OPINION OF ADVOCATE GENERAL LÉGER

delivered on 8 February 2001 [1]

1. The concept of comparative advertising is new to Community law. For a long time the Member States were hostile to it. Only recently, following the adoption of Directive 97/55/EC, [2] was the introduction of comparative advertising into the national legal systems accepted as a matter of principle, but only subject to very strict conditions as to the circumstances in which it is permitted.

2. Advertising by an undertaking in which it compares itself with other economic operators carries with it some significant risks. There is a danger that once undertakings are allowed to address the merits and inadequacies of competing goods or services they may be tempted to denigrate them or derive unfair advantage from them.

3. Just like traditional forms of advertising, comparative advertising seeks both to assist the development of the undertaking concerned and to inform consumers. Both types of advertising seek to attract customers; in the case of comparative advertising this may expose commercial relationships to the constant threat of unfair practices.

4. It is therefore difficult to dispute the necessity for all comparative publicity to be subject to clear legal rules, laying down strict requirements based on considerations of good faith in commercial relationships.

5. The present case well illustrates the ambiguous nature of advertising — the provision of objective information and a means of business communication. It is a striking example of practices which are capable of being justified by functional considerations yet suspect by reason of taking unfair advantage of a reputation to which the advertiser has in no way contributed.

1 — Original language: French.

2 — Directive of the European Parliament and of the Council of 6 October 1997 amending Directive 84/450/EEC concerning misleading advertising so as to include comparative advertising (OJ 1997 L 290, p. 18).

I — Facts and procedure in the main action

6. Toshiba Europe GmbH (hereinafter 'Toshiba'), the plaintiff in the main action, is the German subsidiary of Toshiba Corporation. The products sold by the plaintiff in Europe include photocopiers, as well as other items, such as replacement parts and consumables.

7. Katun Germany GmbH (hereinafter 'Katun'), the defendant in the main action, markets replacement parts and consumable items for Toshiba photocopiers.

8. Toshiba uses particular model references to identify its photocopiers, such as 'Toshiba 5010'. It uses certain abbreviated descriptions to identify its materials, for example 'T-50 P' for toner, as well as order numbers.

9. Katun uses Toshiba's model references and order numbers in its catalogues. These numbers are set out alongside the Katun order numbers and are used to identify Katun products which may be used in Toshiba photocopiers. The Toshiba order numbers are to be found in a column headed 'OEM Art.-Nr' ('Original Equipment Manufacturer') (hereinafter 'product numbers') and the Katun numbers in a column headed 'Katun Art.-Nr'.

Each product is identified in the catalogue in the following way (extract from the catalogue):

KATUN

Katun-Produkte für Toshiba-Kopierer 2510/2550

OEM Art.-Nr	Katun Art.-Nr	Beschreibung	Modelle
T2510	43013746	Toner, schwarz; 450 g Kartusche (Preis pro Kartusche, Verkauf im 4er-Paket)	2510.2550

10. Toshiba claims that Katun's conduct is anti-competitive. It seeks *inter alia* an injunction prohibiting publication of the information at issue and damages.

11. The national court has found in part for the plaintiff and upheld claims made against Katun for infringement of trade mark rights on the basis of the label used by Katun for toner marketed by it. At the same time, it has severed these proceedings from the main proceedings.

II — Legal Background

A *Directive 84/450/EEC, as amended*

12. Directive 97/55 amended Directive 84/450/EEC, [3] including its title, which is now 'Council Directive ... concerning misleading and comparative advertising'.

3 — Council Directive of 10 September 1984 relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising (OJ 1984 L 250, p. 17, hereinafter 'the Directive').

13. According to Recital 7 in Directive 97/55:

'Whereas conditions of permitted comparative advertising, as far as the comparison is concerned, should be established in order to determine which practices relating to comparative advertising may distort competition, be detrimental to competitors and have an adverse effect on consumer choice; whereas such conditions of permitted advertising should include criteria of objective comparison of the features of goods and services'.

14. Article 2(2a) of the Directive states that comparative advertising 'means any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor'.

15. Article 3a(1) of the Directive states that 'Comparative advertising shall, as far as the comparison is concerned, be permitted when the following conditions are met:

(a) it is not misleading according to Articles 2(2), 3 and 7(1);

(b) it compares goods or services meeting the same needs or intended for the same purpose;

(c) it objectively compares one or more material, relevant, verifiable and representative features of those goods and services, which may include price;

(d) it does not create confusion in the market place between the advertiser and a competitor or between the advertiser's trade marks, trade names, other distinguishing marks, goods or services and those of a competitor;

(e) it does not discredit or denigrate the trade marks, trade names, other distinguishing marks, goods, services, activities or circumstances of a competitor:

(f) for products with designation of origin, it relates in each case to products with the same designation;

(g) it does not take unfair advantage of the reputation of a trade mark, trade name or other distinguishing marks of a competitor or of the designation of origin of competing products;

(h) it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.'

B *German law*

16. Paragraph 1 of the Gesetz gegen den unlauteren Wettbewerb [4] (German law against unfair competition) states: 'Any person who acts *contra bonos mores* in business dealings for a competitive purpose shall be liable to proceedings for a restraining injunction and damages.'

17. It has always been settled case-law of the Bundesgerichtshof (Federal Court of Justice) that a comparison of an undertaking's own goods or services with those of competitors is in principle *contra bonos mores* within the meaning of Paragraph 1 of the UWG. [5]

4 — Hereinafter the 'UWG'.

5 — Page 7, final paragraph, of the English translation of the reference for a preliminary ruling.

18. At the date of the reference for a preliminary ruling, Directive 97/55 had not been transposed into national law.

III — The questions referred

19. The Landgericht Düsseldorf (Regional Court, Düsseldorf), Germany, states that following the entry into force of Directive 97/55, the Bundesgerichtshof held that comparative advertising was thenceforth to be regarded as permitted, provided that the requirements set out in Article 3a(1)(a) to (h) of the Directive were fulfilled.

20. According to the national court, although the German legislature has not yet transposed Directive 97/55 into national law, [6] the Bundesgerichtshof does not consider that to prevent it from construing Paragraph 1 of the UWG in accordance with the Directive.

21. As it considered, first, that the Bundesgerichtshof's view on interpreting Paragraph 1 of the UWG in conformity with European law in the light of the Directive was correct, and, secondly, that an interpretation of Community law was necessary for the determination of the main proceedings, the Landgericht Düsseldorf referred the following questions to the Court for a preliminary ruling:

'1. Is advertising by a supplier of spare parts and consumable items for an equipment manufacturer's product to be regarded as comparative advertising within the meaning of Article 2(2a) of the directive if the advertising indicates the manufacturer's product numbers (OEM numbers) for the relevant original spare parts and consumable items for reference purposes in order to identify the supplier's products?

2. If Question 1 is to be answered in the affirmative:

(a) Does the display of the equipment manufacturer's product numbers (OEM numbers) alongside the supplier's own order numbers constitute a comparison of goods permissible under Article 3a(1)(c) of the directive, in particular a comparison of the prices?

(b) Are the product numbers (OEM numbers) "distinguishing marks of a competitor" within the meaning of Article 3a(1)(g)?

6 — The period for transposing the Directive had not expired at the date of the reference for a preliminary ruling.

3. If Question 2 is to be answered in the affirmative:

(a) What are the criteria to be used when assessing whether an advertisement within the meaning of Article 2(2a) takes unfair advantage of the reputation of a distinguishing mark of a competitor within the meaning of Article 3a(1)(g)?

(b) Is the fact that the equipment manufacturer's product numbers (OEM numbers) appear alongside the supplier's own order numbers sufficient to justify an allegation that unfair advantage is being taken of the reputation of the distinguishing mark of a competitor within the meaning of Article 3a(1)(g), if the third party competitor could instead indicate in each case the product for which the consumable item or spare part is suitable?

(c) When assessing unfairness, does it matter whether a reference (solely) to the product for which the consumable item or spare part is suitable, rather than to the product number (OEM number), is likely to make sale of the supplier's products difficult, particularly because customers generally go by the equipment manufacturer's product numbers (OEM numbers)?'

IV — The definition of comparative advertising (Question 1)

22. By its first question the national court asks whether the definition of 'comparative advertising' in Article 2(2a) of the Directive covers advertising by an economic operator to promote products intended for use with equipment manufactured by another economic operator, when the advertising indicates the product numbers used by the other operator to identify its products alongside the product numbers used by the advertiser for the purposes of identifying his products.

23. According to Article 2(1) of the Directive, 'advertising' means, for the purposes of the Directive, 'the making of a representation in any form in connection with a trade, business, craft or profession in order to promote the supply of goods or services, including immovable property, rights and obligations'.

24. The Landgericht Düsseldorf is in no doubt that the practice in question constitutes advertising within the meaning of the Directive, as it classifies as advertising the use of catalogues issued with a view to informing customers of the existence and characteristics of the issuer's products. [7]

25. It is not disputed that the catalogues in question were created with a view to the promotion and sale of Katun's products, by providing consumers [8] with information on replacement parts and consumable items required to operate Toshiba photocopiers.

26. The next question is the comparative nature of the advertising. Apart from Toshiba, none of the interveners disputes this classification. The national court itself states that Directive 97/55 is applicable to the main proceedings, even though it has made that issue the subject of a preliminary reference. [9] This presupposes that it considered the advertising which is the subject-matter of the dispute to be 'comparative'.

27. In order to answer the national court, regard should be had to the elements of the Directive which reflect the aim of the Community legislature, and to the wording of the relevant provisions in it.

28. Both the wording and purpose of the Directive militate in favour of a broad interpretation of the concept in question.

29. Article 2(2a) refers to any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor.

30. This provision displays two features.

The first is the absence of a clear requirement that there be an express comparison. The definition does not state that, in order to fall within the concept of 'comparative advertising', an advertisement must describe the relative merits of goods or services. This requirement is laid down later on in the Directive, at the point where it deals with the conditions in which comparative advertising is lawful. This omission may be understood as a sign that the Community legislature was seeking to cover the widest possible number of business communication practices affecting several competing economic operators. It may be concluded that a comparison, in the broadest sense, begins where two compet-

7 — See the text of the first question referred for a preliminary ruling.

8 — The concept of 'consumer' should here be understood as including also trade customers, who are plainly the principal client base for photocopiers as well as for their accompanying parts.

9 — See page 10 of the English translation of the reference for a preliminary ruling.

ing economic operators are associated in an advertisement, even in a non-descriptive way. In any event, the Directive would apply where an advertisement makes this type of comparison.

The second element of the definition which suggests a broad understanding of the concept of comparative advertising is the absence of any requirement that the competitor be expressly identified. For an advertisement to be subject to the Directive, it is enough that the content of the advertising allows the customers at whom it is directed to know which competitor is being referred to.

31. That the aim of the Community legislature was to cover the greatest number of possible cases is confirmed by Recital 6, which states that 'it is desirable to provide a broad concept of comparative advertising to cover all modes of comparative advertising'.

32. In the present case, among the information set out in Katun's catalogues is a reference to the trade mark 'Toshiba' in order to identify the relevant photocopier. The product numbers are also referred to, and there is no doubt that they are specific to the plaintiff in the main action, given that they identify the replacement parts and consumable items manufactured by it for its photocopiers.

33. The main action relates exclusively to the use of product numbers. Toshiba does not challenge the use of its trade mark to identify the photocopier to which the various product numbers relate. [10]

34. The question is thus restricted to the nature of the information which these numbers may communicate to those who read them, by reason only of their presence in the advertisement. It is necessary therefore to establish whether a simple reference to the numbers is capable of identifying Toshiba products, and accordingly Toshiba itself.

35. It is clearly not the Court of Justice's role to decide this question, as the national court is best placed to do this by assessing the evidence before it. None the less, it may be noted that the national court has already indicated that: 'Setting out the plaintiff's OEM numbers in the defendant's brochures primarily identifies the plaintiff's products and by implication also the plaintiff itself'. [11] It is for it to decide whether to confirm its initial conclusion.

36. As far as the interpretation of Article 2(2a) of the Directive is concerned, I am of the view that advertising should be

10 — Toshiba states that 'in order to indicate the purpose for which the products are made, it suffices to refer to the type of photocopier in question' (Part IV of its written observations).

11 — Page 10 of the English translation of the request for a preliminary reference.

considered to be 'comparative advertising' within the meaning of that provision where it allows a competitor or the goods produced by a competitor to be identified, even if that identification arises only by implication.

37. There is an implicit identification of a competitor or of his products where it can be shown that the numbers used by the competitor to designate his own products are sufficient for an ordinarily well-informed person to identify those products or their manufacturer.

38. Accordingly, I am of the view that advertising by an economic operator in order to promote products intended for the operation of equipment manufactured by another economic operator, which indicates the product references used by the latter operator to identify his own products alongside references to the products of the advertiser, the aim being to identifying the advertiser's products, amounts to 'comparative advertising' within the meaning of Article 2(2a) of the Directive, where that indication allows an ordinarily well-informed person to identify the economic operator whose product references are included in the advertising.

39. It is for the Landgericht Düsseldorf to verify whether the mere reference to product numbers in Katun's catalogue is adequate in the eyes of an ordinarily well-informed person to identify Toshiba's products.

V — Objective comparison of goods (Question 2(a))

40. Comparative advertising is permitted when the conditions set out in Article 3a(1) of the Directive are met. According to Recital 11 in Directive 97/55 'the conditions of comparative advertising should be cumulative and respected in their entirety.'

41. The conditions laid down by the Directive are both positive and negative in the sense that in order to be treated as 'comparative', advertising must have certain features, but at the same time not have others.

42. Among the positive conditions is the requirement in Article 3a(1)(c) that there should be an objective comparison of the goods.

43. The special and difficult feature of the situation before the national court is the fact that the displaying of the supplier's numbers alongside those of the original manufacturer is not accompanied by any comparative description of the products at issue.

44. Katun has not identified the respective characteristics of the two products in order to show what they do or do not have in common. One might assume from this that, despite its characterisation in law, the advertising in question does not in fact make any comparison.

45. The facts in the main action have an ambiguous aspect which may explain this difficulty. In Katun's advertising one sees the double justification for comparative advertising — improving the information available to consumers and stimulating competition.

46. As Katun submits, the display of the order numbers alongside each other signifies that the various products made by it are technically identical to the corresponding products made by the manufacturer of the original equipment, and may accordingly be used in the same way in the latter's equipment. [12] By doing this, Katun may appear content to inform its customers of the purpose and functions of its own products, without at the same time actively comparing the two competing products.

47. Nevertheless, the advertising in question is not devoid of any comparative function. The juxtaposition of the two references to products is a development of that approach, although this does not ensure that it is a lawful one.

48. If comparison consists in the act of 'contemplating together two or more things with a view to determining similarities or differences', [13] one could consider the juxtaposition of two numbers, each of which in itself has a meaning, as being a form of implicit comparison whose purpose is to highlight the similarities between them. In other words, even where there is no express statement making clear their similarities or differences, the representation of two products leads logically to the conclusion that they are interchangeable. The general and vague manner in which the two products are passively placed alongside one another leads one to conclude, in this case, that the advertiser seeks to present them as wholly equivalent.

49. It remains to be established whether an implicit comparison may be considered to be an objective comparison within the meaning of Article 3a(1)(c) of the Directive. One might also ask whether this is the case when the implicit comparison is made in a general manner, in such a way that it appears to present the products as being wholly identical.

12 — See page 7 of the French translation of its written observations.

13 — See *Le Petit Robert, Dictionnaire de la langue française*, Paris, Édition Dictionnaires Le Robert, 1999.

50. It should be remembered that for a comparison to be objective the representations made as to the qualities or deficiencies of the product must be verifiable. [14]

51. An implicit comparison is not necessarily subjective if the information which it contains, provided it is objective, is not ambiguous. To say, for example, that an item is more attractive than or superior to another product is a subjective appraisal. But simultaneously to present two products, without providing any description of them, in such a way that it may be taken that they are intended for the same purpose should be considered, in that regard, as an objective comparison, because it is verifiable, notwithstanding the implicit nature of the information.

52. In this context, the display of product numbers alongside one another constitutes an objective comparison, as regards the purpose or use of the replacement parts and consumable items. It is clear that to treat in the same way products supplied from the two sources is first and foremost an expression of functional identity, the message implicitly but unambiguously conveyed being that the Katun product is, like its Toshiba equivalent, intended to service a Toshiba photocopier.

53. The same conclusion is necessary with regard to the price comparison. Article 3a(1)(c) of the Directive states that price is one of the possible features which may be compared. Price is given by way of example, as is clear from the wording of the article, which provides that the material, relevant, verifiable and representative features of the goods 'may include price'.

According to Katun, its catalogues include a comparison of prices within the meaning of Article 3a(1)(c) of the Directive in that it is suggested in the catalogues that a lower price is charged for products of the same quality. [15] Even if, in the documents before the Court, there is no indication of price in the catalogues, such a claim should be regarded as free of subjectivity. A competitor who has been harmed can show perfectly well that the prices actually charged rebut the statements in the advertisement. Consumers can also verify the truth of this information by recourse to other sources, such as price lists issued by the two competing suppliers.

54. Thus, the equality suggested by the advertising in this case comprises a number

14 — This requirement is laid down by Article 3a(1)(c) of the Directive, which also states that the features of the goods which are the object of the comparison must be material, relevant and representative. These qualities are not truly in issue in the present case, given that it is not in doubt, as will be seen, that the features under consideration as being at the heart of the comparison are not merely incidental, but on the contrary constitute deciding factors in the choice in question.

15 — According to Katun, which has not been challenged on the point, the catalogues contain the following statement: 'With Katun toner for Toshiba copier models 2510/2550 and 3220/4010 you can reduce your overheads without any loss of quality or performance' (see page 9 of its written observations). This is doubtless the only inference to be drawn from the simple juxtaposition of product numbers.

of objective items of information, such as the price and the purpose to which the goods may be put, which it is straightforward to identify and to verify. From this point of view, it could be considered as leading to an objective comparison of material, relevant, verifiable and representative features of the goods in question within the meaning of Article 3a(1)(c) of the Directive.

55. However, a method of comparison which consists in presenting two products or two sets of references alongside one another without at the same time providing even a minimal commentary on their similar or different features is capable, in my opinion, by not identifying exactly these points of comparison, of giving rise to confusion which is harmful to the competing economic operator.

56. If the implicit nature of the comparison is not in itself enough to render the advertising unfair, the same is not so of its general character. The passive juxtaposition of the products is an invitation to treat as equivalent characteristics which are not all capable of being identified. If one ignores the price or the purpose of the supplies in question, the advertising appears to convey a desire by the advertiser to confer on his product all the virtues of the competing product, including those which belong to the competitor's trade mark itself.

57. It should be remembered that not only is each order number set out alongside the other on the line corresponding to the product in question, but also that Katun states that its products are cheaper while still providing the same level of quality and performance. [16]

58. The juxtaposition of the product references without any descriptive commentary shows the advertiser's intention to suggest an identity of quality between its products and those of its competitor. The quality of a product is the result of a number of positive features which can often be difficult to identify precisely and completely, even where the product in question is a simple one.

59. The objectivity of the information is masked by the impossibility of listing the features on which the comparison is based, and consequently of verifying the merits claimed for them. Seen from this perspective and having regard to the documents before the Court, advertising of this kind does not appear to me to comply with the requirement for an objective presentation of the goods.

60. It will be for the national court to satisfy itself on this point, by establishing whether this presentation is accompanied by a precise and concrete description of the merits or deficiencies of the advertised products, such as their durability, reliability or ease of use.

16 — Ibid.

61. It must therefore be concluded that comparative advertising which mentions the references used by the advertiser for products manufactured by him alongside the references used by another, competing, economic operator for its own products, without any other information being provided as to the respective features of the products advertised, does not amount to an objective comparison of goods for the purposes of Article 3a(1)(c) of the Directive.

Nor, *a fortiori*, is it an objective comparison where the advertising suggests that the supplies in question are of the same quality, without at the same time describing the verifiable features of the products justifying this suggestion, even if the comparative advertising states that the advertiser's supplies are cheaper.

62. For the sake of completeness, I must also consider the method of advertising used in the present case from the point of view of Article 3a(1)(g) of the Directive, which prohibits the taking of unfair advantage of the reputation of another mark in cases of comparative advertising. This point is raised by paragraph (b) of the second question and the third question put by the Landgericht Düsseldorf.

VI — The misuse of the reputation of another

63. To use comparative advertising is also of necessity to make use of a competitor's trade mark or at least of the features which distinguish the mark in the customer's eyes. The risk thus exists that, in the guise of promoting competition and improving the information available to consumers, unfair advantage will be taken of references to a competing operator. The right created by the rules on comparative advertising to make use of another party's trade mark must therefore be scrupulously defined. Before attempting to determine its scope it is appropriate first to specify what should be understood by the term 'distinguishing marks' in Article 3a(1)(g) of the Directive.

A *The concept of 'distinguishing marks' (Question 2(b))*

64. The approach taken by the Community legislature is to favour objective comparisons between goods or services while at the same time maintaining the rights given to economic operators, especially under Community law, in respect of their trade marks and other means of identifying economic operators. [17]

17 — Recitals 12 and 13. In terms of the latter recital: 'Article 5 of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks confers exclusive rights on the proprietor of a registered trade mark, including the right to prevent all third parties from using, in the course of a trade, any sign which is identical with, or similar to, the trade mark in relation to identical goods or services or even, where appropriate, other goods'.

65. However, in order to be effective and fair, comparative advertising must permit the target group to identify the products presented and to distinguish those made by one undertaking from those of its competitor. [18] One cannot therefore exclude every reference by an operator to distinguishing marks used by its competitors. [19]

66. The principal quality of a 'distinguishing mark' is to facilitate recognition. It follows that something cannot be considered to be a 'distinguishing mark' within the meaning of the Directive if it does not enable an economic operator to be identified in some way.

67. Conversely, if one wishes to avoid a situation where the development of comparative advertising gives free rein to parasitic business conduct, it is essential that the concept of 'distinguishing marks' be interpreted very broadly.

68. Contrary to Katun's submission, the concept of 'distinguishing marks' is difficult to reduce to the concept of 'trade mark' or 'trade name', [20] without the risk of thereby tolerating practices which seek to take unfair advantage of the reputation of competitors in a way which is contrary to Article 3a(1)(g) of the Directive.

69. If that point of view were accepted, an economic operator would have the right to use any identifying item used by a competitor, as this item would have been stripped of legal protection, and to do so in order to take unfair advantage of the latter's reputation.

70. It is easy to imagine advertising which does not directly refer to a trade mark, but, for example, to the shape or the colour of a product and that such form or colour immediately brings a competing product to the mind of the majority of consumers. A narrow interpretation of Article 3a(1)(g) of the Directive would reduce the protection which competing economic operators are entitled to receive. It would permit comparative advertising where an economic operator seeks wrongfully to use, for his own benefit, the reputation of a trade mark by using this unprotected identifying item, in this example the shape or colour of the product.

71. This interpretation is confirmed by the wording of the article in question. It refers to the reputation of a trade mark, trade

18 — According to Recital 14: 'it may ... be indispensable, in order to make comparative advertising effective, to identify the goods or services of a competitor, making reference to a trade mark or trade name of which the latter is the proprietor'.

19 — Recital 15.

20 — Pages 11 and 12 of its written observations.

name *or* other distinguishing marks, [21] which tends to show that the concept of 'distinguishing marks' includes trade marks and trade names, but that these terms are not exhaustive.

72. Having disposed of the first question referred for a preliminary ruling, the national court must establish whether the order numbers allow the Toshiba products to be identified so that it may classify the advertising in question for the purposes of Article 2(2a) of the Directive. [22] The conclusions reached will be useful for that court in considering whether to classify these numbers as 'distinguishing marks' within the meaning of Article 3a(1)(g) of the Directive.

73. It follows that there are grounds for considering that the references given by an economic operator to products which he manufactures, with a view to facilitating their identification, constitute 'distinguishing marks' within the meaning of this provision, when the references enable an ordinarily well-informed person to identify the economic operator in question.

B *Whether unfair advantage of the reputation of a competitor is taken (Question 3)*

74. By its third question, the Landgericht Düsseldorf asks, in essence, whether a manufacturer of products designed to be used with equipment manufactured by another economic operator, whose advertising gives details of the references used by the latter for his own products alongside the references for the advertiser's products with a view to identifying those products, may be regarded as taking unfair advantage of the reputation attached to distinguishing marks of a competitor within the meaning of Article 3a(1)(g) of the Directive.

75. This question seeks to determine the criteria to be applied by the national court in assessing whether the advertiser takes unfair advantage of the reputation of his competitor (third question, paragraphs (a) and (b)). The national court also wishes to know whether, in determining these criteria, it is necessary to take into account the fact that the prohibition on the use of product numbers alongside one another and authorisation merely of a reference to the equipment for which the products are suitable may constitute a barrier to the distribution of the advertiser's products (third question, paragraph (c)).

76. As is shown by the wording of Article 3a(1)(g) of the Directive, it is difficult to permit the use of comparative advertising without at the same time accepting a risk of seeing the advertiser take for himself a share of his competitor's reputation. That is why the provision in question restricts itself to prohibiting advertising which *unfairly* takes advantage of the reputation of a competitor. There could be no clearer

21 — The same wording is used in Recital 15.

22 — See paragraphs 34, 35 and 39 of this Opinion.

expression of the idea that a share of the benefit of this reputation is inevitably diverted to the advertiser.

77. Indeed, the fact that an economic operator can challenge the supremacy or simply the market position of a competitor merely by identifying the competitor may encourage the operator, when the other has the benefit of a certain reputation, to follow in his wake so as to share the fruits of his reputation. In such a case, the mere juxtaposition of the name of the advertiser and of his competitor, whether it be to promote the notion that the products are equivalent or to affirm the superiority of one over the other, leads the advertiser to take advantage of the reputation of the competitor.

78. This point is particularly clearly demonstrated in a case such as the present one, where the subject of the advertising is a spare part which is necessary to the functioning of equipment bearing the trade mark of the competitor. The manufacturer of products intended for equipment bearing a trade mark which is familiar to consumers derives some advantage from the reputation of this mark. In allowing comparative advertising, one must accept that such advertising may to some extent magnify this effect.

79. It follows that it is necessary to establish the point beyond which an advertiser should be considered to be acting unfairly.

80. That is the case where a step is taken by the advertiser only with a view to taking advantage of the reputation of his competitor for the benefit of his own activities. On the other hand, there could not truly be considered to be an unfair advantage where the content of the comparative advertising can be justified by reference to certain conditions.

81. According to Recital 14, the effectiveness of comparative advertising may depend on the identification of a competitor's products by reference to its trade mark or trade name. Recital 15 states that the intended target of allowing an advertiser to use the distinguishing marks of a competitor is 'solely to distinguish between them and thus to highlight the differences objectively'.

82. It follows from this that a competitor may use an economic operator's exclusive right to his trade mark or other distinguishing marks if the reference in question is justified by the requirements of comparative advertising. The advertiser may make these references if the comparison of the merits and deficiencies of the competing products is made impossible or, more simply, would be impaired by a failure to identify the competitor.

83. The principle of the right to refer to a competitor is not in question. It is doubtful

that there could be comparative advertising without the advertiser referring at some point to the competitor. This aspect is indeed one of the elements of the definition set out in Article 2(2a) of the Directive concerning comparative advertising, which refers to the identification of the competitor or the goods offered by him. [23]

84. Instead, it is necessary to delimit the ways in which it is permissible to use the distinguishing marks of the competitor. Since exceptions must be interpreted narrowly, [24] derogations from the protected rights of proprietors should only be allowed within limits which are strictly necessary to achieve the object of the directive, which is to make possible a comparison of the objective characteristics of the products.

85. It follows that unfair advantage is taken of a competitor's reputation when the reference to the competitor or the manner in which he is referred to is not necessary in order to inform customers of the respective qualities of the goods compared. Conversely, this complaint cannot be upheld where the matters to which the comparison relates cannot be described without the advertiser making reference to his competitor, even though the advertiser may at the same time take some advantage of it.

86. The same philosophy underlies, in the field of trade marks, Directive 89/104/EEC, [25] Article 6(1)(c) of which provides that 'the trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts'.

87. It is therefore this test of necessity that in my view forms the basis of an understanding of the lawfulness of comparative advertising under Article 3a(1)(g) of the Directive.

88. In this context, as is mentioned above, the indication of order numbers alongside one another is an ambiguous method of advertising.

89. The advertising in question in the present case can be understood in two ways.

Katun claims that the indication of the numbers alongside one another aims only to inform consumers of the uses to which its products may be put, which is identical to that of the Toshiba products, because they are for use in Toshiba photocopiers. Even if, at the end of the day, one may

23 — See paragraphs 22 ff. of this Opinion.

24 — See, for example, Case C-11/99 *Dietrich* [2000] ECR I-5589, at paragraph 50.

25 — First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1988 L 40, p. 1).

consider Katun's objective to be to compete with Toshiba in the market for supplies for Toshiba photocopiers, it seems that on this hypothesis the juxtaposition of the references would be primarily designed to inform the targets of the advertising of the purpose of the products in question.

On the other hand, by its vague and general nature, the advertising seems rather to indicate that the products are in fact interchangeable but without indicating in what respect this is so. Seen from this perspective, it is more evidently competitive, particularly when, in addition to the parallel references, it mentions a more favourable selling price for Katun's products of the same quality. As regards this last point, there is a risk of presenting the products as being equal which is not permissible if not justified by the informative purpose of the advertising.

90. A technical explanation of the purpose of goods or services does not necessarily take the form of comparative advertising. The provision of straightforward information intended to describe the method of use of the product advertised to consumers could in principle be achieved by descriptive methods other than by way of a comparison.

91. In the present case, the mere fact that the products sold by Katun are designed to be used with equipment bearing another trade mark could justify the use of the mark. Article 6(1)(c) of Directive 89/104 allows third parties to use a trade mark where it is necessary to indicate the intended purpose of a product, in particular as accessories or spare parts, provided they use them in accordance with honest practices in industrial or commercial matters.

92. However, Katun's intentions are not limited to the provision of functional information to consumers. As the order for a preliminary ruling makes clear, Katun also contends that the display of product numbers alongside one another allows customers to compare prices. [26] By displaying these numbers alongside one another, that is to say in a non-descriptive manner, it treats the products as equivalent by reference to features other than their purpose. In particular, there is a suggestion that they are of the same quality.

93. I will not address this last point, because, as has been seen, this type of comparison seems contrary in principle to the requirement that there be an objective comparison of the features of the products. It could not therefore be justifiable in any way.

94. On the other hand, it seems appropriate to ask what criteria may be applied in order to determine whether the advertiser needs to refer to these numbers where he intends, on the one hand, to inform custo-

26 — Page 6 of the English translation of the order for a preliminary reference.

mers of the purpose of the products and, on the other, to make a price comparison.

The purpose of the products

95. It must be established to what extent the use of product numbers and their display alongside one another, without any description of the features of the products, may be judged necessary to inform customers of the purpose of the products.

96. The fact that the advertiser uses product numbers does not, in my opinion, give rise in itself to specific problems distinct from those that arise in the case of a straightforward reference to the trade mark by the supplier of spare parts and consumable items. The matter will be one for the national court, but it is not impossible that these numbers are perceived by users of Toshiba photocopiers as distinguishing marks of that trade mark. If so, the display of these product numbers would be equivalent to mentioning the trade mark itself.

97. Furthermore, it follows from Toshiba's submissions at the hearing that its position is primarily that there is no comparison and that it challenges the use of its product numbers equally as much as the use of its trade mark in order to identify Katun products. In essence, Toshiba's claim is that the identification of Katun products and their purpose does not require that reference be made to its own products.

98. In order to find the existence of conduct which takes unfair advantage of the reputation of a competitor, one must have regard to the fact that the references of the competing undertaking are displayed alongside those of the other undertaking, thereby suggesting that the two products are equal.

99. It is not the function of the Court of Justice to rule on whether it is necessary for the advertiser to mention alongside the reference numbers of his own products those of his competitor. The Court must, however, provide the national court with the guidelines to enable it to carry out this analysis.

100. What is important, in my view, to achieve the objectives of the Directive is that the information which the advertiser seeks to communicate to consumers as to the use to which the products may be put can be communicated effectively.

101. The methods which are to be allowed in order to achieve this purpose should use the reputation of the competitor sparingly. The use of his distinctive marks should only be allowed where there are no other ways in which the comparison may be made.

102. In the present case, the national court should establish if there are any ways in which the use of Katun's products can be revealed other than by referring to Toshiba's product numbers. It should take account of the fact that the trade mark of the equipment for which the products are designed can quite legitimately be referred to. It should ask whether it is not possible to depict the equipment in detail, indicating the locations of the different accessories. The national court could consider any other alternatives which would allow Katun to dispense with the use of Toshiba's numbering system, such as a written description of the purpose of the products.

103. I do not consider that the fact that another system of comparison makes distribution of the products by the supplier more difficult is material when establishing the problems that might be caused by a prohibition on the use of order numbers.

104. To say that the use of a competitor's product numbers facilitates the distribution of one's own products is equivalent to admitting that one is taking advantage of the reputation of the competitor. The numbering system represents one of the ways in which he may sustain this reputation by making his identity more easily known to consumers.

105. It follows that the use of those numbers by a competing operator should not be permitted unless it has first been established that there is no other practicable way of allowing him to market the products thereby identified in a competitive manner. The advantage of using product numbers in order to sell the products are not thereby necessarily lawful, as they originate with the competitor himself. [27]

106. It follows that account may be taken of the consequences of not being able to refer to the product number of the competing product only if no other solution is available whereby the advertiser may use comparative advertising.

Price comparison

107. The same question as that put in relation to the purpose of the products must be answered as regards price comparison.

27 — The argument that the use of a detailed description of the products would constitute a particularly difficult task for the advertiser gives rise to two points. First, the manufacturer of the products whose references are indicated alongside those of the other has himself at some time been faced with this problem, before his numbering system was known by consumers. Secondly, it is not clear that the aggregate number of products on sale for the same piece of equipment is irrelevant in order to understand the extent of the difficulty in question, assuming that this were to be taken into account. A graphic or written description is no harder to create when the number of items marketed is limited that when there are several dozens of them.

108. It should be remembered that the advertising which is the subject of the dispute does not contain any direct comparison of prices, but includes a formula which clearly lets it be understood that the prices of products manufactured by Katun are lower than those of Toshiba.

109. I have already accepted that, even in this implicit form and provided that it is limited to this point, comparative advertising is not contrary to the requirement for an objective price comparison within the meaning of Article 3a(1)(c) of the Directive. To say that article X is cheaper than article Y without giving any specific figures is not, as such, a subjective appraisal.

110. It is however necessary to ask whether displaying numbers alongside one another is necessary for a price comparison made in this way, having regard to the requirement that the reputation belonging to a distinguishing mark be protected.

111. The use of the product numbers of a competitor does not take unfair advantage of his reputation where they constitute 'distinguishing marks' within the meaning of Article 3a(1)(g) of the Directive, and the prices are mentioned explicitly.

112. Indeed, it does not appear possible to envisage a price comparison without identifying the competitor whose goods are used as a point of comparison. The requirement for an exact identification of the competing products means that it is necessary to clearly identify that operator; even though identification may be implicit, it must be clear.

113. It is however equally necessary to specify the relative prices explicitly. The use of an article number belonging to Toshiba or of an equivalent distinguishing mark cannot be allowed without the price being mentioned if the advertiser's intention is comparative advertising of those prices.

114. This is because the display of a distinguishing mark, such as the product number, alongside that of another, without an indication of price, would no longer merely identify the competitor, as in the case of an explicit price comparison. As I have already pointed out in the context of the requirement for an objective comparison, it would also draw the customer's attention to the equivalent quality of the products.

In such a case one might reasonably be concerned that the advertiser might take unfair advantage of the reputation of his

competitor. The reference to him would no longer serve merely to identify the competing product in order to compare an objective element, such as its price. It would be used for the sole purpose of suggesting the existence of the same level of quality, on the basis of which the advertiser would try, circumstances permitting, to distinguish himself by indicating that his prices are more attractive, but without actually mentioning them.

115. That is why I consider that an advertiser who uses the distinguishing mark of a competitor alongside his own product references, but who makes an implicit price comparison is more likely to take unfair advantage of the reputation of that competitor than someone who makes use of the same parallel display but also mentions the price of the products advertised.

116. It follows that comparative advertising whose aim is price comparison may not use the distinguishing mark of a competitor without explicitly mentioning the prices of each of the products compared.

Conclusion

117. In the light of these considerations, I propose the following answers to the questions referred for a preliminary ruling from the Landgericht Düsseldorf:

(1) Advertising by an economic operator to promote products intended to be used with equipment manufactured by another economic operator which indicates the product references used by the latter to identify his own products alongside the references used by the advertiser for his products, the aim being

to identify the advertiser's products, constitutes 'comparative advertising' within the meaning of Article 2(2a) of Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of laws, regulations and administrative provisions of the Member States concerning misleading advertising, as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997 concerning misleading advertising so as to include comparative advertising, where this indication allows an ordinarily well-informed person to identify the economic operator whose product references are used in the advertising.

(2) Comparative advertising which mentions the references used by another economic operator for his own products alongside the references used by the advertiser for his products, the aim being to identify the advertiser's products, without any further information being provided as to the respective features of the products advertised, does not constitute an 'objective comparison' within the meaning of Article 3a(1)(c) of Directive 84/450.

Nor is there an objective comparison where the comparative advertising represents the products in question as being of the same quality without at the same time describing the verifiable features of these products justifying this view, even if the comparative advertising states that the advertiser's products are being sold at a lower price.

(3) References given by an economic operator to the products he manufactures in order to facilitate their identification constitute 'distinguishing marks' within the meaning of Article 3a(1)(g) of Directive 84/450, where those references enable an ordinarily well-informed person to identify the economic operator in question.

(4) A manufacturer of products intended to be used with equipment manufactured by another economic operator, whose advertising mentions the references used by the latter for his own products alongside the references for the products he offers for sale, the aim being to identifying the latter products, takes unfair advantage of the reputation of another, within the meaning of Article 3a(1)(g) of Directive 84/450, where the references specific to the competing economic operator are 'distinguishing marks' within the meaning of Article 3a(1)(g) of Directive 84/450 and the use of these references is not necessary to inform customers on the features of the products being compared.

To establish whether an advertiser takes unfair advantage of the reputation of a competitor within the meaning of Article 3a(1)(g) of Directive 84/450, it is not necessary to have regard to the fact that a method of comparison other than the one which mentions the references used by the competitor for his own products would make the distribution of the advertiser's products more difficult.