

European Court of Justice, 21 October 2004, Erpo Möbelwerk

## Das Prinzip der Bequemlichkeit®



### TRADEMARK LAW

#### Establishing distinctiveness

- [No specific criteria, supplementing or derogating from the criterion of distinctiveness, for certain categories of trade marks](#)

However, difficulties in establishing distinctiveness which may be associated with certain categories of trade marks because of their very nature, such as those consisting of advertising slogans – difficulties which it is legitimate to take into account – do not justify laying down specific criteria supplementing or derogating from the criterion of distinctiveness as interpreted in the case-law referred to in paragraphs 32 to 34 of this judgment. The Court of First Instance was therefore right to annul the contested decision for imposing a different and stricter criterion for assessing the distinctiveness of trade marks consisting of advertising slogans.

- [Grounds for refusal in Article 7\(1\) of the Regulation are independent and call for separate examination](#)

However, each of the grounds for refusal listed in Article 7(1) of Regulation No 40/94 is independent of the others and calls for separate examination. Therefore, it is not appropriate to limit the scope of Article 7(1)(b) of Regulation No 40/94 to trade marks for which registration is refused on the basis of Article 7(1)(d) thereof by reason of the fact that they are commonly used in business communications and, in particular, in advertising.

- [By holding that a trade mark is not devoid of distinctive character within the meaning of Article 7\(1\)\(b\) unless it is demonstrated that the phrase concerned is commonly used in business communications and, in particular, in advertising the Court of First Instance applied a criterion other than the one laid down by Article 7\(1\)\(b\) of Regulation No 40/94](#)

It follows that the distinctiveness of a trade mark consisting of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by that mark, as in the case of the mark at issue in these proceedings, must be assessed on the basis of the principles mentioned in paragraphs 42 and 43 of this judgment. In that connection, the argument put forward by Erpo to the effect that Article 12(b) of Regulation No 40/94 establishes sufficient protection of competi-

tion to justify a liberal registration policy, allowing protection of the mark applied for to be granted in cases of doubt, must also be rejected. Such an argument has already been rejected by the Court of Justice on the ground that examination of applications for registration must not be minimal but must be stringent and full in order to prevent trade marks from being improperly registered and to make sure that, for reasons of legal certainty and sound administration, trade marks whose use could be successfully challenged before the courts are not registered. Therefore, by holding in paragraph 46 of the contested judgment that a trade mark is not devoid of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 unless it is demonstrated that the phrase concerned is commonly used in business communications and, in particular, in advertising – the existence of such a situation not having been established in the contested decision – the Court of First Instance applied a criterion other than the one laid down by Article 7(1)(b) of Regulation No 40/94.

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#### European Court of Justice, 21 October 2004

(C.W.A. Timmermans, C. Gulmann, J.-P. Puissechet, R. Schintgen and J.N. Cunha Rodrigues)

JUDGMENT OF THE COURT (Second Chamber)

21 October 2004 (1)

(Appeal – Community trade mark – Phrase DAS PRINZIP DER BEQUEMLICHKEIT – Absolute ground for refusal – Distinctive character – Article 7(1)(b) of Regulation (EC) No 40/94)

In Case C-64/02 P,

APPEAL under Article 49 of the Statute of the Court of Justice,

brought on 27 February 2002,

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

appellant,

supported by

United Kingdom of Great Britain and Northern Ireland, represented by P. Ormond, C. Jackson, M. Bethell and M. Tappin, acting as Agents, assisted by D. Alexander, barrister, with an address for service in Luxembourg, intervener,

the other party to the proceedings being:

Erpo Möbelwerk GmbH, represented by S. von Petersdorff-Campen, Rechtsanwalt, and H. von Rohr, Patentanwalt, with an address for service in Luxembourg,

defendant at first instance,

THE COURT (Second Chamber),

composed of C.W.A. Timmermans (Rapporteur), President of the Chamber, C. Gulmann, J.-P. Puissechet, R. Schintgen and J.N. Cunha Rodrigues, Judges, Advocate General: M. Poiares Maduro,

Registrar: M. Múgica Arzamendi, Principal Administrator,  
after considering the observations submitted on behalf of the parties,  
having regard to the written procedure and further to the hearing on 5 May 2004,  
after hearing the [Opinion of the Advocate General](#) at the sitting on 17 June 2004,  
gives the following

#### **Judgment**

1 By its appeal, the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM' or 'the Office') seeks annulment of the judgment of the Court of First Instance of the European Communities (Fourth Chamber) of 11 December 2001 in Case T-138/00 Erpo Möbelwerk v OHIM (DAS PRINZIP DER BEQUEMLICHKEIT) [2001] ECR II-3739 ('the contested judgment') by which the Court of First Instance annulled the decision of the OHIM Third Board of Appeal of 23 March 2000 (Case R 392/1999-3) ('the contested decision') which, in essence, dismissed the appeal brought by Erpo Möbelwerk GmbH ('Erpo') against the OHIM examiner's decision refusing to register the phrase DAS PRINZIP DER BEQUEMLICHKEIT as a Community trade mark for various classes of goods, including in particular furniture.

#### **Legal background**

2 Under Article 7 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1):

'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;

(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;

...

3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.'

3 Under the heading 'Limitation of the effects of a 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.'

#### **The facts**

4 On 23 April 1998 Erpo filed an application with OHIM for registration as a Community trade mark of the phrase DAS PRINZIP DER BEQUEMLICHKEIT for goods in Class 8 (tools (hand-operated); cutlery), Class 12 (land vehicles and parts therefor) and Class 20 (household furniture, in particular upholstered furniture, seating, chairs, tables, unit furniture, as well as office furniture) in accordance with the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

5 The OHIM examiner rejected that application by decision of 4 June 1999 on the ground that that word combination designated a characteristic of the goods concerned and was devoid of any distinctive character. Erpo then appealed against that decision.

6 By the contested decision, the OHIM Third Board of Appeal annulled the examiner's decision to the extent to which he had rejected the claim for products in Class 8. For the rest, the Board of Appeal dismissed the appeal on the ground, in essence, that the phrase in question did not meet the requirements of Article 7(1)(b) and (c) and (2) of Regulation No 40/94.

#### **The procedure before the Court of First Instance and the contested judgment**

7 By application lodged at the Registry of the Court of First Instance on 23 May 2000, Erpo brought an action for the annulment of the contested decision. The Court of First Instance upheld the action by the contested judgment.

8 The Court of First Instance held, in paragraphs 22 to 29 of the contested judgment, that the first plea in law, alleging infringement of Article 7(1)(c) of Regulation No 40/94, was well founded since, even if the word Bequemlichkeit (meaning 'comfort') of itself designates a quality of the goods concerned which is likely to be taken into account when the public targeted makes a decision to purchase, the word combination DAS PRINZIP DER BEQUEMLICHKEIT, assessed on the basis of all the elements of which it is composed and read in its entirety, cannot be regarded as consisting exclusively of signs or indications which may serve to designate the quality of the goods concerned.

9 The Court of First Instance then examined the second plea in law, alleging infringement of Article 7(1)(b) of Regulation No 40/94.

10 The Court of First Instance held, in paragraphs 41 and 42 of the contested judgment, that that plea should also be upheld since the Board of Appeal had, in essence, deduced lack of distinctive character from the descriptiveness of the phrase claimed, it being clear from paragraphs 22 to 29 of the contested judgment concerning the first plea that the contested decision was vitiated in that respect by an error of law.

11 In paragraphs 43 to 46 of the contested judgment, the Court of First Instance held that the first plea was

also well founded, on the basis of the following considerations:

‘43. Furthermore, the Board of Appeal again noted, in paragraph 30 of the contested decision, that DAS PRINZIP DER BEQUEMLICHKEIT was characterised by the lack of any additional element of imagination. In addition, the Office submitted in its response that, in order to be able to serve as marks, slogans must possess an additional element ... of originality and that the term at issue had no such originality.

44. In that regard, it is clear from the case-law of the Court of First Instance that lack of distinctiveness cannot be found because of lack of imagination or of an additional element of originality (Case T-135/99 Taurus-Film v OHIM (Cine Action) [2001] ECR II-379, paragraph 31; Case T-136/99 Taurus-Film v OHIM (Cine Comedy) [2001] ECR II-397, paragraph 31; and Case T-87/00 Bank für Arbeit und Wirtschaft v OHIM (EASYBANK) [2001] ECR II-1259, paragraphs 39 and 40). Furthermore, it is not appropriate to apply to slogans criteria which are stricter than those applicable to other types of sign.

45. To the extent that the Board of Appeal, in paragraph 31 of the contested decision, again points out the lack of any conceptual tension which would create surprise and so make a striking impression, it must be stated that that point is really only a paraphrase of the Board of Appeal’s finding of no additional element of imagination.

46. The dismissal, on the basis of Article 7(1)(b) of Regulation No 40/94, of the appeal brought before the Board of Appeal would have been justified only if it had been demonstrated that the combination of the words *das Prinzip der ...* (the principle of ...) alone with a term designating a characteristic of the goods or services concerned is commonly used in business communications and, in particular, in advertising. The contested decision does not contain any finding to that effect and neither in its written pleadings nor at the hearing has the Office asserted that such a usage exists.’

12 On those grounds, the Court of First Instance annulled the contested decision.

#### **The appeal**

13 In its appeal, the Office claims that the Court of Justice should:

- annul the contested judgment;
- dismiss the action brought against the decision of the Third Board of Appeal of OHIM of 23 March 2000 in Case R 392/1999-3 and, in the alternative, refer the case back to the Court of First Instance;
- order the other party to pay the costs both at first instance and on appeal.

14 Erpo contends that the Court of Justice should:

- dismiss the appeal;
- confirm the contested judgment;
- order the Office to pay the costs, including those that are reimbursable in appeal proceedings.

15 By order of the President of the Court of Justice of 9 September 2002, the United Kingdom of Great Britain

and Northern Ireland was granted leave to intervene in support of the forms of order sought by the Office.

#### **Arguments of the parties**

16 By its sole plea, the Office submits that, by holding in paragraph 46 of the contested judgment that the possibility of refusing registration of a trade mark by reason of lack of a distinctive character is limited to those cases in which it is demonstrated that the sign in question is commonly used in the relevant commercial circles, the Court of First Instance infringed Article 7(1)(b) of Regulation No 40/94.

17 In that connection, the Office submits that assessment of the distinctive character of a trade mark must start with an a priori examination of the likelihood that the mark will specifically enable the targeted public to identify the products or services for which registration is sought as originating from one undertaking rather than another or, in any event, as being manufactured or marketed under the entire responsibility of the trade mark owner.

18 Like marks consisting of colours or three-dimensional marks, but in contrast to those that are purely word marks or figurative marks, trade marks consisting of slogans, such as the one at issue in these proceedings, must incorporate an additional presentational element conferring on them a distinctive character. That requirement is accounted for by the fact that in most cases the signs in question fulfil a purely advertising function and not a function of enabling the origin of the goods to be identified.

19 The Office also contends that the assessment of the distinctive character of a trade mark must not take account of any use thereof in the market. Admittedly, if it is found that the sign in question is a priori capable of distinguishing the goods or services in question but that that sign or terms of the same kind are commonly used by the relevant public, the application must be rejected on the twofold basis of Article 7(1)(b) and (d) of Regulation No 40/94. However, if, as in the present case, the sign concerned is not a priori capable of distinguishing the goods or services in question, its registration as a trade mark must be refused on the basis of Article 7(1)(b) of the same regulation, without its being necessary to produce proof that it is already commonly used by the relevant public.

20 Erpo submits, on the contrary, that the plea put forward by the Office against paragraph 46 of the contested judgment is unfounded. It is apparent from paragraphs 28 and 42 of the contested judgment that the Court of First Instance considered that the distinctive character of the trade mark in question derives from the combination of the phrase ‘Das Prinzip der ...’ with the descriptive element ‘Bequemlichkeit’. However, the Court of First Instance did not require proof of general use of the phrase concerned in its entirety. It did not find that the use of the phrase ‘Das Prinzip der ...’ reinforces the descriptive element. It inferred that the contested decision did not contain an objective statement of the reasons for refusing registration on the ground of lack of a distinctive character.

21 Erpo also contends that registration as a trade mark of the slogan in question does not moreover entail the consequence of preventing competitors from using a combination of the words ‘Prinzip’ (principle) and ‘Bequemlichkeit’ (comfort). Article 12(b) of Regulation No 40/94 in particular precludes such an outcome. The latter provision establishes sufficient protection of competition to justify a liberal registration practice, allowing protection of the trade mark applied for to be granted in cases of doubt.

22 Erpo also denies that the distinctive character of a trade mark consisting of a slogan requires the presence of an additional presentational element by reason of the purely advertising function of such a sign. In its view, according both to the case-law of the Court of First Instance and to the practice of the Office, the advertising function of a slogan does not preclude its having a distinctive character.

23 The United Kingdom Government maintains that the analysis of distinctive character in the judgment is contrary to the case-law both of the Court of Justice and of the Court of First Instance itself. In this case, the Court of First Instance did not, in particular, correctly apply Community law, which requires account to be taken of the nature of a trade mark when its distinctive character is assessed. Moreover, the Court of First Instance adopted an incorrect approach to determining such distinctiveness.

24 That Government submits that it is clear from the case-law that, to satisfy the condition of distinctive character, a trade mark must unambiguously identify the trade origin of the goods or services concerned. A sign cannot guarantee such origin if, having regard to the presumed expectations of an average consumer of the category of goods or services in question, a genuine doubt remains in the mind of that person as to their origin.

25 It is true, according to that Government, that the legal principles to be applied in assessing the distinctive character of a trade mark are the same for all categories of mark. The fact remains however that the manner in which those principles are applied must take account of the context and in particular of the nature of the trade mark concerned, as shown by the case-law concerning three-dimensional marks comprising the shape of the product (Case T-119/00 Procter & Gamble v OHIM (Square white tablet with yellow and blue speckles) [2001] ECR II-2761, paragraphs 53 to 55, Case T-88/00 Mag Instrument v OHIM [2002] ECR II-467, paragraphs 33 to 35, and point 12 of the Opinion of Advocate General Ruiz-Jarabo Colomer in [Joined Cases C-53/01 to C-55/01 Linde and Others](#) [2003] ECR I-3161).

26 The United Kingdom Government submits that the mark at issue in this case is essentially an advertising slogan which purports to communicate the principles on the basis of which the products concerned were manufactured. An average consumer would be less likely to regard an advertising slogan, in particular where it contains a reference to the specific characteristics of the goods or services, as a badge of origin

uniquely identifying the undertaking responsible for them. However, if such a slogan makes a striking impression when used in relation to the goods or services in question, the average consumer might ultimately regard it as signifying the trade origin of those goods or services, in addition to its promotional function.

27 The OHIM Board of Appeal was right to take that consideration into account. However, in the contested judgment, the Court of First Instance did not, or did not sufficiently, take account of the nature of the mark when assessing its distinctive character.

28 The United Kingdom Government submits in addition that, in so far as paragraph 46 of the contested judgment implies that the registration of the sign at issue as a mark with a distinctive character could only be refused if the phrase ‘Das Prinzip der ...’ were commonly used in business communications and in advertising, the Court of First Instance infringed Article 7(1)(b) and (c) of Regulation No 40/94.

29 In its view, the Court of First Instance confused the requirements of Article 7(1)(b) and (c) of Regulation No 40/94 with those of Article 7(1)(d). The requirement of demonstrating, in order to refuse registration, that a mark has become customary in trade in respect of the goods and services in question applies only to the latter provision and not to the first-mentioned provisions ([Case C-517/99 Merz & Krell](#) [2001] ECR I-6959, paragraph 35). Paragraphs (b) and (c) of Article 7(1) of that regulation each set out an independent basis for refusal of registration of a sign despite the clear overlap between the scope of those two provisions.

#### **Findings of the Court**

30 First, it must be observed that the sole plea put forward by the Office, concerning the distinctive character of the trade mark and alleging infringement of Article 7(1)(b) of Regulation No 40/94, is expressly concerned only with paragraph 46 of the contested judgment. However, that paragraph is inextricably linked with the immediately preceding paragraphs 43 to 45, so that the Office’s plea must be examined in the context of all the reasoning set out in those paragraphs. Moreover, that is how the parties, and the intervener, have construed the subject-matter of the appeal, in so far as they deal, in their submissions, with paragraphs 43 to 46 of the contested judgment together.

31 Paragraphs 43 to 46 of the contested judgment refer to paragraphs 30 and 31 of the contested decision according to which a slogan must display ‘imaginativeness’ or even ‘conceptual tension which would create surprise and so make a striking impression’ so as not to lack the minimal level of distinctiveness required by Article 7(1)(b) of Regulation No 40/94.

32 In paragraphs 43 to 45 of the contested judgment, the Court of First Instance rightly rejected that requirement, essentially on the ground that it is inappropriate to apply to slogans criteria which are stricter than those applicable to other types of sign.

33 It is clear from the case-law of the Court of Justice that, as far as assessing distinctiveness is concerned, every trade mark, of whatever category, must be capa-

ble of identifying the product as originating from a particular undertaking, and thus distinguishing it from those of other undertakings (see, to that effect, in relation to Article 3(1)(b) 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), which is identical to Article 7(1)(b) of Regulation No 40/94, *Linde and Others*, paragraphs 42 and 47).

34 The Court of Justice has also held that, although the criteria for assessing distinctiveness are the same for the various categories of marks, it may become apparent, in applying those criteria, that the relevant public's perception is not necessarily the same for each of those categories and that, therefore, it may prove more difficult to establish distinctiveness for some categories of mark than for others (see *Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM* [2004] ECR I-0000, paragraph 38; *Joined Cases C-468/01 P to C-472/01 P Procter & Gamble v OHIM* [2004] ECR I-0000, paragraph 36; and *Joined Cases C-473/01 P and C-474/01 P Procter & Gamble v OHIM* [2004] I-0000, paragraph 36).

35 The possibility cannot be excluded that the case-law mentioned in the foregoing paragraph of this judgment is also relevant to word marks consisting of advertising slogans such as the one at issue in this case. That could be the case in particular if it were established, when assessing the distinctiveness of the trade mark in question, that it served a promotional function consisting, for example, of commending the quality of the product in question and that the importance of that function was not manifestly secondary to its purported function as a trade mark, namely that of guaranteeing the origin of the product. Indeed, in such a case, the authorities may take account of the fact that average consumers are not in the habit of making assumptions about the origin of products on the basis of such slogans (see, to that effect, *Procter & Gamble*, paragraph 36).

36 However, difficulties in establishing distinctiveness which may be associated with certain categories of trade marks because of their very nature, such as those consisting of advertising slogans – difficulties which it is legitimate to take into account – do not justify laying down specific criteria supplementing or derogating from the criterion of distinctiveness as interpreted in the case-law referred to in paragraphs 32 to 34 of this judgment. The Court of First Instance was therefore right to annul the contested decision for imposing a different and stricter criterion for assessing the distinctiveness of trade marks consisting of advertising slogans.

37 Having properly rejected, in paragraphs 43 to 45 of the contested judgment, the criterion adopted in the contested decision for assessing the distinctive character of the trade mark in question, in paragraph 46 of the contested judgment the Court of First Instance applied another criterion, namely that according to which a trade mark is not devoid of distinctiveness within the meaning of Article 7(1)(b) of Regulation No 40/94

unless it is demonstrated that the phrase concerned is commonly used in business communications and, in particular, in advertising – the existence of such a situation not having been established in the contested decision.

38 Admittedly, it is true that if it is demonstrated that the phrase concerned is commonly used in business communications and, in particular, in advertising, as provided by Article 7(1)(d) of Regulation No 40/94, it follows that that sign is not capable of distinguishing the goods or services of an undertaking from those of other undertakings and does not therefore fulfil the essential function of a trade mark – unless the use made of such signs or terms has enabled them to acquire a distinctive character capable of being recognised under Article 7(3) of Regulation No 40/94 (see, to that effect, in relation to identical provisions contained in Article 3(1)(b) and (d) and (3) of Directive 89/104, *Merz & Krell*, paragraph 37).

39 However, each of the grounds for refusal listed in Article 7(1) of Regulation No 40/94 is independent of the others and calls for separate examination (see, in particular, *Henkel v OHIM*, paragraph 45, and the case-law there cited).

40 Therefore, it is not appropriate to limit the scope of Article 7(1)(b) of Regulation No 40/94 to trade marks for which registration is refused on the basis of Article 7(1)(d) thereof by reason of the fact that they are commonly used in business communications and, in particular, in advertising.

41 The Court of Justice has held that the registration of a mark made up of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by that mark is not excluded as such by virtue of such use (see *Merz & Krell*, paragraph 40).

42 It is also clear from the case-law that the distinctiveness of a trade mark within the meaning of Article 7(1)(b) of Regulation No 40/94 means that the mark in question makes it possible to identify the product for which registration is sought as originating from a given undertaking and therefore to distinguish the product from those of other undertakings and, therefore, is able to fulfil the essential function of the trade mark (see, to that effect, in particular *Procter & Gamble v OHIM*, paragraph 32, and the case-law there cited, and, in relation to the same provision contained in Article 3(1)(b) of Directive 89/104, *Merz & Krell*, paragraph 37, and *Linde and Others*, paragraph 40, and the case-law there cited).

43 According to the case-law, that distinctiveness must be assessed, first, in relation to the goods or services in respect of which registration is applied for and, second, in relation to the perception of the relevant public, which consists of average consumers of the products or services in question, who are reasonably well informed and reasonably observant and circumspect (see, in particular, *Procter & Gamble*, paragraph 33, and the case-law there cited).

44 It follows that the distinctiveness of a trade mark consisting of signs or indications that are also used as

advertising slogans, indications of quality or incitements to purchase the goods or services covered by that mark, as in the case of the mark at issue in these proceedings, must be assessed on the basis of the principles mentioned in paragraphs 42 and 43 of this judgment (see, to that effect, also, as regards marks of that kind, Case T-130/01 *Sykes Enterprises v OHIM (REAL PEOPLE, REAL SOLUTIONS)* [2002] ECR II-5179, paragraph 20, and Case T-122/01 *Best Buy Concepts v OHIM (BEST BUY)* [2003] ECR II-2235, paragraph 21).

45 In that connection, the argument put forward by Erpo to the effect that Article 12(b) of Regulation No 40/94 establishes sufficient protection of competition to justify a liberal registration policy, allowing protection of the mark applied for to be granted in cases of doubt, must also be rejected. Such an argument has already been rejected by the Court of Justice on the ground that examination of applications for registration must not be minimal but must be stringent and full in order to prevent trade marks from being improperly registered and to make sure that, for reasons of legal certainty and sound administration, trade marks whose use could be successfully challenged before the courts are not registered (see, to that effect, [Case C-104/01 \*Libertel\* \[2003\] ECR I-3793, paragraphs 58 and 59](#)).

46 Therefore, by holding in paragraph 46 of the contested judgment that a trade mark is not devoid of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 unless it is demonstrated that the phrase concerned is commonly used in business communications and, in particular, in advertising – the existence of such a situation not having been established in the contested decision – the Court of First Instance applied a criterion other than the one laid down by Article 7(1)(b) of Regulation No 40/94.

47 It follows that, on that point, the Court of First Instance did not keep within the bounds of that article.

48 Accordingly, the Office is correct to say that, on that point, the contested judgment is vitiated by an error of law.

49 It must nevertheless be pointed out that that error of law has no influence on the outcome of the dispute.

50 As is apparent from paragraph 37 of this judgment, it was correctly held, on the basis of paragraphs 43 to 45 of the contested judgment, that the contested decision should be annulled because registration of the mark was refused on the basis of the incorrect criterion set out in paragraphs 30 and 31 of the contested decision concerning distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, namely the absence of an additional element of imagination or an additional element of originality.

51 It follows that, notwithstanding the error of law identified in paragraph 48 of this judgment, the operative part of the contested judgment remains justified.

52 It is settled case-law that if the grounds of a judgment of the Court of First Instance reveal an infringement of Community law but the operative part appears well founded on other legal grounds, the appeal must be dismissed (see, in particular, Case C-265/97 P

VBA v Florimex and Others [2000] ECR I-2061, paragraph 121, and the case-law there cited).

53 Consequently, the plea relied on cannot be upheld and the appeal must be dismissed.

#### Costs

54 Under the first subparagraph of Article 69(2) of the Rules of Procedure, which applies to the appeal procedure by virtue of Article 118 of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. As Erpo has applied for costs and OHIM has been unsuccessful, it must be ordered to pay the costs.

55 Under the first subparagraph of Article 69(4) of the Rules of Procedure, the United Kingdom must bear its own costs.

#### On those grounds,

the Court hereby:

1. Dismisses the appeal;
2. Orders the Office for Harmonisation in the Internal Market (Trade Marks and Designs) to pay the costs;
3. Orders the United Kingdom of Great Britain and Northern Ireland to bear its own costs.

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#### OPINION OF ADVOCATE GENERAL

POIARES MADURO

delivered on 17 June 2004 (1)

Case C-64/02 P

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)

Erpo Möbelwerk GmbH

v

(Appeal – Community trade mark – Article 7(1)(b) of Regulation (EC) No 40/94 – ‘DAS PRINZIP DER BEQUEMLICHKEIT’ – Refusal of registration – Lack of distinctive character)

1. This case is an appeal against the judgment of the Court of First Instance annulling a decision of the Board of Appeal of the Office for Harmonisation in the Internal Market (hereinafter ‘OHIM’) by which it had refused to register the phrase ‘DAS PRINZIP DER BEQUEMLICHKEIT’ (the principle of comfort) as a Community trade mark for certain classes of goods. (2) By this appeal, OHIM seeks a decision from the Court of Justice as to the correct interpretation of Article 7(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (hereinafter ‘Regulation No 40/94’), (3) under which trade marks which are devoid of any distinctive character are to be refused registration. It is essentially a matter of determining the criterion by which the distinctive character of a trade mark is to be assessed for the purposes of Article 7(1)(b) of Regulation No 40/94. It is also necessary to determine whether in examining the distinctive character of a word combination such as a slogan special treatment is justified, different from the treatment accorded to other classes of trade mark.

#### I – The applicable legislation

2. Article 4 of Regulation No 40/94 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’.

3. Article 7 of Regulation No 40/94 provides, in respect of absolute grounds for refusal, that:

‘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;

(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;

...

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

3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.’

## **II – The application for registration, the proceedings before the Court of First Instance and the contested judgment**

4. On 23 April 1998, Erpo Möbelwerk GmbH (hereinafter ‘Erpo’) filed an application at OHIM to register the phrase ‘DAS PRINZIP DER BEQUEMLICHKEIT’ as a Community trade mark for goods in Class 8 (tools (hand-operated); cutlery), Class 12 (land vehicles and parts therefor) and Class 20 (household furniture, in particular upholstered furniture, seating, chairs, tables, unit furniture, as well as office furniture) in accordance with the Nice Agreement. (4)

5. The OHIM examiner refused the application in respect of all those goods by decision of 4 June 1999 and Erpo subsequently brought an appeal against that decision. The Third Board of Appeal of OHIM dismissed that appeal by decision of 23 March 2000 in respect of the goods in all classes except Class 8 (tools (hand-operated); cutlery), on the ground that, in relation to the latter, ‘the important factors are safety, efficiency and ease of use or aesthetic qualities, not comfort’. That being so, since the reference to the principle of comfort appeared to be more or less incomprehensible in connection with this class of goods and, as such, incapable of being understood as a general quality of those goods, the Board of Appeal considered that registration should be authorised. In respect of the goods in Classes 12 and 20, the Board of Appeal dismissed the appeal on the ground that the phrase was descriptive and devoid of any distinctive

character and was therefore caught by Article 7(1)(b) and (c) of Regulation No 40/94.

6. Erpo brought an appeal against that decision of the OHIM Board of Appeal before the Court of First Instance, relying on three pleas in law: infringement of Article 7(1)(c) of Regulation No 40/94, infringement of Article 7(1)(b) of that regulation and failure to take prior national registrations into account. By the contested judgment, the Court of First Instance annulled the decision of the OHIM Board of Appeal. In that judgment, the Fourth Chamber of the Court of First Instance held that registration of the slogan in question as a Community trade mark for goods in Class 12 (land vehicles and parts therefor) and Class 20 (household furniture, in particular upholstered furniture, seating, chairs, tables, unit furniture, as well as office furniture) could not be refused on the basis of either Article 7(1)(b) or 7(1)(c) of Regulation No 40/94. The Court of First Instance held, in the contested judgment, that the decision of the Board of Appeal must be annulled in the light of its findings on the first two pleas in law and that it was not necessary to rule on the third plea in law raised by the applicant.

7. On 27 February 2002, OHIM brought an appeal against that judgment before the Court of Justice. In this appeal, OHIM claims that the Court of Justice should set aside the contested judgment and dismiss the action brought by Erpo against the decision of the Third Board of Appeal of OHIM of 23 March 2000 or alternatively refer the proceedings back to the Court of First Instance. It also claims that the Court should order the other party to the proceedings to pay the costs both of the proceedings at first instance and of the present appeal.

8. By order of the President of the Court of Justice of 9 September 2002, the United Kingdom Government was granted leave to intervene in support of the form of order sought by OHIM.

9. In its response, Erpo contends that the Court of Justice should dismiss the appeal, confirm the contested judgment and order OHIM to pay the costs, including the costs that are reimbursable in the context of the present appeal.

10. On 5 May 2004, a hearing was held in the Court of Justice, at which OHIM, Erpo and the United Kingdom Government submitted observations.

## **III – The plea in the present case: infringement of Article 7(1)(b) of Regulation No 40/94**

11. OHIM confines its appeal to a single plea, namely the alleged infringement by the Court of First Instance of Article 7(1)(b) under which registration is to be refused if trade marks are devoid of any distinctive character. OHIM’s appeal is restricted to that plea, despite the fact that the Court of First Instance held in the contested judgment that Article 7(1)(c) likewise did not preclude registration of the slogan ‘DAS PRINZIP DER BEQUEMLICHKEIT’ as a trade mark for the goods in question, contrary to the finding of the Board of Appeal. (5)

12. OHIM claims that the Court of First Instance infringed Article 7(1)(b) when it held that the criterion

for assessing the grounds for refusing registration in this case is not ultimately whether the trade mark is normally regarded as distinctive by the average consumer in relation to the goods in question but a new and different criterion introduced in paragraph 46 of the contested judgment.

13. In paragraph 46, which is central to OHIM's appeal, the Court of First Instance stated that '[t]he dismissal, on the basis of Article 7(1)(b) of Regulation No 40/94, of the appeal brought before the Board of Appeal would have been justified only if it had been demonstrated that the combination of the words "das Prinzip der ..." ("the principle of ...") alone with a term designating a characteristic of the goods or services concerned is commonly used in business communications and, in particular, in advertising. The contested decision does not contain any finding to that effect and neither in its written pleadings nor at the hearing has the Office asserted that such a usage exists'.

14. OHIM claims that the Court of First Instance thereby introduced a new criterion for assessing the distinctive character of a trade mark, a criterion which infringes Article 7(1)(b) of Regulation No 40/94. It is alleged that it is unduly easy to find that a mark has distinctive character on the basis of the new criterion, which is thus incompatible with the criterion normally adopted in this sphere in the case-law of both the Court of Justice and the Court of First Instance.

#### **IV – Assessment**

##### **A – Preliminary considerations**

15. In order to assess the plea in law to which OHIM restricts its appeal, namely the alleged infringement of Article 7(1)(b) of Regulation No 40/94, it is necessary first to examine the meaning and purpose of that provision, as interpreted in the case-law of the Court of Justice and the Court of First Instance. This examination is essential in order to establish the correct criterion for assessing the distinctive character of a trade mark for the purposes of that provision.

16. It must then be determined whether that criterion is compatible not only with the criterion which the Court of First Instance proposes in paragraph 46 of the contested judgment and which is the central target of OHIM's criticisms but also with the preceding paragraphs 43 to 45, which state that:

'43 ... the Board of Appeal again noted, in paragraph 30 of the contested decision, that DAS PRINZIP DER BEQUEMLICHKEIT was characterised by the lack of "any additional element of imagination". In addition, the Office submitted in its response that, "in order to be able to serve as marks, slogans must possess an additional element ... of originality" and that the term at issue had no such originality.

44 In that regard, it is clear from the case-law of the Court of First Instance that lack of distinctiveness cannot be found because of lack of imagination or of an additional element of originality (Case T-135/99 Taurus-Film v OHIM (Cine Action) [2001] ECR II-379, paragraph 31; Case T-136/99 Taurus-Film v OHIM (Cine Comedy) [2001] ECR II-397, paragraph 31; and Case T-87/00 Bank für Arbeit und Wirtschaft v OHIM

(EASYBANK) [2001] ECR II-1259, paragraphs 39 and 40). Furthermore, it is not appropriate to apply to slogans criteria which are stricter than those applicable to other types of sign.

45 To the extent that the Board of Appeal, in paragraph 31 of the contested decision, again points out the lack of "any conceptual tension which would create surprise and so make a striking impression", it must be stated that that point is really only a paraphrase of the Board of Appeal's finding of no "additional element of imagination".

17. Those paragraphs in the grounds of the contested judgment set out the criticisms of the position adopted by the OHIM Board of Appeal in assessing the distinctive character of the trade mark for the purposes of Article 7(1)(b) of Regulation No 40/94, criticisms which culminate, in paragraph 46, in the presentation of the criterion which, according to the contested judgment, should be employed to assess the distinctive character of the trade mark.

18. Paragraphs 43 to 46, taken together, reveal the unity in the views of the Court of First Instance as to the criterion to be employed to assess the distinctive character of a trade mark for the purposes of Article 7(1)(b) of Regulation No 40/94. That unity is immediately apparent from the linking word with which paragraph 46 opens in certain language versions. An examination of this sequence of paragraphs in the grounds of the judgment may accordingly provide a basis for deciding that the contested judgment infringes Article 7(1)(b) of Regulation No 40/94.

19. 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. (6) Various absolute grounds for refusing registration may nevertheless be found to exist concurrently.

20. Annulment of the contested judgment for infringement of Article 7(1)(b) of Regulation No 40/94, as claimed by OHIM, might be sufficient to establish the legality of the decision to refuse registration taken by the Board of Appeal, provided of course that the third plea in law raised by Erpo in its action at first instance is also held to be unfounded. The legality of the Board of Appeal's decision that the trade mark lacked any distinctive character for the purposes of Article 7(1)(b) might thus be upheld even if it were decided that the slogan 'DAS PRINZIP DER BEQUEMLICHKEIT' does not consist exclusively of indications which may serve, in trade, to designate qualities of the goods in question and the slogan, as such, cannot be said to be purely descriptive within the meaning of Article 7(1)(c) of Regulation No 40/94. Article 7(1)(c) and 7(1)(b) – which clearly represent different grounds for refusing registration – may but need not necessarily overlap. Of course, a purely descriptive trade mark within the meaning of Article 7(1)(c) would in principle be devoid of any distinctive character for the purposes of Article 7(1)(b). In any case, for a trade mark to be regarded as being devoid of any distinctive

character for the purposes of that provision, it need not necessarily have been refused registration on the basis of Article 7(1)(c) as well. Similarly, a trade mark will not necessarily be distinctive in accordance with Article 7(1)(b) merely because it has passed the test of Article 7(1)(c).

21. Paragraph 41 of the contested judgment states that the OHIM Board of Appeal deduced ‘lack of distinctive character from the descriptiveness of the phrase [DAS PRINZIP DER BEQUEMLICHKEIT] claimed’. However, according to paragraph 42 of the contested judgment, the fact that the phrase in question is not purely descriptive within the meaning of Article 7(1)(c) means that, logically, that argument advanced by OHIM to support its claim regarding lack of distinctive character must be rejected. OHIM does not really challenge that finding in the present appeal so there is no need to examine it here. It must in any case be emphasised that it is not a decisive ground for denying the legality of OHIM’s refusal to register the trade mark at issue in this case. In fact, this is not OHIM’s only reason for maintaining that the trade mark in question is devoid of distinctive character for the purposes of Article 7(1)(b). That is clear from paragraphs 43 to 46 of the contested judgment, in which the Court of First Instance criticises the reasons given by OHIM for refusing to register the trade mark on the basis of Article 7(1)(b). It is precisely the view expressed by the Court of First Instance in the contested judgment as to the specific criterion for assessing the distinctive character of a trade mark for the purposes of Article 7(1)(b) that is the subject of OHIM’s present appeal.

#### **B – The purpose and meaning of Article 7(1)(b) of Regulation No 40/94**

22. According to the settled case-law of the Court of Justice, the essential function of the trade mark is ‘to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality’. (7) The Court of First Instance too has held that it is not necessary for the mark ‘to convey exact information about the identity of the manufacturer of the product or the supplier of the services. It is sufficient that the mark enables members of the public concerned to distinguish the product or service that it designates from those which have a different trade origin and to conclude that all the products or services that it designates have been manufactured, marketed or supplied under the control of the owner of the mark and that the owner is responsible for their quality’. (8)

23. It should be noted first that, under Article 4 of Regulation No 40/94, ‘a Community trade mark may consist of any signs capable of being represented graphically, ... provided that [they] are capable of dis-

tinguishing the goods or services of one undertaking from those of other undertakings’.

24. At the same time, under Article 7(1)(b) of Regulation No 40/94, one of the absolute grounds for refusing registration is in the case of ‘trade marks which are devoid of any distinctive character’. As Advocate General Jacobs has recently pointed out, the ban under that provision on registration of trade marks which are devoid of any distinctive character is not a mere repetition of the requirement that a trade mark must be ‘capable of distinguishing the goods or services of one undertaking from those of other undertakings’, contained in Article 4 of Regulation No 40/94 – which also provides absolute grounds for refusing registration – and, by reference, in Article 7(1)(a) of that regulation. In that light, he says, ‘it seems sensible to assume that Articles 4 and 7(1)(a) refer to a general, absolute, abstract capacity to distinguish products of different origins, whereas Article 7(1)(b) is intended to connote distinctiveness in relation to the class of product in question’. (9)

25. The requirement of distinctive character contained in Article 7(1)(b) also has the specific objective, as affirmed in *Windsurfing Chiemsee*, of ensuring that the mark ‘must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings’. (10) Subsequent judgments of the Court of First Instance have confirmed that position. (11)

26. The recent case-law of the Court of First Instance takes the same line, stating specifically, with regard to examining the distinctive character of a slogan, that a sign ‘is only distinctive for the purposes of Article 7(1)(b) of Regulation No 40/94 if it may be perceived immediately as an indication of the commercial origin of the goods or services in question, so as to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the owner of the mark from those of a different commercial origin’. (12)

#### **C – The criterion for assessing the distinctive character of a trade mark for the purposes of Article 7(1)(b) and the question whether special treatment is justified in assessing the distinctive character of a slogan, compared with other trade marks**

27. The first question, which is essential for the purpose of determining whether the Court of First Instance interpreted Article 7(1)(b) of Regulation No 40/94 correctly, is how the distinctive character of a trade mark should ultimately be assessed for the purposes of that provision. In other words, the criterion to be employed in making that assessment must be defined. That in turn raises another question, namely whether special treatment is justified in assessing the distinctive character of a slogan as a trade mark.

28. With regard to the first question, as OHIM and the United Kingdom Government point out in their written observations, the case-law of the Court of Justice has been clear since the judgment in *Gut Springenheide and Tusky*. In that judgment, the Court

adopted a generally and uniformly applicable criterion to determine whether a trade mark or promotional description or statement was liable to mislead the purchaser. To that end, it took into account the presumed expectations of an average consumer who is reasonably well informed and reasonably observant and circumspect. (13) That criterion was confirmed by the judgment in *Lloyd Schuhfabrik Meyer*, in the specific context of trade marks, for the purpose of assessing whether a trade mark was highly distinctive. (14)

29. That said, the distinctive character of a trade mark for the purposes of Article 7(1)(b) must be assessed by reference, first, to the goods or services in respect of which registration is sought and which it is intended to distinguish (15) and, second, to the perception of the relevant persons, namely the consumers of the goods or services in question. That means that it must be examined in the light of the presumed perception of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect. (16) That approach to assessing the distinctive character of a trade mark is also to be found in the case-law of the Court of First Instance prior to the contested judgment. (17)

30. A further question then arises, namely whether in assessing the permissibility of registering slogans as trade marks special treatment is justified as compared with that traditional criterion found in the case-law. The Court of Justice has already had occasion to rule that 'registration of a trade mark which consists of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by that mark is not excluded as such by virtue of such use'. (18)

31. However, the problem in the present case is clearly a different one, namely whether different treatment is justified in the case of a slogan, as a combination of words that contains an indication of quality in relation to the goods or services it is intended to promote, from the treatment accorded to other types of trade mark. In my view, it is impossible not to agree, as a general rule, with the principle stated in the contested judgment when it affirms that it is not appropriate to apply to slogans criteria which are stricter than those applicable to other types of sign.

32. The case-law of the Court of Justice follows that line in various recent judgments, (19) in which it has held that Article 3(1)(b) of Directive 89/104 (corresponding to Article 7(1)(b) of Regulation No 40/94) makes no distinction between different categories of trade marks for the purpose of assessing their distinctive character. The Court of First Instance also took that position in its judgment in *Procter & Gamble v OHIM*, (20) prior to the contested judgment, in relation to Article 7(1)(b) of Regulation No 40/94.

33. In practice, however, the capacity of a given trade mark to identify the commercial origin of goods or services has to be assessed in each particular case. Consequently, if the general criterion to be employed to assess the distinctive character of a trade mark in ac-

cordance with Article 7(1)(b) is the presumed perception of an average consumer of the category of goods in respect of which registration is sought, the competent authorities must apply that criterion, assessing the distinctive character of the trade mark in each case in accordance with the perception of the average consumer of the goods in question. (21) That necessarily entails considering in each case the nature and the particular characteristics of the trade mark in respect of which registration is sought.

34. In that connection, the Court of Justice has held with regard to such assessments that, in practice, the perception of the average consumer is not necessarily the same in the case of a three-dimensional trade mark or a colour as it is in the case of a word or a figurative mark which consists of a sign that is independent of the appearance of the goods it denotes. (22) The Court of First Instance took the same position on three-dimensional trade marks before the contested judgment was delivered. (23)

35. That is the case inasmuch as average consumers are not in the habit of making assumptions about the origin of goods based on the shape of their packaging or their colour in the absence of any graphic or word element, and it may in practice be more difficult to establish distinctiveness in relation to a shape of product mark or a colour. (24)

36. In my view, similar considerations apply to the assessment, in specific cases, of the distinctive character of a combination of words such as a slogan which, as such, has a promotional meaning in relation to a particular product in the language in which it is framed. It is understandably difficult for an average consumer, faced with a combination of words of this kind, to perceive it as an indication of the commercial origin of the product enabling it to be distinguished from other products in the same category but of different origin. That is particularly true if the slogan extols qualities normally associated with all the products or services in that category.

37. In those circumstances, an average consumer will not perceive the combination of words praising the quality of a product as an indication of the commercial origin of that product as distinct from another product in the same category produced by a different undertaking. This does not apply to word combinations of a different sort, such as invented terms (for example, XTPO33) which have no inherent meaning such as to commend qualities generally associated with all the products in a certain category. Nor does it apply to cases where the slogan includes an element which enables the average consumer to distinguish the commercial origin of the product for which registration is sought from other products in the same category but of a different commercial origin.

38. A slogan may therefore be found to have distinctive character as a trade mark in so far as the average consumer does not naturally connect the content of the particular slogan with the qualities consumers normally associate with the category of products in question. In that way, a slogan may, in accordance with the percep-

tion of an average consumer, serve to identify the commercial origin of the product for which registration is sought. That said, it is also quite possible that, through the use of a slogan, an average consumer may in the course of time start to perceive it as identifying the commercial origin of the product. In that case, '[i]t is ... through use that the mark acquires the distinctive character which is the precondition of registration'. (25) This is expressly admitted in Article 7(3) of Regulation No 40/94, but that is manifestly not the situation at issue in the present case.

39. The specific requirement in this case is to determine whether average consumers of the products in Classes 12 and 20 may understand the principle of comfort as being inherent in Erpo products in particular or whether, on the contrary, they will presume that principle to be inherent in all the other goods in the same category produced by other undertakings, since those undertakings too are naturally endeavouring to ensure that their products respect the principle of comfort.

**D – The claim that paragraphs 43 to 46 of the contested judgment are incompatible with the criterion for assessing the distinctive character of a trade mark within the meaning of Article 7(1)(b) of Regulation No 40/94, as described above**

40. The contested judgment clearly departed from the criterion defined above for assessing the distinctive character of a trade mark within the meaning of Article 7(1)(b).

41. That is apparent not only in paragraph 46 but also in paragraphs 43 to 45 of the contested judgment, in which the Court of First Instance criticises the position adopted by the OHIM Board of Appeal when it found that the phrase 'DAS PRINZIP DER BEQUEMLICHKEIT' lacked distinctive character in relation to goods in Class 12 (land vehicles and parts therefor) and Class 20 (household furniture, in particular upholstered furniture, seating, chairs, tables, unit furniture, as well as office furniture).

42. The OHIM Board of Appeal's examination is criticised in paragraphs 43 to 45 of the contested judgment for affirming, in paragraphs 30 and 31 of the contested decision, that the phrase 'DAS PRINZIP DER BEQUEMLICHKEIT' did not show 'any additional element of imagination' or 'any conceptual tension which would create surprise and so make a striking impression', enabling the average consumer to identify the commercial origin of the products for which registration was sought.

43. The contested judgment also finds that the examination undertaken by the OHIM Board of Appeal to assess the distinctive character of the slogan, in this particular case, infringed the principle that in assessing the distinctive character of a slogan it is not appropriate to apply to slogans criteria which are stricter than those applicable to other types of sign. (26)

44. I agree that a slogan cannot be considered to be devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 merely be-

cause it does not display any additional element of imagination. (27)

45. What does, in any case, appear to be incompatible with a correct understanding of Article 7(1)(b) is the position taken in the contested judgment that even when it comes to assessing, in practice, the distinctive character of a trade mark such as the slogan 'DAS PRINZIP DER BEQUEMLICHKEIT' for certain classes of goods, the competent authorities may not find that the slogan lacks any additional element of imagination that would render it capable of distinguishing, in the eyes of the average consumer, the product for which registration is sought from those of a different origin, where the public to which it is addressed is called upon to make a commercial choice.

46. An assessment, in a particular case, of the capacity of a slogan, from the point of view of the average consumer, to establish in the minds of the public to which it is addressed a link between the owner of the trade mark and the goods or services whose commercial origin it is supposed to identify, must take into account the nature and the particular characteristics of the combination of words in respect of which registration is sought.

47. Not all trade marks display the same nature and characteristics. There are important differences even within combinations of words as a whole. Thus, for example, it may be easier for the average consumer to recognise distinctive character, within the meaning of Article 7(1)(b), in a purely invented term relating to a certain product than in a slogan which presents, albeit not in purely descriptive terms, a certain quality or principle to which, it is claimed, the product in question conforms.

48. Accordingly, it would not be incompatible with Article 7(1)(b) of Regulation No 40/94 for the competent authorities to find that, in the eyes of the average consumer, a slogan merely evinced a quality desirable in the production of all goods of the class in question and not just in those produced by the undertaking seeking registration. In my view, therefore, it would also be permissible, in applying the criterion for assessing the distinctive character of a trade mark in practice, for OHIM to find that a mere advertising slogan without any particular additional element would not a priori enable the members of the public targeted to distinguish the commercial origin of the product for which registration is sought from products of different origin in the same class.

49. I therefore take the view that the statements contained in paragraphs 43 to 45 of the contested judgment are indicative of a misunderstanding of the criterion for assessing the distinctive character of a trade mark in the terms of Article 7(1)(b) and of its application in practice, culminating, in paragraph 46, in an explanation of the new criterion which, it is claimed, should have been adopted by OHIM.

50. In the light of the foregoing considerations, it seems clear that the criterion set out in paragraph 46 of the contested judgment, with the particular burden of proof it imposes, infringes Article 7(1)(b) of Regulation

No 40/94. I cannot agree, in that respect, with Erpo's arguments to the contrary. The contested judgment effectively replaces the established criterion, whereby the distinctive character of a trade mark within the meaning of that provision must be assessed in accordance with the normal perception of the members of the public targeted in respect of those goods or services, with a new and substantially different criterion.

51. According to the new criterion, in order to refuse to register a slogan on the basis of Article 7(1)(b), OHIM must prove that that combination of words is commonly used in trade. Previously, on the contrary, the precondition for registration to be refused on the ground of lack of distinctive character was that, in accordance with the normal perception of the members of the public targeted in respect of products in that category, the slogan was not identified as an indication of the commercial origin of the goods or services enabling them to be distinguished from goods or services of a different commercial origin. That applied irrespective of whether the slogan was in fact used in established practices of the trade.

52. The requirement that the combination of words for which registration is sought must be shown to be 'commonly used in business communications and, in particular, in advertising' in order for registration to be refused on the basis of Article 7(1)(b) is thus manifestly incompatible with the correct criterion for assessing the distinctive character of the trade mark in accordance with Article 7(1)(b), as described in this Opinion. (28)

53. In my view, other arguments advanced by OHIM and supported by the United Kingdom Government constitute further grounds for not adopting the new criterion proposed by the Court of First Instance. The first result of this new criterion, allowing exclusive rights to be conferred in respect of a slogan such as the one at issue in the present case, is that other undertakings producing goods in the same category, such as office furniture for example, will no longer be completely free to present their products as being designed and produced in accordance with the 'principle of comfort'. In my view, that consequence is unacceptable and it is by no means clear that it is averted by Article 12(b) of Regulation No 40/94. Moreover, it is easier to challenge the legality of the actions of a competing undertaking that seeks to invoke the principle of comfort in this form after another undertaking has been allowed to register it as a Community trade mark.

54. The adoption of a very broad criterion for allowing the registration as trade marks of mere advertising slogans which, irrespective of the degree of originality they show, extol the quality of a product or a service, reduces the range of terms available to other producers or providers of services in the same category. They ought to be free to invoke the same qualities in presenting their products, without any legal constraints. Acceptance of the registration of slogans on the terms proposed in paragraphs 43 to 46 of the contested judgment would encourage a rush on the part of established undertakings to register a vast range of expressions ex-

tolling the virtues of products and services. This would make it difficult for new operators to enter the market for the same products and services.

55. In that connection, I consider that the aim of ensuring that, when phrases lacking distinctive character are allowed to be registered, the possibility of their being used by other economic operators in relation to that class of products or services is not unduly restricted does not run wholly counter to Article 7(1)(b) of Regulation No 40/94. (29)

56. Another problem raised by the new criterion adopted in the contested judgment is that it is inconsistent with the case-law of the Court of Justice. The Court of Justice has held that a combination of words may be refused registration as a trade mark on the ground that it is merely descriptive, even if it is not in use at the time as an indication describing the class of goods in question, and that it is sufficient that it could be used for that purpose. (30) That position was recently confirmed by the Court of Justice in its judgment in *OHIM v Wrigley*, in which it held that '[i]n order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provision itself indicates, that such signs and indications could be used for such purposes'. (31)

57. In the light of the foregoing, I consider that OHIM is right to draw attention to the fact that the contested judgment, in requiring proof that the slogan is used in business communications and, in particular, in advertising, for registration to be refused on the basis of Article 7(1)(b) of Regulation No 40/94, conflicts with the criterion adopted by the Court of Justice for assessing the descriptive character of a trade mark within the meaning of Article 7(1)(c) of the regulation. That conflict is particularly undesirable in that the two provisions are frequently applied in conjunction.

58. In fact, according to the position adopted in the contested judgment, the distinctive character of a trade mark within the meaning of Article 7(1)(b) of Regulation No 40/94 would be assessed on a much broader criterion than that employed to examine the grounds for refusing registration on the basis of descriptive character. There is no shadow of justification for this disparity, and likewise Article 7(1)(b) does not give any indication that proof is required that the trade mark in question is commonly used in business communications for registration to be refused on the ground of lack of distinctive character.

59. That requirement is imposed, not in Article 7(1)(b), but in Article 7(1)(d) which 'subjects refusal to register a trade mark to the sole condition that the signs or indications of which the trade mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of

which registration of that mark is sought'. (32) As OHIM points out, Article 7(1)(d) would be devoid of purpose if the criterion to be adopted to assess the distinctive character of the trade mark for the purposes of Article 7(1)(b) was that adopted by the Court of First Instance in the contested judgment.

60. I should mention, lastly, that this new criterion for assessing the distinctive character of a trade mark within the meaning of Article 7(1)(b) of Regulation No 40/94, introduced in the contested judgment and rightly criticised by OHIM, has in the mean time been held, implicitly at least, to be unsustainable by the same Fourth Chamber of the Court of First Instance that delivered the contested judgment. The criterion proposed in paragraph 46 of the contested judgment was rejected in a judgment delivered on 31 March 2004 (33) concerning the registration of the word mark 'LOOKS LIKE GRASS... FEELS LIKE GRASS... PLAYS LIKE GRASS...' for products in the classes comprising synthetic surfacing and the installation of synthetic surfacing. (34)

61. As I indicated earlier, the annulment of the contested judgment does not necessarily mean that the decision to refuse registration is lawful, since the Court of First Instance did not consider the third plea in law raised by Erpo in its appeal against the decision of the Board of Appeal. I therefore propose that the Court of Justice refer the case back to the Court of First Instance.

#### V – Conclusion

62. In the light of the foregoing, I propose that the Court of Justice:

- (1) annul the judgment of the Court of First Instance in Case T-138/00;
- (2) refer the case back to the Court of First Instance;
- (3) reserve the decision as to costs until conclusion of the proceedings.

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1 – Original language: Portuguese.

2 – Case T-138/00 ErpoMöbelwerk v OHIM [2001] ECR II-3739 (hereinafter 'the contested judgment').

3 – OJ 1994 L 11, p. 1.

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

5 – In the present case, OHIM expresses doubts as to the legality of the contested judgment, based on the manifestly erroneous interpretation of the findings of the Board of Appeal with respect to the application of Article 7(1)(c) of Regulation No 40/94. OHIM nevertheless expressly declines, in its written observations, to cite this possible distortion in support of its claim for the annulment of the contested judgment.

6 – See, to that effect, Case C-104/00 P DKV v OHIM [2002] ECR I-7561, paragraphs 28 and 29.

7 – Case C-39/97 Canon [1998] ECR I-5507, paragraph 28.

8 – Case T-118/00 Procter & Gamble v OHIM (Square white tablet with yellow and blue speckles) [2001] ECR II-2731, paragraph 53.

9 – Opinion of Advocate General Jacobs in Case C-329/02 P SAT.1 v OHIM [2004] ECR I-0000, point 16. See also, to that effect, Case C-299/99 Philips [2002] ECR I-5475, paragraphs 37 and 39. The latter judgment refers to the similar provision contained in Article 3(1)(b) 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).

10 – Joined Cases C-108/97 and C-109/97 Windsurfing-Chiemsee [1999] ECR I-2779, paragraph 46, cited here by analogy as those cases concern a provision of Article 3 of Directive 89/104 which is identical to Article 7(1)(b) of Regulation No 40/94. Unlike Regulation No 40/94, Directive 89/104 concerns national, not Community, trade marks.

11 – See Philips, paragraph 35; Joined Cases C-53/01 to C-55/01 Linde and Others [2003] ECR I-3161, paragraph 40; and Case C-218/01 Henkel [2004] ECR I-0000, paragraph 48. All those judgments refer to Article 3(1)(b) of Directive 89/104, which is identical to Article 7(1)(b) of Regulation No 40/94.

12 – Case T-130/01 Sykes Enterprises v OHIM (REAL PEOPLE, REAL SOLUTIONS) [2002] ECR II-5179, paragraph 20. See also Case T-122/01 BestBuy [2003] ECR II-2235, paragraph 21.

13 – Case C-210/96 GutSpringenheide and Tusky [1998] ECR I-4657, paragraphs 30, 31 and 37, and the operative part of the judgment.

14 – Case C-342/97 Lloyd Schuhfabrik Meyer [1999] ECR I-3819, paragraph 26.

15 – See, to that effect, Case C-517/99 Merz & Krell [2001] ECR I-6959, paragraph 29, in the context of Directive 89/104.

16 – See, to that effect, with reference to Article 3(1)(b) of Directive 89/104 concerning the form of a product, the recent judgments in Philips, paragraph 63, Linde and Others, paragraph 41, and Henkel, paragraph 50.

17 – Thus, in Procter & Gamble, paragraph 54, the Court of First Instance held that in order to determine whether a trade mark has a distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94, it is 'appropriate to ascertain – in an a priori examination not involving any consideration of the use made of the sign within the meaning of Article 7(3) of Regulation No 40/94 – whether the mark applied for will enable the members of the public targeted to distinguish the products concerned from those having a different trade origin when they come to select a product for purchase'. It also held, in paragraph 57 of the same judgment, that 'in any assessment of the distinctive character of the mark for which registration is sought, account must be taken of the presumed expectations of an average consumer who is reasonably well informed and reasonably observant and circumspect' and drew attention to the position adopted in Gut Springenheide and Tusky.

18 – Merz & Krell, paragraph 40.

19 – See, on the subject of trade marks consisting of three-dimensional shapes, Philips, paragraph 48, and Linde and Others, paragraphs 42 and 43.

20 – Procter & Gamble, paragraph 55, which states that Article 7(1)(b) of Regulation No 40/94 does not distinguish between different categories of trade marks. The criteria for assessing the distinctive character of three-dimensional trade marks consisting of the shape of the product itself are therefore no different from those applicable to other categories of trade marks.

21 – See, to that effect, Henkel, paragraph 51.

22 – See Henkel, paragraph 52, and Case C-104/01 Libertel [2003] ECR I-3793, paragraph 65.

23 – See, to that effect, Procter & Gamble v OHIM, paragraph 56.

24 – See, to that effect, Henkel, paragraph 52, and Linde and Others, paragraph 48, as regards a three-dimensional trade mark, and Libertel, paragraph 65, as regards a mark consisting of a colour.

25 – Philips, paragraph 58, with reference to the corresponding provision in Directive 89/104.

26 – See the last sentence in paragraph 44 of the contested judgment.

27 – See also, to that effect, the case-law cited in paragraph 44 of the contested judgment.

28 – See points 27 to 39 above.

29 – See, in that connection, Libertel, paragraphs 44 to 60, on the registration of a trade mark. See also Advocate General Jacobs's Opinion in SAT.1 v OHIM, point 57.

30 – See, to that effect, Windsurfing Chiemsee, paragraph 37.

31 – Case C-191/01 P OHIM v Wrigley [2003] ECR I-0000, paragraph 32.

32 – Merz & Krell, paragraph 41, with reference to the equivalent provision contained in Article 3(1)(d) of Directive 89/104.

33 – Case T-216/02 Fieldturf v OHIM [2004] ECR II-0000.

34 – Paragraph 34 states that 'according to the case-law subsequent to that judgment [the judgment in Erpo Möbelwerk v OHIM], the trade marks covered by Article 7(1)(b) of Regulation No 40/94 are not only those commonly used in trade for the presentation of the goods or services concerned but also those which are merely capable of being used in that manner'. Paragraph 35 adds that 'the trade mark applied for is not such as to be perceived immediately as an indication of the commercial origin of the goods or services in question, but as a mere promotional slogan'.

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