OPINION OF ADVOCATE GENERAL JACOBS
delivered on 24 November 2005 [1]

1. Under what conditions can a trade mark be registered in a Member State where, in the language of another Member State, it is not distinctive but merely denotes or describes the product concerned?

2. That, essentially, is the question referred by the Audiencia Provincial (Provincial Court), Barcelona. A question which also arises is whether, if the mark can be registered, the owner of the mark can use it to prevent imports of the product covered.

3. Those questions arise in the context of the registration in Spain of the trade mark MATRATZEN, the German word for 'mattresses', to designate mattresses and related products. [2]

The relevant Community provisions

4. Article 28 EC provides that quantitative restrictions on imports and all measures having equivalent effect are to be prohibited between Member States. Article 30 provides that Article 28 'shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of ... the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States'.

5. Recital 7 in the preamble to the Trade Marks Directive [3] states:

'attainment of the objectives at which this approximation of laws is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States; ...

1 — Original language: English.

2 — Since the main proceedings concern goods rather than services, the question referred is so limited. The relevant legislation however applies equally to services.

3 — 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 grounds for refusal or invalidity concerning the trade mark itself ... are to be listed in an exhaustive manner'.

6. Article 3(1) provides:

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

...

(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 other characteristics of the goods or service'.

7. Article 4(1) provides:

'A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:

...

(b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public ...'.

8. Article 5(1)(b) entitles a trade mark proprietor to prevent others from using in the course of trade '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'.

9. Article 6(1)(b) provides that a trade mark does not entitle the proprietor to prohibit a third party from using, in the course of trade,

'indications concerning the kind, quality, quantity, intended purpose, value, geographical origin ... or other characteristics of the goods or services'.

10. The Community Trade Mark Regulation [4] is also relevant to parallel proceedings concerning the same issue which has arisen with regard to two proposed Community trade marks incorporating the word Matratzen. [5]

11. Article 7(1)(c) of the Community Trade Mark Regulation is in identical terms to Article 3(1)(c) of the Trade Marks Directive.

12. Article 7(2) states that Article 7(1) is to apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.

13. Article 8(1)(b) of the Community Trade Mark Regulation provides that a sign is not to be registered as a Community trade mark if the proprietor of an earlier national trade mark opposes the registration and 'because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark'.

The main proceedings and the question referred

14. Matratzen Concord AG ('Matratzen Concord'), incorporated in Germany, sought the cancellation of the Spanish mark MATRATZEN granted in 1994 to Hukla Germany SA ('Hukla'), incorporated in Spain, for furniture of all types, and especially 'rest furniture such as beds, sofa-beds, camp beds, cradles, divans, hammocks, bunk beds and carrycots, foldaway furniture, casters for beds and furniture, bedside tables, chairs, armchairs and stools, bed frames, straw mattresses, mattresses and pillows', on the ground that the word of which it consists is generic and likely to confuse consumers as to the 'nature, quality, characteristics or

4 — Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

5 — See further points 18 to 32 below.

geographic origin of the products or services' that it purports to distinguish. Matratzen Concord's application for cancellation was dismissed. It appealed against that decision, arguing that the registration and use of the mark unlawfully entailed a restriction on the free movement of goods within the European Union.

15. The Juzgado de Primera Instancia No 22 (Court of First Instance), Barcelona, held that the word 'MATRATZEN' can neither mislead Spanish consumers with regard to the product that it purports to distinguish nor be classified as generic however many German citizens reside in Spain. It appears from the order for reference that according to Spanish case-law foreign words, being arbitrary, capricious and whimsical from a Spanish perspective, may be distinctive and not descriptive, and can therefore be registered as a trade mark, unless because of their resemblance to a Spanish word it can be assumed that the average consumer is familiar with their usual meaning or the foreign words have acquired a genuine meaning in the domestic market.

16. Matratzen Concord appealed to the Audiencia Provincial, Barcelona, which takes the view that the registered trade mark confers a position on its holder which may be used to limit or restrict the import of mattresses from German-speaking countries and, therefore, to hinder the free movement of goods contrary to Article 28. It has accordingly referred to the Court for a preliminary ruling the question whether the registration of a trade mark can be challenged on that ground. The terms of the national court's question are as follows:

'Can the validity of the registration of a trade mark in a Member State, when that trade mark is devoid of any distinctive character or serves, in trade, to designate the product which it covers ... , in the language of another Member State when that language is not the language spoken in the first Member State, as may be the case so far as concerns use of the Spanish trade mark "MATRATZEN" to designate mattresses and related products, constitute a disguised restriction on trade between Member States?'

17. Written observations have been submitted by Matratzen Concord, Hukla, the United Kingdom and the Commission. No hearing has been requested and none has been held.

The Community trade mark

18. Matratzen Concord has also been involved in two separate disputes with the Office for Harmonisation in the Internal

Market (Trade Marks and Designs) (OHIM) arising out of its application for two Community trade marks under the Community Trade Mark Regulation. The trade marks applied for were two figurative trade marks, MATRATZEN MARKT CONCORD and MATRATZEN CONCORD. In so far as relevant to the present case, the history of those proceedings, which have now run their course, is as follows.

19. The goods in respect of which registration of the marks was sought included 'Mattresses; air beds; beds; duckboards, not of metal; loose covers; bedding; ... Bed blankets; pillow shams; bed linen; eiderdowns [down coverlets]; cambric covers; mattress covers; sleeping bags'. Following publication of the applications Hukla filed notices of opposition based on its earlier trade mark registered in Spain. In support of the opposition, Hukla relied on the relative ground for refusal referred to in Article 8(1)(b) of the Community Trade Mark Regulation, namely the existence of a likelihood of confusion on the part of the public between the Community trade marks applied for and the earlier national trade mark.

20. The Opposition Division of OHIM refused the applications in respect of the goods mentioned above, taking the view that there was such a likelihood of confusion.

21. The Second Board of Appeal dismissed Matratzen Concord's appeals. In essence, the Board of Appeal considered that, in Spain, the two trade marks at issue would be seen as being similar and that some of the goods covered by the two trade marks were identical and others highly similar. On the basis of that analysis, the Board of Appeal took the view that there existed a likelihood of confusion, within the meaning of Article 8(1)(b), in respect of all the categories of goods covered by the application.

22. Matratzen Concord appealed to the Court of First Instance. [6] It put forward, in essence, two pleas in law, one based on infringement of Article 8(1)(b) and the other on breach of the principle of the free movement of goods.

23. First, it argued that the two trade marks at issue were not similar, but, on the contrary, very different. The Court of First Instance dismissed that argument.

24. Second, Matratzen Concord argued that it would be contrary to the principle of the

6 — Case T-6/01 *Matratzen Concord* v *OHIM* [2002] ECR II-4335 and Case T-105/02, subsequently discontinued. Only the appeal in Case T-6/01 is considered in this Opinion.

free movement of goods, enshrined in Article 28 EC, for a national trade mark consisting of a descriptive word in a language other than that of the Member State of registration to be capable of being invoked against an application for a Community trade mark consisting of a combination of descriptive words and a distinctive element such as the word 'concord'. Against that background, Matratzen Concord asserted that, as Community trade mark law now stands, the earlier trade mark, being descriptive of the products concerned in a substantial part of the Community, could not be registered in Spain.

25. The Court of First Instance dismissed that argument, essentially on the following two grounds.

26. First, the Court of First Instance ruled that the principle of the free movement of goods did not prohibit a Member State from registering, as a national trade mark, a sign which, in the language of another Member State, is descriptive of the goods or services concerned and which cannot therefore be registered as a Community trade mark: such registration did not in itself constitute a barrier to the free movement of goods. [7]

27. Secondly, it ruled that, in providing that a Community trade mark applied for must not be registered if there exists a likelihood of confusion between that mark and an earlier trade mark registered in a Member State, irrespective of whether the latter mark has a descriptive character in a language other than that of the Member State of registration, the Community Trade Mark Regulation did not constitute a barrier to the free movement of goods. [8]

28. Matratzen Concord appealed to the Court of Justice.

29. Matratzen Concord argued, first, that the Court of First Instance, in interpreting the notion of similarity referred to in Article 8(1)(b) of the Community Trade Mark Regulation, had not fulfilled the requirement of the case-law of the Court of Justice to appreciate globally the likelihood of confusion on the part of the public taking into account all factors relevant to the circumstances of the case. The Court of Justice rejected that plea as manifestly unfounded.

30. Matratzen Concord argued, second, that the Court of First Instance had erred in law when it stated that the principle of the free movement of goods did not prohibit a

7 — Paragraph 54 of the judgment.

8 — Paragraph 60 of the judgment.

Member State from registering, as a national trade mark, a sign which, in the language of another Member State, was descriptive of the goods or services concerned. In the present case, the opposition lodged against the trade mark applied for on the ground that it was similar to the earlier trade mark registered in Spain which, in Germany, was descriptive of the relevant products, constituted a disguised restriction on trade between Member States within the meaning of Article 30 EC.

31. The Court of Justice ruled as follows.

'According to settled case-law, in the context of the application of the principle of the free movement of goods, the EC Treaty does not affect the existence of rights recognised by the legislation of a Member State in matters of intellectual property, but only restricts, depending on the circumstances, the exercise of those rights (Case 119/75 *Terrapin* [1976] ECR 1039, paragraph 5, and Case 58/80 *Dansk Supermarked* [1981] ECR 181, paragraph 11).

Article 30 EC allows derogations from the fundamental principle of the free movement of goods between Member States only to the extent to which such derogations are justified in order to safeguard the rights which constitute the specific subject-matter of the industrial property concerned. In that context, the essential function of the trade mark is to guarantee to the consumer or end user the identity of the trade-marked product's origin by enabling him to distinguish it without any risk of confusion from products of different origin. Therefore, the right attributed to a trade-mark proprietor of preventing any use of the trade mark which is likely to impair the guarantee of origin so understood is ... part of the specific subject-matter of the trade-mark rights, the protection of which may justify derogations from the principle of the free movement of goods (Joined Cases C-427/93, C-429/93 and C-436/93 *Bristol-Myers Squibb and Others* [1996] ECR I-3457, paragraph 48, and Case C-143/00 *Boehringer Ingelheim and Others* [2002] ECR I-3759, paragraphs 12 and 13).

Consequently, by holding, in paragraphs 54 and 56 of the contested decision, that the principle of the free movement of goods does not prohibit either a Member State from registering, as a national trade mark, a sign which, in the language of another Member State, is descriptive of the goods or services concerned, or the proprietor of such a trade mark from opposing, where there is a likelihood of confusion between that national trade mark and a Community trade mark applied for, registration of the latter, the Court of First Instance was not mistaken as to the objectives of the propositions in [the preceding two paragraphs] of this order, and accordingly interpreted them correctly.

The second plea must therefore be rejected as clearly unfounded.' [9]

32. The Court of Justice accordingly dismissed the appeal as manifestly unfounded. [10]

Assessment

33. The principal question in the present case, it will be recalled, is essentially whether a trade mark can be registered in one Member State if it denotes or describes the product concerned in the language of another Member State.

34. Matratzen Concord submits that the registration of MATRATZEN as a Spanish trade mark gives Hukla an unfair monopoly in Spain of the German name for a product, the aim and effect of which is to prevent the import of all types of mattress other than its own from German-speaking countries into Spain. Matratzen Concord consequently proposes that the question referred should be answered in the affirmative.

35. Hukla submits that MATRATZEN was validly registered as a Spanish trade mark after a full examination in accordance with the national law implementing the Trade Marks Directive. The word means nothing in either Spanish or any of the other official languages of Spain; in any event it signifies one only of the various products for which the mark is registered.

36. The United Kingdom submits that a word which describes goods in the language of one Member State may in principle be validly registered in another Member State for those goods. However, care must be taken when assessing whether that is so in a given case to ensure that traders engaging in intra-Community trade are not hindered from using words in the language of another Member State. For the purpose of Article 3 (1)(c) it is sufficient that the word *may* serve in trade as a description of the goods or services concerned. 'Trade' for those purposes includes importation; moreover, some level of intra-Community trade should be presumed. National trade mark authorities must assess the likelihood of the mark being used in trade in the Member State in which registration is sought as a designation of the characteristics of those goods or services. For that purpose regard must be had to the degree of descriptiveness of the mark, the extent of intra-Community trade in the goods or services concerned, any special

9 — Paragraphs 40 to 43.

10 — Order in Case C-3/03 P [2004] I-3657.

features of the sector concerned and whether the language in question is spoken by a minority or majority of the relevant consumers or members of the trade in the Member State where registration is sought.

37. The Commission draws a distinction between the validity of registration of a mark and the subsequent exercise of the rights conferred by the mark. The Treaty provisions concerning the free movement of goods do not affect the *existence* of intellectual property rights but simply limit their *exercise*.[11] The mere fact of registering a mark cannot in itself amount to a restriction on the free movement of goods. Such a restriction can flow only from the subsequent exercise of the rights conferred by registration on the proprietor of the mark. The fact that the word registered as a mark in Member State A is a descriptive term in the language of Member State B does not preclude the use of the rights conferred by the mark to preserve its essential function. That approach is consistent with the order of the Court of Justice in the *Matratzen Concord* appeal. The Commission adds that that does not however mean that undertakings in Member State B may not use the term in Member State A.[12]

11 — Case 119/75 *Terrapin* [1976] ECR 1039, Case 58/80 *Dansk Supermarked* [1981] ECR 181.

12 — See further points 60 and 61 below, which reflect the Commission's submissions.

38. The observations summarised above demonstrate that, although the question referred asks only whether a mark such as that in issue may be validly registered, the case also raises the question whether the owner of such a mark can, on the assumption that it is found to have been validly registered, use it to prevent imports of the goods which it denotes or describes. I shall accordingly consider both those questions.

Validity of registration

39. The national court essentially asks whether a trade mark may be validly registered in Member State A with regard to a given product where that word denotes or describes the product in the language of Member State B or whether alternatively registration of such a mark is unlawful on the ground that it constitutes a disguised restriction on trade between Member States contrary to Articles 28 and 30 EC.

40. Since the Trade Marks Directive exhaustively regulates the grounds for invalidity of a trade mark,[13] it is in the light of that directive that the question referred must be

13 — See recital 7 in the preamble, set out in point 5 above.

assessed in the first instance. The directive could not, however, lawfully seek to justify obstacles to intra-Community trade beyond the bounds set by the Treaty rules: it is clear that the prohibition on quantitative restrictions and measures having equivalent effect applies not only to national measures but also to measures adopted by the Community institutions. [14]

41. Article 3(1)(b) and (c) of the Trade Marks Directive prohibit registration of, respectively, 'trade marks which are devoid of any distinctive character' and '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 other characteristics of the goods or service'. For the purposes of the present case, Article 3(1)(c) may be stated more simply as applying where the mark is a word which denotes or describes the goods in question.

42. Since it is settled case-law that a word mark which denotes or describes the goods in question for the purposes of Article 3(1)(c) is, on that account, necessarily devoid of any distinctive character with regard to the same goods within the meaning of Article 3(1)(b), [15] I do not consider that it is necessary separately to consider the position under Article 3(1)(b). It may moreover be noted that none of the parties submitting observations has invoked Article 3(1)(b).

43. With regard to Article 3(1)(c), the Court has ruled that that provision 'pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all'. [16]

44. More specifically, the Court has ruled that when making the assessment under that provision the competent authority must 'determine whether a trade mark for which registration is sought currently represents, in the mind of the relevant class of persons, a description of the characteristics of the goods or services concerned or whether it is reasonable to assume that that might be the case in the future'. [17] The Court has further defined 'the relevant class of persons' for the purposes of Article 3(1)(c) as 'in the

14 — See Case C-469/00 *Ravil* [2003] ECR I-5053, paragraph 86 and the cases there cited, and, with particular reference to the Trade Marks Directive, *Bristol-Myers Squibb*, cited in point 31, paragraph 36.

15 — Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 86; Case C-265/00 *Campina Melkunie* [2004] ECR I-1699, paragraph 19.

16 — See for example Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25.

17 — *Koninklijke KPN Nederland*, cited in footnote 15, paragraph 56.

trade and amongst average consumers of that category of goods in the territory in respect of which registration is applied for'. [18] 'Average consumers' are presumed to be reasonably well informed and reasonably observant. [19]

45. It follows therefore that the assessment whether a sign falls within Article 3(1)(c) of the directive must be carried out by reference to average consumers (and, where relevant, intermediaries such as importers and wholesalers) of the goods or services concerned in the territory for which registration as a mark is sought. In the context of the present case, the question is whether, in the mind of those consumers and intermediaries, the word mark denotes or describes the goods themselves.

46. Accordingly, when the competent authority in Member State A assesses whether a word which, in the language of Member State B, denotes or describes the goods in question, may be validly registered as a trade mark in Member State A, it is required to take into account the perception of average consumers (and, where relevant, intermediaries) of those goods in Member State A and not the perception of those persons in Member State B.

47. That does not necessarily mean however that a national trade mark authority must never take into account the meaning of a proposed word mark derived from a language which is not the language of the Member State where registration is sought. Since that authority is required to carry out its assessment on the basis of the perception of average consumers of and traders in the product concerned in that Member State, it must also consider whether the word in question is in fact understood by those persons. [20]

48. The Court has stated that 'the examination carried out at the time of the application for registration must not be a minimal one [but] be a stringent and full examination, in order to prevent trade marks from being improperly registered'. [21] More specifically, the competent authority called upon to apply Article 3(1)(c) 'must determine, by reference to the goods or services for which registration is sought, in the light of a concrete consideration of all the relevant aspects of the application, and in particular the public interest [namely that signs within Article 3

18 — *Windsurfing Chiemsee*, cited in footnote 16, paragraph 29.

19 — *Koninklijke KPN Nederland*, cited in footnote 15, paragraph 77.

20 — See also the comments of Advocate General Ruiz-Jarabo in *Koninklijke KPN Nederland*, cited in footnote 15, point 41 of the Opinion delivered on 31 January 2002: 'it is necessary to have regard not so much to whether that consumer speaks the language in which the sign is formulated as to whether, irrespective of the language or languages of the territory concerned, the consumer taken as a reference can reasonably be expected to perceive in the sign a meaning such as to enable it to qualify under Article 3(1)(b), (c) and (d)'.

21 — Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 59.

(1)(c) must be freely available for all and must not be registrable], whether the ground for refusing registration in that provision applies to the case at hand'. [22]

49. Furthermore, and as the United Kingdom Government submits, it is sufficient for a sign to fall within Article 3(1)(c) that it '*may* serve, in trade,' [23] to denote or describe the goods in question.

50. If the mark denotes or describes the product concerned in a language which, although not the language of the Member State where registration is sought, is none the less understood by a significant proportion of the relevant traders in and consumers of the product, it seems to me that the public interest aim of Article 3(1)(c) would require registration to be precluded.

51. I consider that, in the particular case of trade marks incorporating words which, in another language, describe or denote the goods covered, that approach is a more appropriate yardstick than the average trader or consumer. It is also consistent with the practice of at least some national trade mark registries. [24]

52. In the United Kingdom, for example, words in languages 'likely to be known to a reasonable (and increasing) number of UK residents' cannot be registered if the English translation would not be registrable. Words in other less well known languages are normally registrable unless the country concerned has a reputation for any of the goods covered. Words in languages spoken by sizeable minorities of United Kingdom residents are not registrable if the goods are likely to be destined for the ethnic market concerned. [25] In Belgium, Germany and the Netherlands there is also case-law to the effect that the relevant criterion is whether

22 — Joined Cases C-53/01 to C-55/01 *Linde* [2003] ECR I-3161, paragraph 75. See also *Koninklijke KPN Nederland*, cited in footnote 15, paragraphs 29 to 37 of the judgment and points 41 and 42 of the Opinion delivered on 31 January 2002.

23 — Emphasis added.

24 — Although not all: at the hearing in Case C-191/01 P *OHIM* v *Wrigley (DOUBLEMINT)* [2003] ECR I-12447, the agent for OHIM 'pointed out [that] many national trade mark offices take no account of the meaning of words from a foreign language when assessing an application for a national trade mark' (point 89 of my Opinion).

25 — Summarised from Annex IV (Multilingual Trademarks: Trademark Office Practice and Procedure) to the WIPO Briefing Paper 'Internationalised Domain Names — Intellectual Property Considerations' prepared for the Joint ITU/WIPO Symposium on Multilingual Domain Names (2001), available from http://arbiter.wipo.int/domains/internationalized/.

the term in another language is understood by the targeted consumer. [26]

53. The position is similar in certain systems outside the European Union, for example in Australia, Canada and the United States. [27] It might be thought, however, that there was a greater need for sensitivity to other languages within the European Union, especially given the importance it attaches to the free movement of persons on the one hand and the single market on the other.

54. The issues which have arisen in the main proceedings illustrate how, in a market of 452 million consumers, many of whom may reasonably be expected to understand languages other than those principally spoken in the Member State where they reside, [28] a national trade mark authority must be particularly conscientious when assessing the registrability of a sign consisting of a foreign word denoting or describing the goods in question. In my view, a practice of automatically assuming that such signs are 'capricious' rather than descriptive no longer reflects the requirements of the case-law of the Court: in some cases, depending on the Member State concerned and the languages involved, a significant proportion of traders and consumers may reasonably be expected to have no difficulty in understanding the word. In that case, registration will be precluded by Article 3(1)(c).

55. As the practice of some authorities demonstrates, there are no insuperable difficulties where the persons concerned do not themselves know the language concerned, particularly since the access to electronic dictionaries made available by current technology will facilitate the checking of translations. [29]

26 — See for example *Lipton* v *Sara Lee* [2002] ETMR 1073 (Cour de Cassation, Brussels); *Matsushita Electric Works* [2000] ETMR 962, judgment of the First Board of Appeal, OHIM, quoting the practice of the Bundespatentgericht (Federal Patent Court), and *BVBA Management Training en Consultancy*, judgment of 3 June 2005 of the Hof van Beroep (Court of Appeal), Brussels, hearing an appeal from the Benelux Trade Mark Office concerning a proposed trade mark registration in the Netherlands. It appears that the Benelux Trade Mark Office takes the view in the related area of acquisition of distinctiveness through use under Article 3 (3) of the Trade Marks Directive that the perception of the relevant public in each of Belgium, Luxembourg and the Netherlands is relevant; the question whether the language regions within Benelux should specifically be taken into account has been referred to the Court of Justice in Case C-108/05 *Bovemij Verzekeringen*. Compare the approach of the Polish Patent Office in *Tong Yang Confectionary Corporation* [2002] ETMR 219.

27 — See source mentioned in footnote 25.

28 — In the recent Eurobarometer survey *Europeans and Languages* (published September 2005) half the respondents (citizens of the EU resident in the EU, although not necessarily in their Member State of nationality, aged 15 years and over) claimed to speak at least one language other than mother tongue at a conversational level. The percentage who can understand languages other than their mother tongue will inevitably be even higher.

29 — For example, in the US protection has been denied where marks incorporated (i) 'ha-lush-ka', the phonetic spelling of the Hungarian word for egg noodles; (ii) 'kaba', meaning 'coffee' in Serbian and Ukrainian and (iii) 'Otokoyama', a generic designation for the drink sake in Japan: see the cases cited in footnote 38 in the WIPO Briefing Paper cited in footnote 25 above.

56. I am accordingly of the view that whether a trade mark is validly registered in Member State A with regard to a given product where it consists of a word which denotes or describes the product in the language of Member State B depends on whether a significant proportion of traders in and consumers of that product in Member State A can reasonably be expected to understand the meaning of the word. That is a question of fact in each case for the relevant competent authority.

57. Registration of such a trade mark in circumstances where a significant proportion of traders in and consumers of the product concerned can reasonably be expected to understand the meaning of the word used would in my view contravene Article 3(1)(c) of the Trade Marks Directive as interpreted by the Court.

58. I would emphasise however that in the present case there is nothing in the documents before the Court to suggest that in the result registration of the mark MATRATZEN by the Spanish authorities was contrary to Article 3(1)(c). That view is also consistent with the finding of the Court of First Instance that in the proceedings before it 'the file does not contain any evidence that a significant proportion of the relevant public has sufficient knowledge of German to understand [the] meaning [of Matratzen]', [30] although it is of course ultimately a matter for the national court.

Restriction of imports

59. Although the above provides an answer to the question referred by the national court on the terms in which it was put, it is clear from the background to the current case and from the order for reference that the main proceedings also raise the associated question whether the owner of a mark such as that described can, on the assumption that it is found to have been validly registered, use it to prevent imports of the goods which it denotes or describes. Matratzen Concord, the United Kingdom Government and the Commission have in addition made submissions on that question, to which I now turn.

60. First, the right of a trade mark owner to prevent others from using a similar or identical sign covering similar or identical goods derives from Article 5(1) of the Trade Marks Directive. The Court has held that the exercise of that right must be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential

30 — Paragraph 38 of the judgment.

function of guaranteeing to consumers the origin of the goods. [31] As the Commission observes, that provision does not entitle a trade mark proprietor to prevent others from using a similar or identical sign where the sign is used otherwise than to distinguish the undertaking from which the goods concerned originate, so that there is no risk that consumers will take the sign to be a mark. [32] A trade mark proprietor cannot therefore invoke his right under Article 5(1) to prevent a third party from referring to the mark for purely descriptive purposes where the reference cannot be interpreted as indicating the origin of the product. [33]

61. Second, even if a trade mark owner can successfully invoke his right under Article 5 (1) of the directive, by virtue of Article 6(1) (b) thereof that right does not in any event entitle him to prohibit a third party from using in the course of trade indications concerning, inter alia, the 'kind', 'quality' or 'other characteristics' of the goods concerned, provided that he uses them in accordance with 'honest practices in industrial or commercial matters'.

62. The Court has stated that Article 6 'seeks to reconcile the fundamental interests of trade-mark protection with those of free movement of goods ... in the common market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition which the Treaty seeks to establish and maintain'. [34]

63. I would add that it is imperative in my view that national courts should ensure both that Article 5(1) is not abused by trade mark owners and that Article 6(1)(b) may be properly invoked by third parties.

64. Accordingly, even on the assumption that in the present case the mark MATRATZEN was validly registered in Spain, its owner will not be entitled to prevent the word Matratzen being used in contexts falling either outside Article 5(1) or within Article 6(1)(b), such as, for example, in a catalogue written in German to refer to mattresses.

31 — Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 51.

32 — Case C-245/02 *Anheuser-Busch* [2004] ECR I-10989, paragraph 60.

33 — Case C-2/00 *Hölterhoff* [2002] ECR I-4187, paragraph 16; *Arsenal*, cited in footnote 31, paragraph 54.

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

Conclusion

65. I would accordingly answer the question referred by the Audiencia Provincial, Barcelona, as follows:

Article 3(1)(c) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that a sign consisting solely of a word or words which denote the product which it covers or describe the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the product in the language of one Member State may not be registered as a trade mark in another Member State where a significant proportion of traders in and consumers of that product can reasonably be expected to understand the meaning of the word or words.