OPINION OF ADVOCATE GENERAL RUIZ-JARABO COLOMER
delivered on 2 July 2002 [1]

1. The Hoge Raad der Nederlanden (Supreme Court of the Netherlands) (hereinafter 'the Hoge Raad') is asking the Court of Justice to interpret the concept of genuine use in Article 12(1) of the First Trade Mark Directive (hereinafter 'the Directive' or 'the First Directive'), [2] which governs revocation of this form of industrial property.

I — Facts and main proceedings

2. The following facts, which are set out by the Hoge Raad in the order for reference, are relevant to the resolution of this question.

3. Ansul BV (hereinafter 'Ansul') and Ajax Brandbeveiliging BV (hereinafter 'Ajax') are legal persons incorporated according to Netherlands law that carry on business in the fire protection market. Ajax is a subsidiary of the German company Minimax GmbH.

4. The word mark 'Minimax' and related rights were, until the Second World War, owned by a German company with a sales office in the Netherlands. Those assets were expropriated after the war as enemy property. The rights in the sign were thus split. In the Netherlands they were acquired by Ansul's predecessor and in Germany they passed to Minimax GmbH.

5. On 15 September 1971 Ansul filed an application for the word mark Minimax with the Benelux trade mark office (Benelux Merkenbureau), which registered it under number 052713 for goods in Classes 1, 6, 9, 12, 20 and 25 of the International Trade Mark Classification, [3] in particular, for fire extinguishers.

1 — Original language: Spanish.

2 — 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).

3 — Established by the Nice Agreement on the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised in Geneva on 13 May 1977.

6. For its part Ajax has since 16 March 1992 been the proprietor of the composite mark Minimax in the Netherlands, where it sells goods manufactured by its parent company. That registration, under no 517006, is for goods in Classes 1 (extinguishing substances) [4] and 9 (fire extinguishers), and services in Class 37 (the repair, installation, maintenance and refilling of fire extinguishers).

7. Ajax and Minimax GmbH began to use the earlier mark in the Benelux countries to distinguish the goods and services in respect of which it was registered. Ansul objected to that use on 19 January 1994.

8. Subsequently, on 13 June 1994, Ansul obtained registration (under no 549146) of the word mark Minimax for services in Classes 37, 39 and 42, including the maintenance and repair of fire extinguishers. [5]

9. On 8 February 1995 Ajax brought an action against Ansul before the Arrondissementsrechtbank (District Court) te Rotterdam for an order for, first of all, the revocation of goods mark no 052713 and the annulment of services mark no 549146, and for both registrations to be struck off.

10. Ansul opposed those actions and counterclaimed for an injunction prohibiting Ajax from using the name Minimax in the Benelux countries for the goods and services claimed for its marks, and requiring Ajax to pay a penalty in the event of failure to cease using the sign.

11. By a judgment of 18 April 1996 the Rechtbank de Rotterdam dismissed Ajax's claims and upheld those of Ansul.

12. Ajax appealed to the Gerechtshof (Regional Court of Appeal) at The Hague which gave judgment on 5 November 1998. That court overturned the judgment of the court below, rejected Ansul's claims, upheld those of Ajax and declared Ansul's rights in mark no 052713 invalid and its rights in mark no 549146 null and void, and ordered both registrations to be revoked.

4 — The materials and preparations that are emitted under pressure and smother flames are known in the safety sector as extinguishing substances.

5 — The original version of the Uniform Benelux Law on trade marks (*Nederlands Traktatenblad* 1962, No 58, pp. 10 to 76) did not provide for the registration of signs for services. That possibility was only envisaged after the entry into force of Article 39 on 1 January 1987. That amendment was the result of the Protocol on service marks signed in Brussels on 10 November 1983 (*Nederlands Traktatenblad* 1983, No 187, pp. 1 to 7).

13. Ansul appealed in cassation. The argument before the Hoge Raad focused on the term 'genuine use' of a trade mark, with the parties disagreeing over the applicant's activities in the fire extinguishers sector from 2 May 1989,[6] and in particular whether they amounted to real use, for the purposes of Article 12(1) of the Directive, of the mark of which it has been the proprietor since 1971.

II — The questions referred for a preliminary ruling

14. In order to resolve the appeal the Hoge Raad therefore needs to know what the scope of the term 'genuine use' in Article 12(1) is. It has, therefore, by a judgment of 26 January 2001, stayed proceedings and referred two questions to the Court of Justice for a preliminary ruling.

15. The first question is worded as follows:

'Must the words "put to genuine use" in Article 12(1) of Directive 89/104 be interpreted in the manner set out at paragraph 3.4 above and, if the answer is in the negative, on the basis of which (other) criterion must the meaning of "genuine use" be determined?'

16. The section of the order for reference referred to reads as follows:

'...use... must relate to specific goods sold or supplied or services offered by the user. The question whether a particular use can be regarded as "genuine use" can be answered only (i) by taking into consideration all the facts and circumstances specific to the case whereby (ii) the decisive factor is whether all the facts and circumstances specific to the case, when viewed in connection with one another and in the context of what is considered to be usual and commercially justifiable in the relevant sector of the trade, create the impression that the use serves to find or preserve a market for goods and services under that trade mark and not simply to maintain the trade mark, and whereby (iii) account must generally be taken, as regards those facts and circumstances, of the kind, extent, frequency, regularity and duration of the use in conjunction with the kind of goods or service and the kind and size of the undertaking'.

17. The second question referred for a preliminary ruling by the Hoge Raad is as follows:

'Can there be "genuine use" as referred to above also where no new goods are traded

6 — Ansul has not sold any fire extinguishers since that date under the 'Minimax' mark. As for the activities from that date, see point 18 herein.

under the trade mark but other activities are engaged in as set out in subparagraphs (v) and (vi) of paragraph 3.1 above?'

18. Those activities are as follows:

(1) The sale of components and extinguishing substances for fire extinguishers under the Minimax trade mark to undertakings which maintain fire extinguishers not bearing the Minimax mark; Ansul did not use the mark in its relations with these undertakings.

(2) Maintaining, checking, regauging, repairing and overhauling fire extinguishing equipment both for Ansul and for the aforementioned undertakings, and using for that purpose components and extinguishing substances originating from the trade mark proprietor.

(3) The use, and sale to those undertakings, of stickers bearing the trade mark and of strips bearing the words 'Gebruiksklaar Minimax' (Ready for use Minimax).

III — The proceedings before the Court of Justice

19. Ansul, Ajax, the Netherlands Government and the Commission submitted written observations in the case in accordance with Article 20 of the EC Statute of the Court of Justice.

20. Ansul and the Commission appeared at the hearing on 4 June 2002 to present oral argument.

IV — Revocation of the marks for non-use under substantive law

1. *International Agreements on industrial property*

A — The Paris Convention

21. The original wording of the Paris Convention For The Protection Of Industrial

Property signed on 20 March 1883, to which all the Member States of the European Union are signatories, [7] did not provide for the revocation of rights in a trade mark for non-use.

22. It was at the revision at The Hague of 6 November 1925 that a clause on use of trade marks was inserted into the Paris Convention, in the form of Article 5C, which provides as follows:

'(1) If, in any country, use of the registered mark is compulsory, the registration may be cancelled only after a reasonable period, and then only if the person concerned does not justify his inaction.

(2) Use of a trademark by the proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the countries of the Union shall not entail invalidation of the registration and shall not diminish the protection granted to the mark.

(3) Concurrent use of the same mark on identical or similar goods by industrial or commercial establishments considered as co-proprietors of the mark according to the provisions of the domestic law of the country where protection is claimed shall not prevent registration or diminish in any way the protection granted to the said mark in any country of the Union, provided that such use does not result in misleading the public and is not contrary to the public interest.'

B — Agreement on Trade-Related Aspects of Intellectual Property Rights

23. This agreement, which is annexed to the Agreement establishing the World Trade Organisation signed in Marrakesh on 15 April 1994, [8] provides that in respect of, *inter alia*, trade marks, members of the organisation are to comply with Articles 1 to 12, and Article 19, of the Paris Convention (Article 2(1)). [9]

24. Article 19, entitled 'Requirement of Use', provides as follows:

'1. If use is required to maintain a registration, the registration may be cancelled

7 — The Netherlands has been a party to the Convention since 7 July 1884.

8 — OJ 1994 L 336, pp. 214 to 223.

9 — The Trademark Law Treaty 1994 also contains a reference to the Paris Convention. Article 15 stipulates as follows: 'Any Contracting Party shall comply with the provisions of the Paris Convention which concern marks'.

only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other government requirements for goods or services protected by the trademark, shall be recognised as valid reasons for non-use.

2. When subject to the control of its owner, use of a trademark by another person shall be recognised as use of the trademark for the purpose of maintaining the registration.'

2. *Community Law*

A — The First Directive

25. The European legislature stated in the eighth recital in the preamble to the Directive that 'in order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation'.

26. In accordance with that principle, Article 10 et seq. of the Directive deal with the use of trade marks and the consequences of non-use.

27. Article 10, governing use of a mark, provides as follows:

'1. 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.

2. The following shall also constitute use within the meaning of paragraph 1:

(a) use of the trade mark in a form differing in elements which do not alter

the distinctive character of the mark in the form in which it was registered;

(b) affixing of the trade mark [10] to goods or to the packaging thereof in the Member State concerned solely for export purposes.

3. Use of the trade mark with the consent of the proprietor or by any person who has authority to use a collective mark or a guarantee or certification mark shall be deemed to constitute use by the proprietor.

...'

28. The consequences of non-use of a mark are dealt with in Article 11. Article 11(3) and (4) provides as follows:

'3. Without prejudice to the application of Article 12, where a counter-claim for revocation is made, any Member State may provide that a trade mark may not be successfully invoked in infringement proceedings if it is established as a result of a plea that the trade mark could be revoked pursuant to Article 12(1).

4. If the earlier trade mark has been used in relation to part only of the goods or services for which it is registered, it shall, for purposes of applying paragraphs 1, 2 and 3, be deemed to be registered in respect only of that part of the goods or services.'

29. Revocation is dealt with in Article 12(1) of the Directive, which provides as follows:

'1. 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; however, no person may claim that the proprietor's rights in a trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trade mark has been started or resumed; [11] the commencement or resumption of use within a period of

10 — The Spanish version is the only one to have 'Community trade mark'. This is clearly an error as the Directive is not concerned with the Community trade mark.

11 — There is a typographical error in the Spanish version of the Directive which does not affect the English version.

three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.'

B — Community trade mark regulation

30. On 20 November 1993 the Council of the European Union adopted Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark. [12] The regulation refers to the principle of 'genuine use' of trade marks [13] and, in Articles 15, 43, 50 and 56, pursues the same goal as the First Directive which I have quoted above.

3. *Benelux Law*

31. In my Opinion delivered on 31 January 2002 in the case of *Koninklijke KPN Nederland* (C-363/99), in which judgement has not yet been delivered, I set out the origin and genesis of the Uniform Benelux Law on trade marks mentioned in the fifth footnote to the present Opinion.

32. The original version of Article 5(3) of the Law provided that the right to a trade mark was to be extinguished:

'in so far as, without good reason, there has been no normal use of the mark in Benelux territory by the proprietor or a licensee either in the three years following filing or for an uninterrupted period of five years; in the event of proceedings the court may allocate all or part of the burden of proving use to the trade mark proprietor; however non-use at a time that predates the action by more than six years must be proved by the person claiming such non-use.' [14]

33. The commentary on Article 5 in the explanatory statement accompanying the law states that obligatory use must entail normal exploitation, taking account of all the circumstances of the case to determine whether or not a mark is being put to use. [15]

12 — OJ 1994 L 11, p. 1.
13 — See the ninth recital in the preamble.
14 — *Bulletin Benelux*, 1962-2, p. 59.
15 — *Bulletin Benelux*, 1962-2, pp. 31 and 32.

34. In order to adapt the Law to the First Directive and insert the relevant provisions on the Community trade mark, on 2 December 1992 Belgium, Luxembourg and the Netherlands signed a Protocol, [16] which, pursuant to Article 8, entered into force on 1 January 1996, together with the amendments introduced by the Uniform Law.

35. One of those amendments related to Article 5. Article 5(2) and (3) now provides as follows:

'2. The right to the trade mark shall be declared extinguished within the limits set out in Article 14 C: [17]

(a) in so far as, without good reason, there has been no normal use of the mark in Benelux territory for the goods in respect of which the trade mark is registered for an uninterrupted period of five years; in the event of proceedings the court may allocate all or part of the burden of proving use to the trade mark proprietor;

...

3. For the purposes of Article 5(2)(a) use of the trade mark shall include the following:

(a) use of the trade mark in a form differing in elements that do not alter the distinctive character of the mark in the form in which it was registered;

(b) affixing of the trade mark to goods or to the packaging thereof solely for export purposes;

(c) use of the trade mark by a third party with the consent of the proprietor'. [18]

16 — *Nederlands Trakatenblad* 1993, No 12, pp. 1 to 12.

17 — Article 5(1) of this provision stipulates that 'any interested party may claim that the rights in the trade mark have been extinguished in the circumstances described in Article 5(2). The mark may not be declared extinguished under Article 5(2)(a) if, in the interval from the end of the five-year period referred to and the filing of the application for revocation, normal use of the mark has been started or resumed. However the commencement or resumption of use within a period of three months preceding the filing of the application for revocation shall be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.'

18 — The translation of the foregoing provisions of the Uniform Benelux Law on trade marks is an unofficial one.

36. Pursuant to Article 39 of the Law, the forgoing provisions also apply to service marks.

V — Analysis of the questions referred for a preliminary ruling

1. *Introduction*

37. I have endeavoured in the preceding sections to give an account of the various layers of rules to which the Court of Justice should in my view have regard in its reply to the Hoge Raad to clarify the specific difficulties which have arisen in these preliminary proceedings.

38. The Uniform Benelux Law on trade marks and the case-law thereon of course represent a reference point but in no sense may be regarded as providing an accurate reflection of the answers which the Court of Justice must give to the referring court's questions. Since trade mark proprietors are intended to enjoy the same level of protection in all the Member States, the reply must be framed according to the law of the European Union. [19]

39. It is none the less true, as I had occasion to point out in my Opinion of 18 January 2001 in the case of *Merz & Krell* (Case C-517/99), [20] as well as in *Koninklijke KPN Nederland*, that because Community trade mark law is so singularly structured, endeavours must be made to construe it in an integrationist manner.

40. The Directive and the legislation of the Member States must be interpreted in the light of the Paris Convention, [21] which in turn provides the inspiration for the Agreement on Trade-Related Aspects of Intellectual Property Rights. [22] The Benelux countries, on the other hand, have not only integrated their respective legal systems in the area of trade marks, but also harmonised them with those of the other Member States of the European Community, adapting the Uniform Law to the Directive, and they have naturally done so in a manner that is consistent with the obligations imposed by the Paris Convention. [23]

19 — See the ninth recital in the preamble to the Directive and the judgment in Joined Cases C-414/99 to C-416/99 *Zino Davidoff and Others* [2001] ECR I-8691, paragraph 42.

20 — Judgment in this case was delivered on 4 October 2001 [2001] ECR I-6959.

21 — The last recital to the Directive states that the provisions of the Directive are to be 'entirely consistent with those of the Paris Convention'.

22 — See in particular Article 2(1).

23 — See point 30 of the Opinion in *Koninklijke KPN Nederland*.

2. *The use of trade marks*

41. Accordingly the replies to be provided to the Hoge Raad must assist it by considering all rules in the Community legal order relating to trade marks. On the basis of an all-embracing approach, therefore, the first observation called for, since it is so obvious, is that trade marks exist to be used, [24] so that a proprietor who does not put his distinctive sign to use runs the risk of losing his rights as a result of revocation.

42. Trade mark registers cannot simply be repositories for signs hidden away, lying in wait for the moment when an unsuspecting party might attempt to put them to use, only then to be brandished with an intent that is at best speculative. The opposite is true; they must faithfully reflect the reality of indications used by undertakings in the market to distinguish their goods and services. Only marks that are used in commercial life should be registered by offices with responsibility for industrial property matters. As the Commission says in its written observations, 'defensive' and 'strategic' registrations must be refused.

43. Registration of a sign confers monopoly rights on the trade mark proprietor, authorising him to enforce those rights against the whole world and to prohibit all use of the sign. However it does so precisely in order that the proprietor might put the sign to use in a way that justifies that exclusivity.

44. Thus a trade mark proprietor must use the mark in a way that is consistent with the objectives that the law attributes to this piece of property. [25] I think it necessary to reiterate that the relationship between the rights a trade mark confers on its proprietor and the mark itself is fundamental: the purpose of the legal benefits it carries with it is to enable the consumer to distinguish the goods or service identified, so that the ability to discriminate, on which freedom of choice depends, might lead to the establishment of a system of open competition in the internal market. [26]

45. In essence, if a proprietor does not wish his rights in the trade mark to be revoked, he must use it 'as a trade mark'. I thus come to the same issue, albeit by a different route, as that which arose in the *Arsenal Football Club* case (Case C-206/01), in which I delivered my Opinion on 13 June 2002. In that case it was necessary to ascertain the circumstances in which a third

24 — That statement is today unquestionable although the same was not true in 1925 when the Convention was drawn up.

25 — In contrast to other types of industrial and intellectual property, in the case of the protection of distinctive signs (trade marks, commercial names, indications of origin) it is not the creative or inventive activity of the author that is being protected but the commercial activity of undertakings and, through that, economic public policy.

26 — See the Opinion in *Merz & Krell* (points 31 and 32), and in *Koninklijke KPN Nederland* (points 32 and 33).

party was using a distinctive sign as a trade mark, so as to be able to determine the circumstances in which the proprietor could prohibit him from doing so. The concern here is to establish what is required in order for there to be such use, given that non-use can, if it continues for the period laid down by law, result in his rights being extinguished.

46. There is no doubt in my mind that the imprecise legal notion of 'use as trade mark' means the same thing in both situations. Accordingly I would refer to the reasoning and considerations set out in that Opinion, [27] and confine myself here to restating the conclusion I came to in that case.

47. Use of a trade mark is characterised by two factors. The first is that it must be commercial use, meaning that it must relate to the manufacture and supply of goods or services in the market. Article 5 of the Directive has 'in the course of trade'. [28]

48. The second requirement is that such commercial use be for the purpose of distinguishing the goods or services by their origin or source, by their quality or by their reputation.

27 — See, in particular, points 49, 50, 62, 64 and 88, subparagraphs 1 and 4.

28 — The German version of the Directive uses the expression '*geschäftlichen Verkehr*', the French '*vie des affaires*', the English '*course of trade*', the Italian '*nel commercio*' and finally the Netherlands '*economisch verkeer*'. [Translator's note: the Spanish uses '*en el tráfico económico*'].

3. *The concept of 'genuine use'*

49. It is not sufficient in order for use of a trade mark to qualify that the mark be used in the course of trade with one of those aims in view. The use must additionally be 'genuine' or, to put it another way, 'not token'.

50. That statement leads me to posit an initial hypothesis as to what is meant by 'genuine use'. Where use is a mere sham, is formalistic or notional, where it is empty of substance and directed solely at avoiding revocation and does not serve to carve out an opening in the market for the goods and services to which it relates, that use does not constitute genuine use.

51. So much for what does not constitute genuine use. What does qualify as genuine use is less easy to determine.

52. Examination of the various language versions of the Directive [29] leads me to the conclusion that the kind of use intended by

29 — The Netherlands uses the term 'normal'. The French has '*usage sérieux*', the Portuguese 'uso sério', the English 'genuine use' and the German '*ernsthafte Benutzung*'. The Italian uses the same adjective as the Spanish: '*effettivo*'.

the Community legislature is what may be described as 'sufficient' in relation to the function performed by a trade mark. The parties which submitted observations in this case based on the various versions of the Directive talk about 'normal', 'serious', 'authentic' and 'effective' use, but those adjectives, which describe the activity in the same terms as the definition, add nothing: they are tautological.

53. It is necessary to provide a purposive interpretation, again by reference to the function performed by a trade mark, and to look at whether the use by the proprietor is directed at distinguishing his goods or services in the market so as to create an outlet by free, open and fair competition. In my view the kind of use the Directive, and in particular Article 12(1), requires is 'sufficient use' or 'appropriate use' to that end (*geschikt gebruik; adequate use; usage approprié; geeignete Benutzung; uso atto*).

54. In order for use of a trade mark to qualify as such, and therefore to be considered genuine, it must first of all involve *use of the sign in relation to the goods and services for which it is registered.* Once it has entered consumers' consciousness, the trade mark constitutes the link between the indication and the goods or service, [30] so that using the elements of which the mark is composed for other goods or services does not constitute use of the mark.

55. For the same reason the notion of 'genuine use' requires *use of the sign exactly as it was granted and registered* with all its components, other than where, exceptionally, any difference affects elements which do not alter the distinctive character of the mark 'in the form in which it was registered'. [31]

56. It is also necessary, given what a trade mark is and the functions it performs, that *use* be *public and external,* directed at the outside world. The mark must by the use made of it be present in the market for the goods or services that it represents. Accordingly there will be genuine use not only where the goods are being sold or the services supplied, but also where the trade mark is being used for advertising with a view to those goods or services being launched in the market. [32]

30 — See C. Fernández-Novoa, *Fundamentos de derecho de marcas*, pub. Montecorvo. S. A. Madrid, 1984, p. 23.

31 — Article 10(2)(a) of the Directive, See also Article 5(2) of the Paris Convention.

32 — In my Opinion in the *Sieckmann* case (C-273/00, judgment of 12 december 2002 ECR 11737) I emphasised that advertising is one of the functions of a trade mark (point 19).

57. On the other hand, *private use that does not extend beyond the internal province of the proprietor's undertaking does not count*, in so far as it is not directed at securing a place in the market. Preparations for the marketing of goods or services do not, therefore, constitute 'sufficient' or 'effective' use, nor does getting them shop-ready or storing them where they do not leave the undertaking's premises. [33] Use that consists in affixing the mark to the goods or their packaging for export purposes counts in exceptional circumstances only. [34] The reason for that is the need to protect undertakings whose main activity is export and who would otherwise run the risk of forfeiting their marks for non-use because they do not put them to use in the internal market.

58. In summary, *there can only be 'genuine use' where the trade mark is used, in the form in which it is registered, publicly and in the external world to create an outlet in the market for the goods and services which it identifies.*

59. Even then, it is still not sufficient that those conditions be met unless, as I have already indicated, the use of the mark is also 'appropriate' to the aims the law ascribes to trade marks. I said a little earlier that where a proprietor uses his mark with the sole aim of preventing revocation, that use cannot be classified as 'genuine'. Taking that approach beyond the purely subjective, I may add that nor will there be 'sufficient' use of a sign which, whilst not pursuing that aim, is not appropriate at least to a minimum degree to fulfilling the functions the law ascribes to it.

60. Such 'objective appropriateness' can only be determined by reference to the circumstances in each case, the assessment of which are a matter for the national court. [35] None the less I am able to propose some criteria by way of guidance for the purposes of making that assessment.

61. If the goods or service are to be placed in the market, the paradigm for 'genuine use' is their sale or supply under the trade mark. The point beyond which commercial use of the trade mark may be considered 'appropriate' and 'genuine' is directly related to *the type of goods or category of*

33 — See C. Fernández-Novoa, *Derecho de marcas*, pub. Montecorvo. S. A. Madrid, 1990, pp. 253 and 254. This author adds the exclusive sale of goods bearing the mark to employees in the undertaking's stores as internal use.

34 — See Article 10(2)(b) of the Directive.

35 — Whether a trade mark is being used is a question of fact that must be determined according to rules of evidence. To that effect Rule 22(2) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1) provides that the proof of use is to consist of 'indications concerning the place, time, extent and nature of use of the opposing trade mark for the goods and services in respect of which it is registered', and adds in Rule 22(3) that the evidence is, in principle, to comprise 'supporting documents and items such as packages, labels, price lists, catalogues, invoices, photographs, newspaper advertisements, and statements in writing'.

service. As the Commission noted in its written observations, the degree of use required of a mark employed in relation to luxury goods of limited distribution cannot be the same as for a mark employed in relation to mass consumption goods.

62. In any event, irrespective of the volume of transactions carried out under the mark or their frequency, *the use must be consistent*, and not sporadic or occasional.

63. If the nature of the goods or service is relevant, so also are the *structure and limits of the relevant market* and the *average consumer's perception* of the product or service in question.

64. As I have already observed, for the proprietor the mark constitutes the link between the sign and the goods or service, and represents the vehicle by which, as a result of the way in which it is perceived by consumers and the consequent association between it and those goods or services, he places himself in the market. That is why market structure, which depends, amongst other things, on the nature of the product, and distribution channels are very significant in determining whether a trade mark is actually being used. Clearly, for instance, using a trade mark for edible preserves is entirely different from using it for electronic computer components. Nor is there any comparison between consumers' powers of perception in relation to those products. The range of types of use in order for the mark to fulfil its function is very different in each case.

65. The size of a proprietor's undertaking is, however, irrelevant for the purposes of determining from what point use of a trade mark may be classified as genuine. It used to be a factor in times gone by when distinctive signs had no independent life separate from the rest of the undertaking's assets and could only be assigned together with those assets. That is no longer the case;[36] to some extent the trade mark acquires a 'life of its own' separate from its proprietor, who may exploit it directly, though there is nothing to prevent a third party from using it with his consent.[37]

66. If, in order for use to be genuine, it must be directed at creating an opening in

36 — For example, Article 17 of the Community Trade Mark Regulation authorises the transfer of a trade mark separately from the sale of the undertaking's other assets.

37 — See Article 10(3) of the Directive. That principle does not specify the scope of this condition. Does it have to be express as where it is exploited by a licensee or is mere tolerance sufficient? Article 19(2) of the Agreement on Trade-Related Aspects of Intellectual Property Rights refers to use 'subject to the control of its owner'.

the market for the goods or services identified by the mark, the intensity of use will depend, as I have already said, on the nature of the goods or service and on the structure and size of the relevant market, though not on the size of the undertaking that owns it, whether or not it is putting it to use.

67. A small undertaking may own a trade mark for mass consumption goods which are widely distributed and find it necessary to assign the right to exploit it to an undertaking with greater resources. Conversely, a large company may own a trade mark in a small niche market and assign the right to exploit it to a small organisation operating in that sector. There is therefore no link between the size of the undertaking that owns the mark and the intensity of the use it makes of it in order for that use to be regarded as 'genuine'.

68. On the basis of all the foregoing I therefore propose that the Court of Justice reply to the first question referred by the Hoge Raad as follows. There can only be 'genuine use' where the trade mark, in the form in which it is registered (or with changes that do not alter its distinctive character), is used consistently, publicly and in the outside world to create an outlet in the market for the goods and services which it identifies, and not for the sole purpose of maintaining it. It is for the national court to determine whether the use by the trade mark owner is appropriate to at least a minimum degree to fulfilling that aim, taking account of the circumstances of each case, and in particular the nature of the goods or service, the structure and limits of the relevant market and the perception of the mark by the average consumer of the goods or services in question.

4. *Use of the 'Minimax' trade mark*

69. By its second question the Hoge Raad is seeking guidance as to whether the use to which Ansul put trade mark no 052713 to distinguish fire extinguishers from 2 May 1989 constitutes genuine use. I refer to the activities set out at point 18 above.

70. The reply to this second question is implicit in the reply I have proposed to the first question. It is for the Hoge Raad, applying the criteria given it by the Court of Justice, to deliver judgment accordingly in the light of all the facts at its disposal, together with those pleaded, albeit to no avail, by the parties at the hearing.

71. It must, however, be recalled that the concept of 'genuine use' of a trade mark requires that the mark be put to use in relation to the goods or services for which it is registered.

VI — Conclusion

In view of the foregoing considerations I propose that the Court reply to the questions referred by the Hoge Raad in the following terms:

There can only be 'genuine use' within the meaning of Article 12(1) of Council Directive 89/104/EEC of 21 December 1988, First Directive to approximate the laws of the Member States relating to trade marks, where the trade mark, in the form in which it is registered (or with changes that do not alter its distinctive character), is used consistently, publicly and in the outside world to create an outlet in the market for the goods and services which it identifies, and not for the sole purpose of maintaining it.

It is for the national court to determine whether the use made by the trade mark owner is appropriate at least to a minimum degree to fulfilling that aim, taking account of the circumstances of each case, and in particular the nature of the goods or service, the structure and limits of the relevant market and the perception of the mark by the average consumer of the goods or services in question.