

European Court of Justice, 5 February 2004,
Streamserve v OHIM



TRADEMARK LAW

Article 7(1)(c) of the EU Trade Mark Regulation pursues an aim in the general interest that signs or indications which may serve to designate the characteristics of the goods or services may be freely used by all

- By prohibiting the registration as a Community trade mark of signs or indications which may serve, in trade, to designate the characteristics of the goods or services for which registration is sought, Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the general interest, namely that such signs or indications may be freely used by all.

That provision accordingly precludes such signs or indications being reserved to a single undertaking as a result of the registration of the trade mark (see, in relation to the identical provisions of Article 3(1)(c) 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), Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee [1999] ECR I-2779, paragraph 25, and Joined Cases C-53/01 to C-55/01 Linde and Others [2003] ECR I-3161, paragraph 73, and, as regards Article 7(1)(c) of Regulation No 40/94, the judgment of 23 October 2003 in Case C-191/01 P OHIM v Wrigley, not yet published in the ECR).

26. Accordingly, in finding, at paragraph 36 of the contested judgment, that Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, namely that the proposed signs and indications may be freely used by all, the Court of First Instance did not fail to take account of the objectives of those provisions and accordingly interpreted them correctly.

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European Court of Justice, 5 February 2004,

(J.N. Cunha Rodrigues, J.-P. Puissechet (Rapporteur), F. Macken)

ORDER OF THE COURT (Fourth Chamber)

5 February 2004

“Appeal - Community trade mark - Regulation (EC) No 40/94 - Absolute ground for refusal to register - Distinctive character - Marks consisting exclusively of descriptive signs or indications - ‘Streamserve’

In Case C-150/02 P,

Streamserve Inc., represented by J. Kääriäinen, advokat, 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 27 February 2002 in Case T-106/00

Streamserve v OHIM (Streamserve) [2002] ECR II-723, seeking the annulment of that judgment in so far as the Court of First Instance held that the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) had not infringed Article 7(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) in its decision of 28 February 2000 refusing registration of the word ‘Streamserve’ as a Community trade mark, other than as regards goods in the categories ‘manuals’ and ‘publications’ (Case R-423/1999-2),

the other party to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by E. Joly, acting as Agent,

defendant at first instance,

THE COURT (Fourth Chamber),

composed of: J.N. Cunha Rodrigues, President of the Chamber, J.-P. Puissechet (Rapporteur) and F. Macken, Judges,

Advocate General: F.G. Jacobs,

Registrar: R. Grass,

after hearing the Opinion of the Advocate General,

makes the following

Order

1. By an application lodged at the Registry of the Court on 25 April 2002, Streamserve Inc. (hereinafter the appellant) brought an appeal under Article 49 of the EC Statute of the Court of Justice against the judgment of the Court of First Instance in Case T-106/00 *Streamserve v OHIM (Streamserve)* [2002] ECR II-723 (hereinafter ‘the contested judgment’), seeking to have that judgment set aside in so far as the Court of First Instance held that the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (hereinafter OHIM) had not, for goods in categories other than ‘manuals’ and ‘publications’, infringed Article 7(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) in its decision of 28 February 2000 refusing registration of the word ‘Streamserve’ as a community trade mark (Case R-423/1999-2) (hereinafter ‘the contested decision’).

Legal background

2. Article 4 of Regulation No 40/94 provides as follows:

‘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.’

3. Article 7(1) of the same 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;
...'

4 Article 12 of Regulation No 40/94 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.'

Facts of the dispute

5. On 22 August 1997, Intelligent Document Systems Scandinavia AB filed an application with OHIM for registration as a Community trade mark of the word 'Streamserve' for goods in Classes 9 and 16 of the Nice Agreement concerning International Classification of Goods and Services for the Purpose of the Registration of Marks of 15 June 1957, as revised and amended.

6. The goods in Class 9 in respect of which registration was requested included the following products: *'[a]pparatus for recording, transmitting and reproducing of sounds and images; data processing equipment including computers, computer memories, viewing screens, keyboards, processors, printers and scanners; computer programs stored on tapes, disks, diskettes and other machine-readable media'*.

7. The goods referred to in the application for registration and within Class 16 were as follows: *'[I]listed computer programs; manuals; newspapers and publications; education and teaching material'*.

8. On 18 February 1999 the Community trade mark application was transferred into the name of the appellant.

9. OHIM's examiner refused the application by decision of 21 May 1999 and the appellant appealed.

10. OHIM's Second Board of Appeal dismissed that appeal by the contested decision on the ground that the word 'Streamserve, which is made up of two English words without any additional unusual or innovative element, was descriptive of the intended use of the goods concerned, in this case a technique for transferring digital data from a server enabling them to be processed as a steady and continuous stream (a technique known as 'streaming) and that, in those circumstances, the examiner was justified in holding that Article 7(1)(b) and (c) of Regulation No 40/94 precluded the registration of the word as a Community trade mark.

The contested judgment

11. By an application lodged at the Registry of the Court of First Instance on 27 April 2000 the appellant brought an action against the contested decision. The Court of First Instance upheld the application in part only in the contested judgment.

12. First of all, at paragraph 36 of the contested judgment, the Court of First Instance stated that Article 7(1)(c) of Regulation No 40/94 pursued an aim which was in the public interest, namely that the signs and indications referred to in that provision should not be reserved to one undertaking alone by reason of their being registered as a mark, but can be freely used by all.

13. Secondly, having pointed out that the persons at whom the appellant's goods are targeted comprise average English-speaking consumers who use the internet and are interested in its audiovisual aspect, the Court of First Instance held, at paragraphs 40 to 49 of the contested judgment, that the conditions for the application of Article 7(1)(c) of Regulation No 40/94 were met in this case. In other words, from the viewpoint of the public addressed, there was a sufficiently direct and specific relation between the sign and the goods for which registration was sought.

14. The Court of First Instance considered, on the one hand, that the word 'Streamserve' was made up of a basic verb ('serve') and a noun ('stream') and was therefore not unusual for the consumers concerned. On the other hand, it found that the word 'Streamserve' referred to a technique for transferring digital data from a server, enabling them to be processed as a steady and continuous stream, and that this technique did not merely constitute a field in which those goods are applied but rather one of their specific functions.

15. It concluded, at paragraph 49 of the contested judgment, that the word 'Streamserve' could serve to designate a characteristic of the majority of the goods listed in the application for registration and that, therefore, in respect of those goods, the absolute ground for refusal set out in Article 7(1)(c) of Regulation No 40/94 prevented its registration.

16. Thirdly, the Court of First Instance pointed out, in regard to the same goods, that the contested decision could lawfully be taken on the sole basis of Article 7(1)(c) of Regulation No 40/94 and that, accordingly, the appellant's argument that the decision rather infringed Article 7(1)(b) of that regulation was invalid and must therefore be rejected.

17. In contrast, the Court of First Instance found that OHIM had established neither that 'Streamserve' could be descriptive nor that it was devoid of distinctive character for goods within the categories 'manuals' and 'publications'. It therefore annulled the contested decision in so far as it refused the application for registration of 'Streamserve' for goods within those two categories.

The appeal

18. The appellant claims that the Court should, first of all, set aside the contested judgment in so far as it upheld the contested decision for goods not in the

categories 'manuals' and 'publications' and, secondly, annul the contested decision. It also requests that OHIM be ordered to pay the costs.

19. OHIM contends that the appeal should be dismissed and the appellant be ordered to pay the costs.

20. Under Article 119 of the Rules of Procedure, where the appeal is clearly unfounded, the Court may at any time, acting on a report from the Judge-Rapporteur, and after hearing the Advocate General, by reasoned order dismiss the appeal.

The first ground of appeal

21. By its first ground of appeal the appellant argues that the Court of First Instance erred in law in finding that Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, namely that the signs and indications referred to in that article may be freely used by all. That statement by the Court of First Instance is not wholly reconcilable with the view taken by Advocate General Jacobs as expressed in his Opinion in the *Baby-Dry* case, and accepted by the Court of Justice (*Case C-383/99 P Procter & Gamble v OHIM* [2001] ECR I-6251), to the effect that Article 7(1)(c) of Regulation No 40/94 is intended 'not to prevent any monopolising of ordinary descriptive terms but rather to avoid the registration of descriptive brand names for which no protection could be available' (see paragraph 78 of the Opinion). In those circumstances, the Court of First Instance adopted a test that was too severe in the application of those provisions to the facts of the case.

22. Under Article 4 of Regulation No 40/94, any signs capable of being represented graphically may constitute a Community trade mark provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

23. Article 7(1)(c) of Regulation No 40/94 provides that 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' may not be registered.

24. Accordingly, signs and indications which may serve, in trade, to designate the characteristics of the goods or services in respect of which registration is sought are, under Regulation No 40/94, deemed to be incapable, by their very nature, of fulfilling the trade mark's function as an indication of origin, without prejudice to the possibility of such distinctive character being acquired through use as provided for under Article 7(3) of Regulation No 40/94.

25. By prohibiting the registration as a Community trade mark of signs or indications which may serve, in trade, to designate the characteristics of the goods or services for which registration is sought, Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the general interest, namely that such signs or indications may be freely used by all. That provision accordingly precludes such signs or indications being reserved to a single undertaking as a result of the registration of the

trade mark (see, in relation to the identical provisions of Article 3(1)(c) 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), *Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25, and *Joined Cases C-53/01 to C-55/01 Linde and Others* [2003] ECR I-3161, paragraph 73, and, as regards Article 7(1)(c) of Regulation No 40/94, the judgment of 23 October 2003 in Case C-191/01 P *OHIM v Wrigley*, not yet published in the ECR).

26. Accordingly, in finding, at paragraph 36 of the contested judgment, that Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, namely that the proposed signs and indications may be freely used by all, the Court of First Instance did not fail to take account of the objectives of those provisions and accordingly interpreted them correctly.

27. The grounds are therefore not vitiated by any error of law.

28. The first ground of appeal must therefore be rejected.

Second ground of appeal

29. By its second ground of appeal the appellant argues that the Court of First Instance misinterpreted the facts in holding that the word 'Streamserve' did not appear unusual for the relevant consumers. It claims that this word, made up of the verb 'serve' and the noun 'stream', does not consist exclusively of signs or indications designating one of the characteristics of the goods concerned but is inventive, inasmuch as it is not used in the specific language of computers and the internet to designate the goods referred to in the application for registration or any of their characteristics.

30. First of all, in claiming that the Court of First Instance, by misinterpreting the facts of the case, found that the word 'Streamserve' is usual for the public concerned and is not capable of being used to designate the characteristics of the goods to which the application for registration relates, the appellant is in reality confining itself to challenging - and without pleading any distortion of the clear sense of the evidence in the file submitted to the Court of First Instance - the findings of fact made by that Court. Accordingly, that finding does not constitute a point of law which is subject, as such, to review by the Court of Justice on appeal (Case C-104/00 P *DKV v OHIM* [2002] ECR I-7561, paragraph 22).

31. Secondly, in concluding from all the findings made, at paragraphs 44 to 48 of the contested judgment, that the word 'Streamserve' could serve, in trade, to designate a characteristic of most of the goods referred to in the application for registration, the Court of First Instance applied Article 7(1)(c) of Regulation No 40/94 correctly (*OHIM v Wrigley*, paragraph 32).

32. In those circumstances the second ground of appeal must be rejected.

33. It follows from all of the foregoing that the appeal is clearly unfounded and must therefore be dismissed.

Costs

34. Under Article 69(2) of the Rules of Procedure of the Court of Justice, 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 the appellant has been unsuccessful, the latter must be ordered to pay the costs.

On those grounds,

THE COURT (Fourth Chamber)

hereby orders:

1. The appeal is dismissed.
2. The appellant is to pay the costs.

Luxembourg, 5 February 2004.

R. Grass

Registrar

J.N. Cunha Rodrigues

President of the Fourth Chamber
