JUDGMENT OF THE COURT (First Chamber)

15 January 2009 *

In Case C-495/07,

REFERENCE for a preliminary ruling under Article 234 EC from the Oberster Patent- und Markensenat (Austria), made by decision of 26 September 2007, received at the Court on 14 November 2007, in the proceedings

Silberquelle GmbH

v

Maselli-Strickmode GmbH

THE COURT (First Chamber),

composed of P. Jann, President of the Chamber, M. Ilešič (Rapporteur), A. Tizzano, A. Borg Barthet and J.-J. Kasel, 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 23 October 2008,

after considering the observations submitted on behalf of:

— Silberquelle GmbH, by P. Torggler, S. Hofinger and M. Gangl, Patentanwälte,

— Maselli-Strickmode GmbH, by H. Sonn, Patentanwalt,

— the Czech Government, by T. Boček, acting as Agent,

— the Portuguese Government, by L. Inez Fernandes and J.M. Lopes Sousa, acting as Agents,

— the Commission of the European Communities, by H. Krämer, acting as Agent,

after hearing the Opinion of the Advocate General at the sitting on 18 November 2008

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation 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 the context of an action brought by Silberquelle GmbH ('Silberquelle') against Maselli-Strickmode GmbH ('Maselli') in respect of the partial revocation for lack of genuine use of a mark of which Maselli is the proprietor.

Legal context

Community law

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 Article 12(1) of the Directive provides:

'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 …'

National legislation

5 Under Austrian law, Article 10a of the 1970 Law on the protection of trade marks (Markenschutzgesetz 1970, BGBl. 260/1970) provides as follows:

'Use of a sign to designate goods or services covers, in particular:

(1) affixing the sign to goods or the packaging thereof, or to items in relation to which the service is offered or to be offered;

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

(3) importing or exporting goods under the sign;

(4) using the sign on business papers, in announcements or in advertising.'

6 Article 33a(1) of the 1970 Law on the protection of trade marks provides:

'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 there has been no genuine use of the mark in Austria for the goods or services in respect of which it has been registered (Article 10a), either by the proprietor of the mark or with his permission by a third party, within the last five years before the date of the application for cancellation, unless the proprietor of the mark can justify the non-use.'

The main proceedings and the question referred for a preliminary ruling

7 Maselli is an undertaking that manufactures and sells clothing. It owns the word mark WELLNESS, which is registered in the trade mark register of the Austrian Patent Office. The mark was registered for the following Classes 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 ('the Nice

Agreement'): Class 16, which, inter alia, covers printed matter, Class 25, which includes clothing, and Class 32, which, inter alia, covers alcohol-free drinks.

8 In the context of the sale of its clothing, Maselli used its mark to designate an alcohol-free drink which was handed out as a gift in bottles marked 'WELLNESS-DRINK', along with the clothing sold. In its promotional documents, Maselli made reference to the free gifts labelled with the WELLNESS mark.

9 Maselli has not used its mark for drinks sold separately.

10 Silberquelle, an undertaking which sells alcohol-free drinks, applied for cancellation of the WELLNESS mark for Class 32 on the grounds of non-use.

11 By decision of 7 November 2006, the Cancellation Division of the Austrian Patent Office cancelled the mark for goods in Class 32 of the Nice Agreement. Maselli brought an action against that decision before the Oberster Patent- und Markensenat.

12 In those circumstances, the Oberster Patent- und Markensenat decided to stay proceedings and to refer the following question to the Court of Justice for a preliminary ruling:

'Are Articles 10(1) and 12(1) of the [Directive] to be interpreted as meaning that a trade mark is being put to genuine use if it is used for goods (here: alcohol-free drinks) which

the proprietor of the trade mark gives, free of charge, to purchasers of his other goods (here: textiles) after conclusion of the purchase contract?'

The question referred for a preliminary ruling

13 It must be noted at the outset that the reference for a preliminary ruling concerns a case that is different from one in which the proprietor of a mark sells promotional items in the form of souvenirs or other derivative products.

14 In addition, as the order for reference shows, the revocation proceedings brought against Maselli only concern Class 32 of the Nice Agreement, which covers the promotional items at issue. Therefore, those proceedings do not concern the rights conferred by the registration of Maselli's trade mark for the class of goods sold by that undertaking, namely Class 25 of the Nice Agreement, concerning clothing.

15 It follows that the referring court essentially asks whether Articles 10(1) and 12(1) of the Directive must be interpreted as meaning that, where the proprietor of a mark affixes that mark to items that it gives, free of charge, to purchasers of its goods, that proprietor makes genuine use of that mark in respect of the class covering those items.

16 According to Maselli and the Czech Government, that question must be answered in the affirmative. Silberquelle, the Portuguese Government and the Commission of the European Communities take the opposite view.

17 It is settled case-law that 'genuine use' within the meaning of the Directive must be understood to denote actual use, consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin (Case C-40/01 *Ansul* [2003] ECR I-2439, paragraphs 35 and 36, and Case C-442/07 *Verein Radetzky-Orden* [2008] ECR I-9223, paragraph 13).

18 It follows from that concept of 'genuine use' that the protection that the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial raison d'être, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings (*Ansul*, paragraph 37, and *Verein Radetzky-Orden*, paragraph 14).

19 As the Commission submitted in its observations to the Court and as the Advocate General stated in points 45 and 55 of his Opinion, it is essential, in the light of the number of marks that are registered and the conflicts that are likely to arise between them, to maintain the rights conferred by a mark for a given class of goods or services only where that mark has been used on the market for goods or services belonging to that class.

20 For the reasons set out in points 48 and 56 of that Opinion, that condition is not fulfilled where promotional items are handed out as a reward for the purchase of other goods and to encourage the sale of the latter.

21 In such a situation, those items are not distributed in any way with the aim of penetrating the market for goods in the same class. In those circumstances, affixing the mark to those items does not contribute to creating an outlet for those items or to distinguishing, in the interest of the customer, those items from the goods of other undertakings.

22 In the light of the foregoing considerations, the answer to the question referred is that Articles 10(1) and 12(1) of the directive must be interpreted as meaning that, where the proprietor of a mark affixes that mark to items that it gives, free of charge, to purchasers of its goods, it does not make genuine use of that mark in respect of the class covering those items.

Costs

23 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:

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 must be interpreted as meaning that, where the proprietor of a mark affixes that mark to items that it gives, free of charge, to purchasers of its goods, it does not make genuine use of that mark in respect of the class covering those items.

[Signatures]