JUDGMENT OF THE COURT

14 May 2002 *

In Case C-2/00,

REFERENCE to the Court under Article 234 EC by the Oberlandesgericht Düsseldorf (Germany) for a preliminary ruling in the proceedings pending before that court between

Michael Hölterhoff

and

Ulrich Freiesleben,

on the interpretation of Article 5(1)(a) and (b) 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),

* Language of the case: German.

THE COURT,

composed of: P. Jann, President of the Fifth Chamber, acting for the President, F. Macken, N. Colneric and S. von Bahr (Presidents of Chambers), C. Gulmann (Rapporteur), A. La Pergola, J.-P. Puissochet, M. Wathelet and V. Skouris, Judges,

Advocate General: F.G. Jacobs,
Registrar: H. von Holstein, Deputy Registrar,

after considering the written observations submitted on behalf of:

— Mr Hölterhoff, by M. Samer, Rechtsanwalt,

— Mr Freiesleben, by E. Keller, Rechtsanwalt,

— the French Government, by R. Abraham and A. Maitrepierre, acting as Agents,

— the United Kingdom Government, by G. Amodeo, acting as Agent, with D. Alexander, Barrister,

— the Commission of the European Communities, by K. Banks, acting as Agent, with I. Brinker and W. Berg, avocats,

having regard to the Report for the Hearing,

after hearing the oral observations of Mr Freiesleben, of the French Government and of the Commission at the hearing on 12 June 2001,

after hearing the Opinion of the Advocate General at the sitting on 20 September 2001,

gives the following

Judgment

1 By order of 23 December 1999, received at the Court on 5 January 2000, the Oberlandesgericht Düsseldorf (Higher Regional Court, Düsseldorf) referred to the Court for a preliminary ruling under Article 234 EC a question on the interpretation of Article 5(1)(a) and (b) 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, hereinafter 'the directive').

2 That question was raised in proceedings between Mr Freiesleben, the proprietor of two registered trade marks, and Mr Hölterhoff concerning the latter's use of those trade marks for descriptive purposes in the course of trade.

Legal framework

Community legislation

3 Article 5(1) of the directive provides:

'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.'

German legislation

4 The directive was transposed into domestic law in Germany by the Gesetz über den Schutz von Marken und sonstigen Kennzeichen (Law on the protection of

trade marks and other distinctive signs) of 25 October 1994 (BGBl. 1994 I, p. 3082, 'the German trade marks law'). Paragraph 14(2) of that law sets out, in almost identical terms, the provisions of Article 5(1)(a) and (b) of the directive.

Main proceedings and question referred to the Court

5 Mr Freiesleben is the proprietor of two trade marks, Spirit Sun and Context Cut, registered in Germany and covering, respectively, 'diamonds for further processing as jewellery' and 'precious stones for further processing as jewellery'.

6 Both types of products marketed under those trade marks are distinguished by particular cuts. The Spirit Sun trade mark is used for a round cut with facets radiating from the centre and the Context Cut trade mark is used for a square cut with a tapering diagonal cross.

7 Mr Hölterhoff deals in precious stones of all kinds, which he cuts himself or which he purchases from other dealers. He markets both stones which he has produced himself and products acquired from third parties.

8 On 3 July 1997, in the course of commercial negotiations, he offered for sale to a goldsmith/jeweller some semi-precious and ornamental stones which he described by the names 'Spirit Sun' and 'Context Cut'. The goldsmith/jeweller ordered two garnet stones 'in the Spirit Sun cut' from Mr Hölterhoff. There is no reference on the delivery note or the sales invoice to the trademarks Spirit Sun and Context Cut; the goods are described as 'rhodolites'.

9 Following that sale, Mr Freiesleben brought an action against Mr Hölterhoff before the Landgericht Düsseldorf (Regional Court, Düsseldorf) (Germany) on the basis of Paragraph 14 of the German trade mark law, claiming that there had been an infringement of his registered trade marks. By judgment of 19 August 1998, that court granted the application. Mr Hölterhoff appealed against that judgment to the Oberlandesgericht Düsseldorf; Mr Freiesleben contended that the appeal should be dismissed.

10 The national court considers that it is established that, in the course of the commercial negotiations of 3 July 1997, Mr Hölterhoff used the descriptions 'Spirit Sun' and 'Context Cut' solely in order to describe the qualities and, more specifically, the type of cut of the precious stones offered for sale and that, accordingly, such a description was not intended to suggest that the stones originated in Mr Freiesleben's firm.

11 The Oberlandesgericht Düsseldorf considered that the outcome of the case depended on the interpretation of Article 5(1) of the directive and decided to stay the proceedings and to refer the following question to the Court for a preliminary ruling:

'Does an infringement of a trade mark in the sense contemplated in Article 5(1)(a) and (b) of Directive 89/104/EEC occur where the defendant reveals the origin of goods which he has produced himself and uses the sign in respect of which the plaintiff enjoys protection solely to denote the particular characteristics of the goods he is offering for sale so that there can be no question of the trade mark used being perceived in trade as a sign indicative of the firm of origin?'

12 The question for interpretation referred to the Court relates to Article 5(1) of the directive, which allows the proprietor of a trade mark to prevent all third parties from using, in the course of trade, any sign which is identical with the trade mark in relation to goods which are identical to those for which the trade mark is registered (Article 5(1)(a)) and any sign where, because of its identity with, or

similarity to, the trade mark and the identity or similarity of the goods in question, there exists a likelihood of confusion on the part of the public (Article 5(1)(b)).

13 The question seeks in substance to ascertain whether, pursuant to Article 5(1) of the directive, the proprietor of the trade mark may prevent a third party from using the trade mark in a factual situation such as that which the national court describes in detail.

14 It is common ground that, in such a situation, the use of the trade mark is a use in the course of trade in relation to products identical with or similar to those for which the trade mark was registered.

15 Consequently, the question for the Court is whether a use of the trade mark such as that at issue in the main proceedings constitutes one of the uses which, according to Article 5(1) of the directive, infringe the exclusive right of the proprietor of the trade mark.

16 In that regard, it is sufficient to state that, in a situation such as that described by the national court, the use of the trade mark does not infringe any of the interests which Article 5(1) is intended to protect. Those interests are not affected by a situation in which:

— the third party refers to the trade mark in the course of commercial negotiations with a potential customer, who is a professional jeweller,

— the reference is made for purely descriptive purposes, namely in order to reveal the characteristics of the product offered for sale to the potential customer, who is familiar with the characteristics of the products covered by the trade mark concerned,

— the reference to the trade mark cannot be interpreted by the potential customer as indicating the origin of the product.

17 In those circumstances, without its being necessary, in the present case, to discuss further what constitutes the use of a trade mark within the meaning of Article 5(1)(a) and (b) of the directive, the answer to the question referred to the Court must be that Article 5(1) of the directive is to be interpreted as meaning that the proprietor of a trade mark cannot rely on his exclusive right where a third party, in the course of commercial negotiations, reveals the origin of goods which he has produced himself and uses the sign in question solely to denote the particular characteristics of the goods he is offering for sale so that there can be no question of the trade mark used being perceived as a sign indicative of the undertaking of origin.

Costs

18 The costs incurred by the French and United Kingdom Governments and by the Commission, which have submitted observations to the Court, are not recoverable. 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.

On those grounds,

THE COURT,

in answer to the question referred to it by the Oberlandesgericht Düsseldorf by order of 23 December 1999, hereby rules:

Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that the proprietor of a trade mark cannot rely on his exclusive right where a third party, in the course of commercial negotiations, reveals the origin of goods which he has produced himself and uses the sign in question solely to denote the particular characteristics of the goods he is offering for sale so that there can be no question of the trade mark used being perceived as a sign indicative of the undertaking of origin.

Jann	Macken	Colneric
von Bahr	Gulmann	La Pergola
Puissochet	Wathelet	Skouris

Delivered in open court in Luxembourg on 14 May 2002.

R. Grass — Registrar

G.C. Rodríguez Iglesias — President