

European Court of Justice, 19 September 2002, Companyline



Deutsche Krankenversicherung

#### TRADEMARK LAW

##### Distinctive character of two generic terms coupled together

- two generic terms coupled together have to possess an additional characteristic such as to confer on the sign, taken as a whole, a distinctive character,

it must first of all be observed that, in examining whether two generic terms coupled together possess any additional characteristic such as to confer on the sign, taken as a whole, a distinctive character, the Court of first Instance did not err in law in its interpretation of Article 7(1)(b) of Regulation No 40/94. There is nothing in the findings made by the Court of First Instance to suggest that the information submitted to it was distorted. In particular, the Court stated, in paragraph 26 of its judgment, that coupling the words 'company' and 'line' - both of which are customary in English-speaking countries - together, without any graphic or semantic modification, does not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing DKV's services from those of other undertakings. There is nothing in that reasoning to suggest that the information submitted to the Court of First Instance was distorted. As to the complaint that the Court of First Instance failed to consider the overall impression conveyed by a composite sign (...) that complaint is unfounded. As stated in paragraph 23 above, the Court of First Instance directed a significant part of its reasoning to considering, in relation to a sign composed of words, the sign's distinctiveness as a whole.

- A sign is to be refused registration where it is descriptive in the language of one Member State, even if it is registrable in another Member State.

As regards the second part of the fourth plea, OHIM has rightly pointed out that it is clear from the very wording of Article 7(2) of Regulation No 40/94 that a sign is to be refused registration where it is descriptive or is not distinctive in the language of one Member State, even if it is registrable in another Member State. Since the Court of First Instance had found that the sign in question was not distinctive in English-speaking areas, it was clearly not necessary for it to consider the impression it might make on speakers of other Community languages.

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##### European Court of Justice, 19 September 2009

(P. Jann, S. von Bahr, M. Wathelet, C.W.A. Timmermans and A. Rosas)

JUDGMENT OF THE COURT (Fifth Chamber)

19 September 2002 (1)

*(Appeal - Community trade mark - Regulation (EC) No 40/94 - Word 'Companyline' - Absolute ground for refusal - Distinctive character)*

In Case C-104/00 P,

DKV Deutsche Krankenversicherung AG, represented by S. von Petersdorff-Campen, Rechtsanwalt, with an address for service in Luxembourg,

appellant,

APPEAL against the judgment of the Court of First Instance of the European Communities (Fourth Chamber) of 12 January 2000 in Case T-19/99 DKV v OHIM (Companyline) [2000] ECR II-1, seeking to have that judgment set aside,

the other party to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl and D. Schennen, acting as Agents, with an address for service in Luxembourg,

THE COURT (Fifth Chamber),

composed of: P. Jann (Rapporteur), President of the Chamber, S. von Bahr, M. Wathelet, C.W.A. Timmermans and A. Rosas, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: H.A. Rühl, Principal Administrator,

having regard to the Report for the Hearing,

after hearing oral argument from the parties at the hearing on 21 March 2002,

after hearing the [Opinion of the Advocate General](#) at the sitting on 14 May 2002,

gives the following

##### Judgment

1. By application lodged at the Registry of the Court on 20 March 2000, DKV Deutsche Krankenversicherung AG (hereinafter 'DKV') brought an appeal under Article 49 of the EC Statute of the Court of Justice against the judgment of the Court of First Instance of 12 January 2000 in Case T-19/99 DKV v OHIM (Companyline) [2000] ECR II-1 (hereinafter 'the contested judgment'), in which the Court of First Instance dismissed its application for annulment of the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (hereinafter 'OHIM') of 18 November 1998 (Case R 72/1998-1) dismissing the appeal brought by DKV against the refusal to register the word 'Companyline' as a Community trade mark for insurance and financial affairs.

##### Legal background

2. Article 7 of Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1994 L 11, p. 1) provides:

'1. The following shall not be registered:

...

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

...

2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.

...'

3. Under the heading 'Limitation of the effects of the Community trade mark', Article 12 of Regulation No 40/94 provides:

'A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

...

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

...

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

#### **Background to the dispute**

4. By letter of 23 July 1996, DKV applied to OHIM for registration of the word 'Companyline' as a Community trade mark for services in the field of insurance and financial affairs (Class 36).

5. OHIM's examiner refused that application for registration by decision of 17 April 1998 for lack of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 of that word. By decision of 18 November 1998 (hereinafter 'the contested decision') the First Board of Appeal dismissed DKV's appeal against the decision of 17 April 1998 on the same grounds as those relied on by the examiner.

#### **The contested judgment**

6. By application lodged at the Registry of the Court of First Instance on 21 January 1999, the appellant brought an action for annulment of the contested decision.

7. The Court of First Instance found, first, in paragraph 26 of the contested judgment, that the sign for which registration had been refused was composed exclusively of the words 'company' and 'line', both of which are customary in English-speaking countries. The word 'company' suggested that what was in point were goods or services intended for companies or firms. The word 'line' had various meanings. In the insurance and financial services sector it denoted, amongst other things, a branch of insurance or a line or group of products. They were thus generic words which simply denoted a line of goods or services for undertakings. Coupling them together without any graphic or semantic modification thus did not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing the appel-

lant's services from those of other undertakings. The sign 'Companyline' was therefore devoid of any distinctive character.

8. Second, the Court of First Instance considered DKV's submission that, in conducting its assessment of the sign's distinctiveness solely by reference to the English-speaking world, OHIM had failed to carry out its duty to harmonise Community trade mark law. On that point the Court found, in paragraph 28 of the contested judgment, that, in order for the grounds for refusal to register set out in Article 7 of Regulation No 40/94 to apply, it was sufficient, pursuant to Article 7(2), that those grounds obtain in only part of the Community in order for such refusal to be justified.

9. Third, in paragraphs 30 and 31 of the contested judgment, the Court of first Instance held that it was not necessary to rule on the plea alleging infringement of Article 7(1)(c) of Regulation No 40/94, because, for a sign to be ineligible for registration as a Community trade mark, it was sufficient that one of the absolute grounds for refusal listed in Article 7(1) - in this case Article 7(1)(b) - applied.

10. Fourth, in paragraph 33 of the contested judgment the Court of First Instance rejected a plea alleging misuse of powers by OHIM, finding that there was no specific and objective evidence to suggest that the contested decision was adopted exclusively or at least to a decisive degree in pursuit of objectives other than those on which that decision was founded.

#### **The appeal**

11. In its appeal DKV implicitly claims that the contested judgment should be set aside and that both the contested decision and the decision of the examiner should be annulled. It also applies for costs.

12. OHIM contends that the appeal should be dismissed and DKV ordered to pay the costs.

#### **First plea in law**

13. By its first plea in law DKV claims that the Court of First Instance infringed Article 7(1)(b) of Regulation No 40/94. Under the first part of that plea, it claims the Court failed to set out the criteria according to which the ground 'devoid of any distinctive character' for refusal of registration of trade marks, referred to in that provision, is to be determined and defined by reference to possession of a 'minimum degree of distinctive character'.

14. According to DKV, the Court of First Instance assessed the conditions for registration of a trade mark extremely strictly. The ground for refusal of registration of trade marks 'devoid of any distinctive character' should in fact be conceived only in terms of minimum criteria, an approach dictated both by the very scheme of Article 7(1) and by the task of harmonisation that falls to OHIM.

15. Under the second part of the first plea, DKV claims the Court of First Instance disregarded the fact that, when assessing the distinctiveness of a composite sign, it is the overall impression conveyed by that sign alone that is decisive. A sign cannot therefore be found to be non-distinctive on the ground that individual components of it are not, taken separately, distinctive.

16. The sign 'Companyline' is sufficiently distinctive. The combination of the suffix 'line' with the concrete indication 'company' uses abbreviated clear and direct descriptive indications, the content of which is obscured by the abbreviated style. In the Member States, and even in the practice of OHIM, such signs are normally registered as trade marks with distinctive character. The Court of First Instance, however, failed to see the multiplicity of possible meanings suggested by association.

17. As regards that plea in law, OHIM contends that the arguments advanced constitute essentially assertions of fact, which it does not fall to the Court of Justice to review in appeal proceedings. The plea must therefore be dismissed as inadmissible.

18. In the alternative, OHIM observes, in regard to the first part of the first plea, that the Court of First Instance - like, moreover, OHIM itself in the proceedings at first and second instance before it - reached the conclusion that the sign at issue was wholly devoid of distinctive character. Logically, therefore, the question as to what level of distinctiveness is required for the threshold of 'minimum degree of distinctiveness' to be crossed no longer arises.

19. As regards the second part of the plea, OHIM denies that the Court of First Instance infringed any rule of law. What is in question here is a word mark composed of two descriptive terms, where the combination of the two components does not embody any element of fancifulness overlaying the descriptive content of the word. The descriptive meaning is unambiguous and immediately discernible without the need for any analytical effort.

20. In that regard, it is sufficient to observe, with respect to the first part of the first plea, that the dispute before the Court of First Instance concerned the refusal to register the sign 'Companyline' on the ground that that lacked distinctiveness. The Court of First Instance was therefore entitled to confine itself to considering that question, and was under no obligation to rule on the possible dividing line between the concept of lack of distinctiveness and that of minimum distinctiveness.

21. As to the second part of the first plea, it must first of all be observed that, in examining whether two generic terms coupled together possess any additional characteristic such as to confer on the sign, taken as a whole, a distinctive character, the Court of first Instance did not err in law in its interpretation of Article 7(1)(b) of Regulation No 40/94.

22. Second, it should be pointed out that the actual application by the Court of First Instance of that criterion to this case, as challenged by DKV, involves findings of a factual nature. As the Advocate General has pointed out at point 58 et seq. of his Opinion, the Court of First Instance has exclusive jurisdiction to find the facts, save where a substantive inaccuracy in its findings is attributable to the documents submitted to it, and to appraise those facts. That appraisal thus does not, save where the clear sense of the evidence before it has been distorted, constitute a point of law which is subject, as such, to review by the Court of Justice on

appeal (see, inter alia, judgment in Joined Cases C-280/99 P to C-282/99 P Moccia Irme and Others v Commission [2001] ECR I-4717, paragraph 78, and order in Case C-323/00 P DSG v Commission [2002] ECR I-3919, paragraph 34).

23. There is nothing in the findings made by the Court of First Instance to suggest that the information submitted to it was distorted. In particular, the Court stated, in paragraph 26 of its judgment, that coupling the words 'company' and 'line' - both of which are customary in English-speaking countries - together, without any graphic or semantic modification, does not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing DKV's services from those of other undertakings. There is nothing in that reasoning to suggest that the information submitted to the Court of First Instance was distorted.

24. As to the complaint that the Court of First Instance failed to consider the overall impression conveyed by a composite sign (see, as regards Article 7(1)(c) of Regulation No 40/94, [Case C-383/99 P Procter & Gamble v OHIM \[2001\] ECR I-6251, paragraph 40](#)), that complaint is unfounded. As stated in paragraph 23 above, the Court of First Instance directed a significant part of its reasoning to considering, in relation to a sign composed of words, the sign's distinctiveness as a whole.

25. The first plea in law must therefore be dismissed in its entirety.

#### **Second plea in law**

26. By its second plea in law DKV complains that the Court of First Instance refused to assess the sign 'Companyline' from the point of view of Article 7(1)(c) of Regulation No 40/94.

27. According to DKV, the need to maintain the availability of certain signs or certain indications for potential use by all traders ('Freihaltebedürfnis'), given effect in Article 7(1)(c), must be real and not purely abstract. The provision must be interpreted narrowly, restrictively and in a manner that favours protection. According to DKV, it is clear from OHIM's very practice that marks whose semantic content with respect to the goods and services designated in the application only exists in a particular relationship, which cannot be specified in greater detail or is encoded, and marks which only allude to or at most suggest the characteristics of those goods and services are not to be regarded as descriptive. OHIM should not therefore have found the sign 'Companyline' here to be descriptive.

28. In that connection it must be observed that, in his decision of 17 April 1998, OHIM's examiner based the refusal to register the sign 'Companyline' as a Community trade mark on Article 7(1)(b) of Regulation No 40/94 alone. The Court of First Instance was accordingly entitled to confine itself in the contested judgment to a consideration of the dispute in the light of that provision, and to hold, in paragraphs 30 and 31 of its judgment, that there was no need to rule on the plea of infringement of Article 7(1)(c), since for registration to

be refused it is sufficient that one of the grounds listed in Article 7(1) applies.

29. That reasoning is clearly not vitiated by any error of law. It is quite evident from the wording of Article 7(1) of Regulation No 40/94 that it is sufficient that one of the absolute grounds for refusal listed in that provision applies for the sign at issue not to be registrable as a Community trade mark.

30. The second plea in law is therefore unfounded and must also be dismissed.

#### **Third plea in law**

31. By its third plea in law DKV claims that the Court of First Instance failed to take into consideration Article 12(b) of Regulation No 40/94. That provision, it argues, constitutes a corrective to a restrictive interpretation of Article 7(1)(b) and (c) of the regulation.

32. Article 12(b) enables registration of a sign such as 'Companyline' not to be barred in case of doubt. Since that provision ensures that a sign such as 'Companyline' does not prevent the public from specifically describing services to companies in the insurance and financial sector using the words 'company' and 'line', the objection on which the refusal to register the sign is based is without foundation.

33. On this point it must be observed that the documents before the Court make it clear that the argument based on Article 12(b) of Regulation No 40/94 was only raised before the Court of First Instance in connection with Article 7(1)(c) of the regulation, which, in DKV's submission, should be 'interpreted in the light of Article 12(b)'.

34. As the Court of First Instance found that registration could lawfully be refused under Article 7(1)(b) of Regulation No 40/94, and that there was therefore no need to rule on the plea alleging infringement of Article 7(1)(c), it was therefore not required to rule on the relationship between the latter provision and Article 12(b) of the regulation. The plea alleging failure by the Court of First Instance to rule on that point is therefore inoperative.

35. In so far as DKV seeks to raise, at the appeal stage, the submission that Article 12(b) of Regulation No 40/94 also constitutes a corrective to the interpretation of Article 7(1)(b), that submission constitutes a new plea which was first introduced in the context of the appeal before the Court of Justice and must for that reason be held to be inadmissible (see, in particular, order of 13 September 2001 in Case C-467/00 P Staff Committee of the ECB and Others v ECB [2001] ECR I-6041, paragraph 22).

36. The third plea in law must therefore be dismissed.

#### **Fourth plea in law**

37. Under the first part of its fourth plea in law DKV complains that the Court of First Instance applied Article 7(2) of Regulation No 40/94 to the sign 'Companyline' without taking into consideration the approach adopted by the national authorities in regard to similar registrations in the various Member States. DKV claims that it produced in the proceedings before the Court of First Instance copious documentary evidence of that approach, particularly on the part of the

United Kingdom Patent Office. That evidence revealed that there are a large number of marks in Class 36 containing the suffix 'line'. The Court of First Instance wrongly disregarded that evidence.

38. Under the second part of that plea, DKV argues that the Court of First Instance should have taken account of the fact that the public in a sizeable part of the Community is familiar with the English language, and that national trade mark offices recognise English as being as widely known as in the English-speaking areas of the Community.

39. In that regard, so far as the first part of the fourth plea is concerned, it is sufficient to observe that, as the Advocate General has pointed out at point 91 of his Opinion, there is no provision in Regulation No 40/94 requiring OHIM to come to the same conclusions as those arrived at by national authorities in similar circumstances. The Court of First Instance cannot therefore be said to have erred in law in that respect.

40. As regards the second part of the fourth plea, OHIM has rightly pointed out that it is clear from the very wording of Article 7(2) of Regulation No 40/94 that a sign is to be refused registration where it is descriptive or is not distinctive in the language of one Member State, even if it is registrable in another Member State. Since the Court of First Instance had found that the sign in question was not distinctive in English-speaking areas, it was clearly not necessary for it to consider the impression it might make on speakers of other Community languages.

41. It follows that both parts of the fourth plea are unfounded and that the plea must therefore be dismissed in its entirety.

#### **Fifth plea in law**

42. By its fifth plea in law DKV argues that by registering other signs ending in the suffix 'line', such as 'Moneyline', 'Cashline', 'Immoline' and 'Combineline', in cases similar to this one, OHIM misused its powers. Thus, by refusing to register the sign 'Companyline', OHIM failed to follow its own principles for registration and examination guidelines. The probable reason for this is that OHIM wished to prevent DKV from acquiring a series of trade marks containing the suffix 'line', and that constitutes a misuse of powers.

43. OHIM replies that that is pure factual conjecture, which has already been aired in exactly the same terms before the Court of First Instance. That Court correctly found that there was no specific and objective evidence to suggest that the contested decision was adopted exclusively or at least to a decisive degree in pursuit of objectives other than those on which that decision is based.

44. On that point, it is sufficient to note that DKV is merely repeating before the Court the same factual assertions as those which it made before the Court of First Instance, without articulating any specific complaint vis-à-vis the contested judgment. Such a plea in reality constitutes nothing more than a request for re-examination of the application before the Court of First Instance, which the Court of Justice, by virtue of Article 49 of its EC Statute, has no jurisdiction to entertain

(see, inter alia, order in DSG, cited above, paragraph 54).

45. The fifth plea in law is therefore inadmissible and must accordingly be dismissed for that reason.

46. It follows from the foregoing considerations that the pleas put forward by DKV in support of its appeal are inadmissible or unfounded. The appeal must therefore be dismissed in its entirety.

#### **Costs**

47. Under Article 69(2) of the Rules of Procedure, which applies to appeal proceedings by virtue of Article 118, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since OHIM has applied for costs, and DKV has been unsuccessful, the latter must be ordered to pay the costs.

#### **On those grounds,**

THE COURT (Fifth Chamber)

hereby:

1. Dismisses the appeal;
2. Orders DKV Deutsche Krankenversicherung AG to pay the costs.

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#### OPINION OF ADVOCATE GENERAL

RUIZ-JARABO COLOMER

delivered on 14 May 2002 (1)

Case C-104/00 P

DKV Deutsche Krankenversicherung AG

v

Office for Harmonisation in the Internal Market

(Trade Marks and Designs)

(Community trade mark - 'Companyline' - Absolute ground for refusal - Lack of distinctive character - Descriptiveness)

#### **Introduction**

1. This appeal is brought against the judgment of the Court of First Instance of 12 January 2000 in Case T-19/99 DKV v OHIM (Companyline) (2) dismissing the action brought against the refusal by the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (hereinafter 'the Office' or 'OHIM') to allow registration of the sign 'Companyline' as a trade mark for services relating to insurance and financial affairs.

2. In this case, the Court of Justice is called upon to determine the criteria necessary for assessing the registrability as a trade mark of a sign composed of more than one word.

The judgment in Case C-383/99 Proctor & Gamble v OHIM, (3) better known as the BABY-DRY case, has paved the way in this very fertile area for Community trade mark applications. But the case-law in this field is still at an initial stage, and very much in the process of being shaped.

3. Whereas the decision in the BABY-DRY case related to the registration of a term comprising two familiar words separated by a hyphen, this case, formally at least, concerns a neologism consisting of two words that together constitute an expression common in the relevant economic sector. Naturally every case will

raise new issues of form or meaning - whether actual or alleged. For that reason it is essential that the Court perform its function as ultimate arbiter in matters of interpretation and that it lay down norms that are sufficiently abstract for the Office and the Court of First Instance to be able to derive from them concrete guidelines for their implementation.

4. Although this is strictly speaking the first case to be decided in accordance with BABY-DRY, many of the issues have already been raised by the reference for a preliminary ruling in the case of Koninklijke KPN Nederland (hereinafter 'the Postkantoor case', after the sign in respect of which registration was claimed in the main proceedings), (4) in which I delivered my Opinion on 31 January 2002. The fact that the provisions analysed in that case came from the Trade Mark Directive (5) rather than their equivalents in the Community Trade Mark Regulation (6) is immaterial, given that both instruments are intended to be applied uniformly. It is therefore natural that my reasoning here should in many respects follow what I said in the Postkantoor case.

5. Finally it should be pointed out that the contested decision was handed down at the beginning of 2001, and therefore does not take account of the principles laid down in BABY-DRY.

#### **Applicable legislation**

##### **The Community Trade Mark Regulation**

6. The Regulation provides that the Community trade mark is to have a unitary character and to have equal effect throughout the Community (Article 1). It creates a Community trade mark office - with the puzzling title of Office for Harmonisation in the Internal Market (Trade Marks and Designs) - hereinafter 'the Office' (Article 2). A Community trade mark is acquired by registration (Article 6), not by use alone, and the examiners are responsible for taking decisions on behalf of the Office in relation to applications (Article 126). Appeals from decisions of the examiners lie to the Boards of Appeal, which are made up of independent members (Articles 130 and 131). Actions may be brought before the Court of First Instance against decisions of the Boards of Appeal (Article 63); decisions of the Court of First Instance may be appealed to the Court of Justice.

7. Article 4 of the Regulation provides that 'a Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings'.

8. As regards absolute grounds for refusal, Article 7 of the Regulation provides as follows:

'1. The following shall not be registered:

- (a) signs which do not conform to the requirements of Article 4;
- (b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

...

2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.'

9. Article 12, on the limitation of the effects of a Community trade mark, provides as follows:

'A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

...

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

...

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

10. Article 38 of the Regulation, on examination as to absolute grounds for refusal, provides as follows:

'...

2. Where the trade mark contains an element which is not distinctive, and where the inclusion of said element in the trade mark could give rise to doubts as to the scope of protection of the trade mark, the Office may request, as a condition for registration of said trade mark, that the applicant state that he disclaims any exclusive right to such element. Any disclaimer shall be published together with the application or the registration of the Community trade mark, as the case may be.

3. The application shall not be refused before the applicant has been allowed the opportunity of withdrawing or amending the application or of submitting his observations.'

#### **The Trade Marks Directive**

11. The definition in Article 4 of the Community Trade Mark Regulation is the same as that in Article 2 of the Directive, just as the provisions in Article 7(1)(a) to (d) of the Regulation exactly mirror those in Article 3(1)(a) to (d) of the Directive, so that a sign is excluded from registration as a Community trade mark on the same grounds as those pertaining to registration thereof as a national mark in the Member States.

12. None the less, given that the distinctiveness and descriptiveness of different terms vary from one language to another, it does not follow from the foregoing that a mark that is unregistrable in some Member States and therefore, pursuant to Article 7(2) of the Regulation, unregistrable as Community trade mark, will also be unregistrable in other Member States.

13. Article 12 of the Regulation exactly mirrors Article 6(1) of the Directive.

#### **International legislation**

14. The Paris Convention For The Protection Of Industrial Property (hereinafter 'the Paris Convention') does

not contain a definition of a trade mark such as that in Article 4 of the Regulation.

15. Article 6 quinquies B of the Paris Convention provides as follows:

'Trademarks covered by this Article may be neither denied registration

nor invalidated except in the following cases:

...

2. when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed;

...'

16. Article 15(1) of the Agreement on trade-related aspects of intellectual property rights (the TRIPS Agreement) (7) provides as follows:

'Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.'

#### **Background to this appeal**

17. On 23 July 1996 the appellant submitted an application for a Community trade mark to the Office for Harmonisation in the Internal Market. The mark in respect of which registration was sought was the word 'Companyline'.

18. The services in respect of which registration was sought were 'insurance and financial affairs' in Class 36. (8)

19. The examiner refused the application by a decision of 17 April 1998.

20. On 13 May 1998 the appellant lodged an appeal with the Office against the examiner's decision, which was dismissed by a decision of 18 November 1998.

21. On 21 January 1999, DKV Deutsche Krankenversicherung AG (hereinafter 'DKV') brought an action for annulment of that decision before the Court of First Instance.

22. In the context of the measure of organisation of procedure of 15 June 1999, the appellant indicated that it was amending its principal claim and requested the court to alter the contested decision by ordering the Office to publish the sign 'Companyline' in the Community Trade Marks Bulletin as a Community trade mark for services in Class 36 (insurance and financial affairs), with a statement by the appellant that it disclaimed any exclusive right in the words 'company' and 'line'. At the hearing the appellant withdrew its principal claim.

#### **The contested decision**

23. DKV relied on three pleas in law in support of its appeal: first, infringement of Article 7(1)(b) of Regulation No 40/94; secondly, infringement of Article 7(1)(c) of the Regulation interpreted in the light of Article 12(b); and thirdly, misuse of powers.

24. As regards the first plea the Court of First Instance held that in the relevant economic sector the sign was

composed exclusively of two words customary in English-speaking countries. The word 'company' suggests that what is in point are goods or services intended for companies or firms, while the word 'line' denotes a branch of insurance or a line or group of products.

It therefore found that they were two generic words and that coupling them together without any graphic or semantic modification did not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing the appellant's services from those of other undertakings. The refusal to register was justified since the word 'Companyline' was not eligible for protection in the English-speaking world.

25. The Court of First Instance found that it was not necessary to rule on the second plea because for a sign to be ineligible for registration as a Community trade mark, it is sufficient that one of the absolute grounds for refusal applies.

26. Finally, as regards the allegation of misuse of powers, the Court of First Instance found that there was no specific and objective evidence to suggest that the contested decision was adopted in pursuit of objectives other than those advanced.

27. The action for annulment was dismissed.

#### **The appeal**

28. DKV advances five grounds of appeal, in which it claims that the Court of First Instance:

- did not determine the criteria for assessing whether a sign is 'devoid of any distinctive character' within the meaning of Article 7(1)(b) of the Community Trade Mark Regulation, or the differences between that concept and that of 'sufficiently distinctive character', and did not assess the overall impression conveyed by the sign (first ground);
- did not consider the absolute ground for refusal under Article 7(1)(c) of the Regulation (second ground);
- did not take into consideration the corrective criterion in Article 12(b) of the Regulation (third ground);
- applied Article 7(2), without focusing on ordinary consumers of the goods and services claimed for the sign, or having regard to the approach taken by the trade mark offices of the Member States (fourth ground);
- failed to assess the objective evidence of misuse of powers (fifth ground).

#### **Analysis of the grounds of appeal**

##### **First ground: misapplication of the requirement of distinctive character**

29. By this ground of appeal the appellant is essentially claiming that in the contested decision the Court of First Instance was excessively restrictive in applying the requirement that a sign be 'devoid of any distinctive character', within the meaning of Article 7(1)(b) of the Regulation, and failed to consider the sign as a whole in assessing its distinctiveness.

30. It considers that Article 7(1)(b) requires only evidence of a minimal level of distinctiveness. Only that interpretation can ensure uniformity of registration practice throughout the Community.

The word sign, according to the appellant, consists of abbreviated descriptive indications, whose meaning is masked because they are abbreviated. By taking a different view, the Court of First Instance wrongly required a very high level of distinctiveness.

31. In addition, the appellant claims that the contested decision contains no reference to the overall effect produced by the sign, which is the criterion by reference to which, it says, a composite sign should be assessed, and accordingly concluded that 'Companyline', far from clearly describing a specific service in the relevant economic sectors, admits of a number of different associations and interpretations.

32. The Office objects that the appellant's arguments are essentially factual assessments that are not relevant in the context of an appeal.

33. In any case the sign at issue comprises two descriptive words that are simply juxtaposed without any additional fanciful element and accordingly it is immediately descriptive. In so holding the judgment of the Court of First Instance could not be at fault in its application of Article 7(1)(b) of the Regulation.

34. It must be recognised at the outset that European trade mark law and, in particular, the interpretation of the Regulation, are at a delicate initial stage. Since the legislature has tended not to lay down clear pointers, it is for the courts, and in particular the Court of Justice in this case, to supplement that legislation by laying down guiding principles.

35. In so far as they are of interest to this appeal I propose to consider some of these fundamental issues, such as those concerning specific classification within the absolute grounds for refusal, assessment against those grounds, the definition of class of relevant persons and the role of the Court of Justice sitting as a court of appeal in cases such as this. I propose to do this using as a basis the judgment in *BABY-DRY*, cited above, which seems to me to set out a number of guidelines of general application.

36. Since it is not in issue in this case I will not go into the question of the validity, in Community trade mark law, of the proposition that, in addition to the obstacles relating to possible lack of distinctiveness, there are other considerations of public interest that militate in favour of limiting the registrability of certain signs to enable them to be freely used by all traders (the need to keep free). Whilst the judgment in *Windsurfing Chiemsee* (9) recognised the existence of this principle, the fact that the *BABY-DRY* judgment is silent on the point has left the matter in a state of uncertainty, which it is for the Court of Justice to clarify.

##### **Classification within the absolute grounds for refusal**

37. In the *BABY-DRY* judgment the Court of Justice was asked to rule on a refusal to register a compound term as a Community trade mark. In so far as it is relevant here, the Office took the view that the term 'Baby-dry' was composed exclusively of words capable of designating commercially the intended purpose of the product in question, and that it lacked distinctiveness,

and consequently refused its registration under Article 7(1)(b) and (c) of the Regulation.

38. The Court of First Instance, when seised of the consequent action for annulment, upheld the Office's conclusion as to the sign's descriptiveness (Article 7(1)(c) of the Regulation) but undertook no analysis of its distinctiveness (Article 7(1)(b)), on the basis that it was sufficient that an absolute ground for refusal applied in order for registration to be refused.

39. In determining the appeal, the Court of Justice referred to Article 7(1)(b) and (c) and - albeit somewhat unclearly - Article 12 of the Regulation. But it annulled the judgment of the Court of First Instance on the basis of Article 7(1)(c) alone.

40. It is, however, to my mind preferable that the Community courts apply the grounds for refusal with the same rigour as that employed by the registration authorities. Each of the conditions for registration in Article 7(1)(b), (c) and (d), in requiring a sign to be capable of distinguishing the goods and services under consideration and not to be descriptive or generic, is independent of the others, and must be considered separately. That does not preclude the same sign in practice being caught by more than one category. Thus, a sign that is wholly descriptive will in general be devoid of any distinctive character within the meaning of Article 7(1)(b). (10)

41. It follows from the fact that each of these criteria must be evaluated separately that lack of descriptiveness, for example, is not sufficient to render a sign suitable for registration as a trade mark. Since the *BABY-DRY* judgment simply annulled the judgment of the Court of First Instance and the decision of the Office's Board of Appeal, on the sole ground that both were based on an erroneous interpretation of Article 7(1)(c), (11) the question arises whether the ground of refusal for lack of distinctive character in Article 7(1)(b), on which the Office relied in its decision, continues to subsist.

42. This case also raises issues of classification. The decision of the Board of Appeal of 18 November 1998 refusing registration and upholding the examiner's finding is based on Article 7(1)(b) and (c) of the Regulation. The legal basis for the decision is essentially the descriptive character of the sign: while 'company' indicates the class of persons targeted for the services, 'line' identifies particular types of insurance, and the mark claimed therefore describes the activity which it is intended to cover. (12)

The Court of First Instance for its part took the view that the sign is composed exclusively of the words 'company' and 'line', both of which are customary in English-speaking countries. Whereas the first conveys that the service is aimed at companies or firms, the second denotes a branch of insurance or a line or group of products. The mere fact that the two words are coupled together is irrelevant because 'Companyline' lacks distinctiveness.

43. In my view, having regard to the line of argument followed both by the Office and by the Court of First Instance, the sign could in principle be refused registra-

tion on the basis of Article 7(1)(c), and only once it is clear that it is purely descriptive can Article 7(1)(b) be pleaded. In other words, lack of distinctive character is assumed from the sign's descriptiveness and not the other way around. That is how word marks should as a rule be assessed.

#### **Assessment against the absolute grounds for refusal**

44. As regards the fundamental question of how to apply Article 7(1) of the Regulation, that is, the conditions for registering a sign, the Office, and now the Community courts, are, despite the relative simplicity of the terms in which they are framed, faced with a complex set of alternatives. Either those conditions may be met, albeit to a minimal degree, or qualified compliance is required having regard to the various interests at stake. If the latter, then additional principles for application also need to be set out.

45. The question under Article 7(1)(b) and (c) of the Regulation - as with the corresponding provisions of the Directive - was essentially the degree of distinctiveness or descriptiveness necessary to attract a refusal to register.

46. That problem quite clearly has arisen in relation to composite word marks. The question was whether a sign that is composed of various elements, each of which is ineligible for registration as a trade mark on its own, is registrable in respect of the goods concerned and in what circumstances.

47. A combination of elements, each of which is in itself devoid of distinctive character (in the broad sense of being eligible for registration), may be distinctive when taken together, provided that the whole constitutes more than just the sum of its parts. Everything therefore turns on when in trade mark law a number of components together constitute a sign which is distinct from the mere sum of its parts.

48. In the *BABY-DRY* case, the Court of Justice held that in regard to composite word marks, descriptiveness must be determined not only in relation to each word taken separately, but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark. (13)

In concrete terms, in assessing the term *BABY-DRY*, the Court of Justice found that from the point of view of an English-speaking consumer, the sign is composed of words that, though descriptive by themselves, are juxtaposed in an unusual way, so that the term is not a familiar expression in the English language, either for designating such goods or for describing their essential characteristics; it is therefore capable of displaying distinctiveness and may not be refused registration. (14)

49. According to the Court of Justice, 'any perceptible difference' between the terms usually used to designate the goods or their essential characteristics and the term in question is sufficient to confer distinctiveness on a combination of descriptive elements.



50. The adjective 'perceptible' (erkennbar in the German version) is not unambiguous in meaning. It is a relative term. What may be perceptible from one point of view may not be from another. It must not in any event be confused with 'minimal'. If the Community legislature had meant 'minimal', it would have used that word, or none at all. That is why a 'perceptible difference' must to my mind be understood to mean a difference not just in the insignificant aspects of a sign.

51. I therefore propose - as in the Postkantoor case, albeit that that case related to Article 7(1)(c) of the Regulation - that a difference should be considered to be perceptible if it affects significant elements either of the appearance of the mark claimed or of its semantic content.

As regards form, there will always be a perceptible difference where, by virtue of the fact that a combination is unusual or fanciful, a neologism becomes more than the sum of its parts.

As regards the intended meaning, if the difference is to be perceptible, the connotation of the composite sign must not be identical to the sum of the semantic import of the individual descriptive parts.

52. I have proposed a solution based on the same approach in relation to the prohibition on registering functional shapes in the context of Article 3(1)(e) of the Directive and the corresponding provision of the Regulation, Article 7(1)(e). (15)

Whilst those articles provide that 'signs which consist exclusively of [certain shapes]' are to be refused registration, subparagraph (c) provides that 'marks which consist exclusively of signs or indications which may serve ... to designate ...' are to be refused registration. The parallels between the two texts suggest that the same solution should be applied in both cases.

53. In my view a purely functional shape within the meaning of subparagraph (e) is to be understood as meaning a shape whose essential characteristics are attributable to the intended technical result. If I slant my interpretation somewhat focusing on 'essential characteristics' I do so in order to make it clear that a shape that simply incorporates an arbitrary element that is negligible from a functional point of view cannot escape prohibition.

54. Nor should differences be accepted under subparagraph (c) unless, because they affect descriptiveness, they are perceptible for the purposes of descriptiveness.

#### **Definition of the class of persons targeted**

55. It is true that the Court noted in BABY-DRY that Article 7(2) of the Regulation states that Article 7(1) is to apply notwithstanding that the grounds of non-registrability obtain in only part of the Community. That means that, if a combination of words is purely descriptive in one of the languages used in trade within the Community, that is sufficient to render it ineligible for registration as a Community trade mark.

The Court of Justice went on to state: 'In order to assess whether a word combination such as "Baby-Dry" is capable of distinctiveness, it is therefore necessary to put oneself in the shoes of an English-speaking consumer.' (16)

56. In my view the standpoint from which the assessment is to be made must move away from formal criteria to reflect the actual characteristics of the class of persons targeted. The fact that there are many applications for trade marks composed of English words in itself shows that applicants assume a certain level of understanding of English, even where consumers have a different mother tongue.

If an examiner considers that a particular sign is descriptive for speakers of a particular language, it is logical - or at least possible - that he should refuse registration without further examination. If he reaches the opposite view, the objective of unitary protection which Community trade marks are intended to ensure should lead him to examine whether the same is true for the entire potential target market. In order to do so, he must put himself in the shoes of those targeted and make his decision not on the basis of formal premisses but of the whole gamut of possible ways in which such consumers might be expected to respond. (17)

57. Accordingly, the requirement to assess distinctiveness must be understood from the point of view of average consumers of that category of goods or services, (18) who are deemed to be 'reasonably well-informed and reasonably observant and circumspect'. (19)

#### **Appellate review by the Court of Justice**

58. In the BABY-DRY judgment the Court of Justice did not simply assess whether the interpretative guidelines applied by the Court of First Instance were correct in law, but reached a specific decision on the contested sign's ability to overcome the obstacle to registration. Whilst the objective presumably pursued (procedural efficiency) is laudable, I am not convinced that it justifies the solution arrived at.

59. In the field of Community trade marks, the Court of Justice is the highest interpreter of the law. Its function as such must be to lay down principles of general application for the Court of First Instance and the Office, as well as for all relevant traders, leaving it to those bodies to implement those principles in practice. Its overriding power of review must be performed exclusively and solely in regard to questions of law. In this way not only is the true nature of the power to overturn a decision on appeal preserved, but the scope of decisions taken by the Court of First Instance and the Office are also respected.

If applicants are to be allowed to ask the Court of Justice to make an assessment comparable in all respects to that already undertaken by the examiner, it is highly probable that large numbers of frustrated applicants will have recourse to the Court of Justice as ultimate arbiter, with injurious consequences for the proper administration of justice (or procedural efficiency considered objectively).

60. Nor, moreover, does the Court of Justice in my view have the necessary resources to carry out such a form of review. (20)

#### **Application of those principles to this case**

61. Applying all of the foregoing principles to the claim that the Court of First Instance, in finding that the mark

claimed lacked distinctive character, erred in its application of Article 7(1)(b) of the Regulation, I should like to make the following comments.

62. As regards the composition of the term 'Companyline', there are two factors at play: first, the use of two words each with its own meaning, and secondly their juxtaposition.

63. The Court of First Instance found that the sign was composed exclusively of two words that are customary in the English-speaking world; while 'company' qualifies the type of service by indicating those at whom it is aimed, 'line' denotes a branch of insurance or a line or group of products.

64. That is a question of fact, and there is nothing in the appellant's submissions to invalidate it. Even if it were accepted that both words may have other meanings than those suggested, the Court of First Instance was entitled to base its assessment on the meaning which it took to be decisive in the context of the goods and services at issue.

It is true that the contested judgment contains no decision on the descriptiveness of the sign taken as a whole. None the less, for the purposes of assessing its descriptiveness, as I am doing here, there is nothing to suggest that taking the expression 'company line' as a whole invalidates the Court of First Instance's view - rather the reverse is true.

65. The Court of First Instance further held that merely coupling two generic words together without any graphic or semantic modification does not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing the appellant's services from those of other undertakings.

66. The finding of the Court of First Instance seems to me to be correct: the juxtaposition of two descriptive words does not constitute a perceptible difference in the sense described above between the term in respect of which registration is claimed and the words used in the common parlance of the relevant category of consumers to designate the goods or services.

67. In those circumstances I do not believe the Court of First Instance erred in finding that the proposed sign lacked distinctiveness for English-speaking consumers, and that the refusal to register it was justified.

68. None the less I should still like to add a number of comments with a view to clarifying my reasoning.

69. From a logical and didactic point of view the Court of First Instance's election to make its assessment pursuant to Article 7(1)(b) of the Regulation appears to me not to be apposite. It would have been appropriate to begin by finding that the significant components of the mark claimed were wholly descriptive, and on that basis to declare the mark devoid of any distinctive character.

That flaw in logic cannot lead to annulment of the contested decision, since the final assessment is in conformity with law.

70. If the Court of First Instance, or the Office, had determined that the sign was sufficiently distinctive for English-speaking consumers, it should have gone on to consider whether the same was true in countries where

other languages are spoken. What if, for example, the juxtaposition of two nouns is common in the language of the country where the applicant is established and therefore less perceptible?

Only in that way may the requirement that a sign's distinctiveness be assessed from the point of view of the average consumer of the relevant goods and services be satisfied. The average consumer of insurance (for companies), who is deemed to be reasonably well-informed, observant and circumspect, is very likely to have some knowledge of English, even if he is not a native speaker, which is a factor that must be weighed in the balance when assessing distinctiveness.

71. I conclude from all of the foregoing that the first ground of appeal should be dismissed.

#### **Second ground: failure to examine the refusal based on Article 7(1)(c) of the Regulation**

72. As regards the second ground of appeal, DKV appears to criticise the Court of First Instance for failing to consider the ground for refusal alleging infringement of Article 7(1)(c) on which the rejection of its application for registration was based.

73. The appellant none the less focuses exclusively on how the Court of First Instance should have carried out that assessment.

74. Those arguments are not admissible because, even if accepted, they would not result in the contested decision being annulled.

The Court of First Instance simply found that under Article 7(1) of the Regulation it is sufficient if one of the absolute grounds of refusal therein laid down applies for a sign not to be registrable as a Community trade mark. Accordingly it declined to rule on the plea of infringement of Article 7(1)(b).

75. In analysing the previous ground of appeal I considered the problems that arise in regard to classifying correctly the impediments to registering a trade mark, and in particular the practical consequences that may be inferred in this case. I would therefore refer back to my earlier comments.

76. For the rest it is clear from the wording of Article 7(1) of the Regulation that it is sufficient if one of the absolute grounds for refusal applies for a sign to be refused registration as a trade mark. The decision to base a determination on just one of those grounds is a matter of procedure, which, whilst it may be open to criticism as to expediency, does not give rise to questions of legality.

77. In my view, therefore, the second ground of appeal should be dismissed.

#### **Third ground: failure to take into consideration Article 12(b) of the Regulation**

78. DKV argues that the Court of First Instance should have given consideration to Article 12(b) of the Regulation which, by limiting the effects of a trade mark, thus preventing the owner from monopolising any descriptive indications contained in a sign, mitigates the strictness with which Article 7(1)(b) is to be applied. In other words, registration of the sign would not have prevented the appellant's competitors from continuing to use the words 'company' and 'line' for descriptive

purposes in regard to goods and services in the class claimed.

79. That is confirmed by the appellant's express disclaimer under Article 38(2) and (3) of the Regulation.

80. In the Office's estimation, the appellant's submissions are not capable of supporting an allegation of infringement of the rules on trade mark registration. First of all, the purpose of Article 12(b) is to delimit the protection afforded by a mark that has already been registered, not to determine the conditions for registration. Secondly, no disclaimer made under Article 38 can affect a sign's distinctiveness or descriptiveness.

81. I wholly concur with the views expressed by the Office in its defence: nothing in the Regulation requires a sign to be assessed more 'leniently' on the basis of other provisions limiting the protection afforded by descriptive signs.

82. It is certainly true, as I indicated earlier, that in *BABY-DRY* the Court alluded to Article 12 of the Regulation when stating the legal basis for its subsequent reasoning. But it did not go on to draw any practical consequence from that provision whatsoever.

83. The appellant argues that Article 12 describes the minimum level of analysis to which the Regulation subjects the absolute conditions for registrability as a trade mark. The risk that certain traders might monopolise particular descriptive indications for themselves is mitigated by the limitations on the effects of a mark imposed by Article 12.

84. That argument essentially transfers the task of assessing a mark's descriptiveness from the Office at the time of registration to the courts responsible for ensuring that the rights conferred by the mark are exercised in practice.

85. As mentioned, there is nothing in the Regulation to suggest that that is an inference that may be drawn from Article 12. Rather the opposite: the long list of obstacles to registration in Articles 4 and 7, and the extensive system of appeals available in the event of a refusal to register, suggest that examination for the purposes of registration is intended to be more than summary in nature.

86. Nor, moreover, do I believe that approach to be appropriate from the point of view of judicial policy. There is no doubt that in disputes where Article 12 is relied on, the proprietor of the trade mark will always enjoy an advantage, as a result of the inertia created by general acceptance of the effect of official records, and because of the inherent difficulty of delimiting the descriptive from that which is not descriptive.

87. I therefore propose that this ground of appeal be dismissed.

**Fourth ground: failure to consider the approach adopted by trade mark offices in the Member States**

88. The appellant claims that the Court of First Instance failed correctly to define the class of persons potentially interested in the services in respect of which the sign was sought to be registered. In particular, in applying Article 7(2) of the Regulation it failed to take into account the approach adopted by the authorities in the Member States in regard to registration of the sign.

89. In the view of DKV, English is spoken by a large number of European consumers and the trade mark offices of the Member States accordingly assess a sign's eligibility for registration as a trade mark in the light of that linguistic reality. The Court of First Instance ought to have taken that fact into account when making its assessment. If it had done so, the applicant would have been able to show that numerous trade marks with the suffix 'line' have been registered for goods in class 36.

90. The Office contends that, under Article 7(2) of the Regulation, it is sufficient for registration to be refused that the sign be unregistrable in the language of one Member State only, without its being necessary to assess registrability in other areas of the Community.

91. Firstly, nothing in the Regulation requires the Office to reach the same result as the registration authorities in the Member States, still less to apply the same principles of interpretation. The practice in a given Member State, in so far as it may be relevant for the purposes of assessment at Community level, is no more than a helpful indication to which the Office may have regard when assessing a sign's distinctiveness.

92. Secondly, Article 7(2) of the Regulation provides that a sign is to be refused registration even where the grounds for refusal obtain in only part of the Community. If the Court of First Instance has determined with certainty that the proposed sign is descriptive in part of the Community at least - as it did following its consideration of the first plea - no purpose is served by considering the impression conveyed by that sign to speakers of other Community languages.

It would have been otherwise if the authorities had decided the opposite, that is to say if they had decided that the sign raised no problems under Article 7(1)(b) or (c) of the Regulation for speakers of the language in which the sign was expressed. Where that is the case, there is to my mind no reason why a sign's eligibility for registration as a trade mark should not be assessed taking account of the perception of that sign among consumers in other countries. Indeed, the objective of the Community trade mark regime renders it advisable for those characteristics to be taken into account. A sign's descriptiveness is not to be determined by formal or abstract means, but by reference to the goods claimed, and in the light of the perception typical of consumers of those goods. However, I have already mentioned this problem in considering the first ground of appeal above.

93. There is no basis in the Regulation for requiring the Office to take account of the approach adopted by the equivalent national authorities, still less where it has already determined that the sign is not registrable in one Community country.

**Fifth ground of appeal: misuse of powers**

94. By its final ground of appeal DKV claims that in refusing to register the sign 'Companyline', and in spite of having accepted other signs ending in the suffix 'line' for registration, the Office departed from its own guidelines, and thus misused its powers. The Office is in reality seeking to prevent at any price the contested sign from being registered so that the applicant does

not become the owner of a group of marks with the same suffix.

95. The Office points out that, in addition to engaging in mere conjecture in regard to the facts, the appellant is merely rehearsing the same arguments as those advanced before the Court of First Instance, without addressing the findings actually made in its judgment. Furthermore, none of the signs to which the appellant refers is comparable to the contested sign because none is as descriptive.

96. Suffice it to observe that the appellant's claims cannot alter the finding by the Court of First Instance at paragraph 33 of the contested judgment that there is no specific and objective evidence to suggest that the contested decision was adopted in pursuit of objectives other than those advanced. The mere fact that the Office treated other signs ending in the suffix 'line' differently, if indeed it did, is no reason to assume that it was exercising a power arbitrarily or to support an allegation of misuse of powers.

97. The fifth ground of appeal must therefore be dismissed along with the appeal as a whole.

#### **Costs**

98. Under Article 69(2) of the Rules of Procedure, which apply to the appeal by virtue of Article 118, the unsuccessful party is to be ordered to pay the costs. Accordingly, if all of the appellant's grounds of appeal are dismissed, as I propose, the appellant should be ordered to pay the costs.

#### **Conclusion**

99. I propose that none of the grounds of appeal relied on against the judgment of the Court of First Instance of 12 January 2000 in Case T-19/99 be upheld, and that the Court of Justice dismiss the appeal and order the appellant to pay the costs.

8: - According to the international classification of goods and services in the Nice Agreement for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

9: - Joined Cases C-108/97 and C-109/97 [1999] ECR I-2779.

10: - This clarification is necessary because of the legislature's unfortunate lack of precision whereby the 'capacity to distinguish' or potential distinctive character (Article 4 of the Regulation) is considered alongside actual distinctiveness (Article 7(1)(b)) and distinctiveness as a category (Article 7(3)).

11: - See paragraphs 1 and 2 of the operative part of the judgment.

12: - Paragraph 19 of the decision.

13: - Judgment in *BABY-DRY*, cited above, paragraph 40.

14: - *Ibid.* paragraphs 42 to 44.

15: - Opinion of 23 January 2001 in the case of *Philips* (C-299/99 [2001] ECR I-5475).

16: - Paragraph 42 of the judgment in *BABY-DRY*.

17: - How perceptible the difference is between baby dry and dry baby, for example, may be assessed by stepping into the shoes of speakers of a romance language, who are used to that word order, with only a rudimentary knowledge of English.

18: - Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 29.

19: - See Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraphs 30 to 32.

20: - Whilst it might have been possible for the case of *BABY-DRY* to be resolved on the basis of the presumed proficiency of the members of the Court of Justice in English, that is unlikely to be true of marks expressed, for example, in Finnish. And it would be aberrant for the type of appellate review to vary according to the language of the sign.

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1: - Original language: Spanish.

2: - [2000] ECR II-1, hereinafter the 'contested decision'.

3: - [2001] ECR I-6251.

4: - Case C-363/99 [2002] ECR I-0000.

5: - 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; hereinafter 'the Trade Mark Directive').

6: - Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83).

7: - Annex to the Agreement establishing the World Trade Organization signed in Marrakesh on 15 April 1994 and approved by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1).