

**European Court of Justice, 16 September 2004,
Nichols v Registrar**



TRADEMARK LAW

Trade mark comprising a common surname

- The assessment of the existence or otherwise of the distinctive character of a trade mark constituted by a surname, even a common one, must be carried out specifically.

The assessment of the existence or otherwise of the distinctive character of a trade mark constituted by a surname, even a common one, must be carried out specifically, in accordance with the criteria applicable to any sign covered by Article 2 of that directive, in relation, first, to the products or services in respect of which registration is applied for and, second, to the perception of the relevant consumers. The fact that the effects of registration of the trade mark are limited by virtue of Article 6(1)(a) of that directive has no impact on that assessment.

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European Court of Justice, 16 September 2004

(C.W.A. Timmermans, C. Gulmann, J. P. Puissochet, R. Schintgen and N. Colneric)

JUDGMENT OF THE COURT (Second Chamber)

16 September 2004 (1)

(Trade marks – Directive 89/104/EC – Article 3(1)(b) – Trade mark comprising a common surname – Distinctive character – Impact of Article 6(1)(a) on assessment)

In Case C-404/02

REFERENCE for a preliminary ruling under Article 234 EC,

from the High Court of Justice of England and Wales, Chancery Division, made by decision of 3 September 2002, registered at the Court on 3 September 2002, registered at the Court on 12 November 2002, 12 November 2002, in the proceedings brought by Nichols plc

v

Registrar of Trade Marks,

THE COURT (Second Chamber),

composed of: C.W.A. Timmermans, President of the Chamber, C. Gulmann (Rapporteur), J. P. Puissochet, R. Schintgen and N. Colneric, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: M. Múgica Arzamendi, Principal Administrator,

having regard to the written procedure and further to the hearing on 27 November 2003,

after considering the observations submitted on behalf of:

– Nichols plc, by C. Morcom QC,

– the United Kingdom Government, by P. Ormond, acting as Agent, assisted by D. Alexander, barrister,

– the Greek Government, by G. Skiani and S. Trekli, acting as Agents,

– the French Government, by G. de Bergues and A. Bodard Hermant, acting as Agents,

– the Commission of the European Communities, by K. Banks, acting as Agent,

after hearing the Opinion of the Advocate General at the sitting on 15 January 2004,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 3(1)(b) and Article 6(1)(a) of the 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).

2 The reference was made in the course of proceedings between Nichols plc ('Nichols'), a company incorporated in the United Kingdom, and the Registrar of Trade Marks concerning the latter's refusal to register a common surname as a trade mark for certain products.

Legal background

3 Article 2 of Directive 89/104, entitled 'Signs of which a trade mark may consist', is worded as follows:

'A trade mark may consist of any sign 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.'

4 Article 3 of that directive, entitled 'Grounds for refusal or invalidity', provides:

'1. The following shall not be registered or if registered shall be liable to be declared invalid:

(a) signs which cannot constitute a trade mark;

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

...'

5 Article 6, entitled 'Limitation of the effects of a trade mark' states:

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

(a) his own name or address;

...

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

...'

The main proceedings and the questions for the Court of Justice

6 Nichols applied to the Registrar of Trade Marks for registration of the surname 'Nichols' as a trade mark for products including vending machines, and food and drink of the kind typically dispensed through such machines.

7 By decision of 11 May 2001, the Registrar of Trade Marks granted that application in respect of vending machines, but refused it in respect of all other products.

8 He found that the surname ‘Nichols’, including its phonetic equivalent ‘Nicholls’ and its singular form ‘Nichol’, is common in the United Kingdom, given the number of times it appears in the London telephone directory.

9 With regard to food and drink, that surname is therefore not of itself capable of communicating the fact that such goods originate from one and the same undertaking. In view of the nature of the business involved and the potential size of the market for those goods, the surname ‘Nichols’ could be used by other manufacturers and providers. The public are therefore unlikely to consider that there is only one trader operating under that surname in the market. A mark in the form of that surname is therefore devoid of any distinctive character in respect of food and drink products.

10 On the other hand, the market for vending machines is more specialised, with fewer people trading in it. The mark can therefore be registered in respect of those goods.

11 Nichols appealed against that decision to the Chancery Division of the High Court of Justice of England and Wales.

12 That court states that the United Kingdom Trade Marks Registry takes the view that the registration of names, and particularly of common surnames, should be considered carefully to ensure that unfair advantage is not given to the first applicant for such a name. Broadly, the more common the surname, the less willing is the Registry to accept an application for registration without proof that that name has in fact become distinctive. The Trade Marks Registry also takes into account the number of goods and services, and the number of people with the same or a similar name, which might be affected by the registration.

13 The national court considers that the question arises whether a fairly common surname must be regarded as ‘devoid of any distinctive character’ until it has acquired a distinctive character through use.

14 It considers that it is proper to take account of the limitation of the effects of the mark which is provided for in Article 6(1)(a) of Directive 89/104 and relates to a third party’s use of its own name. In its view, the wider the potential limitation laid down in that provision, the less of an impost on the persons concerned the registration would be. It is therefore necessary to consider the extent to which the limitations laid down in Article 6 of Directive 89/104 are relevant when considering the distinctive character of a mark of which registration is sought.

15 In that regard, the national court raises the question whether Article 6(1)(a) applies not only to the names of natural persons but also to company names. It is also uncertain as to the meaning of the expression ‘honest practices’ used in that provision.

16 In those circumstances, the Chancery Division of the High Court of Justice of England and Wales stayed the proceedings pending a preliminary ruling from the Court of Justice on the following questions:

‘1. In what circumstances, if any, must a trade mark (ie a “sign” which complies with the requirements of

Article 2 of the Trade Marks Directive 89/104/EC) consisting of a single surname be refused registration as being in itself “devoid of any distinctive character” within the meaning of Article 3(1)(b) of the Directive?

2. In particular (a) must or (b) may such a sign, before it has acquired distinctive character by use, be refused registration if it is a common surname in the Member State in which the trade mark is sought to be registered or if it is a common surname in one or more of the other Member States?

3. If the answer to either Question 2(a) or (b) is in the affirmative, is it appropriate for national authorities to determine the matter by reference to the presumed expectations of an average customer in relation to the goods/services in question in the Member State, taking into account the commonness of the surname, the nature of the goods/services at issue, and the prevalence (or otherwise) of the use of surnames in the relevant trade?

4. Is it of significance for the purpose of determining whether a surname is “devoid of any distinctive character” within Article 3(1)(b) of the Directive that the effects of registration of the trade mark are restricted under Article 6(1)(a)?

5. If so,

(a) is the word “person” in Article 6(1) of the Directive to be understood as including a corporation or a business and

(b) what amounts to “honest practices in industrial or commercial matters”; in particular, does that expression apply where

(i) the Defendant is not, in practice, deceiving the public by the use of his own name or

(ii) the Defendant is merely causing unintentional confusion thereby?’

The first four questions

17 By its first four questions, which it is appropriate to consider together, the national court seeks essentially to ascertain what conditions apply to the assessment, in the context of Article 3(1)(b) of Directive 89/104, of the distinctiveness or otherwise of a trade mark constituted by a surname, particularly where that surname is common, and whether the fact that the effects of registration of the trade mark are limited pursuant to Article 6(1)(a) of the same directive has an impact on that assessment.

Observations submitted to the Court

18 Nichols submits that registration of a trade-mark cannot be refused solely on the ground that it is a common surname. It considers that the criterion used in the main proceedings of the number of occurrences of a surname in the London telephone book is arbitrary. Surnames cannot be subjected to special treatment which is more severe than that applied to other signs which are capable of constituting a trade mark. Like all other signs, they should be registered if they enable the products or services for which registration is sought to be distinguished, according to their origin. In the assessment of distinctiveness, account should be taken of Article 6(1)(a) of Directive 89/104.

19 The Greek and French Governments and the Commission also consider that surnames, even common ones, should be treated in the same way as other categories of signs, having regard to the products or services involved and the perception of the relevant public regarding the function of the trade mark as an indicator of origin.

20 The United Kingdom Government considers that it is highly unlikely that a common surname will denote only the goods or services of the undertaking that applies for registration of that surname as a trade mark. A trade mark which did not designate solely the products or services of a given undertaking could not be registered because it would not comply with Article 3(1)(b) of Directive 89/104. In such a case, it would not serve to indicate origin. Account must be taken of the presumed expectations of an average consumer with regard to the trade mark. The factors to be taken into consideration might include the commonness of the surname, the number of undertakings supplying products or services of the type concerned and the prevalence or otherwise of the use of surnames in the relevant trade.

21 The French and United Kingdom Governments, and the Commission, consider that Article 6(1)(a) of Directive 89/104 has no impact on the assessment of the distinctiveness carried out under Article 3(1)(b) of the same directive.

Findings of the Court

22 Article 2 of Directive 89/104 contains a list, described as a 'list of examples' in the seventh recital in the preamble to that directive, of signs which may constitute a trade mark, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings, that is to say to fulfil the trade mark's function as an indicator of origin. That list expressly includes 'personal names'.

23 According to Article 3(1)(b) of Directive 89/104, the distinctive character of a mark must be assessed in relation to the goods or services in respect of which registration is applied for and in relation to the perception of the relevant consumers (see [Case C-299/99 Philips \[2002\] ECR I-5475](#), paragraphs 59 and 63, and [Case C-218/01 Henkel \[2004\] ECR I-0000](#), paragraph 50).

24 In that regard, the provision concerned draws no distinction between different categories of trade mark (see, to that effect, [Joined Cases C-53/01 to C-55/01 Linde and Others \[2003\] ECR I-3161](#), paragraph 42, and, regarding the identical provision in Article 7(1)(b) of Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1994 L 11, p. 1), the order of 28 June 2004 in [Case C-445/02 P Glaverbel v OHIM \[2004\] ECR I-0000](#), paragraph 21).

25 The criteria for assessment of the distinctive character of trade marks constituted by a personal name are therefore the same as those applicable to the other categories of trade mark.

26 Stricter general criteria of assessment based, for example, on:

– a predetermined number of persons with the same name, above which that name may be regarded as devoid of distinctive character,

– the number of undertakings providing products or services of the type covered by the application for registration, or

– the prevalence or otherwise of the use of surnames in the relevant trade,

cannot be applied to such trade marks.

27 The distinctive character of a trade mark, in whatever category, must be the subject of a specific assessment.

28 In the context of that assessment, it may indeed appear, for example, that the perception of the relevant public is not necessarily the same for each of the categories and that, accordingly, it could prove more difficult to establish the distinctive character of trade marks in certain categories than that of those in other categories (see, in particular, [Henkel](#), paragraph 52, and, in relation to Article 7(1)(b) of Regulation No 40/94, [Case C-468/01 P Proctor & Gamble v OHIM \[2004\] ECR I-0000](#), paragraph 36, and the order in [Glaverbel v OHIM](#), paragraph 23).

29 However, such greater difficulty as might be encountered in the specific assessment of the distinctive character of certain trade marks cannot justify the assumption that such marks are a priori devoid of distinctive character or cannot acquire such character through use, pursuant to Article 3(3) of Directive 89/104.

30 In the same way as a term used in everyday language, a common surname may serve the trade mark function of indicating origin and therefore distinguish the products or services concerned where it is not subject to a ground of refusal of registration other than the one referred to in Article 3(1)(b) of Directive 89/104, such as, for example, the generic or descriptive character of the mark or the existence of an earlier right.

31 The registration of a trade mark constituted by a surname cannot be refused in order to ensure that no advantage is afforded to the first applicant since Directive 89/104 contains no provision to that effect, regardless, moreover, of the category to which the trade mark whose registration is sought belongs.

32 In any event, the fact that Article 6(1)(a) of Directive 89/104 enables third parties to use their name in the course of trade has no impact on the assessment of the distinctiveness of the trade mark, which is carried out under Article 3(1)(b) of the same directive.

33 Article 6(1)(a) of Directive 89/104 limits in a general way, for the benefit of operators who have a name identical or similar to the registered mark, the right granted by the mark after its registration, that is to say after the existence of the mark's distinctive character has been established. It cannot therefore be taken into account for the purposes of the specific assessment of the distinctive character of the trade mark before the trade mark is registered.

34 The answer to the first four questions must therefore be that, in the context of Article 3(1)(b) of Directive 89/104, the assessment of the existence or otherwise of

the distinctive character of a trade mark constituted by a surname, even a common one, must be carried out specifically, in accordance with the criteria applicable to any sign covered by Article 2 of the said directive, in relation, first, to the products or services in respect of which registration is applied for and, second, to the perception of the relevant consumers. The fact that the effects of registration of the trade mark are limited by virtue of Article 6(1)(a) of that directive has no impact on that assessment.

The fifth question

35 An answer to the fifth question was sought only in the event of a positive answer being given to the fourth question. Since the fourth question has been answered in the negative, there is no need to answer the fifth.

Costs

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

On those grounds, the Court of Justice (Second Chamber) rules as follows:

In the context of Article 3(1)(b) 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 assessment of the existence or otherwise of the distinctive character of a trade mark constituted by a surname, even a common one, must be carried out specifically, in accordance with the criteria applicable to any sign covered by Article 2 of that directive, in relation, first, to the products or services in respect of which registration is applied for and, second, to the perception of the relevant consumers. The fact that the effects of registration of the trade mark are limited by virtue of Article 6(1)(a) of that directive has no impact on that assessment.

OPINION OF ADVOCATE GENERAL RUIZ-JARABO COLOMER

delivered on 15 January 2004 (1)

Case C-404/02

Nichols plc

v

Registrar of Trade Marks

(Reference for a preliminary ruling from the High Court of Justice of England and Wales)

(Trade marks – Assessment of the distinctiveness of a common surname)

I – Introduction

1. The present proceedings raise the problem of the distinctive character of common surnames within the sphere of intellectual property.

The United Kingdom Trade Marks Registry consistently refuses to register ordinary surnames which occur frequently in the London telephone directory, provided that there is a large number of operators in the market for the goods or services designated.

It should be noted at the outset that neither the Trade Marks Directive (2) nor any general principle requires surnames to be treated differently from other types of mark. Their specific distinctive character must be assessed in relation to the products which they are intended to cover and the perception of the consumers concerned. Nevertheless, it must be recognised that such consumers are accustomed, particularly in the case of services carried out by certain professional practitioners, to the use of a surname to indicate the origin of the service. Very frequently occurring surnames in a given sector may be disqualified from use as trade marks on the ground that they lack the necessary distinctive character.

II – Legislative background

1. Community law: the Trade Marks Directive

2. According to Article 2 of the Directive, a trade mark ‘may consist of any sign 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 3(1) goes on to provide:

‘1. The following shall not be registered or if registered shall be liable to be declared invalid:

(a) signs which cannot constitute a trade mark;
(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;

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

...

(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service’.

4. The Directive authorises registration of a sign which falls within any of the cases described in paragraph 1(b), (c) or (d), if it in fact enables the origin of the goods or services to be identified. Article 3(3) states:

‘A trade mark shall not be refused registration or declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character.’

5. Article 6(1), under the heading ‘Limitation of the effects of a trade mark’, provides:

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

(a) his own name or address;
(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the

time of production of goods or of rendering of the service, or other characteristics of goods or services;

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

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

6. The provisions of the Directive cited above coincide almost exactly with Articles 4, 7(1) and (3) and 12(1) of the Community Trade mark Directive. (3)

2 – Domestic legislation

7. The Trade Marks Directive was incorporated in domestic law by means of the Trade Marks Act 1994, which superseded a statute that had been in force since 1938.

8. In May 2000, the Registrar of Trade Marks published Practice Amendment Circular No 6/00 (hereinafter ‘PAC 6/00’), concerning the registration of names and surnames.

9. The following passages from that circular are particularly relevant:

‘5. In judging the capacity of a surname to distinguish the goods or services of one undertaking the Registrar will consider:

(a) the commonness of the surname;
(b) the number of undertakings engaged in the trade and from whom the goods or services specified in the application can be said to originate.

6. For this purpose the number of relevant undertakings includes manufacturers, designers and specialist retailers of goods, and providers of services.

7. The Registrar will continue to have regard to the London Telephone Directory in assessing the commonness of a surname. However, with the continuing increase in the number of telephone users it is now possible for a name which appears a significant number of times in the London Telephone Directory to be quite uncommon. Consequently, the Registrar will not regard a surname as “common” unless it appears 200 times in the London or other appropriate telephone directory.’

10. The reasoning underlying the two criteria of assessment set out in the circular is that the smaller the number of operators active in a given market, the more likely it is that the average consumer will perceive in a surname, even one that occurs frequently, a sign capable of distinguishing the goods or services of a particular undertaking. PAC 6/00 gives as examples the producers of agricultural chemicals and providers of airline services. (4)

11. Conversely, where a very large number of operators are involved, it is more difficult for the public to identify a commercial origin on the basis of a common surname. By way of illustration, the circular refers to manufacturers of clothing and foodstuffs or drinks, and law firms. (5)

III – Factual background

12. Nichols plc (hereinafter ‘Nichols’) is a commercial company incorporated in the United Kingdom. On 8 August 2000 it applied to the United Kingdom Trade Marks Registry for registration of a word sign ‘Nichols’ to designate goods belonging to classes 29, 30 and

32 of the Nice Agreement. (6) The goods concerned are automatic vending machines and products frequently sold by that means, essentially foodstuffs and drinks. The company did not claim acquisition of distinctiveness through use.

13. By decision of 11 May 2001, the Trade Marks Registry granted the application regarding automatic vending machines but refused it in relation to the other indications. In giving its reasons, it relied on the two criteria laid down in PAC 6/00, (7) taking the view:

First, that the surname ‘Nichols’, together with phonetically similar names, such as ‘Nicholls’ or, in the singular, ‘Nichol’, are common surnames in the United Kingdom, since they appear 483 times in the London telephone directory.

Second, that the food and drinks market, covered by classes 29, 30 and 32, in respect of which registration was applied for, is made up of a large number of operators, so that it is difficult for consumers to identify the commercial origin of the products from a common surname.

As regards automatic vending machines (included in class 9), the Registry recognised that this is a rather more specialised sector, in which fewer undertakings operate.

14. Nichols appealed against that decision by application of 14 February 2002, which came before the High Court of Justice of England and Wales, Chancery Division (which has jurisdiction at first instance in, among others, industrial property matters) under section 76(3) of the Trade Marks Act.

15. In his order for reference, Mr Justice Robin Jacob, after explaining the practice followed by the United Kingdom Trade Marks Registry regarding the registration of common surnames as trade marks, adds that the real question is whether a fairly common surname should be regarded as ‘devoid of any distinctive character’ unless and until it has acquired a distinctive character following use.

According to the judge himself, the problem associated with a frequently occurring surname lies in the fact that, until it has distinctiveness acquired by use, it does not really indicate goods as coming from a particular undertaking. That applies with greater force to services. In that connection, a trade mark which has become established by use displays the notable feature of having already foreclosed the position for others of the same or a similar name.

He also points out that registration confers a monopoly not merely of use of the word as registered but also regarding similar words whenever there is a risk of confusion.

16. In the order for reference, the basis of assessment applied by the United Kingdom Trade Marks Registry is accounted for by the aim of obviating a monopoly for certain common names and variants thereof which might be misleading.

17. Common surnames as such, in the absence of use establishing them, are not capable of indicating that goods come from a particular undertaking. Their use to

a sufficient extent over time presupposes that they have excluded others which are the same or similar.

18. The national court, rather than taking a purely theoretical approach, prefers to take a realistic view of the functioning of the registered trade mark system. Accordingly, he suggests that attention be paid to the risk of monopolisation deriving from the registration of a common surname to cover a wide range of goods or services. In view of that danger, the possibility, which is costly in terms of time and money, of challenging some of those indications on the ground of non-use, after the expiry of five years following registration, does not seem to be an effective remedy.

For the same reasons, it is inappropriate to take account, when analysing the distinctiveness of a trade mark, of considerations concerning the limitation of its effects, even though that seems to be the approach adopted in paragraph 37 of the *Baby-Dry* judgment. (8) In practice, favourable treatment is accorded to whoever has secured registration.

19. After considering those matters, the national court raises questions as to the impact of Article 6(1) of the Trade Marks Directive on the assessment of the distinctiveness of surnames.

IV – The questions on which a preliminary ruling is sought

20. In the course of the appeal before it, the High Court decided to stay the proceedings and seek a preliminary ruling from the Court of Justice on the following questions:

‘1. In what circumstances, if any, must a trade mark (i.e. a “sign” which complies with the requirements of Article 2 of the Trade Marks Directive 89/104/EC) consisting of a single surname be refused registration as being in itself “devoid of any distinctive character” within the meaning of Article 3(1)(b) of the Directive?’

2. In particular (a) must or (b) may such a sign, before it has acquired distinctive character by use, be refused registration if it is a common surname in the Member State in which the trade mark is sought to be registered or if it is a common surname in one or more of the other Member States?

3. If the answer to either Question 2(a) or (b) is in the affirmative, is it appropriate for national authorities to determine the matter by reference to the presumed expectations of an average customer in relation to the goods/services in question in the Member State, taking into account the commonness of the surname, the nature of the goods/services at issue, and the prevalence (or otherwise) of the use of surnames in the relevant trade?

4. Is it of significance for the purpose of determining whether a surname is “devoid of any distinctive character” within Article 3(1)(b) of the Directive that the effects of registration of the trade mark are restricted under Article 6(1)(a)?

5. If so, (a) is the word “person” in Article 6(1)(a) of the Directive to be understood as including a corporation or a business and (b) what amounts to “honest practices in industrial or commercial matters”; in particular, does that expression apply where (i) the

Defendant is not, in practice, deceiving the public by the use of his own name or (ii) the Defendant is merely causing unintentional confusion thereby?’

V – Proceedings before the Court of Justice

21. The order for reference was received at the Registry of the Court of Justice on 12 November 2002.

22. Submissions were lodged by the appellant in the main proceedings and also by the United Kingdom, Greek and French Governments and by the Commission.

23. At the hearing on 27 November 2003, the representatives of the abovementioned governments and of the Commission presented oral argument.

VI – Observations of the parties

The first three questions

24. For Nichols, the appellant in the main proceedings, the United Kingdom Registry’s practice is not compatible with Article 3(1) of the Directive. In its view, registration of a trade mark should never be refused solely because it uses a common surname, a criterion whose application by reference to a telephone directory in any event produces arbitrary results.

25. The Greek and French Governments agree that the commonness of a surname does not render it unsuitable for use as a trade mark. Its specific capacity to identify the products or services concerned should be assessed, in each case, from the standpoint of the relevant average consumer.

26. The Commission is critical of the fact that, without any justification whatsoever, the United Kingdom Registry has adopted a method radically different from that generally used for assessing the potential capacity of a trade mark to distinguish goods or services.

27. For its part, the United Kingdom Government maintains that a common surname does not possess the distinctive nature required by Article 3(1)(b) of the Directive. That requirement is not satisfied by the fact that a mark is recognisable; it must also, in the eyes of an average consumer, be identifiable with, and actually identified with, the products and services of an undertaking. The United Kingdom Registry’s practice seeks to ensure that, as far as common surnames are concerned, only those capable of designating a commercial origin are registered.

The fourth and fifth questions

28. According to Nichols, it is necessary to take account of Article 6(1)(a) of the Directive when analysing the distinctive character of a sign under Article 3(1)(b), since there is no reason for restricting its effect so as to benefit only natural persons. The term ‘honest practices’ should be construed as meaning ‘bona fide use’.

29. For the Greek Government, it is possible to use a business name in the context of Article 6(1)(a) of the Directive, provided that it comprises a person’s name. For the rest, an assessment as to whether use is in good faith must take account of the conception of social ethics of the average well-advised person.

30. All the other parties coincide in the view that assessment of the specific distinctive character of a trade mark should be separated from any assessment of the limitation of its effects. A negative reply to the

fourth question would render the fifth question academic.

VII – Legal analysis

The first three questions

31. Like most of the parties to the proceedings before this Court, I also consider that the first three questions submitted by the United Kingdom court must be dealt with together. The essential issue is whether trade marks consisting of a common surname are subject to specific conditions regarding their capacity to distinguish products or services, in particular when their specific distinctive character under Article 3(1)(b) of the Directive is being appraised.

32. It must first be observed that a surname fulfils the minimum requirements to constitute a trade mark under Article 2 of the Directive, since it is capable of distinguishing the products or services of one undertaking from those of others.

Article 2 itself refers, in its non-exhaustive list, (9) to ‘personal names’.

Moreover, surnames, including common ones, represent one of the categories of trade mark to which operators most frequently resort.

Finally, the wording of Article 6(1) gives the impression that the Community legislature was aware that surnames were suitable for registration as trade marks.

That statement of principle is, therefore, generally accepted.

33. It must also be borne in mind that surnames are not included in the list of marks given in Article 3(1)(c) of the Directive. They are not therefore, at first sight, generic or descriptive signs for specific products or services. As I shall explain shortly, it follows from this fact that it is not possible, in relation to the differentiating capacity of the surname in question, to rely on considerations of a general nature with a view to ensuring their availability for the generality of operators.

34. The Commission states in its written observations that the practice followed by the United Kingdom Registry in determining whether a surname is suitable for registration as a trade mark is at odds with that provided for in the Directive, as interpreted by the Court of Justice.

The United Kingdom Registry verifies whether the surname sought to be registered as a trade mark is common, for which purpose it customarily refers to the London telephone directory. When the result of its search is positive, it calculates the number of operators active in the relevant markets, so that registration is granted or refused depending on the resulting figure.

It has been suggested that that method is inappropriate since it involves setting an arbitrary threshold above which a surname is deemed to be common. It is not for this Court to make value judgments concerning national legislation but rather to rule as to its compatibility with the Community rules. For my part, I recognise that any method used to identify the distinctiveness of a mark inevitably involves some degree of subjectivity.

35. In this case, it seems clear that the method employed by the United Kingdom Registry differs from

the approach preferred by the Court of Justice to date in assessing the distinctive character of a mark. However, no sufficient reasons have been put forward in favour of choosing another interpretative method.

36. I agree with the majority of the parties that the question whether a surname, however common, may indicate the commercial origin of products and services must be analysed in relation to the specific market concerned. The fact that, in a given commercial sector, ordinary surnames are customarily used for identification of that kind, with certain possible consequences regarding the assessment of distinctiveness, cannot be transposed, without more, to any other sector. (10) Reference could be made, in the last resort, to specific particular features, linked to the peculiarities of the products or services designated, rather than to a special characteristic inherent in a category of marks. (11)

37. For the rest, there is nothing in the Directive to justify treating surnames differently, since Article 6(1)(a), the only provision specifically devoted to them, is concerned with limiting the protective effects of trade marks, and that is quite separate from the question of examining absolute grounds for refusal, as I shall have occasion to explain shortly.

38. In those circumstances, any judgment as to the distinctiveness of a surname must observe the same guidelines as those applicable to other types of word marks.

39. According to the Court of Justice, for a trade mark to fulfil its principal task, it is sufficient if it enables the public to distinguish the product or the service which it designates from others which have another commercial origin, and to conclude that it was manufactured, marketed or rendered under the control of the proprietor of the trade mark, who accepts responsibility for its quality. In that respect, Article 2 of the Directive makes no distinction between different categories of marks, for which reason similar criteria must be used to assess their distinctiveness in all cases. (12)

40. The distinctive character must be analysed from the viewpoint of the average consumer of such types of products or services, (13) the consumer being deemed to be ‘reasonably well informed and reasonably observant and circumspect’. (14)

41. In that context, it is necessary to take into account, for example, the particularity that, in certain sectors, common names or surnames are assiduously used to designate a commercial origin, sometimes by way of trade mark. If that is the case, there is nothing to prevent the registration authorities from finding that the mark has no capacity to distinguish. Such a finding must be specific and must not be made in an all-embracing or abstract manner.

42. However, it is not possible, under Article 3(1)(b) of the Directive, to take account of a general interest in order to make sure that certain very frequently occurring surnames are available to all present and potential operators.

43. As I have already stated, (15) the purpose of the absolute ground for refusal in that provision is to prohibit the registration of signs which are devoid of any

real distinctive character, that is to say, those signs which the average consumer, who is reasonably well informed and reasonably observant and circumspect, does not identify as reliably indicating the commercial origin of the product. It is, of course, in the general interest to prevent certain operators from appropriating to themselves three-dimensional shapes which are useful from an aesthetic or technical point of view, or from monopolising certain signs apt to describe the product per se, its actual or supposed qualities and other characteristics, such as where it originates from. Subparagraphs (c) and (e) of Article 3(1) of the Directive deal with those concerns.

It is also appropriate to consider the similar general interest in keeping available, for use by all, signs which are customary in the current language or in the bona fide and established practices of the trade, which – under subparagraph (d) – may not be registered.

44. However, it does not seem that extensive protection should be afforded to signs which, without being descriptive, are for other reasons devoid of any specific distinctive character. I do not believe that there is any general interest in maintaining in the public domain signs which are incapable of identifying the commercial origin of the goods or services which they designate.

45. Nor does the Directive contain any provision to ensure that no relative advantage is granted to the first operator who applies for registration of a given surname.

46. Consequently, the potential distinctiveness of a surname depends on whether, in relation to the goods or services in respect of which registration is sought, the relevant consumer considers that the sign identifies those of one undertaking rather than those of another. The commonness of the surname is one of the factors which it is appropriate to take into consideration, once more in relation to certain goods or services, although it is not decisive.

The fourth question

47. By its fourth question, the national court wishes to determine whether, in order to ascertain, under Article 3(1)(b) of the Directive, to what extent a sign comprising a surname is distinctive, it is appropriate to take account of the fact that the effects of registration of the trade mark are limited pursuant to Article 6(1)(a).

48. The answer must be negative.

49. Nothing in the directive requires a less rigorous examination for the purposes of classification, having regard to the existence of provisions restricting the effects of the trade mark.

50. Although, as indicated in the order for reference, (16) in specifying the legal basis for the reasoning concerning the distinctiveness of a word sign, the *Baby-Dry* judgment refers to Article 12 of the Regulation, which has the same wording as Article 6 of the Directive, that judgment does not draw any practical inference whatsoever from that reference.

51. I have had occasion to point out that there is nothing in Article 12 of the Regulation to suggest that

the task of assessing the descriptiveness of a trade mark should be transferred 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. 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. Nor, moreover, do I believe that approach to be appropriate from the point of view of judicial policy since, 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. (17)

52. The foregoing has been confirmed by the Court of Justice very clearly in its judgment in *Libertel*, (18) in which it considered that Article 6 of the Directive concerns the limits on the effects of a Community trade mark once it has been registered. Furthermore, it stated that the consequence of a minimal review of the grounds for refusal at the time when the application for registration is considered, on the basis that the risk that certain operators might appropriate certain signs which, owing to their very nature, ought to remain available, is neutralised by the limitation mentioned above, is to withdraw the assessment of the grounds for refusal from the competent authority at the time when the mark is registered in order to transfer it to the courts with responsibility for ensuring that the rights conferred by the trade mark can be exercised in practice. That approach is incompatible with the scheme of the Directive, which is founded on an analysis prior to registration, not on an *ex post facto* review. There is nothing in the Directive to suggest that Article 6 leads to such a conclusion. On the contrary, the number and the detailed nature of the obstacles to registration set out in Articles 2 and 3, and the wide range of remedies available in the event of refusal, suggest that the examination carried out at the time when registration is applied for must not be brief, but must be stringent and thorough in order to prevent trade marks from being improperly registered. (19)

53. Those considerations, relating to Article 6(1)(b) of the Directive (or Article 12(1) of the Regulation) can perfectly well be applied to subparagraph (a). The basic idea is that the provisions on limitation of the effects of trade marks do not affect the type of review carried out when the judgment is made as to whether or not the marks are subject to absolute grounds of refusal.

54. Consequently, the fact that the effects of a trade mark comprising a surname are restricted by virtue of Article 6(1)(a) of the Directive has no impact whatsoever on the assessment of the distinctiveness of the mark in question under Article 3(1)(b).

The fifth question

55. The last question was submitted, as is apparent from the order for reference, only in the event of the previous question being answered in the affirmative. That not being the case, it need not be answered.

VIII – Conclusion

56. In view of all the foregoing considerations, I propose that the Court of Justice give the following answers to the questions referred to it by the High Court of Justice of England and Wales, Chancery Division:

(1) The distinctiveness, for the purposes of Article 3(1) of First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks, of a sign comprising a surname depends on whether, in relation to the goods or services for which registration is sought, the relevant consumer considers that it identifies the goods and services of an undertaking as compared with those of others. The frequency of occurrence of the surname in question is one of the factors which may be taken into consideration, again in relation to certain goods or services, although it is not decisive.

(2) The fact that the effects of a trade mark comprising a surname may be limited pursuant to Article 6(1)(a) of the Directive has no impact whatsoever on the appraisal of its distinctiveness under Article 3(1)(b).

1 – Original language: Spanish.

2 – 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).

3 – Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 amending Regulation (EC) No 40/94 on the Community trade mark for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83, hereinafter ‘the Regulation’).

4 – PAC 6/00, paragraph 8.

5 – *Ibid.*, paragraph 9.

6 – Nice Agreement concerning International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

Class 9

Vending machines; electrically-controlled automatic dispensers and token operated dispensers for food and drinks; parts and fittings for all the aforesaid goods.

Class 29

Milk and milk powders; preparations made with milk, ad-mixtures of milks, fats, starches and sugars for use in making beverages; dairy toppings; yoghurt and yoghurt drinks; desserts; flavoured extracts from juices made from fruit and vegetables.

Class 30

Coffee, tea, cocoa, drinking chocolate; coffee essence, coffee extracts, mixtures of coffee and chicory, all for use as substitutes for coffee; sugar, confectionery, edible ice, cakes and frozen foods; dessert toppings, and preparations for making desserts, drinks.

Class 32

Non-alcoholic drinks and preparations for making such drinks; soups and concentrates for making non-

alcoholic drinks; fruit flavoured beverages; ice beverages.

Class 42

Restaurant, cafeteria and catering services.

7 – See point 6 et seq. above.

8 – Case C-383/99 P *Procter & Gamble v OHIM* [2001] ECR I-6251.

9 – As is apparent from its actual wording and from that of the seventh recital in the preamble to the Directive.

10 – As appears to be the case – according to the view expressed by the United Kingdom Government at the hearing – with regard to the supply of services such as those of the legal profession.

11 – As, for example, in the case of three-dimensional forms deriving from the shape of the product.

12 – Case C-299/99 *Philips* [2002] ECR I-5475, paragraphs 47 and 48.

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

14 – See Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraphs 30 to 32, and Case C-342/97 *Lloyd Schuhfabrik* [1999] ECR I-3819, paragraph 26.

15 – Opinion in Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM*, Joined Cases C-468/01 P to C-472/01 P *Procter & Gamble v OHIM*, and Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble v OHIM* [2004] ECR I-5173, paragraph 78 et seq.

16 – See point 16 above.

17 – See points 85 and 86 of my Opinion of 14 May 2002 in Case C-104/00 P *DKV v OHIM* [2002] ECR I-7561.

18 – Case C-104/01 [2003] ECR I-3793.

19 – Paragraphs 58 and 59.