OPINION OF ADVOCATE GENERAL STIX-HACKL

delivered on 10 July 2003 [1]

I — Introduction

1. Under Article 5(1) of Directive 89/104/EEC [2] (hereinafter 'the Trade Mark Directive') a trade mark confers on its proprietor exclusive rights which, among other things, entitle him to prevent third parties from using a sign where there is a likelihood of confusion. However, those exclusive rights do not extend so far as to preclude a description of, among other things, the geographical origin of the product in question. [3]

2. It is uncertain whether and under what conditions an indication of geographical origin may be used if, in addition to describing the characteristics of the product, it is intended to differentiate the product from those of other undertakings, and is thus used as a trade mark. [4]

3. The national court would like to know in this connection whether the use of an indication of geographical origin as a trade mark falls within the scope of Article 6(1)(b) of the Trade Mark Directive, and if so, how that provision requires such use to be made.

II — Facts and order for reference

4. The plaintiff in the main proceedings, Gerolsteiner Brunnen GmbH & Co. (hereinafter 'the plaintiff') manufactures mineral water and mineral spring soft drinks and markets them in the Federal Republic of Germany.

1 — Original language: German.

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 — Article 6(1)(b) of the Trade Mark Directive.

4 — The use of a sign as a trade mark was defined by the Court in its judgment in Case C-63/97 *BMW* [1999] ECR I-905, paragraph 38, as use 'for the purpose of distinguishing the goods or services in question as originating from a particular undertaking'.

5. It is the proprietor of the word mark 'GERRI', registered with priority dated 21 December 1985, inter alia for mineral water, table water, non-alcoholic beverages and soft drinks, and of various word/figurative marks containing the word component 'GERRI', which are registered for mineral water, non-alcoholic beverages, fruit juice beverages and soft drinks.

6. The defendant in the main proceedings, Putsch GmbH (hereinafter 'the defendant'), has marketed soft drinks bearing labels including the words 'KERRY Spring' in Germany since the mid-1990s. The water used to produce the soft drinks comes from the spring at Ballyferriter in County Kerry, Ireland.

7. The plaintiff brought an action against the defendant before the German courts for infringement of its trade mark rights. It claimed that the defendant should be ordered to cease using the sign 'KERRY Spring', to provide information and to pay damages. It essentially submitted that it markets soft drinks with various flavours under the mark 'GERRI', and that in view of the share of the market held by spring-water-based soft drinks labelled in this way, it must be assumed that the 'GERRI' mark has a more distinctive character.

8. The defendant defended the claim and pleaded that there was no likelihood of the two names being confused since it did not use 'KERRY' alone but always in a verbal/visual presentation, and that the word did not have any formative significance in the disputed signs. It used the name 'KERRY Spring' solely to indicate the place of origin of the mineral water.

9. At first instance the court essentially granted the forms of order sought, but the application was dismissed on appeal. The plaintiff subsequently appealed to the Bundesgerichtshof (Federal Court of Justice) (Germany).

10. The national court has made a reference for a preliminary ruling because it considers that there is a likelihood of confusion as defined in the legislation on trade marks, since there is an aural similarity between the signs, and the products are, at the same time, very similar.

11. The resolution of the dispute therefore depends, it argues, on the application of Article 6(1)(b) of the Trade Mark Directive. The application of that provision should not generally be rejected simply because the indication of geographical origin is also being used by the defendant as a trade mark.

12. This is clear from the very wording of Article 6(1)(b) of the Trade Mark Directive, which concerns any form of use in the course of trade. The Bundesgerichtshof argues that, from a schematic viewpoint, Article 6(1)(b) of the Trade Mark Directive is to be regarded as a protective barrier against the rights of prohibition set out in Article 5 of the Directive.

13. On the basis of the judgment in *Windsurfing Chiemsee*,[5] however, the Bundesgerichtshof is not sure whether Article 6(1)(b) of the Trade Mark Directive is applicable to the use of an indication of geographical origin as a trade mark.

14. It is particularly important here that, in the context of the balance that needs to be struck between the rights of prohibition defined in Article 5 of the Trade Mark Directive and the function of Article 6(1)(b) of the Trade Mark Directive of counteracting any monopolisation of indications which must be kept free, the Court of Justice has given a broad interpretation of the concept of use as a trade mark pursuant to Article 5(1)(a) of the Trade Mark Directive.[6]

15. Finally, the Bundesgerichtshof considers that the use of the sign as a trade mark should be taken into account when it is considered, pursuant to the final clause of Article 6(1) of the Trade Mark Directive, whether such use accords with honest practices in industrial or commercial matters.

16. Since the success of the appeal depends on the interpretation of Article 6(1)(b) of the Trade Mark Directive, the Bundesgerichtshof stayed proceedings by a decision of 7 February 2002 and referred the following questions to the Court of Justice for a preliminary ruling:

1. Is Article 6(1)(b) of the First Trade Mark Directive also applicable if a third party uses the indications referred to therein as a trade mark (markenmässig)?

2. If so, must that use as a trade mark be taken into account when considering, pursuant to the final clause of Article 6(1) of the First Trade Mark Directive, whether use has been in accordance with 'honest practices in industrial or commercial matters'?

5 — Judgment in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 28.

6 — The Bundesgerichtshof is referring here to the Court's judgment in *BMW*, cited in footnote 4, paragraph 42.

III — Legal framework

A — *Community law*

17. Article 5 of the Trade Mark Directive reads as follows:

'Rights conferred by a trade mark

(1) The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

...

(3) The following, inter alia, may be prohibited under [paragraph 1]:

(a) affixing the sign to the goods or to the packaging thereof;

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

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

(d) using the sign on business papers and in advertising.'

18. Article 6(1) of the Trade Mark Directive reads:

'The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade,

...

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

...

provided he uses them in accordance with honest practices in industrial or commercial matters.'

B — *National law*

19. Article 6 of the Trade Mark Directive was transposed into German law by Paragraph 23 of the Gesetz über den Schutz von Marken und sonstigen Kennzeichen (Law on the protection of trade marks and other distinctive signs) of 25 October 1994 [7] (hereinafter 'the Markengesetz').

20. Paragraph 23 of the Markengesetz provides as follows:

'Use of names and descriptive indications; trade in spare parts

The proprietor of a trade mark or a commercial business name shall not be entitled to prohibit a third party from using, in the course of trade,

...

2. a sign identical or similar to the trade mark or commercial name as an indication concerning characteristics or particularities of goods or services such as, in particular, their kind, quality, intended purpose, value, geographical origin or time of production or rendering,

...

provided that that use is not contrary to honest practices.'

7 — BGBl. (Federal Law Gazette) I 1994, p. 3082 (1995, p. 156).

IV — Legal assessment

A — *Question 1*

(1) Material submissions of the parties

21. Both the *defendant* and the *Commission*, in concurrence with the order for reference, essentially took the view in their written observations that the use of the disputed sign 'KERRY Spring' as a trade mark does not constitute a ground for generally precluding the application of Article 6(1)(b) of the Trade Mark Directive, and thus their primary legal consideration is that there is a greater need for indications on the origin of spring or mineral waters to be freely used.

22. The *defendant* takes the view that the purpose of Article 6(1)(b) of the Trade Mark Directive does not necessarily stand in the way of the use of the indications referred to therein as a trade mark. As grounds for this argument it refers to the case-law of the Court, [8] which has held that that provision is meant to make it possible for descriptive indications to be freely used and so, in the final analysis, to ensure the free movement of goods and the freedom to provide services in the common market.

23. Article 6(1)(b) of the Trade Mark Directive is, rather, a protective barrier against the rights of prohibition pursuant to Article 5 of the Directive and a necessary complement to the opening up of the register of trade marks brought about by harmonisation.

24. Nothing to the contrary can be inferred from the wording of Article 6(1)(b) of the Trade Mark Directive.

25. Finally, since the use of a sign as a trade mark is a condition for the existence of an infringement pursuant to Article 5 of the Trade Mark Directive, the schematic classification of Article 6(1)(b) of the Trade Mark Directive also argues in favour of its application, because otherwise that provision would have no scope whatsoever.

26. The *Commission* essentially shares the *defendant*'s views and also refers to the preparatory work on the Trade Mark Directive. In its opinion it would be

8 — Judgment in *BMW*, cited in footnote 4, paragraph 62.

contrary to the intention of the Community legislature if the provision contained in Article 6(1)(b) of the Trade Mark Directive did not apply where the disputed sign was used as a trade mark.

27. The *plaintiff*, the *Greek Government* and the *United Kingdom*, on the other hand, take the view that Article 6(1)(b) of the Trade Mark Directive does not apply if the disputed sign is used as a trade mark. In their opinion the protective purpose of the trade mark is to be given precedence over the protection of free and undistorted competition.

28. In the *plaintiff*'s view, the very fact that Article 6(1)(b) of the Directive refers only to the type of indication, but not to its purpose, argues in favour of an interpretation which covers purely descriptive use alone. This view is further substantiated by the schematic classification of Article 6 in relation to Articles 7 and 9 of the Trade Mark Directive and the derogations they contain.

29. The plaintiff states that, from a schematic viewpoint, the provision contained in Article 6(1)(b) of the Trade Mark Directive cannot be regarded as a barrier to the rights of prohibition pursuant to Article 5 of the Directive, but confers a separate right of use which is completely independent of the rights of prohibition pursuant to Article 5.

30. The defendant's view, it argues, is also untenable in the context of the judgment in *Windsurfing Chiemsee*,[9] where the Court took the view that a third party may use a mark consisting wholly or partly of a geographical name only descriptively, but not as a trade mark.

31. The *United Kingdom* and the *Greek Government* essentially share the plaintiff's views.

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32. The *United Kingdom* also points out that, if Article 6(1)(b) of the Trade Mark Directive applies to the use of the disputed sign as a trade mark, then the rules on the registration of trade marks become inconsistent with the rules on trade mark infringements, since the proprietor of a trade mark would have the right to prevent the registration of the sign, but not its use.

9 — Cited in footnote 5, paragraph 28.

(2) Legal assessment

33. If it is assumed in the main proceedings before the national court that there is a risk of confusion with the registered trade mark, the user of the disputed sign must be regarded as having a duty to the proprietor of the trade mark to cease using the sign pursuant to Article 5 of the Trade Mark Directive.

34. That provision defines the rights conferred by the trade mark, while Article 6 of the Trade Mark Directive contains provisions on the limitation of the effects of the trade mark. Under Article 6 the proprietor of the trade mark cannot prevent a third party from using indications on geographical origin in particular. What is at issue is whether that rule also applies if the use is intended not, or not only, to describe the goods or service, but also to differentiate them from competitors' goods or services.

(a) The wording and background of Article 6(1)(b) of the Trade Mark Directive

35. It should first be pointed out that the wording of Article 6(1)(b) of the Trade Mark Directive does not distinguish between the possible types of use that might be made of a sign. Its wording refers to 'indications' on geographical origin, without mentioning the possibility that they may be purely descriptive in nature.

36. It should be stressed here that the directive makes no mention of circumstances where a sign is 'used as a trade mark'. Making the application of Article 6(1)(b) dependent on the type of use made of a sign — distinguishing between descriptive use and use as a trade mark — is tantamount to making that application dependent on an unwritten factual ingredient.

37. With regard to the wording of the provision in question, it can also not be inferred from the use of the term 'indications' that Article 6(1)(b) of the Trade Mark Directive generally does not apply to the use of a sign as a trade mark. It is an undeniable fact that registered trade marks too may contain indications of the geographical origin of goods or services, so the term 'indications' does not allow any conclusions to be drawn about the type of use.

38. If the Community legislature had wanted to distinguish between the various types of use of a sign, it would have been

only logical to include a corresponding element in Article 6(1)(b) of the Trade Mark Directive. But this was not done, so the very wording of the provision in question allows little scope for a differentiation of that type to be made.

39. All that can be inferred from the wording of Article 6(1)(b) of the Trade Mark Directive is that a sign falls within its scope only where it contains an indication about one of the characteristics referred to, such as geographical origin.

40. The historical background to Article 6(1)(b) of the Trade Mark Directive also argues in favour of the application of that provision regardless of the type of use made of the sign in question. The proposal for a First Council Directive [10] did, admittedly, specify that the provision on the limitation of the trade mark proprietor's exclusive right of use should apply only where the descriptive indication was not used as a trade mark, but in the amended proposal for a directive that provision was actually replaced — obviously to make the text clearer — by the words 'provided he uses them in accordance with honest industrial or commercial practice'. [11] The Community legislature thus deliberately refrained from drawing a distinction according to type of use.

41. Lastly, it should be pointed out that the reference by the plaintiff and the Greek Government to Greek, Italian and Spanish trade mark law makes it clear that in those Member States a sign may not be used as a trade mark, but only in a descriptive manner, in order to comply with the relevant element of Article 6(1)(b) of the Trade Mark Directive. However, the way in which the Trade Mark Directive has been transposed into national law in the Member States does not provide any cogent conclusions about how it should be interpreted in Community law.

(b) The schematic classification

42. There are also schematic grounds for interpreting Article 6(1)(b) of the Trade Mark Directive as a provision which also includes the use of a sign as a trade mark.

10 — EC Bulletin, Supplement 5/80.

11 — COM(85) 793 final; OJ 1985 C 351, p. 4.

(i) The relationship between Articles 5 and 6 of the Trade Mark Directive

43. While Article 5 sets out the exclusive rights of the trade mark proprietor, Article 6 contains limits to those rights. [12] But if Article 6(1)(b) of the Trade Mark Directive in particular contains a limit to the exclusive rights under Article 5, its regulatory content logically requires that the use in question should also be covered by Article 5. Both the Commission and the defendant rightly underline that reliance on Article 6 would be meaningless if the use in question did not in any case come under Article 5.

44. The Court has recently had a number of opportunities to give its views on the extent of the protection offered by Article 5 of the Trade Mark Directive, which it has interpreted to the effect that reliance on the exclusive rights protected therein is conditional upon an action which affects the interests protected by that provision. [13] In the judgment in *Arsenal* [14] the Court confirmed this view and held that '[t]he proprietor may not prohibit the use of a sign identical to the trade mark for goods identical to those for which the mark is registered if that use cannot affect his own interests as proprietor of the mark, having regard to its functions'; [15] the Court also referred to its consistent case-law here, [16] defining the essential function of a trade mark as being '... to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin' [17] (known as the guarantee of origin).

45. Without needing a definition here of the use of a sign as a trade mark, [18] it is clear from this case-law that the admissibility of using a sign for purposes other than to distinguish the goods or services of one undertaking from those of another cannot be inferred from Article 6 of the Trade Mark Directive, because such a use does not fall within the protective scope of Article 5.

46. Overall I therefore conclude that the application of Article 6 may not depend on whether or not a sign is used as a trade mark.

12 — At this point the question may be left open as to whether these are exceptions to the rights set out in Article 5 of the Trade Mark Directive, or limits which are inherent in the system. The plaintiff's view notwithstanding, it is also irrelevant whether Article 6 of the Trade Mark Directive creates an 'independent right of use', since such a right can logically refer only to a use which is fundamentally prohibited, which then brings us back to the barrier problem.

13 — See, for example, the judgment in Case C-2/00 *Hölterhoff* [2002] ECR I-4187, paragraph 16. That case dealt with a parallel question of whether the use of a sign as a characteristic can be subsumed under Article 5.

14 — Judgment in Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273.

15 — Op. cit., paragraph 54.

16 — Cf. among others the judgments in Case 102/77 *Hoffmann-La Roche* [1978] ECR 1139, paragraph 7, and in Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 30.

17 — Op. cit., paragraph 48.

18 — The Court expressly refused to give such a definition in paragraph 17 of the judgment in *Hölterhoff*, cited in footnote 13.

(ii) The rules on trade mark registration

47. As regards the *United Kingdom*'s argument concerning inconsistency between the rules on the registration of trade marks and those on the limitation of the effects of the trade mark, it must be stated that indications on geographical origin can undoubtedly be protected as trade marks under certain conditions.

48. Article 3(1)(c) of the Trade Mark Directive provides that trade marks which consist exclusively of signs or indications which may serve, in trade, to designate geographical origin are excluded in principle from registration. However, there are two exceptions to this prohibition. The prohibition on registration does not apply if, before the date of application for registration and following the use made of it, the trade mark has acquired a distinctive character, or if there is an association which has registered the indication of origin as a collective mark. If these exceptions to the prohibition on registering an indication of geographical origin do not apply, the possibility also exists of applying for a word/figurative mark. Here the message about the geographical origin is conveyed on the label or in the advertising, even where the indication of origin itself is not protected by the mark. Against this background it appears, contrary to the United Kingdom Government's opinion, that there is no inconsistency in the fact that under the existing conditions registration would be prohibited, but not the simple use of the indication of geographical origin.

(c) The spirit and purpose of Article 6(1)(b) of the Trade Mark Directive

49. Article 6 of the Trade Mark Directive primarily serves to reconcile the fundamental interests of trade mark protection with those of free movement of goods and freedom to provide services in the common market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition. [19] According to the case-law of the Court Article 6 of the Trade Mark Directive unquestionably constitutes a barrier to the rights of the trade mark proprietor, which defines the limits of his powers. As a sort of regulating device, therefore, Article 6 of the Trade Mark Directive is closely linked to the exclusive rights set out in Article 5 of the Trade Mark Directive.

50. The Court's case-law is to be understood to mean that the essential function of

19 — Judgment in Case C-63/97, cited in footnote 4, paragraph 62.

a trade mark is as a guarantee of origin. [20] For the trade mark to be able to fulfil its role in the system of undistorted competition, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality. [21]

51. This function of the trade mark which the Court has identified as essential is not undermined, in my view, if Article 6(1)(b) of the Trade Mark Directive is declared to be generally applicable even where a sign is used as a trade mark.

52. Article 6 of the Trade Mark Directive is to be seen in the light of the proviso that an indication concerning, inter alia, geographical origin may only be used if it accords with 'honest practices in industrial or commercial matters'. The application of Article 6(1)(b) therefore does not prevent the specific interests of the parties from being taken into account in each individual case, so that the protective function of the trade mark does not appear to be jeopardised.

53. Contrary to the United Kingdom Government's view, considerations of legal certainty do not run counter to this position. Article 6(1) does, admittedly, require the interests of the trade mark proprietor to be weighed against those of the third party in each specific case, but it is precisely this weighing up which allows an appropriate balance of interests to be struck, as required by Community law. [22] It should also be pointed out that the opposite view would create considerable legal uncertainty, since it would examine the use as a trade mark by applying indefinite criteria.

54. Finally, we need to consider the judgment in *Windsurfing Chiemsee*, [23] which in the view of the plaintiff and the United Kingdom argues against the application of Article 6(1)(b) of the Trade Mark Directive where a sign is used as a trade mark.

55. In that judgment the Court ruled with regard to Article 6(1)(b) of the Trade Mark

20 — See above, point 44.

21 — Cf. among others the judgments in Case 102/77, cited in footnote 16, paragraph 7, in Case C-299/99, cited in footnote 16, paragraph 30, and in Case C-206/01, cited in footnote 14, paragraph 48.

22 — It is well known that the Trade Mark Directive resulted from the tension between fundamental freedoms and the protection of intellectual property.

23 — Cited in footnote 5, paragraph 28.

Directive that where a mark consisting wholly or partly of a geographical name has been registered, that provision does not confer on third parties the right 'to use the name as a trade mark but merely guarantees their right to use it *descriptively*, that is to say, as an indication of geographical origin' (our italics). However, what might at first sight appear to provide a solution to the present dispute proves, on closer inspection, to be irrelevant.

56. It should be stressed that in *Windsurfing Chiemsee* the plaintiff was the proprietor of a trade mark consisting wholly or partly of an indication of geographical origin, whereas in the main proceedings here the plaintiff's trade marks constitute or contain imaginary names. Furthermore, in the *Windsurfing Chiemsee* cases the Court had to decide under what conditions Article 3(1)(c) of the Trade Mark Directive precludes the registration of a mark consisting solely of a geographical name.

57. Because of the difference in the initial situations the passage from the judgment cited above cannot really be applied to the present case. I would therefore hesitate to classify the Court ruling cited as generally applicable. [24]

58. In the light of the above observations I therefore conclude that the use of a sign as a trade mark does not constitute a ground for precluding the application of Article 6(1)(b) of the Trade Mark Directive on principle.

B — *Question 2*

(1) Material submissions of the parties

59. The *plaintiff* takes the view that the use of an indication of geographical origin as a trade mark always runs counter to honest practices in industrial or commercial matters.

24 — Advocate General Jacobs also took this view in his Opinion in Case C-383/99 P *Procter & Gamble* [2001] ECR I-6251.

60. In the *defendant*'s view both schematic reasons and the very wording of Article 6(1)(b) of the Trade Mark Directive argue against taking account of the use of an indication of geographical origin as a trade mark when examining whether honest practices in industrial or commercial matters prevail.

61. The *defendant* and the *Commission* stress that use as a trade mark is not the only criterion, however, but is just one of several to be taken into account when assessing the requirements set out in Article 6 of the Trade Mark Directive.

62. In the *Commission*'s view, the examination of the element of 'honest practices in industrial or commercial matters' should look at the circumstances of the individual case. It refers in its written observations to the special characteristics of the market in mineral waters which is relevant in the present case.

(2) Legal assessment

63. The fact that not every use as a trade mark can be permitted in the context of the application of Article 6(1)(b) of the Trade Mark Directive is clear from the proviso that the use must be 'in accordance with honest practices in industrial or commercial matters'. In its judgment in *BMW*[25] the Court defines this element as a duty to act fairly in relation to the legitimate interests of the trade mark owner.

64. Whether the way in which a sign is used accords with honest practices in industrial or commercial matters depends on two elements: the registered marks with which there is assumed to be a risk of confusion, and the way in which the sign itself is used. From this point of view, therefore, the use as a trade mark should be taken into account when assessing the 'honest practices' element.

65. In this context the parties' specific circumstances and mutual interests must be given particular consideration. Contrary to the view taken by the plaintiff, this examination of the individual circumstances cannot be dispensed with because the use of a sign as a trade mark might be presumed to constitute an infringement. It would hardly be logical to start by subsum-

25 — Cited in footnote 4, paragraph 61.

ing the use of a sign as a trade mark under Article 6 of the Trade Mark Directive, only then to dispense with the requisite examination of the individual circumstances and systematically preclude its application once again.

66. We must now consider the circumstances which may influence the outcome of the examination of both elements in a particular case.

67. With regard to the registered trade marks it must be said that the weight given to the interests of the trade mark proprietor largely depends on the distinctive character and the repute of the marks in question, as the Commission rightly emphasised. [26] Thus, the trade mark proprietor appears less worthy of protection if he must assume at least some of the responsibility for the likelihood of confusion, such as where the registered mark consists of descriptive indications which have become distinctive only through use. The repute of the mark is also important: the greater it is, the more likely it is that the reputation of the goods or services concerned and the value of the mark will be undermined by the use of an indication which does more than merely describe the characteristics of the product. [27]

68. I come now to the second element, the way in which the indications are used by the third party, which lies at the heart of Question 2. There is no doubt that deliberately deceiving the public by using a sign which has a misleading similarity with a trade mark as an indication about a characteristic of a product would not accord with honest practices in industrial or commercial matters. As the Commission rightly emphasises, the public perception of the sign used is important.

69. It thus also becomes clear that there is a close link between the way in which the indication is used and the purpose for which it is used, in so far as the method of use also points to the purpose of use. That is the case in the main proceedings: the suspicion that the indication of the spring is being used so that the mineral water products in question will be attributed to a particular undertaking — and not merely as an indication of the geographical origin of the mineral water used — arises here because of the prominence given to the indication in question and other elements of its design. The way in

26 — See the judgment in Case C-63/97, cited in footnote 4, paragraph 40.

27 — See, for example, the case-law of the Court on Article 7(2) of the Trade Mark Directive, in particular the judgment in Case C-63/97, cited in footnote 4, paragraph 51 et seq.

which the indication about the geographical origin of the water is used thus clearly leads to the suspicion that it is being used not merely descriptively, but, as the national court puts it, 'as a trade mark'.

70. Because of this close link between the way the indication is used and the purpose for which it is used, the assessment of all the individual circumstances must certainly take account of the way the indication is used, particularly in so far as it suggests use for the purpose of lending a distinctive character without registering a mark in the Member State concerned.

71. With reference to mineral water products it should also be pointed out that the simple use of the name of the spring does not, however, allow any conclusions to be drawn about the purpose of that indication. Articles 7 and 8 of Council Directive 80/777/EEC [28] provide that the geographical origin of a mineral water — either the source or the place of exploitation — must be indicated clearly, including in clear script. [29] One reason for this is no doubt the importance of mineral water for the health of the consumer, which is why it is also prohibited to alter water obtained from a particular spring and artificially to create or increase its nutritional effects. The consumer associates with the reference to the origin of the goods or services the idea of certain properties of the product and the guarantee of a certain quality. It is particularly true of mineral waters that each owes its specific character to the area from which it actually originates. The economic value of mineral water therefore primarily consists of this special association between the reference to a particular origin and the consumer's expectation of a particular quality.

72. All of this suggests that when it is considered, pursuant to the final clause of Article 6(1) of the Trade Mark Directive, whether use had been in accordance with 'honest practices in industrial or commercial matters', the way in which an indication — as listed in Article 6(1)(b) of the Trade Mark Directive — is used must be taken into account. This may cover, for example, the degree of similarity of the indication with the registered mark, the degree of emphasis of the indication, including where this goes beyond what may be required under Community law, and the public perception of the indication as a trade mark.

28 — Directive of 15 July 1980 on the approximation of the laws of the Member States relating to the exploitation and marketing of natural mineral waters (OJ 1980 L 229, p. 1).

29 — Such a designation may also constitute a protected designation of origin or a protected geographical indication pursuant to Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs (OJ 1992 L 208, p. 1).

V — Conclusion

73. On the basis of the above observations I propose that the Court should answer the questions referred by the Bundesgerichtshof as follows:

(1) The application of Article 6(1)(b) of Directive 89/104/EEC does not in principle depend on whether or not a third party uses the indications referred to therein as a trade mark.

(2) When it is considered, pursuant to the final clause of Article 6(1) of Directive 89/104/EEC, whether use has been in accordance with 'honest practices in industrial or commercial matters', the way in which such an indication is used must be taken into account. This may cover, for example

— the degree of similarity of the indication with the registered trade mark,

— the degree of emphasis of the indication, including where this goes beyond what may be required under Community law, and

— the public's perception of the indication as a trade mark.