, the proprietor of a trade mark cannot reasonably be required to sell its goods in the sales outlets of its competitors. In such cases, it does not appear reasonable to require the proprietor of a trade mark to change its corporate strategy in order to make the use of that mark none the less possible.

54 It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as 'proper reasons for non-use' of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action.

55 Having regard to the foregoing considerations, the answer to the second question referred for a preliminary ruling must be that Article 12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute 'proper reasons for non-use' of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance.

Costs

56 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 (Third Chamber) hereby rules:

1. **The 'date of the completion of the registration procedure' within the meaning of Article 10(1) 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 determined in each Member State in accordance with the procedural rules on registration in force in that State.**

2. **Article 12(1) of Directive 89/104 must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable and which are independent of the will of the proprietor of that mark constitute 'proper reasons for non-use' of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance.**

[Signatures]