

Trademarks and Toys: The European Court of Justice limits the Rights of Trademark Proprietors to prohibit the Use of their Trademark on Scale Model (C-48/05 – Opel / Autec)

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Manufacturers who produce and market replicas of cars in the European Union (EU), may rejoice in a recent judgment of the European Court of Justice (ECJ). The decision deals with the question whether car manufacturer Adam Opel AG (Opel) can prohibit the use of its well known logo (⊕) on toy cars.

The Facts

Opel, one of Europe's largest and best-known European car manufacturer, has registered the following logo as a device mark for cars as well as toys (a term which would include scale model cars) in Germany:



The German company Autec manufactures and sells remote-controlled cars under the German registration "Cartronic", including the following scale model of the Opel Astra V8 Coupé¹:



The radiator grille of this scale model bears the Opel logo (⊕) in the same place and size as the full-size car.² The manual and the remote control transmitter included with each model shows the "Cartronic" mark and the indication "Autec AG". The sign being used by Autec was identical with the registered mark, and was being used in connection with toys identical with those in respect to which the Opel logo (⊕) was registered.³ Therefore, Autec used a sign identical with the trademark registered for Opel (⊕) for toys, and thus goods identical with those for which Opel's trademark was registered. This caused Opel to request the Landgericht (district court) Nürnberg-Fürth to prohibit Autec to use the Opel logo (⊕).⁴

In the proceedings, Opel put forward that the use of the Opel mark (⊕) by Autec for toy cars was use as a trademark since the public would assume that the manufacturer of replicas would have obtained a licence for its manufacturing and distribution activities from the proprietor of the trademark.⁵

Autec argued that affixing a registered mark on scale models did not constitute use as a trademark as such. The essence of Autec's argument was that the Opel logo (⊕) was used on the toy cars only in order to reproduce the car as truly to original as possible. This, Autec argued, was not a "use" of the registered mark and Opel was not entitled to prevent it. It would be obvious to the public

¹ html.curia.europa.eu, C-48/05 para. 5.

² html.curia.europa.eu, C-48/05 para. 6.

³ html.curia.europa.eu, C-48/05 para.

⁴ Landgericht Nürnberg/Fürth, judgment of 11 May 2007, ref. 4 HK O 4480/04 ; WRP 2007, p. 840.

⁵ html.curia.europa.eu, C-48/05 para. 9.

that the scale models do not originate from Opel. Therefore, the essential function of the trademark was not compromised.⁶

By way of the preliminary proceedings under Art. 234 EC the Landgericht Nürnberg-Fürth transferred the following questions to the ECJ⁷:

(1) Does the use of a trade mark registered also for “toys” constitute use as a trade mark for the purposes of Article 5(1)(a) of the Trade Mark Directive if the manufacturer of a toy model car copies 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 markets it?


2) If the answer to Question in 1 is in the affirmative:

Is the type of use of the trade mark described in Question 1 an indication of the kind or quality of the model car within the meaning of Article 6(1)(a) of the directive ...?

(3) If the answer to Question 2 is in the affirmative:

In cases of this type what are the decisive criteria to be applied in assessing whether the trade mark corresponds to honest practices in industrial or commercial matters?

Is this in particular the case if the manufacturer of the model car applies 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 its request, the Landgericht Nürnberg-Fürth i.a. put emphasis on the fact that in Germany the relevant group of customers expects that scale models are exact replicas of existing cars. The court held the view that the consumer would therefore interpret the Opel logo () on the Autec scale model (only) as an indication for the toy being a replica of an Opel car and not as an indica-

tion that the scale model originates from Opel.

Legal Context

Article 5, paragraph 1 of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (the Directive) stipulates, inter alia, that a proprietor of a trademark is entitled to prevent all third parties not having his consent from using in the course of trade:

1. any sign which is identical with the trade mark and is used in relation to goods which are identical with those for which the trade mark is registered;
2. any sign which is identical with or similar to the trademark and is used in relation to goods which are identical or similar, if this may cause a likelihood of confusion on the part of the public.

The trademark holder’s right to prohibit a third party the use of his trademark has certain limits. There has to be a use within the meaning of Article 5, paragraph 1 of the Directive. For instance, a proprietor of a trademark cannot prohibit a third party to display its trademark if this is only intended for describing characteristics of goods, for instance kind or quality, Art. 6 paragraph 1 lit. b).

Judgment of the Court of Justice

The ECJ held that

1. Where a trade mark is registered both for motor vehicles – in respect of which it is well known – and for toys, the affixing by a third party, without authorisation from the trade mark proprietor, of a sign identical to that trade mark on scale models of vehicles bearing that trade mark, in order faithfully to reproduce those vehicles, and the marketing of those scale models:

– constitute, for the purposes of Article 5(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, a use which the proprietor of the trade mark is entitled to prevent

⁶ html.curia.europa.eu, C-48/05 para. 10.

⁷ html.curia.europa.eu, C-48/05 para. 13.


if that use affects or is liable to affect the functions of the trade mark as a trade mark registered for toys;


– constitute, within the meaning of Article 5(2) of that directive, a use which the proprietor of the trade mark is entitled to prevent – where the protection defined in that provision has been introduced into national law – if, without due cause, use of that sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark as a trade mark registered for motor vehicles.

2. Where a trade mark is registered, inter alia, in respect of motor vehicles, the affixing by a third party, without the authorization of the proprietor of the trade mark, of a sign identical to that mark to scale models of that make of vehicle, in order faithfully to reproduce those vehicles, and the marketing of those scale models, do not constitute use of an indication concerning a characteristic of those scale models, within the meaning of Article 6(1)(b) of Directive 89/104⁸

In view of the ECJ's judgment one may think that Opel won the law-suit against Autec. However, the ECJ addressed the remark of the Landgericht Nürnberg-Fürth that "in Germany, the average consumer of the products of the toy industry, normally informed and reasonably attentive and circumspect, is used to scale models being based on real examples and even accords great importance to absolute fidelity to the original, so that that consumer will understand that the Opel logo appearing on Autec's products indicates that this is a reduced-scale reproduction of an Opel car"⁹. The ECJ found that if the Landgericht Nürnberg-Fürth intended "to emphasize 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 Opel or an undertaking economically linked to it, 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"¹⁰.

Therefore, the crucial question for the outcome of the law suit between Opel and Autec was whether the average consumer would perceive the use of the Opel logo () on the scale model car as a hint as to the origin of the scale model or as a feature necessary for a replica without stating any fact concerning the origin of the model car.

In accordance with its initial remark about the consumer perception of trademarks on scale model cars in Germany, the Landgericht Nürnberg-Fürth came to the conclusion that the use of Opel's trademark () by Autec could not be prohibited. Though it had to be regarded as "use" within the meaning Art. 5 of the Directive, the average consumer would not assume that a scale model bearing a trademark originated necessarily from the holder of the trademark. Instead, the consumer would understand that such a scale model is an Autec model of an Opel car.¹¹

Consequences of the ECJ's decision

Assuming that it is not unusual that car brands are affixed to exact reproductions of toy cars, it will not be an easy task for car manufacturers to take action against such use of their trademarks, even if these trademarks are also registered for toys.

The ratio decidendi of this decision should be applicable to any matter that involves the production and putting on the market of replicas provided the original good bears a trademark that can also be found of the replica.

In the event that it is customary that whatever products are true replicas of existing products, affixing the trademark on a replica is not a trademark infringement except it is detrimental to the distinctive character or the repute of the trademark owner. That may be the case if the goods trademarked without the trademark holder's consent are of infe-

⁸ html.curia.europa.eu, C-48/05 at the end.

⁹ html.curia.europa.eu, C-48/05 para. 23.

¹⁰ html.curia.europa.eu, C-48/05 para. 24.

¹¹ Landgericht Nürnberg/Fürth, judgment of 11 May 2007, ref. 4 HK O 4480/04 ; WRP 2007, p. 840.

rior quality. Whether this is the case is a question of fact. For example, under the ECJ's ruling it could be argued that a car manufacturer holding a trademark for computer games, too, cannot prohibit a producer of computer car race games to use his trademark on the virtual reproduction of his car. This would only be true, of course, if players of computer car race games are used to faithful virtual reproductions of existing cars

including the depiction of the car manufacturer's trademark on the reproduced car. Additionally, the use computer car race game producer must not be detrimental to the distinctive character or the reputation of the car manufacturer's trademark. This would not be the case if the depiction was one of high quality. Thus, the necessity of licenses which are common in the branch may be questionable, at least in Europe.