OPINION OF ADVOCATE GENERAL JACOBS

delivered on 27 January 2000 *

1. Article 4(1)(b) of the Trade Marks Directive [1] protects owners of trade marks against the registration of an identical or similar mark for identical or similar goods or services which would result in 'a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark'. In *SABEL* v *Puma* [2] the Court was asked whether there was a likelihood of confusion for that purpose where the public might make a mere association between two marks although the two were not confused. The Court stated that it followed from the wording of Article 4(1)(b) that the concept of likelihood of association was not an alternative to that of likelihood of confusion but served to define its scope; that the terms of the provision itself excluded its application where there was no likelihood of confusion on the part of the public; and that that interpretation was confirmed by the 10th recital in the preamble to the Directive, according to which 'the likelihood of confusion... constitutes the specific condition for such protection'. [3]

2. The present case concerns Article 5(1)(b) of the Directive which, using essentially identical terms, protects trade-mark owners against the use by others of an identical or similar sign for identical or similar goods or services which would result in 'a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark'. The Hoge Raad (Supreme Court), the Netherlands, has referred the following question to the Court for a preliminary ruling:

'Where:

(a) a trade mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public; and

(b) a third party, without the consent of the proprietor of the mark, uses, in the course of trade in goods or services which are identical with, or similar to, those for which the trade mark is registered, a sign which so closely corresponds to the mark as to give rise to the possibility of its being associated with that mark, must Article 5(1)(b) of

* Original language: English.

1 — 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.

2 — Case C-251/95 [1997] ECR I-6191.

3 — Paragraphs 18 and 19.

Directive 89/104 be interpreted as meaning that the exclusive right enjoyed by the proprietor entitles him to prevent the use of the sign by that third party if the distinctive character of the mark is such that the possibility of such association giving rise to confusion cannot be ruled out?'

The Trade Marks Directive

3. The Trade Marks Directive was adopted under Article 100a of the Treaty (now, after amendment, Article 95 EC). Its aim was not 'to undertake full-scale approximation of the trade-mark laws of the Member States' but simply to approximate 'those national provisions of law which most directly affect the functioning of the internal market'. [4]

4. The 9th and 10th recitals of the preamble to the Directive are in the following terms, in so far as is relevant:

'Whereas it is fundamental, in order to facilitate the free circulation of goods and services, to ensure that henceforth registered trade marks enjoy the same protection under the legal systems of all the Member States; whereas this should however not prevent the Member States from granting at their option extensive protection to those trade marks which have a reputation;

...whereas it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion; whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, on [5] the association which can be made with the used or registered sign, on [6] the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection; whereas the ways in which likelihood of confusion may be established, and in particular the onus of proof, are a matter for national procedural rules which are not prejudiced by the Directive'.

5. Article 4(1)(b) of the Directive provides that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid 'if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark'.

4 — Third recital in the preamble.

5 — The word 'of', rather than 'on', appears in the English text by mistake.

6 — See note 5 above.

6. Article 5(1)(b) provides that the proprietor of a trade mark shall be entitled to prevent third parties from using in the course of trade 'any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark'.

7. It is clear, and appears to be accepted by the parties submitting observations, that Articles 4(1)(b) and 5(1)(b) should be interpreted in the same way.

8. I would mention at this point a discrepancy between the different language versions of the Directive. Most versions other than the English use the notion of 'risk' or 'danger' of confusion and association rather than 'likelihood'; the Dutch however uses the concept of possibility of confusion and of association in Article 4(1)(b) and of possibility of confusion and risk of association in Article 5(1)(b), although the 10th recital in the preamble refers to the 'risk' or 'danger' of confusion. For reasons which I will explain later, I do not consider that anything turns on those differences of terminology.

9. Article 5(2) provides that any Member State 'may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark'.

The national law

10. Under the Uniform Benelux Law on trade marks [7] ('the Benelux Law') prior to implementation of the Directive, the owner of a trade mark could prevent any use of a mark identical or similar to his own registered mark in respect of the same or similar goods. [8] Similarity of the marks was thus sufficient; in contrast to the position in other Member States, the Benelux Law did not require a risk of confusion. Nor did it expressly refer to a likelihood of association. That concept was introduced by the Benelux Court in the 'Union/Union Soleure' case in 1983 [9] and subsequently reflected in the Benelux Law after its amendment with a view to implementing the Directive:

7 — Annexed to the Benelux Trade Mark Convention of 19 March 1962.

8 — Article 13A of the Benelux Law.

9 — Case A 82/5, judgment of 20 May 1983, *Henri Jullien BV* v *Verschuere Norbert*, Jurisprudence of the Benelux Court of Justice 1983, p. 36.

Article 13A(1)(b) of the Benelux Law as amended [10] provides that the exclusive right to a trade mark entitles the proprietor to oppose any commercial use of the mark or a similar sign in respect of the products for which the mark is registered or similar products when there exists, in the mind of the public, a 'risk of association' between the sign and the mark.

The facts and the main proceedings

11. Adidas AG is the proprietor in the Benelux countries of a trade mark consisting of a logo composed of three stripes. The mark is generally recognised as belonging to Adidas; the three stripes are not regarded as a purely decorative feature. Adidas Benelux is the exclusive licensee of Adidas AG in respect of the Benelux countries. The two companies are hereinafter collectively referred to as 'Adidas'.

12. Marca markets a sports clothes collection, a number of the items in which bear on the side two parallel stripes running longitudinally. Marca also markets a white and orange T-shirt bearing three black, vertical stripes running in parallel down the entire length of the front of the garment, broken up by a medallion showing a picture of a cat and bearing the word TIM.

13. In July 1996 Adidas, considering that Marca had infringed its triple-stripe trade mark, obtained an interlocutory order from the President of the Rechtbank te Breda (Breda District Court) restraining Marca from using on some seven articles of clothing and the TIM shirt in the Benelux countries the sign consisting of the triple or double-stripe motif or any other sign corresponding to Adidas' logo. Adidas founded its application on Article 13A(1) of the Benelux Law.

14. In April 1997 the Gerechtshof te 's-Hertogenbosch ('s-Hertogenbosch Regional Court of Appeal) upheld that judgment. According to the referrring court, the Gerechtshof found (i) that the overall impression given by the articles of clothing in question was such that there was a real possibility that an association would be triggered on the part of the relevant section of the general public between Marca's double-stripe motif and Adidas' triple-stripe motif; (ii) that there existed, with regard to the TIM shirt, a possibility that the three stripes featuring on that shirt — which was intended for children of up to 8 years of age and was generally bought by their parents — might be associated by the parents with Adidas' triple-stripe motif and (iii) that Adidas' mark was generally known.

15. In May 1997 Marca appealed to the Hoge Raad. Before that court it argued, on

10 — By a protocol of 2 December 1992 which entered into force on 1 January 1996.

the basis of *SABEL* v *Puma*, that it was not sufficient, for the purposes of establishing a trade-mark infringement, to prove the existence of a real likelihood that the relevant section of the general public might associate the sign with the trade mark; instead, it was necessary to show a likelihood of confusion on the part of the public within the meaning of Article 5(1)(b) of the Directive.

16. The Advocate General at the Hoge Raad, Advocate General Bakels, delivered his Opinion in September 1998. In his Opinion, Advocate General Bakels reviews the history of the Benelux provision, the broad protection of marks which had been derived from it, the negotiating history of the relevant provisions of the Directive and the conviction of the Benelux Governments and certain Benelux authors and judges that the Benelux provision was compatible with the Directive. The Advocate General is however clearly of the view that the law has changed as a result of the Directive and that a mere risk of association without a risk of confusion is insufficient; moreover he stresses that that view is unquestionably correct since the judgment of the Court in *SABEL* v *Puma* (which as he notes postdated the decision of the Gerechtshof [11]). Advocate General Bakels concludes that the Hoge Raad should show that it applies the Court's case-law even if it would have preferred that case-law to have gone the other way.

17. The Hoge Raad was apparently not persuaded by the arguments of its Advocate General. In its judgment it expresses the view that the judgment in *SABEL* v *Puma* does not automatically mean that the Gerechtshof was wrong in confirming the decision in favour of Adidas. It notes that in *SABEL* v *Puma* the Court ruled that Article 4(1)(b) was not applicable 'where there is no likelihood of confusion on the part of the public' [12] and infers that a mere risk [13] of association is not enough to justify an injunction under Article 5(1)(b) where there can be no question of confusion on the part of the public. The Hoge Raad considers however that there are justifiable reasons for concluding that where (on account of other factors) the risk of confusion cannot be excluded, a risk of association may indeed be sufficient to justify an injunction. In its view, *SABEL* v *Puma* appears to confirm that conclusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public: paragraph 24 of that judgment appears to indicate that, in such circumstances, the existence of a risk of association is sufficient, since the possibility that the association arising from some semantic or other similarity may create confusion *cannot* be ruled out.

18. The Hoge Raad adds that the interpretation of Article 5(1)(b) in relation to well-known marks suggested by such a reading of the judgment in *SABEL* v *Puma* vindicates the compromise inherent in the inclusion of the words 'includes the likelihood of

11 — The judgment in *SABEL* v *Puma* was delivered in November 1997.

12 — Paragraphs 18 and 22.

13 — See my comments in paragraph 8 above concerning the linguistic discrepancies between the Dutch and the English versions of the Directive.

association between the sign and the trade mark' and reconciles Article 5(1)(b) with the optional protection provided for such marks by Article 5(2) against use of a sign in relation to goods or services which are not similar to those covered by the mark: on such a reading Article 5(1)(b) protects well-known marks against the use of signs in relation to identical or similar goods or services which takes unfair advantage of, or detracts from, the distinctive character of such marks.

19. The Hoge Raad concludes that if its interpretation of *SABEL* v *Puma* is correct, there is no cause to quash the Gerechtshof's judgment. That is because, in addition to ruling that there was a real possibility that Marca's sign might be associated with Adidas' trade mark, the Gerechtshof found that that mark was generally known. By virtue of that finding, it cannot be excluded that the very real possibility of association established by the Gerechtshof may give rise to confusion; consequently, on the basis of its suggested interpretation of Article 5(1)(b), the findings of fact made may justify the grant of the injunctive relief sought by Adidas.

20. The Hoge Raad accordingly referred to the Court for a preliminary ruling the question set out in paragraph 2 above.

21. Written observations have been submitted by Marca Mode, Adidas, the Netherlands and United Kingdom Governments and the Commission. Marca Mode, Adidas and the Commission were represented at the hearing.

Analysis

22. In my view, the construction of Article 5(1)(b) proposed by the Hoge Raad is irreconcilable with the scheme and wording of the Directive as interpreted by the Court. Before considering the specific question referred, namely whether there are grounds for extending the scope of Article 5(1)(b) where the first mark has a particularly distinctive character, either *per se* or because of its reputation, I propose to examine the general question whether there are grounds for regarding Article 5(1)(b) as applicable where there is a likelihood of association and the possibility of confusion, although not established, cannot be ruled out. Finally, I shall briefly address a point raised by Adidas about the scope of Article 5(2). Since however I consider that the national court's question in the present case is substantially answered by the decisions of the Court in *SABEL* v *Puma* and in a subsequent case, *Canon*,[14] in which the Court was asked to clarify the relationship

14 — Case C-39/97 [1998] ECR I-5507.

between the distinctiveness of the mark seeking protection and the likelihood of confusion, I propose first to set out in full the relevant paragraphs of the judgments in those two cases.

The case-law of the Court

23. In *SABEL* v *Puma*, the Court was asked essentially whether there was a likelihood of confusion for the purpose of Article 4(1)(b) where the public simply made an association between a sign and a mark conveying a similar idea — in that case, pictorial representations of, first, a bounding puma and, second, a bounding cheetah — although the two were not confused. Under the pre-Directive German law, such association would not have been sufficient to preclude registration of the sign: confusion in the strict sense was required. The question was essentially whether the Directive had broadened protection in line with the pre-Directive law in the Benelux, where mere association sufficed. The Court stated as follows:

'14 The Belgian, Luxembourg and Netherlands Governments claimed that the term "likelihood of association" was included in those provisions of the Directive at their request, in order that they should be construed in the same manner as Article 13a of the Uniform Benelux Law on Trade Marks which adopts the concept of resemblance between marks, rather than that of likelihood of confusion, in defining the scope of the exclusive right conferred by a trade mark.

15 Those governments refer to a judgment of the Benelux Court holding that there is resemblance between a mark and a sign when, taking account of the particular circumstances of the case, in particular the distinctiveness of the mark, the mark and the sign, considered separately and together, present, aurally, visually or conceptually, a similarity such as to establish an association between the sign and the mark (judgment of 20 May 1983 in Case A 82/5 *Jullien* v *Verschuere*, Jur. 1983, vol. 4, p. 36). That decision is based on the idea that, where a sign is likely to give rise to association with a mark, the public makes a connection between the sign and the mark. Such a connection may be prejudicial to the earlier mark not only if it gives the impression that the products have the same or a related origin, but also where there is no likelihood of confusion between the sign and the mark. Since perception of the sign calls to mind, often subconsciously, the memory of the mark, associations made between a sign and a mark can result in the "goodwill" attached to the earlier mark being transferred to the sign and dilute the image linked to that mark.

16 According to those governments, the likelihood of association may arise in three sets of circumstances: (1) where the public confuses the sign and the mark in question (likelihood of direct confusion); (2) where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (likelihood of indirect confusion or association); (3) where the public considers the sign to be similar to the mark and perception of the sign calls to mind the memory of the mark, although the two are not confused (likelihood of association in the strict sense).

17 It must therefore be determined whether, as those governments claim, Article 4(1)(b) can apply where there is no likelihood of direct or indirect confusion, but only a likelihood of association in the strict sense. Such an interpretation of the Directive is contested by both the United Kingdom Government and by the Commission.

18 In that connection, it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if, by reason of the identity or similarity both of the marks and of the goods or services which they designate, "there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark". It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public.

19 The 10th recital in the preamble to the Directive, according to which "the likelihood of confusion... constitutes the specific condition for such protection", also confirms that interpretation.

...

22 As pointed out in paragraph 18 of this judgment, Article 4(1)(b) of the Directive does not apply where there is no likelihood of confusion on the part of the public. In that respect, it is clear from the 10th recital in the preamble to the Directive that the appreciation of the likelihood of confusion "depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified". The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

23 That global appreciation of the visual, aural or conceptual similarity of the

marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive — "... there exists a likelihood of confusion on the part of the public..." — shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

24 In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public.

25 However, in circumstances such as those in point in the main proceedings, where the earlier mark is not especially well known to the public and consists of an image with little imaginative content, the mere fact that the two marks are conceptually similar is not sufficient to give rise to a likelihood of confusion.

26 The answer to the national court's question must therefore be that the criterion of "likelihood of confusion which includes the likelihood of association with the earlier mark" contained in Article 4(1)(b) of the Directive is to be interpreted as meaning that the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of that provision.'

24. In *Canon*, the company MGM had applied to register the mark 'CANNON' in respect of certain goods including video film cassettes. Canon opposed the application on the ground that it infringed its own mark 'Canon', already registered in respect of certain goods including television filming and recording devices and accepted as having a reputation (unlike Puma's mark, which was found by the national court not to be particularly distinctive either *per se* or because of its reputation). The Court was asked whether, on a proper construction of Article 4(1)(b) of the Directive, the distinctive character of the earlier trade mark, and in particular its reputation, was to be taken into account when determining whether the similarity between the goods or services covered by the two trade marks was

sufficient to give rise to the likelihood of confusion.

25. The Court first set out the 10th recital in the preamble to the Directive [15] and continued:

'16 Second, the Court has held that the likelihood of confusion on the part of the public, in the absence of which Article 4(1)(b) of the Directive does not apply, must be appreciated globally, taking into account all factors relevant to the circumstances of the case (Case C-251/95 *SABEL* v *Puma* [1997] ECR I-6191, paragraph 22).

17 A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular [between the] similarity [of] the trade marks and [that of the] goods or services. [16] Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The interdependence of these factors is expressly mentioned in the 10th recital of the preamble to the Directive, which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.

18 Furthermore, according to the case-law of the Court, the more distinctive the earlier mark, the greater the risk of confusion (*SABEL*, paragraph 24). Since protection of a trade mark depends, in accordance with Article 4(1)(b) of the Directive, on there being a likelihood of confusion, marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character.'

'Likelihood of confusion'

26. I turn now to the question whether Article 5(1)(b) may be applicable where there is a likelihood of association and the possibility of confusion cannot be ruled out. Such a construction of that provision is to my mind untenable for the following reasons.

27. First, the language of the provision, and of the Court when interpreting it, precludes

15 — Set out in paragraph 4 above.

16 — I have slightly reformulated this paragraph, since the English translation appears incorrect.

such a construction. Article 5(1)(b) itself is expressed to apply 'where there exists a likelihood of confusion'; the 10th recital in the preamble to the Directive provides that the likelihood of confusion constitutes the specific condition for the protection of a mark in the circumstances subsequently set out in Article 5(1)(b); as noted by the Court in *SABEL* v *Puma*, mere association is not in itself a sufficient ground for concluding that there is a likelihood of confusion; the Court in *Canon* stated explicitly that 'protection of a trade mark depends, in accordance with Article 4(1)(b) of the Directive, on there being a likelihood of confusion'. [17] It would be wrong to lose sight of the express terms of the provision being interpreted and it would be a curious use of language to regard a likelihood of confusion as existing simply on the ground that the possibility of confusion could not be ruled out.

28. It may be added that the 10th recital concludes with the words 'the ways in which likelihood of confusion may be established, and in particular the onus of proof, are a matter for national procedural rules which are not prejudiced by the Directive', thus confirming the need to establish a likelihood of confusion. [18]

29. Admittedly, those arguments are strongest in connection with the English version of the Directive, since the other language versions of Article 5(1)(b) speak of danger, risk or possibility rather than likelihood. However, for reasons which I will explore below I do not consider that the difference between the language versions of Article 5(1)(b) affects the interpretation of the condition in question.

30. More fundamentally, however, the test suggested by the Hoge Raad cannot in my view be reconciled with the standard of the average consumer which the Court has developed and which is to be applied when making the global assessment of the likelihood of confusion which is required in order to determine whether Article 5(1)(b) is applicable. It is clear from the Court's case-law that, for that purpose, the average consumer must be taken to be reasonably well-informed, observant and circumspect. [19] As noted by Marca Mode, it can no longer be relevant that a minority of particularly inattentive consumers might possibly be confused. Community law has thankfully disempowered the consumer who confuses the mark 'LUCKY WHIP' with the mark 'Schöller-Nucki'. [20]

17 — Paragraph 18 of the judgment.

18 — See also paragraph 11 of the judgment of the Court of 22 June 1999 in Case C-342/97 *Lloyd Schuhfabrik* v *Klijsen*.

19 — *Lloyd*, cited in note 18, paragraph 26 of the judgment, and the earlier case-law there referred to.

20 — See paragraph 36 of my Opinion in Case C-10/89 *HAG GF* [1990] ECR-3711 ('*HAG II*').

31. In addition, as the Netherlands Government points out, the Hoge Raad is in effect asking the Court to reverse the terms of the Directive: 'confusion... which includes the likelihood of association' in Article 5(1)(b) means, in its view, 'association.... which includes the likelihood of confusion'. The Court has already considered and expressly rejected that view in *SABEL* v *Puma.*

32. The above are all specific reasons drawn from the case-law and the Directive which in my view clearly run counter to the interpretation urged by the Hoge Raad. More generally however there are a number of reasons of principle which make it undesirable to give a broad interpretation to the concept of confusion.

33. First, as stressed by Marca Mode, a broad interpretation of the concept of confusion would hinder the internal market. A directive such as the Trade Marks Directive which was adopted under Article 100a of the Treaty is designed to achieve the objectives set out in Article 7a (now, after amendment, Article 14 EC), in particular to guarantee the free movement of goods and services within the internal market. Those objectives militate against an extensive interpretation of the likelihood of confusion which would lead to unjustified restrictions on the free flow of goods and services. [21]

34. The requirement of confusion as a condition of protection of trade marks was not of course a novel concept introduced by the Directive: it reflected established case-law of the Court on the scope of trade-mark proprietors' rights in the light of Articles 30 and 36 of the EC Treaty (now, after amendment, Articles 28 and 30 EC). In a long line of cases in which the contours of Community trade-mark law were mapped out, the Court developed the cornerstone principle that the specific subject-matter of a trade mark was in particular to guarantee to the owner that he had the exclusive right to use that mark for the purpose of putting a product on the market for the first time and thus to protect him against competitors wishing to take unfair advantage of the status and reputation of the trade mark by selling products illegally bearing it; in order to determine the exact scope of that right, account had to be taken of the essential function of the trade mark, namely to guarantee to the consumer or end user the identity of the trade-marked product's origin by enabling him to distinguish it without any risk of confusion from products of different origin. [22] Broadening the protection conferred by Article 5(1)(b) of the Directive by extending it as proposed by the Hoge Raad would accordingly have the effect that the Directive would confer more extensive protection on trade-mark

21 — See paragraphs 50 and 51 of my Opinion in *SABEL*; see also paragraph 20 of my Opinion in *Lloyd.*

22 — See in particular *HAG II*, cited in note 20, paragraph 14 of the judgment, and most recently Case C-349/95 *Loendersloot* v *Ballantine* [1997] ECR I-6227, paragraphs 22 to 24. See also paragraphs 31 and 32 of my Opinion in *SABEL* v *Puma.*

owners than the Court had considered it appropriate to allow pursuant to the derogation from the principle of the free movement of goods contained in Article 36 of the Treaty.

35. Moreover a broad interpretation of the notion of confusion would seriously hinder the effective application of the Community Trade Mark Regulation.[23] That Regulation, which provides for the establishment of a Community trade mark, contains provisions relating to confusion between marks which are virtually identical to those in the Directive. It is clearly appropriate that the provisions of the Directive should be interpreted in the same way as the corresponding provisions of the Regulation. A Community mark can be granted only in respect of the whole of the territory of the Community and thus a conflict with just one mark in one country suffices to prevent registration of a mark as a Community mark. An application to register a mark may be opposed on the basis of an existing Community mark, a mark registered in any Member State, or, in certain circumstances, an unregistered right recognised in a Member State.[24] Too broad a protection for trade marks on the basis of a risk of 'association' with other marks would accordingly make it very difficult for many marks to be registered at Community level. If the Community trade-mark system is to function effectively, and if applications are not to be swamped by opposition proceedings, it seems essential that marks should be registrable in the absence of a genuine and properly substantiated risk of confusion.

36. Furthermore, the international Conventions to which the Community and/or Member States are party provide no support for the view that trade-mark protection may be based on mere association. Although the final recital of the Directive stresses that its provisions must be 'entirely consistent with those of the Paris Convention',[25] that Convention makes express reference only to confusion.[26] The Agreement on Trade-Related Aspects of Intellectual Property Rights ('TRIPS')[27] similarly links the protection of marks with use which would result in a likelihood of confusion.[28]

37. Finally I would note a difference of emphasis between the various language versions of the Directive. While the English version refers to 'likelihood' of confusion and association, all other language versions except for the Dutch use the notion of risk or danger. The Dutch version, structured differently from the others, speaks of circumstances in which 'confusion can arise, including the possibility of association' (Article 4(1)(b)) or in which 'confusion can arise, including the risk of associa-

23 — Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, OJ 1994 L 11, p. 1.

24 — See Article 8(1) and (2) of the Regulation.

25 — Paris Convention for the Protection of Industrial Property of March 20, 1883, as last revised at Stockholm on July 14, 1967.

26 — Articles 10 *bis* 3(1) and 6 *bis*; see further paragraph 53 of my Opinion in *SABEL* v *Puma*.

27 — OJ 1994 L 336, p. 214.

28 — Paragraph 16(1), set out in paragraph 54 of my Opinion in *SABEL* v *Puma*.

tion' (Article 5(1)(b)) (although it may be noted that the 10th recital in the preamble twice refers to 'the risk of confusion'). For that reason, paragraphs 18 and 22 of the judgment in *SABEL* are, in the Dutch translation, couched in terms of possibility rather than likelihood, risk or danger; understandably, the order for reference and the question referred follow this usage. In the context of the scheme and objectives of the Directive, however, as discussed above, I do not consider that any significance is to be attached to the different terminology used in the Dutch version of the Directive or of the judgment in *SABEL*.

Particularly distinctive marks

38. I accordingly conclude that in general Article 5(1)(b) cannot be regarded as applicable where there is a likelihood of association and the possibility of confusion, although not established, cannot be ruled out. The Hoge Raad, however, considers that the wording of paragraph 24 of the judgment in *SABEL* v *Puma* suggests that where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public, the likelihood of confusion may be assumed from the likelihood of association.

39. Marca Mode, the United Kingdom and Netherlands Governments and the Commission all concur in the view that that question should be answered in the negative. Marca Mode argues on the basis of the case-law of the Court, the legislative history and scheme of the Directive and the specific subject-matter of the mark. The Netherlands Government considers that the issue is resolved by reference to the decision in *SABEL* v *Puma*, the wording of the Directive and the function of trade marks. The Commission and the United Kingdom Government refer to the decisions in *SABEL* and in *Canon*.

40. The Court stated in paragraph 24 of its judgment in *SABEL* v *Puma* that 'the more distinctive the earlier mark, the greater will be the likelihood of confusion'. It is manifest from its context that that proposition follows from the requirement to appreciate the likelihood of confusion globally, taking into account all factors relevant to the circumstances of the case, [29] and from the fact that that global appreciation must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. [30]

41. Even if doubts were to arise as to what the Court meant in *SABEL* v *Puma*, they

29 — Paragraph 22 of the judgment.

30 — Paragraph 23 of the judgment.

have now been unequivocally dispelled by its judgments in *Canon* and in *Lloyd*.[31] In those cases the Court was asked about the weight to be given, in assessing the likelihood of confusion, to the fact that the earlier mark is highly distinctive. It is clear from the answers it gave that the distinctive character of the earlier mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or servics covered by the two marks is sufficient to give rise to a likelihood of confusion[32] and that hence the more similar the goods or services covered and the more distinctive the earlier mark, the greater will be the likelihood of confusion.[33] Both those propositions flow clearly, as the Court explained (and indeed had already explained in *SABEL* v *Puma*), from the wording of the 10th recital, which states that the appreciation of the likelihood of confusion 'depends on numerous elements and, in particular, on the recognition of the trade mark on the market, [on] the association which can be made with the used or registered sign, [on] the degree of similarity between the trade mark and the sign and between the goods or services identified'.[34]

42. Thus, as essentially submitted by Marca Mode, the United Kingdom and the Netherlands Governments and the Commission, whether there is a likelihood of confusion is a question of fact in each case, and in that context the fact that the earlier mark is distinctive will often be relevant for determining whether there is in fact a likelihood of confusion. A likelihood of confusion must, however, exist in order for Article 5(1)(b) to apply. It may be noted that, as Marca Mode and the Commission point out, the assumption that the likelihood of confusion must be shown in the case of a distinctive mark clearly underlies the judgment in *Canon*,[35] which concerned a mark accepted as distinctive by virtue of having a reputation. It may also be noted that the judgment in *Canon* was delivered before the order for reference in this case was made.

43. The Court followed its assertion in paragraph 24 of its judgment in *SABEL* v *Puma* that the more distinctive the earlier mark, the greater the likelihood of confusion by the statement that it was therefore not impossible that the conceptual similarity resulting from the fact that two marks used images with analogous semantic content could give rise to a likelihood of confusion where the earlier mark had a particularly distinctive character, either *per se* or because of the reputation it enjoyed with the public.[36] Since however it is clear from the above that the assessment in each

31 — Cited in note 18.

32 — *Canon*, operative part.

33 — *Lloyd*, operative part.

34 — See paragraph 22 of the judgment in *SABEL*, paragraph 17 of the judgment in *Canon* and paragraph 19 of the judgment in *Lloyd*.

35 — See paragraphs 15 to 19 and 22 of the judgment.

36 — Paragraph 24 of the judgment.

case is to be made on the basis of the relevant facts, no principle of general application could reasonably be deduced from that statement. The Court presumably had in mind a concrete situation such as would arise, for example, from the use in relation to records, cassettes, compact discs or similar goods of a sign consisting of a small dog listening to the trumpet of a phonogram. In such cases where the marks involved are marks with analogous semantic content, it will (as noted by the Netherlands Government) evidently be easier to show a likelihood of confusion where the earlier mark has a particularly distinctive character than in a case such as *SABEL* v *Puma* where the earlier mark did not have a particularly distinctive character.

44. The approach advocated by the Hoge Raad and endorsed by Adidas, namely assuming the likelihood of confusion where the earlier mark is particularly distinctive and a likelihood of association has been established, would not only run counter to the wording of Article 5(1)(b) and the objectives of the Directive, as discussed above, but also have the effect of further extending the protection available to particularly distinctive marks. Such marks already in effect enjoy greater protection under Article 5(1)(b) than less well known marks since the Court's explanation in *Canon* and *Lloyd* of the relevance of the distinctive character of the earlier mark for the purpose of assessing confusion. Granting yet further protection to marks with a reputation in the absence of confusion would amount to granting protection against dilution, namely the blurring of the distinctiveness of a mark such that it is no longer capable of arousing immediate association with the goods for which it is registered and used.[37] To do so by a creative interpretation of Article 5(1)(b) would run counter to the scheme of the Directive, which clearly envisages that such additional protection should be conferred, if at all, by virtue of Articles 4(4)(a)[38] and 5(2) at Member States' option: see the ninth recital in the preamble.[39]

45. Article 5(2),[40] it will be recalled, permits Member States to confer additional protection on the proprietor of a trade mark with a reputation: such a proprietor may be entitled to prevent the use of an identical or similar sign in relation to goods or services which are not similar to those for which the mark is registered where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark. Adidas proposes that, if the Hoge Raad's suggested construction of Article

37 — See further paragraphs 38 and 39 of my Opinion in *SABEL*.

38 — Article 4(4)(a) gives Member States an option to provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid in analogous circumstances to those set out in Article 5(2).

39 — Set out in paragraph 4 above.

40 — Set out in paragraph 9 above.

5(1)(b) is not accepted, Article 5(2) of the Directive should be construed so as to apply not, as it provides on its face, solely where the goods or services in question are dissimilar but also, indeed *a fortiori*, where they are similar, since in its view it would be anomalous for marks with a reputation to be protected against dilution where the goods or services are not similar but not where they are similar. Both in its written and in its oral observations Adidas has urged the Court to rule on the application of Article 5(2) even though the Hoge Raad makes no request for such a ruling.

46. In my view for that reason alone it would be inappropriate for the Court to seek to resolve in the context of these proceedings the apparent inconsistency in the scope of protection offered by Article 5(1)(b) and Article 5(2). The question whether Article 5(2) is intended, as its wording states, to apply solely where the goods in question are dissimilar or whether it should be interpreted more extensively is an issue which has aroused — and continues to arouse — much academic interest. It is certainly an issue which will in due course call for resolution by the Court. However, in the present case the issue has not been fully canvassed in the observations submitted to the Court since the national court did not put a question about Article 5(2). Only Adidas gives the question its full attention: Marca Mode simply comments towards the end of its written observations that it sees no inconsistency between the differing scopes of Article 5(1)(b) and Article 5(2); the United Kingdom notes that the test in Article 5(2) is different from that in Article 5(1)(b), and that the terms of the latter cannot be rewritten for a particular group of trade marks; the Netherlands Government does not address the issue at all; and the Commission considers that it is not appropriate to deal with the apparent inconsistency between Article 5(1)(b) and Article 5(2) in this case. If the Court were to rule on Article 5(2), it would be doing so without the benefit of full observations, not only from the Commission and from those Member States which submitted observations in this case but very probably also from other Member States which, had they been on notice that the scope of Article 5(2) was in issue, might have availed themselves of their right to submit observations. In my view such a course of action by the Court would be neither appropriate nor equitable and the undoubtedly interesting question of the scope of Article 5(2) should await a case in which the national court expressly asks for guidance on that issue.

Conclusion

47. Accordingly the question referred by the Hoge Raad should in my opinion be answered as follows:

1. Article 5(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is not applicable unless there is a genuine and properly substantiated likelihood of confusion about the origin of the goods or services in question.

2. Where a trade mark has a particularly distinctive character and a third party, without the consent of the proprietor of the mark, uses, in the course of trade in goods or services which are identical with, or similar to, those for which the trade mark is registered, a sign which so closely corresponds to the mark as to give rise to the possibility, risk or likelihood of its being associated with that mark, it is not sufficient, in order for Article 5(1)(b) of Directive 89/104 to apply, that the distinctive character of the mark is such that the possibility, risk or likelihood of such association giving rise to confusion cannot be ruled out.