

СЪД НА ЕВРОПЕЙСКИТЕ ОБЩНОСТИ  
TRIBUNAL DE JUSTICIA DE LAS COMUNIDADES EUROPEAS  
SOUDNÍ DVŮR EVROPSKÝCH SPOLEČENSTVÍ  
DE EUROPÆISKE FÆLLESSKABERS DOMSTOL  
GERICHTSHOF DER EUROPÄISCHEN GEMEINSCHAFTEN  
EUROOPA ÜHENDUSTE KOHUS  
ΔΙΚΑΣΤΗΡΙΟ ΤΩΝ ΕΥΡΩΠΑΪΚΩΝ ΚΟΙΝΟΤΗΤΩΝ  
COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES  
COUR DE JUSTICE DES COMMUNAUTÉS EUROPÉENNES  
CÚIRT BHREITHIÚNAIS NA gCÓMHPHOBAL EORPACH  
CORTE DI GIUSTIZIA DELLE COMUNITÀ EUROPEE  
EIROPAS KOPIENU TIESA



LUXEMBOURG

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IL-QORTI TAL-ĠUSTIZZJA TAL-KOMUNITAJIET EWROPEJ  
HOF VAN JUSTITIE VAN DE EUROPESE GEMEENSCHAPPEN  
TRYBUNAŁ SPRAWIEDLIWOŚCI WSPÓLNOT EUROPEJSKICH  
TRIBUNAL DE JUSTIÇA DAS COMUNIDADES EUROPEIAS  
CURTEA DE JUSTIȚIE A COMUNITĂȚILOR EUROPENE  
SÚDNY DVOR EURÓPSKÝCH SPOLOČENSTIEV  
SODIŠČE EVROPSKIH SKUPNOSTI  
EUROOPAN YHTEISÖJEN TUOMIOISTUIN  
EUROPEISKA GEMENSKAPERNAS DOMSTOL

## JUDGMENT OF THE COURT (First Chamber)

12 June 2008 \*

(Trade marks – Directive 89/104/EEC – Article 5(1) – Exclusive rights of the trade mark proprietor – Use of a sign identical with, or similar to, a mark in a comparative advertisement – Limitation of the effects of a trade mark – Comparative advertising – Directives 84/450/EEC and 97/55/EC – Article 3a(1) – Conditions under which comparative advertising is permitted – Use of a competitor’s trade mark or of a sign similar to that mark)

In Case C-533/06,

REFERENCE for a preliminary ruling under Article 234 EC from the Court of Appeal (England and Wales) (Civil Division), made by decision of 14 December 2006, received at the Court on 28 December 2006, in the proceedings

**O2 Holdings Limited,**

**O2 (UK) Limited**

v

**Hutchison 3G UK Limited,**

THE COURT (First Chamber),

composed of P. Jann, President of the Chamber, A. Tizzano, A. Borg Barthet, M. Ilešič (Rapporteur) and E. Levits, Judges,

Advocate General: P. Mengozzi,

Registrar: J. Swedenborg, Administrator,

having regard to the written procedure and further to the hearing on 29 November 2007,

\* Language of the case: English.

EN

after considering the observations submitted on behalf of:

- O2 Holdings Limited and O2 (UK) Limited, by R. Arnold, QC, M. Vanhegen, Barrister, and J. Stobbs, Attorney, instructed by S. Tierney, A. Brodie and S. Magee, Solicitors,
- Hutchison 3G UK Limited, by G. Hobbs, QC, and E. Hinsworth, Barrister, instructed by L. Silkin, G. Crown, N. Walker and S. Jones, Solicitors,
- the Commission of the European Communities, by W. Wils, acting as Agent,

after hearing the Opinion of the Advocate General at the sitting on 31 January 2008,

gives the following

### **Judgment**

- 1 This reference for a preliminary ruling relates to the interpretation of Article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) and Article 3a(1) of Council Directive 84/450/EEC of 10 September 1984 concerning misleading and comparative advertising (OJ 1984 L 250, p. 17), as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997 (OJ 1997 L 290, p. 18; ‘Directive 84/450’).
- 2 The reference was made in the context of a dispute between O2 Holdings Limited and O2 (UK) Limited (‘O2 and O2 (UK)’) and Hutchison 3G UK Limited (‘H3G’) concerning the use by H3G, in comparative advertising, of marks belonging to O2 and O2 (UK).

### **Legal context**

#### *Community law*

- 3 Article 5 of Directive 89/104, entitled ‘Rights conferred by a trade mark’, provides:  
  
‘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;
- (b) 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.

2. 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.

3. The following, inter alia, may be prohibited under paragraphs 1 and 2:

- (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.

...

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, 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.'

4 Article 6 of Directive 89/104, entitled 'Limitation of the effects of a trade mark', provides in paragraph 1:

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

- (a) his own name or address;
- (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;

- (c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;

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

5 The provisions on comparative advertising were inserted in Directive 84/450 by Directive 97/55.

6 Recitals 13 to 15 in the preamble to Directive 97/55 read as follows:

‘(13) ... Article 5 of ... Directive 89/104 ... confers exclusive rights on the proprietor of a registered trade mark, including the right to prevent all third parties from using, in the course of trade, any sign which is identical with, or similar to, the trade mark in relation to identical goods or services or even, where appropriate, other goods;

(14) ... it may, however, be indispensable, in order to make comparative advertising effective, to identify the goods or services of a competitor, making reference to a trade mark or trade name of which the latter is the proprietor;

(15) ... such use of another’s trade mark, trade name or other distinguishing marks does not breach this exclusive right in cases where it complies with the conditions laid down by this Directive, the intended target being solely to distinguish between them and thus to highlight differences objectively.’

7 According to Article 1, the purpose of Directive 84/450 is inter alia to lay down the conditions under which comparative advertising is permitted.

8 Article 2(2a) of Directive 84/450 defines comparative advertising as ‘any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor’.

9 Article 3a(1) of Directive 84/450 provides:

‘Comparative advertising shall, as far as the comparison is concerned, be permitted when the following conditions are met:

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

...

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

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

...

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

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

*National legislation*

10 The provisions of Directive 89/104 were transposed into national law by the Trade Marks Act 1994.

11 The provisions of Directive 84/450 were transposed into national law by the Control of Misleading Advertisements Regulations 1988 (SI 1988/915), as amended in 2003 (SI 2003/3183; 'the UK Regulations').

12 The combating of misleading advertising and compliance with the provisions on comparative advertising, under Article 4 of Directive 84/450, are ensured, pursuant to the UK Regulations, by an administrative authority competent either to decide on complaints or to initiate appropriate legal proceedings.

13 Regulation 4A(3) of the UK Regulations states:

'The provisions of this regulation shall not be construed as

(a) conferring a right of action in any civil proceedings in respect of any contravention of this regulation (save as provided for in these Regulations);  
or

(b) derogating from any right of action or other remedy (whether civil or criminal) in proceedings instituted otherwise than by virtue of these Regulations.'

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

14 O2 and O2 (UK) carry on business as suppliers of mobile telephone services.

15 They use bubble images in a host of ways to advertise their services. It is established that, in the context of mobile phones, consumers associate images of

bubbles in water (particularly against a graduated blue background) with O2 and O2 (UK).

- 16 O2 and O2 (UK) are proprietors in particular of two national figurative trade marks, each of which consists of a static picture of bubbles, registered in the United Kingdom in respect of telecommunications apparatus and services ('the bubbles trade marks').
- 17 H3G is also a provider of mobile telephone services marketed under the sign '3'. It offers in particular a pay-as-you-go service known as 'Threepay'.
- 18 During 2004, H3G launched an advertising campaign. To that end, it broadcast in particular a television advertisement in which it compared the price of its services with those of O2 and O2 (UK). This televised advertisement ('the disputed advertisement') began by using the name 'O2' and moving black-and-white bubble imagery, followed by 'Threepay' and '3' imagery, together with a message that H3G's services were cheaper in a specific way.
- 19 O2 and O2 (UK) brought proceedings against H3G for infringement of their bubbles trade marks before the High Court of Justice of England and Wales, Chancery Division.
- 20 They accepted, for the purposes of the main proceedings, that the price comparison in the disputed advertisement was true and that that advertisement, as a whole, was not misleading. In particular it did not suggest any form of trade connection between O2 and O2 (UK), on the one hand, and H3G, on the other.
- 21 That action for infringement was dismissed by judgment of 23 March 2006. Essentially, the High Court held that the use of the bubbles images in the disputed advertisement fell within Article 5(1)(b) of Directive 89/104, but since that advertisement complied with Article 3a of Directive 84/450, such compliance provided H3G with a defence under Article 6(1)(b) of Directive 89/104.
- 22 O2 and O2 (UK) brought an appeal against that judgment before the Court of Appeal (England and Wales) (Civil Division).
- 23 The referring court asks, in the first place, for an interpretation of Article 5(1) of Directive 89/104.
- 24 It seeks to ascertain, first, whether the use referred to in that provision is solely use for the purposes of distinguishing the trade origin of the goods or services marketed by the third party. In its opinion, an affirmative answer would mean that use of a competitor's trade mark in the context of comparative advertising does not fall within Article 5(1) of Directive 89/104, because the trade mark is not being used there to indicate the origin of the advertiser's goods.

- 25 Second, it seeks to know, for the purposes of assessing the existence of a likelihood of confusion within the meaning of Article 5(1)(b) of Directive 89/104, whether consideration should be limited exclusively to a comparison between the trade mark and the disputed sign and between the goods or services for which the mark is registered and those for which the sign is used, or whether, on the other hand, it is appropriate to take account of the factual context in which the sign is used.
- 26 The referring court considers, in the second place, that the conformity with Article 3a of Directive 84/450 of a comparative advertisement in which a competitor's trade mark is used constitutes a defence against the action brought by the competitor against such use of his mark.
- 27 Thus, should the Court interpret Article 5(1) of Directive 89/104 to the effect that, in a case such as that in the main proceedings, that provision enables the proprietor of a registered mark to prohibit the use of his mark in comparative advertising, the referring court asks for an interpretation of Article 3a(1) of Directive 84/450 for the purposes of ascertaining whether, in order for a comparative advertisement in which a sign identical with, or similar to, a competitor's mark is used to be permitted, use of that sign must be 'indispensable' to a comparison between the goods or services of the competitor and those of the advertiser.
- 28 It is in those circumstances that the Court of Appeal (England and Wales) (Civil Division) decided to stay proceedings and to refer the following questions to the Court for a preliminary ruling:
- '1. Where a trader, in an advertisement for his own goods or services, uses a registered trade mark owned by a competitor for the purpose of comparing the characteristics (and in particular the price) of goods or services marketed by him with the characteristics (and in particular the price) of the goods or services marketed by the competitor under that mark in such a way that it does not cause confusion or otherwise jeopardise the essential function of the trade mark as an indication of origin, does his use fall within either (a) or (b) of Article 5[(1)] of Directive 89/104?
  2. Where a trader uses, in a comparative advertisement, the registered trade mark of a competitor, in order to comply with Article 3a[(1)] of Directive 84/450 ... must that use be "indispensable" and if so what are the criteria by which indispensability is to be judged?
  3. In particular, if there is a requirement of indispensability, does the requirement preclude any use of a sign which is not identical to the registered trade mark but is closely similar to it?

## The questions referred to the Court

### *Preliminary observations*

- 29 By its questions the referring court asks the Court of Justice to interpret both Article 5(1) of Directive 89/104 and Article 3a(1) of Directive 84/450.
- 30 The case in the main proceedings is characterised by the fact that O2 and O2 (UK) claim that the use, by H3G, of a sign similar to their bubbles trade marks in a comparative advertisement jeopardises the exclusive right granted to them by those marks.
- 31 It is thus necessary, before examining the questions referred for a preliminary ruling, to clarify the relationship between Directives 89/104 and 84/450.
- 32 In accordance with Article 5(1) and (2) of Directive 89/104, the registered trade mark is to confer on the proprietor exclusive rights therein, by virtue of which he is to be entitled, under certain conditions, 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, his trade mark. Under Article 5(3)(d) of that directive, he may, *inter alia*, prevent all third parties from using such a sign in advertising.
- 33 Use by an advertiser, in a comparative advertisement, of a sign identical with, or similar to, a competitor's mark may constitute use within the meaning of Article 5(1) and (2) of Directive 89/104.
- 34 First, Article 5(1) and (2) of Directive 89/104 must be interpreted as covering the use of a sign identical with, or similar to, the trade mark in respect of goods marketed or services supplied by the third party (see, to that effect, as regards Article 5(1)(a) of Directive 89/104, Case C-48/05 *Adam Opel* [2007] ECR I-1017, paragraph 28).
- 35 Second, an advertisement in which the advertiser compares the goods and services which he markets with those of a competitor is aimed, evidently, at promoting the goods and services of that advertiser. With such an advertisement the advertiser seeks to distinguish his goods and services by comparing their characteristics with those of competing goods and services. That analysis is confirmed by recital 15 in the preamble to Directive 97/55, in which the Community legislature pointed out that the aim of comparative advertising is to distinguish between the goods and services of the advertiser and those of his competitor (see Case C-112/99 *Toshiba Europe* [2001] ECR I-7945, paragraph 53).
- 36 Therefore, the use by an advertiser, in a comparative advertisement, of a sign identical with, or similar to, the mark of a competitor for the purposes of identifying the goods and services offered by the latter can be regarded as use for the advertiser's own goods and services for the purposes of Article 5(1) and (2) of Directive 89/104.

- 37 Such use may therefore be prevented, where necessary, by virtue of those provisions.
- 38 However, as is apparent from recitals 2 to 6 in the preamble to Directive 97/55, the Community legislature was intending to promote comparative advertising, stating, inter alia, in recital 2, that comparative advertising ‘can also stimulate competition between suppliers of goods and services to the consumer’s advantage’ and, in recital 5, that it ‘may be a legitimate means of informing consumers of their advantage’.
- 39 According to recitals 13 to 15 in the preamble to Directive 97/55, the Community legislature considered that the need to promote comparative advertising required that the right conferred by the mark be limited to a certain extent.
- 40 Such a limitation of the effects of the mark for the purposes of promoting comparative advertising appears necessary not only in the case of use, by the advertiser, of a competitor’s actual mark, but also in the case of use of a sign similar to that mark.
- 41 Under Article 2(2a) of Directive 84/450, ‘comparative advertising’ means any advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor.
- 42 According to settled case-law, that is a broad definition covering all forms of comparative advertising, so that, in order for there to be comparative advertising, it is sufficient for there to be a statement referring even by implication to a competitor or to the goods or services which he offers (see *Toshiba Europe*, paragraphs 30 and 31; Case C-44/01 *Pippig Augenoptik* [2003] ECR I-3095, paragraph 35; and Case C-381/05 *De Landtsheer Emmanuel* [2007] ECR I-3115, paragraph 16).
- 43 The test for determining whether an advertisement is comparative in nature is thus whether it identifies, explicitly or by implication, a competitor of the advertiser or goods or services which the competitor offers (*Toshiba Europe*, paragraph 29, and *De Landtsheer Emmanuel*, paragraph 17).
- 44 Therefore, when the use, in an advertisement, of a sign similar to the mark of a competitor of the advertiser is perceived by the average consumer as a reference to that competitor or to the goods and services which he offers – as in the case in the main proceedings – there is comparative advertising within the meaning of Article 2(2a) of Directive 84/450.
- 45 Consequently, in order to reconcile the protection of registered marks and the use of comparative advertising, Article 5(1) and (2) of Directive 89/104 and Article 3a(1) of Directive 84/450 must be interpreted to the effect that the proprietor of a registered trade mark is not entitled to prevent the use, by a third party, of a sign identical with, or similar to, his mark, in a comparative

advertisement which satisfies all the conditions, laid down in Article 3a(1) of Directive 84/450, under which comparative advertising is permitted.

- 46 It must, however, be pointed out that, where the conditions required under Article 5(1)(b) of Directive 89/104 to prevent the use of a sign identical with, or similar to, a registered mark are met, a comparative advertisement in which that sign is used cannot satisfy the condition, laid down in Article 3a(1)(d) of Directive 84/450, under which comparative advertising is permitted.
- 47 First, in the case of similarity between the mark and the sign and between and the goods or services, the likelihood of confusion constitutes the specific condition for protection. Article 5(1)(b) of Directive 89/104 is thus 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 (Case C-120/04 *Medion* [2005] ECR I-8551, paragraphs 24 and 25).
- 48 Second, it is apparent from Article 3a(1)(d) of Directive 84/450 that comparative advertising is not permitted if there is a likelihood of confusion between the advertiser and a competitor or between the advertiser's trade marks, goods or services and those of a competitor.
- 49 In the light of recitals 13 to 15 of Directive 97/55, the same interpretation must be given to the term 'confusion' used in both Article 5(1)(b) of Directive 89/104 and Article 3a(1)(d) of Directive 84/450.
- 50 Thus, in the case where an advertiser uses, in a comparative advertisement, a sign identical with, or similar to, a competitor's mark, the competitor either does not establish the existence of a likelihood of confusion and, consequently, is not entitled to prevent the use of that sign on the basis of Article 5(1)(b) of Directive 89/104, or he establishes the existence of a likelihood of confusion and, consequently, the advertiser cannot challenge such prevention under Article 3a(1) of Directive 84/450, since the advertisement at issue does not satisfy all the conditions laid down in that provision.
- 51 As a preliminary point, Article 5(1) and (2) of Directive 89/104/EEC and Article 3a(1) of Directive 84/450 must be interpreted as meaning that the proprietor of a registered trade mark is not entitled to prevent the use by a third party of a sign identical with, or similar to, his mark, in a comparative advertisement which satisfies all the conditions, laid down in Article 3a(1) of Directive 84/450, under which comparative advertising is permitted.

However, where the conditions required in Article 5(1)(b) of Directive 89/104 to prevent the use of a sign identical with, or similar to, a registered trade mark are met, a comparative advertisement in which that sign is used cannot satisfy the condition, laid down in Article 3a(1)(d) of Directive 84/450, under which comparative advertising is permitted.

*The first question, concerning the interpretation of Article 5(1) of Directive 89/104*

- 52 It is established, in the case in the main proceedings, that H3G did not use the bubbles trade marks as registered by O2 and O2 (UK), but a sign similar to those marks.
- 53 Article 5(1)(a) of Directive 89/104 applies only in the case of the use of a 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.
- 54 Since that provision is not applicable in the case in the main proceedings it does not need to be interpreted.
- 55 Consequently, the first question must be understood as meaning that the referring court seeks to ascertain whether Article 5(1)(b) of Directive 89/104 is to be interpreted to the effect that the proprietor of a registered trade mark is entitled to prevent the use by a third party, in a comparative advertisement, of a sign similar to that mark in relation to goods or services identical with, or similar to, those for which that mark was registered, where such use does not give rise to a likelihood of confusion on the part of the public.
- 56 According to settled case-law, in order to prevent the protection which is afforded to the proprietor varying from one Member State to another, the Court must give a uniform interpretation to Article 5(1) of Directive 89/104, in particular the term ‘use’ which appears there (Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 45; *Adam Opel*, paragraph 17; and Case C-17/06 *Céline* [2007] ECR I-7041, paragraph 15).
- 57 As is apparent from the Court’s case-law (*Arsenal Football Club*; C-245/02 *Anheuser-Busch* [2004] ECR I-10989; *Medion*; *Adam Opel*; and *Céline*), the proprietor of a registered mark may prevent the use of a sign by a third party which is identical with, or similar to, his mark under Article 5(1)(b) of Directive 89/104 only if the following four conditions are satisfied:
- that use must be in the course of trade;
  - it must be without the consent of the proprietor of the mark;
  - it must be in respect of goods or services which are identical with, or similar to, those for which the mark is registered, and
  - it must affect or be liable to affect the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, by reason of a likelihood of confusion on the part of the public.

- 58 As regards more particularly the fourth condition, first, as pointed out in paragraph 47 above, Article 5(1)(b) of Directive 89/104 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.
- 59 Second, it is settled case-law that the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of that provision (see, inter alia, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17, and *Medion*, paragraph 26). Thus, use of a sign which is identical with, or similar to, the trade mark which gives rise to a likelihood of confusion on the part of the public affects or is liable to affect the essential function of the mark.
- 60 It is clear that, in the case in the main proceedings, H3G used the sign similar to the bubbles trade marks in the course of a commercial activity with a view to gain and not as a private matter. The mark was therefore being used in the course of trade (see, by analogy, *Céline*, paragraph 17).
- 61 It is also clear that H3G used that sign without the consent of O2 and O2 (UK), the proprietors of the bubbles trade marks.
- 62 Furthermore, that sign was used for services identical with those for which those marks are registered.
- 63 By contrast, in accordance with the the referring court's own findings, the use by H3G, in the advertisement in question, of bubble images similar to the bubbles trade marks did not give rise to a likelihood of confusion on the part of consumers. The advertisement, as a whole, was not misleading and, in particular, did not suggest that there was any form of commercial link between O2 and O2 (UK) on the one hand, and H3G, on the other.
- 64 In that regard, contrary to the submission of O2 and O2 (UK), the referring court was right to limit its analysis to the context in which the sign similar to the bubbles trade marks was used by H3G, for the purpose of assessing the existence of a likelihood of confusion.
- 65 It is true that the notion of likelihood of confusion is the same in Articles 4(1)(b) and 5(1)(b) of Directive 89/104 (see, to that effect, Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraphs 25 to 28).
- 66 Article 4(1)(b) of Directive 89/104, however, concerns the application for registration of a mark. Once a mark has been registered its proprietor has the right to use it as he sees fit so that, for the purposes of assessing whether the application for registration falls within the ground for refusal laid down in that provision, it is necessary to ascertain whether there is a likelihood of confusion with the

opponent's earlier mark in all the circumstances in which the mark applied for might be used if it were to be registered.

- 67 By contrast, in the case provided for in Article 5(1)(b) of Directive 89/104, the third-party user of a sign identical with, or similar to, a registered mark does not assert any trade mark rights over that sign but is using it on an ad hoc basis. In those circumstances, in order to assess whether the proprietor of the registered mark is entitled to oppose that specific use, the assessment must be limited to the circumstances characterising that use, without there being any need to investigate whether another use of the same sign in different circumstances would also be likely to give rise to a likelihood of confusion.
- 68 Thus, the fourth condition required before the proprietor of a registered mark is authorised to prevent the use of a sign similar to his trade mark for goods and services identical with, or similar to, those for which that mark is registered is not satisfied in the case in the main proceedings.
- 69 Consequently, the answer to the first question must be that Article 5(1)(b) of Directive 89/104 is to be interpreted as meaning that the proprietor of a registered trade mark is not entitled to prevent the use, by a third party, in a comparative advertisement, of a sign similar to that mark in relation to goods or services identical with, or similar to, those for which that mark is registered where such use does not give rise to a likelihood of confusion on the part of the public, and that is so irrespective of whether or not the comparative advertisement satisfies all the conditions laid down in Article 3a of Directive 84/450 under which comparative advertising is permitted.

*The second and third questions, concerning the interpretation of Article 3a(1) of Directive 84/450*

- 70 By its second and third questions, the referring court asks whether Article 3a(1) of Directive 84/450 must be interpreted as meaning that a comparative advertisement in which the advertiser uses the trade mark of a competitor or a sign similar to that mark is permitted only if that use is indispensable in order to make a comparison between the advertiser's goods or services and those of the competitor and, as the case may be, whether the use of a sign similar to the competitor's mark may be regarded as indispensable.
- 71 However, the referring court has requested the interpretation of that provision only in the event that the Court answers the first question referred in the affirmative.
- 72 Therefore, there is no need to examine the second and third questions referred.

## Costs

- 73 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (First Chamber) hereby rules:

1. **Article 5(1) and (2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks and Article 3a(1) of Council Directive 84/450/EEC of 10 September 1984 concerning misleading and comparative advertising, as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997, must be interpreted to the effect that the proprietor of a registered trade mark is not entitled to prevent the use by a third party of a sign identical with, or similar to, his mark, in a comparative advertisement which satisfies all the conditions, laid down in Article 3a(1) of Directive 84/450, under which comparative advertising is permitted.**

**However, where the conditions required in Article 5(1)(b) of Directive 89/104 to prevent the use of a sign identical with, or similar to, a registered trade mark are met, a comparative advertisement in which that sign is used cannot satisfy the condition, laid down in Article 3a(1)(d) of Directive 84/450, as amended by Directive 97/55, under which comparative advertising is permitted.**

2. **Article 5(1)(b) of Directive 89/104 is to be interpreted as meaning that the proprietor of a registered trade mark is not entitled to prevent the use by a third party, in a comparative advertisement, of a sign similar to that mark in relation to goods or services identical with, or similar to, those for which that mark was registered where such use does not give rise to a likelihood of confusion on the part of the public, and that is so irrespective of whether or not the comparative advertisement satisfies all the conditions laid down in Article 3a of Directive 84/450, as amended by Directive 97/55, under which comparative advertising is permitted.**

[Signatures]