

Adam Opel AG v Autec AG

The European Court of Justice (“ECJ”) has considered whether the unauthorised use of a trade mark on a scale model amounts to trade mark infringement of a registered trade mark covering “toys”.

Adam Opel AG v Autec AG; C-48/05; The European Court of Justice.

Context

Article 5 of the Trade Marks Directive 89/104 (the “Directive”) provides that a 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 the similarity of the goods or services covered by the trade mark in 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.

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 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 following, inter alia, may be prohibited:

- 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 goods under the sign;
- d) using the sign on business papers and in advertising.

Article 6 of the Directive, headed ‘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’.

October 2007

Facts

Adam Opel AG (“Opel”) is the proprietor of the German figurative mark for the Opel logo (a ring with a “sideways lightning flash” across the middle) registered in Germany on 10th April 1990 for, amongst other things, motor vehicles and toys. Autec AG (“Autec”) manufactured and offered for sale a 1:24 remote-controlled scale model of a certain Opel Astra V8 Coupé which bore the Opel logo on the radiator grille in the same manner as the original full scale vehicle, and marketed the scale model in Germany. The user instructions accompanying the sale of each model bore the CARTRONIC trade mark, accompanied by ® which also appeared on the front of the remote-control transmitter. In addition, the following legends ‘AUTECC® AG’ and ‘AUTECC® AG D 90441 Nürnberg’ appeared on the rear of the instructions and also on a sticker attached to the underside of the remote-control transmitter.

Opel instituted proceedings in Germany, in which it argued that the use of the Opel logo on toys constituted an infringement of its registered trade mark. Autec countered that its use of the Opel trade mark on the scale models did not constitute use of the trade mark in a trade mark sense. Displaying the Opel logo together with the Cartronic and Autec trade marks, Autec contended that it was obvious to the public that the Autec scale models did not originate from Opel but from Autec. Furthermore, Autec argued that for more than 100 years the general public was well aware that toy manufacturers made faithful reproductions of cars on a scale basis which models include trade marks as they appeared on the full size models, so as to complete the air of authenticity of the replication. In short, the closer the replication, the more prized the scale model. On this basis the German Court referred to the ECJ the following questions:

1. Whether the use of a trade mark registered also for “toys” constituted use as a trade mark for the purposes of Art.5(1)(a) of the Trade Mark Directive if the manufacturer of a toy model car copied a real car in a reduced scale, including the trade mark of the proprietor of the trade mark as applied to the real car, and marketed it?
2. If the answer to Question in 1 was in the affirmative: whether the type of use of the trade mark described in Question 1 was an indication of the kind or quality of the model car within the meaning of Art.6(1) (a) of the Trade Mark Directive?
3. If the answer to Question 2 was in the affirmative: In cases of this type what were the decisive criteria to be applied in assessing whether the trade mark corresponded to honest practices in industrial or commercial matters? and
4. Whether this in particular was the case if the manufacturer of the model car applied to the packaging, and to an accessory required in order to use the model, a mark recognisable to the trade as its own trade mark together with its company name and the address of its seat?

In answering the question the ECJ considered the case of Arsenal Football Club Plc v Matthew Reed (2002) Case C-2006/01 to determine that the use of a sign identical to an earlier registered trade mark did amount to use in the course of trade if it took place in the context of commercial activity with a view to creating economic advantage rather than being a private matter. Also, the ECJ noted that it was for the referring court to determine, by reference to the relevant consumers in Germany, whether or not the essential function of the trade mark had been affected by the use of the mark by Autec. The ECJ went on to consider that the exclusive right under Article 5(1) of the Directive was conferred on owners of registered marks in order to enable them to protect the specific interests that they have as proprietor, namely to ensure that the trade mark could fulfil its functions, and that, therefore such functions should be reserved to the owner of the trade mark. Not least to guarantee the origin of the goods. The ECJ said:

“the referring court, intending to emphasise that the relevant public does not perceive the sign identical to the Opel logo appearing on the scale models marketed by Autec as an indication that those products come from Adam Opel or an undertaking economically linked to it, would have to conclude that the use at issue in the main proceedings does not affect the essential function of the Opel logo as a trade mark registered for toys”.

The ECJ went on to find that:

October 2007

“Adam Opel does not appear to have claimed that such use affects functions of that trade mark other than its essential one”.

In other words in the circumstances it would be difficult for a national court to find that Opel may rely on its right to prevent Autec from continuing to use the trade mark by means of Article 5(1)(a). In considering the questions under Article 5(2) the ECJ was not referring to a specific question as posed by the German Landgericht. In proceedings Opel argued that it has an interest in the quality of scale models of vehicles bearing the Opel mark in that it ought to be a good quality and they ought to be up-to-date. The ECJ took on board the argument but simply stated that it was for the German Court to decide whether Autec’s use took unfair advantage of, or was detrimental to, the distinctive character or to the repute of the Opel trade mark based on the interpretation of such use by the general public.

In respect of Article 6(1) the ECJ determined that such defences were not available to Autec because:

- i) affixing the trade mark to the models did not indicate the purpose of the toy cars; and
- ii) affixing the trade mark to scale models of Opel cars, merely to reproduce them faithfully, and the subsequent marketing of such scale models, does not constitute use of the trade mark as an indication concerning characteristics of those scale models.

Comment

This decision has made clear that a trade mark has functions other than the function indicating origin. In respect of the Article 6 defences, the ECJ appeared to suggest that the ECJ acknowledged that the primary purposes of such defences is to enable others to be allowed to use descriptive words or phrases. However the ECJ suggested that Autec’s use did not fall within such defences because it had not used the Opel trade mark “in order” to describe characteristics of the model but rather “in order to reproduce faithfully” the Opel Astra V8 Coupé. The difficulty with this analysis is that it would appear to imply the Court must have regard to the intention of the user when making the assessment of whether the defence applies. For example, is it not Autec’s use of the Opel logo “in order” to indicate to potential buyers of its toy that it is in fact a faithful miniature replica of the car? In other words could not the faithful replication of the model be also a characteristic of the model? However, the ECJ ultimately leaves it up to the German Court to determine the extent to which the public associates the use by Autec with the registered right.

Post Script

In following the ECJ’s guidance the German Court found against Opel. As a matter of fact the German public would not associate Autec’s use of the Opel logo on a scale replica with Opel’s business. It remains to be seen if it is possible in all circumstances to reproduce another’s registered right without consent and use it in the course of trade for those goods/services for which the certain right is registered, in circumstances where the relevant public will not associate the latter use with the trade mark proprietor. Can one summarise by saying that it depends on whether the consumer buys because of the use of the trade mark? Alternatively, this proposition might only apply to specific industries.

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