JUDGMENT OF THE COURT (Grand Chamber)

9 December 2008 *

In Case C-442/07,

REFERENCE for a preliminary ruling under Article 234 EC from the Oberster Patent- und Markensenat (Austria), made by decision of 27 June 2007, received at the Court on 27 September 2007, in the proceedings

Verein Radetzky-Orden

v

Bundesvereinigung Kameradschaft 'Feldmarschall Radetzky'

THE COURT (Grand Chamber),

composed of V. Skouris, President, P. Jann, C.W.A. Timmermans, A. Rosas, K. Lenaerts, M. Ilešič (Rapporteur) and A. Ó Caoimh, Presidents of Chambers, G. Arestis, A. Borg Barthet, J. Malenovský, U. Lõhmus, E. Levits and L. Bay Larsen, Judges,

Advocate General: J. Mazák,
Registrar: B. Fülöp, Administrator,

* Language of the case: German.

having regard to the written procedure and further to the hearing on 24 June 2008,

after considering the observations submitted on behalf of:

— the Verein Radetzky-Orden, by E. Fichtenbauer and K. Krebs, Rechtsanwälte,

— the Bundesvereinigung Kameradschaft 'Feldmarschall Radetzky', by P. Israiloff, Patentanwalt,

— the Italian Government, by I.M. Braguglia, acting as Agent, and W. Ferrante, avvocato dello Stato,

— 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 September 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 course of proceedings between the Verein Radetzky-Orden ('the Radetzky-Orden') and the Bundesvereinigung Kameradschaft 'Feldmarschall Radetzky' ('the BKFR') concerning the revocation, on grounds of lack of genuine use, of trade marks owned by the BKFR, which is a non-profit-making association.

Legal context

3 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; …'

4 The 12th recital in the preamble to the Directive states that 'all Member States of the Community are bound by the [Convention for the Protection of Industrial Property signed in Paris on 20 March 1883, last revised in Stockholm on 14 July 1967 and amended on 28 September 1979 (*United Nations Treaty Series*, Vol. 828, No 11851, p. 305; 'the Paris Convention')]; whereas it is necessary that the provisions of this Directive are entirely consistent with those of the Paris Convention …'

5 In Austrian law, Paragraph 10a of the 1970 Law on the protection of trade marks (Markenschutzgesetz 1970, BGBl. 260/1970; 'the MSchG') states as follows:

'The use of a sign to designate a product or service includes, in particular:

(1) affixing the sign to the goods or to the packaging thereof, or to objects in respect of which the service is, or is intended to be, provided;

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

(3) importing or exporting the goods under the sign;

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

6 Paragraph 33a(1) of the MSchG provides 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 for 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.'

The dispute in the main proceedings and the question referred for a preliminary ruling

7 The BKFR is dedicated, on the one hand, to the preservation of military traditions, such as memorial services for those who have fallen in combat, remembrance services, military reunions and the upkeep of war memorials and, on the other, to charitable work, such as the collection of gifts in cash or in kind and their distribution to the needy.

8 The BKFR is the proprietor of figurative and word marks representing essentially badges of honour. Those marks were entered in the trade mark register of the Austrian Patent Office. Protection began on 8 January 1996. Each of the marks was registered for class 37 (in particular, for maintenance work), class 41 (inter alia, for cultural activities) and class 42 (now 45) (in particular for social services), in accordance with the International Classification of Goods and Services for the Purposes of the Registration of Marks, established by the Nice Agreement of 15 June 1957, as revised and amended.

9 The BKFR awards orders and decorations which correspond to the trade marks at issue in the main proceedings. Some BKFR members wear those orders and decorations at various events and when collecting and distributing donations. Finally, the marks are printed on invitations to forthcoming events, on stationery and on the association's correspondence.

10 On 17 August 2004, the Radetzky-Orden sought to have the trade marks cancelled on grounds of non-use, in accordance with Paragraph 33a of the MSchG. In support of its application, it argued that the BKFR had not used the trade marks commercially over the course of the preceding five years.

11 The Cancellation Section of the Austrian Patent Office granted the Radetzky-Orden's application. The BKFR appealed against that decision to the Oberster Patent- und Markensenat.

12 It is in those circumstances that the Oberster Patent- und Markensenat decided to stay proceedings and to refer the following question to the Court for a preliminary ruling:

'Is Article 12(1) of [the directive] to be construed as meaning that a trade mark is put to (genuine) use to distinguish goods and services of one undertaking from those of other undertakings in the case where a non-profit-making association uses the trade mark in announcements for events, on business papers and on advertising material and that

trade mark is used by the association's members when collecting and distributing donations inasmuch as those members wear badges featuring that trade mark?'

The question referred for a preliminary ruling

13 The concept of 'genuine use' within the meaning of Article 12(1) of the directive must be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be 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 product or service from others which have another origin (Case C-40/01 *Ansul* [2003] ECR I-2439, paragraphs 35 and 36).

14 As the Court has stated, it follows that the concept of 'genuine use' of the mark entails use of the mark by the proprietor on the market for the goods or services protected by that mark and not just internal use within the undertaking concerned. 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).

15 Moreover, the financial implications of marks and their use are apparent from the Paris Convention which refers to them as 'trade marks'. As is clear from the 12th

recital in the Directive, the latter must be interpreted in accordance with the Paris Convention.

16 With regard to the question whether a non-profit-making association, carrying on activities such as those described in paragraphs 7 and 9 of the present judgment, may be regarded as making genuine use of a trade mark within the meaning of *Ansul*, it should be pointed out that the fact that goods or services are offered on a non-profit-making basis is not decisive.

17 The fact that a charitable association does not seek to make profit does not mean that its objective cannot be to create and, later, to preserve an outlet for its goods or services.

18 In addition, as the Radetzky-Orden admitted in its written observations submitted to the Court, paid welfare services exist. In modern society, various types of non-profit-making association have sprung up which, at first sight, offer their services free but which, in reality, are financed through subsidies or receive payment in various forms.

19 It cannot be ruled out, therefore, that trade marks registered by a non-profit-making association may have a raison d'être, in that they protect the association against the possible use in business of identical or similar signs by third persons.

20 As long as the association in question uses the marks of which it is the proprietor to identify and promote the goods or services for which they were registered, it is making an actual use of them which constitutes 'genuine use' within the meaning of Article 12(1) of the Directive.

21 Where non-profit-making associations register as trade marks signs which they use to identify their goods or their services, they cannot be accused of not making actual use of those marks when in fact they use them for those goods or services.

22 In any event, in accordance with the finding of the Court in paragraph 37 of *Ansul*, and as the Advocate General pointed out in point 30 of his Opinion, use of a trade mark by a non-profit-making association during purely private ceremonies or events, or for the advertisement or announcement of such ceremonies or events, constitutes an internal use of the trade mark and not 'genuine use' for the purposes of Article 12(1) of the directive.

23 It is for the national court to ascertain whether the BKFR has used the trade marks of which it is the proprietor to identify and promote its goods or its services to the general public or whether, on the contrary, it has merely made internal use of them.

24 In the light of the foregoing considerations, the answer to the question referred must be that Article 12(1) of the Directive is to be construed as meaning that a trade mark is put to genuine use where a non-profit-making association uses the trade mark, in its relations with the public, in announcements of forthcoming events, on business papers

and on advertising material and where the association's members wear badges featuring that trade mark when collecting and distributing donations.

Costs

25 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 (Grand Chamber) hereby rules:

Article 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 is to be construed as meaning that a trade mark is put to genuine use where a non-profit-making association uses the trade mark, in its relations with the public, in announcements of forthcoming events, on business papers and on advertising material and where the association's members wear badges featuring that trade mark when collecting and distributing donations.

[Signatures]