

**European Court of Justice, 22 June 2006, Storck**



**TRADEMARK LAW**

**Two dimensional representation of product**

- That case-law, which was developed in relation to three-dimensional trade marks consisting of the appearance of the product itself, also applies where, as in the present case, the trade mark applied for is a figurative mark consisting of the two-dimensional representation of that product. In such a case, the mark likewise does not consist of a sign unrelated to the appearance of the products it covers.

28 In those circumstances, only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 (see, in particular, *Henkel v OHIM*, paragraph 39, *Mag Instrument v OHIM*, paragraph 31, and *Deutsche SiSi-Werke v OHIM*, paragraph 31).

**Distinctive character - Fundamentally stand out**

- The Board of Appeal did not err in law in finding that “the configuration of the mark in question ... did not fundamentally stand out against the other usual presentations in the trade”, and, that the wrapping at issue ‘is not substantially different’ from wrappers for sweets or caramels commonly used in trade.

In so far as the requirement of a fundamental or substantial difference goes further than the mere significant departure required by the case-law cited in paragraph 28 of this judgment, the Court of First Instance would have erred in law if it had made recognition of the distinctive character of the mark applied for subject to compliance with such a requirement. Such is not the case, however. In paragraphs 56 and 57 of the judgment under appeal, the Court of First Instance, endorsing, in particular, the factual findings of the Board of Appeal, found that the shape of the wrappers at issue is a normal and traditional shape for a sweet wrapper, that a large number of sweets so wrapped could be found on the market, that the golden colour of the wrappers at issue is not unusual in itself, and it is not rare to see it used for sweet wrappers, that the characteristics of the combination of shape and colour of the mark applied for are not sufficiently different from those of the basic shapes commonly used for sweet wrappers, and that the wrappers in dispute come natu-

rally to mind as a typical wrapper shape for those goods. By those findings the Court of First Instance established to the requisite legal standard that the mark applied for does not depart significantly from the norm or customs of the confectionery sector. Therefore, it did not err in law in finding that the mark is devoid of any distinctive character.

**Finding based on practical experience**

- The Board of Appeal could legitimately have based its finding that the wrapping at issue is not unusual in trade on facts shown by practical experience generally acquired in the marketing of confectionery and likely to be known by anyone, and in particular by consumers of confectionery, without that Board being required to provide concrete examples.

Therefore, the Court of First Instance did not err in law in finding, in paragraphs 58 and 95 of the judgment under appeal, that the Board of Appeal could legitimately have based its finding that the wrapping at issue is not unusual in trade on facts shown by practical experience generally acquired in the marketing of confectionery and likely to be known by anyone, and in particular by consumers of confectionery, without that Board being required to provide concrete examples.

**Acquired distinctive character**

- requires evidence of acquired distinctive character through use in the part of the Community in which it did not, ab initio, have such character. The part of the Community may be comprised of a single Member State

81 As to the second part of the fourth ground, under Article 7(1)(b) of Regulation No 40/94, read in conjunction with Article 7(2) thereof, a mark must be refused registration if it is devoid of any distinctive character in part of the Community.

82 In addition, under Article 7(3) of Regulation No 40/94, Article 7(1)(b) thereof does 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.

83 It follows that a mark can be registered under Article 7(3) of Regulation No 40/94 only if evidence is provided that it has acquired, through the use which has been made of it, distinctive character in the part of the Community in which it did not, ab initio, have such character for the purposes of Article 7(1)(b). The part of the Community referred to in Article 7(2) may be comprised of a single Member State.

**Sales figures and publicity costs are not sufficient**

- The Court of First Instance did not err in law in finding that the sales figures for the appellant’s products and the publicity costs which it incurred are not sufficient, to show that the mark applied for has acquired distinctive character as a result of the use which has been made of it.

The Court of First Instance did not err in law in finding, in paragraphs 82 to 84 of the judgment under appeal,

that the sales figures for the appellant's products and the publicity costs which it incurred are not sufficient, in the absence of information relating to the market share which they represent in respect of both the global confectionery market and the global amount of advertising costs in that market, to show that the mark applied for has acquired distinctive character as a result of the use which has been made of it.

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**European Court of Justice, 22 June 2006**

(P. Jann, N. Colneric, J.N. Cunha Rodrigues, M. Ilešič and E. Levits)

JUDGMENT OF THE COURT (First Chamber)

22 June 2006 (\*)

*(Appeal – Community trade mark – Article 7(1)(b) and (3) of Regulation (EC) No 40/94 – Absolute ground for refusal to register – Figurative mark – Representation of a gold-coloured sweet wrapper – Distinctive character)*

In Case C-25/05 P,

APPEAL under Article 56 of the Statute of the Court of Justice, brought on 24 January 2005,

August Storck KG, established in Berlin (Germany), represented by I. Rohr, H. Wrage-Molkenthin and T. Reher, Rechtsanwälte, appellant,

the other party to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by G. Schneider, acting as Agent, defendant at first instance,

THE COURT (First Chamber),

composed of P. Jann, President of the Chamber, N. Colneric, J.N. Cunha Rodrigues, M. Ilešič (Rapporteur) and E. Levits, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: B. Fülöp, Administrator,

having regard to the written procedure and further to the hearing on 16 February 2006,

after hearing the [Opinion of the Advocate General at the sitting on 23 March 2006](#),

gives the following

**Judgment**

1 By its appeal, August Stork KG seeks to have set aside the judgment of the Court of First Instance of the European Communities (Fourth Chamber) of 10 November 2004 in Case T-402/02 *Storck v OHIM* (Shape of a sweet wrapper) [2004] ECR II-0000 ('the judgment under appeal') dismissing its action for annulment of the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 18 October 2002 (Case R 256/2001-2) ('the decision in dispute') refusing registration of a figurative mark representing a gold-coloured sweet wrapper with twisted ends.

**Legal context**

2 Article 7 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark

(OJ 1994 L 11, p. 1), entitled 'Absolute grounds for refusal', states:

'1. The following shall not be registered:

...

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

...

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.'

3 Article 73 of Regulation No 40/94, entitled 'Statement of reasons on which decisions are based', states:

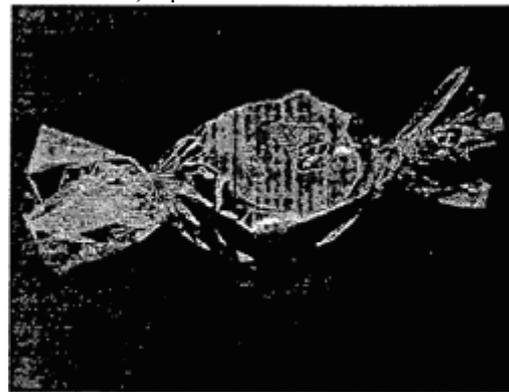
'Decisions of [OHIM] shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.'

4 Article 74(1) of Regulation No 40/94, entitled 'Examination of the facts by the Office of its own motion', provides:

'In proceedings before it [OHIM] shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, [OHIM] shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.'

**Background to the dispute**

5 On 30 March 1998 the appellant filed an application with OHIM under Regulation No 40/94 for registration as a Community trade mark of a figurative mark which is a two-dimensional representation in perspective of a sweet in a gold-coloured wrapper with twisted ends, reproduced below:



6 The products in respect of which registration was sought are 'sweets' and come within Class 30 of 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.

7 By a decision of 19 January 2001 the examiner refused the application on the ground that the mark applied for was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94

and that it had not become distinctive through use for the purposes of Article 7(3) thereof.

8 By the decision in dispute the Second Board of Appeal of OHIM confirmed the examiner's decision. As regards the distinctive character ab initio of the mark, it found, inter alia, that the gold colour featuring on the graphic representation of the mark applied for was usual and frequent in trade in respect of sweet wrappers. It also found that the evidence adduced by the applicant did not prove that the mark had acquired distinctive character in consequence of the use made of it, in respect of sweets in general or caramels in particular.

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

9 The appellant brought an action before the Court of First Instance for annulment of the decision in dispute, based on four pleas in law.

10 As to the first plea, alleging infringement of Article 7(1)(b) of Regulation No 40/94, the Court of First Instance found, in paragraphs 55 to 62 of the judgment under appeal, that the Board of Appeal had rightly concluded that the mark applied for was devoid of any distinctive character within the meaning of that provision, for the following reasons:

'55 It must be found that the Board of Appeal did not err in law in finding that "the configuration of the mark in question (twisted wrapper, light brown or gold coloured) did not fundamentally stand out against the other usual presentations in the trade" (paragraph 14 of the decision [in dispute]).

56 The Board of Appeal rightly found at paragraph 15 of the decision [in dispute] that the shape of the wrapper in question was "a normal and traditional shape for a sweet wrapper" and that "a large number of sweets so wrapped could be found on the market". The same applies in respect of the colour of the wrapper in question, namely light brown (caramel), or, as is apparent from the graphic representation of the mark applied for, gold or of a golden hue. Those colours are not unusual in themselves, nor is it rare to see them used for sweet wrappers, as the Board of Appeal rightly pointed out at paragraph 16 of the decision [in dispute]. Thus, the Board of Appeal was entitled to find, at paragraph 18 of the decision [in dispute], that, in the present case, the average consumer perceives the mark not as being, in itself, an indication of the commercial origin of the product, but as a sweet wrapper, neither more nor less

...

57 Accordingly, the characteristics of the combination of shape and colour of the mark applied for are not sufficiently different from those of the basic shapes commonly used for wrappers for sweets or caramels and therefore they are not likely to be remembered by the relevant public as indicators of commercial origin. The twisted wrapper ..., in light brown or gold, is not substantially different from the wrappers of the goods in question (sweets, caramels), which are commonly used in trade, thus coming naturally to mind as a typical wrapper shape for those goods.

...

60 ... The Board of Appeal was entitled to refer, at paragraphs 19 and 20 of the decision [in dispute], to the risk of monopolisation of the wrapper in question for sweets, since its findings confirmed the lack of distinctive character of that wrapper for those goods, reflecting the general interest underlying the absolute ground for refusal founded on Article 7(1)(b) of Regulation No 40/94.

...

62 It follows from all the foregoing considerations that the mark applied for, as it is perceived by the average consumer who is reasonably well informed and reasonably observant and circumspect, does not enable the goods in question to be identified and distinguished from those of a different commercial origin. Therefore, it is devoid of distinctive character with respect to those goods.'

11 As to the second plea, alleging infringement of Article 7(3) of Regulation No 40/94, the Court of First Instance held, in paragraphs 82 to 89 of the judgment under appeal, that the applicant had not established that the mark applied for had acquired distinctive character throughout the Community as a result of the use which had been made of it, within the meaning of that provision, mainly for the following reasons:

'82 First, in relation to the applicant's arguments based on the sales figures for the products concerned in the Community from 1994 to 1998, the Board of Appeal was entitled to find that they were not such as to demonstrate that in the present case the mark applied for had become distinctive in consequence of the use which had been made of it.

83 In paragraph 25 of the decision [in dispute], the Board of Appeal found to the appropriate legal standard that the figures in question did not enable it to assess the share of the relevant market held by the applicant in respect of the mark applied for. In spite of the information as to the number of units and the tonnes of sweets sold in the wrapper in question shown by those figures, "a realistic assessment of [the applicant's] market strength is impossible in the absence of data on the total volume of the relevant product market or assessments of the sales of competitors with which the applicant's figures could be compared". ...

84 Next, the Board of Appeal was also entitled to consider that the advertising costs incurred by the applicant raised the same problems as the sales figures referred to above. Thus, at paragraph 26 of the decision [in dispute], the Board of Appeal pointed out that the information put forward by the applicant concerning those costs were of little use in so far as "there was no evidence as to the volume of advertising in the product market". ... Accordingly, that advertising material cannot constitute evidence ... that the relevant section of the public perceives that mark as indicating the commercial origin of the products in question ...

85 Furthermore, the Board of Appeal found in the same paragraph of the decision [in dispute] that the costs in question were not very high "in a large number of Member States of the European Union", adding "that those figures [were] completely missing for certain

Member States”. Those costs did not cover all the Member States of the European Union in any year of the reference period (1994-1998).

86 ... It must be held that there is an absolute ground for refusal under Article 7(1)(b) of Regulation No 40/94 in relation to the mark applied for throughout the Community. That mark must therefore have become distinctive through use throughout the Community in order to be registrable under Article 7(3) of that regulation ...

87 In those circumstances, the advertising costs referred to above cannot in any event constitute proof that, in the whole Community and for the period 1994 to 1998, the relevant public or at least a substantial part of it perceived the mark applied for as indicative of the commercial origin of the goods in question.

...’

12 As to the third plea, alleging infringement of the first sentence of Article 74(1) of Regulation No 40/94, the Court of First Instance found that the Board of Appeal had not infringed that provision for the following reason, contained in paragraph 58 of the judgment under appeal, to which paragraph 95 of that judgment refers:

‘The reference in ... the decision [in dispute] to the usual practice in trade for sweets and caramels, without specific examples of that practice being given, does not undermine the assessment of the Board of Appeal as to the lack of inherent distinctive character of the mark applied for. In finding that the combination of shape and colour of the mark applied for was not unusual in trade, the Board of Appeal based its analysis essentially on facts arising from practical experience generally acquired from the marketing of general consumer goods, such as sweets or caramels, which are likely to be known by anyone and are in particular known by the consumers of those goods ...’

13 Finally, as to the fourth plea, alleging infringement of Article 73 of Regulation No 40/94, the Court of First Instance held, in particular, in paragraphs 103 to 105 of the judgment under appeal, that it cannot be alleged that the Board of Appeal based its decision on reasons or evidence on which the applicant had not had an opportunity to present its comments, since the examiner had already found, in his decision, that ‘the applicant’s turnover did not enable it to be inferred that the consumer recognised the sweets from their wrapper and associated them with a single undertaking’ and that ‘in the absence of comparable turnover figures for competitors or information on the market as a whole, it [was] impossible to assess the turnover figures’.

#### **The appeal**

14 In support of its appeal the appellant relies on four grounds of appeal, and claims that the Court should:

- set aside the judgment under appeal;
- give final judgment on the dispute by granting the forms of order sought at first instance; or
- in the alternative, remit the case to the Court of First Instance;
- order OHIM to pay the costs.

15 OHIM contends that the Court should dismiss the appeal and order the appellant to pay the costs.

#### **The first ground of appeal**

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

16 In the first ground of appeal, which falls into three parts, the appellant claims that the Court of First Instance infringed Article 7(1)(b) of Regulation No 40/94.

17 First, in paragraph 55 of the judgment under appeal, the Court of First Instance wrongly made the finding that the mark applied for has distinctive character subject to the condition that it be fundamentally different from other forms of presentation of sweet wrappers commonly used in trade, thus imposing stricter requirements than those normally applied for establishing such character.

18 The Court of First Instance also wrongly required that the trade mark applied for be markedly different from similar marks which might exist in the confectionery sector.

19 According to the appellant, the fact that confusion with products of a different origin is likely to occur is relevant only in the context of an opposition based on the likelihood of confusion of the mark applied for with an earlier mark.

20 Second, the Court of First Instance also erred in law in basing its decision, in paragraph 60 of the judgment under appeal, on the ‘risk of monopolisation of the wrapper in question for sweets’ to reason its finding of lack of distinctive character of the mark applied for. According to the applicant, there is no need to take into account the possible need to preserve availability in the context of Article 7(1)(b) of Regulation No 40/94.

21 Finally, the Board of Appeal and the Court of First Instance failed to ascertain whether the mark applied for possesses in itself, independently of other similar forms of presentation of sweet wrappers on the market, a minimum level of distinctiveness. Had the Court of First Instance done so it would have come to the conclusion that the mark is not devoid of any distinctive character.

22 OHIM contends, first, that the Court of First Instance in no way made the mark applied for subject to stricter criteria than those normally required, but applied the settled case-law stating that the shape of the product in respect of which registration as a mark is sought must depart significantly from the norm or customs of the relevant sector. That case-law, developed in relation to three-dimensional marks, should also apply where, as in the present case, the mark applied for is the two-dimensional representation of the three-dimensional shape of the product concerned.

23 It claims, second, that the Court of First Instance did not justify its finding that the mark applied for is devoid of any distinctive character by the existence of a risk of monopolisation.

24 Finally, the complaint that the Court of First Instance should have found that the mark applied for has distinctive character seeks to challenge its assessment of the facts and is, thus, inadmissible on appeal.

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

25 As regards the first part of the first ground of appeal, it is settled case-law that the distinctive character of a trade mark, within the meaning of Article 7(1)(b) of Regulation No 40/94, must be assessed, firstly, by reference to the goods or services in respect of which registration has been applied for and, secondly, by reference to the perception of them by the relevant public, which consists of average consumers of the goods or services in question who are reasonably well informed and reasonably observant and circumspect (see, in particular, [Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM \[2004\] ECR I-5089](#), paragraph 35, and [Case C-173/04 P Deutsche SiSi-Werke v OHIM \[2006\] ECR I-0000](#), paragraph 25).

26 According to equally established case-law, the criteria for assessing the distinctive character of three-dimensional marks consisting of the appearance of the product itself are no different from those applicable to other categories of trade mark (see [Henkel v OHIM](#), paragraph 38, [Case C-136/02 P Mag Instrument v OHIM \[2004\] ECR I-9165](#), paragraph 30, and [Deutsche SiSi-Werke v OHIM](#), paragraph 27).

27 None the less, for the purpose of applying those criteria, the relevant public's perception is not necessarily the same in the case of a three-dimensional mark, which consists of the appearance of the product itself, as it is in the case of a word or figurative mark, which consists of a sign unrelated to the appearance of the products it denotes. Average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark (see, inter alia, [Henkel v OHIM](#), paragraph 38, [Mag Instrument v OHIM](#), paragraph 30, and [Deutsche SiSi-Werke v OHIM](#), paragraph 28).

28 In those circumstances, only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 (see, in particular, [Henkel v OHIM](#), paragraph 39, [Mag Instrument v OHIM](#), paragraph 31, and [Deutsche SiSi-Werke v OHIM](#), paragraph 31).

29 That case-law, which was developed in relation to three-dimensional trade marks consisting of the appearance of the product itself, also applies where, as in the present case, the trade mark applied for is a figurative mark consisting of the two-dimensional representation of that product. In such a case, the mark likewise does not consist of a sign unrelated to the appearance of the products it covers.

30 Therefore, the Court of First Instance rightly took into consideration the shapes and colours of sweet wrappers commonly used in trade in assessing whether the mark applied for is, or is not, devoid of any distinctive character.

31 The Court of First Instance found, in paragraph 55 of the judgment under appeal, that 'the Board of

Appeal did not err in law in finding that "the configuration of the mark in question ... did not fundamentally stand out against the other usual presentations in the trade"', and, in paragraph 57 of that judgment, that the wrapping at issue 'is not substantially different' from wrappers for sweets or caramels commonly used in trade. In so far as the requirement of a fundamental or substantial difference goes further than the mere significant departure required by the case-law cited in paragraph 28 of this judgment, the Court of First Instance would have erred in law if it had made recognition of the distinctive character of the mark applied for subject to compliance with such a requirement.

32 Such is not the case, however. In paragraphs 56 and 57 of the judgment under appeal, the Court of First Instance, endorsing, in particular, the factual findings of the Board of Appeal, found that the shape of the wrappers at issue is a normal and traditional shape for a sweet wrapper, that a large number of sweets so wrapped could be found on the market, that the golden colour of the wrappers at issue is not unusual in itself, and it is not rare to see it used for sweet wrappers, that the characteristics of the combination of shape and colour of the mark applied for are not sufficiently different from those of the basic shapes commonly used for sweet wrappers, and that the wrappers in dispute come naturally to mind as a typical wrapper shape for those goods.

33 By those findings the Court of First Instance established to the requisite legal standard that the mark applied for does not depart significantly from the norm or customs of the confectionery sector. Therefore, it did not err in law in finding that the mark is devoid of any distinctive character.

34 As regards the appellant's complaint that the Court of First Instance required that the mark applied for be markedly different from similar marks which might exist in the confectionery sector, it is based on an incorrect interpretation of the judgment under appeal, since the Court of First Instance in no way sought to ascertain whether other marks used for that type of product were identical or similar to the mark applied for.

35 The first part of the first ground of appeal must therefore be dismissed as unfounded.

36 As regards the second part of the first ground of appeal, it is sufficient to observe that the Court of First Instance did not base its conclusion that the mark applied for is devoid of any distinctive character on the existence of a risk of monopolisation of the sweet wrapper at issue. In paragraph 60 of the judgment under appeal, the Court of First Instance stated merely that such a risk confirmed the finding made in paragraphs 53 to 57 of that judgment that the mark applied for is devoid of any distinctive character.

37 Therefore, that part must be dismissed as unfounded.

38 Finally, as regards the last part of the ground of appeal, first, as is apparent from paragraph 30 of this judgment, the Court of First Instance did not err in law

in any way by taking the sweet packaging commonly used in trade into account in assessing whether the mark applied for is, or is not, devoid of any distinctive character.

39 Secondly, in so far as it challenges the Court of First Instance's finding that the mark applied for is devoid of any distinctive character, that part of the first ground is effectively requesting that the Court of Justice substitute its own assessment of the facts for that of the Court of First Instance.

40 The findings of the Court of First Instance in paragraphs 56 and 57 of the judgment under appeal and reiterated in paragraph 32 of this judgment constitute factual assessments. In accordance with Article 225(1) EC and the first paragraph of Article 58 of the Statute of the Court of Justice, an appeal lies on a point of law only. The Court of First Instance thus has exclusive jurisdiction to find and appraise the relevant facts and to assess the evidence. The appraisal of those facts and the assessment of that evidence thus do not, save where the facts or evidence are distorted, constitute points of law subject, as such, to review by the Court of Justice on appeal (see, in particular, Case C-104/00 P DKV v OHIM [2002] ECR I-7561, paragraph 22, and Deutsche SiSi-Werke v OHIM, paragraph 35).

41 Since distortion of the facts and evidence submitted to the Court of First Instance is not alleged in the present case, the final part of the first ground of appeal must be dismissed as being partly unfounded and partly inadmissible, and consequently the ground must be dismissed in its entirety.

#### **The second ground of appeal**

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

42 In the second ground of appeal the appellant alleges that, in paragraphs 55 to 58 of the judgment under appeal, the Court of First Instance infringed Article 74(1) of Regulation No 40/94, pursuant to which OHIM is to examine the facts of its own motion.

43 It is apparent from that provision that the Board of Appeal was not entitled to merely make known the results of its own subjective assessment of the market situation, but should have undertaken an inquiry and given concrete examples of wrappers which are allegedly identical in appearance to the mark applied for, the existence of which it alleged in finding the mark to be 'customary'. By not stipulating the wrappers to which it was referring the Board of Appeal deprived the appellant of the opportunity to challenge the relevance of those examples.

44 By stating, in paragraph 58 of the judgment under appeal, that the Board of Appeal was able to base its decision on facts arising from practical experience generally acquired and by approving those unsubstantiated claims of that Board, the Court of First Instance failed to have regard for OHIM's obligation under Article 74(1) of Regulation No 40/94 to examine the facts of its own motion.

45 OHIM contends, as its principal argument, that the second ground of appeal is inadmissible in so far as the appellant merely reproduces verbatim a plea in law previously submitted to, and rejected by, the Court of

First Instance, without criticising the response of that Court.

46 In the alternative, OHIM contends that that ground of appeal is unfounded. Article 74(1) of Regulation No 40/94 requires OHIM, and OHIM alone, to examine the facts and does not require it to support its findings of fact with concrete examples.

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

47 Under Article 225 EC, the first paragraph of Article 58 of the Statute of the Court of Justice and Article 112(1)(c) of the Rules of Procedure of the Court of Justice, an appeal must indicate precisely the contested elements of the judgment which the appellant seeks to have set aside and also the legal arguments specifically advanced in support of the appeal. That requirement is not satisfied by an appeal which, without even including an argument specifically identifying the error of law allegedly vitiating the judgment under appeal, merely repeats or reproduces verbatim the pleas in law and arguments previously submitted to the Court of First Instance (see, in particular, Case C-352/98 P Bergaderm and Goupil v Commission [2000] ECR I-5291, paragraphs 34 and 35, and Case C-208/03 P Le Pen v Parliament [2005] ECR I-6051, paragraph 39).

48 By contrast, provided that the appellant challenges the interpretation or application of Community law by the Court of First Instance, the points of law examined at first instance may be discussed again in the course of an appeal. Indeed, if an appellant could not thus base his appeal on pleas in law and arguments already relied on before the Court of First Instance, an appeal would be deprived of part of its purpose (see, in particular, Case C-41/00 P Interporc v Commission [2003] ECR I-2125, paragraph 17, and Le Pen v Parliament, paragraph 40).

49 The second ground of appeal seeks specifically to call into question the interpretation of Article 74(1) of Regulation No 40/94 adopted by the Court of First Instance to dismiss the allegation, raised in the context of the first plea in law at first instance, concerning the lack of concrete examples capable of substantiating the Board of Appeal's assertions regarding the customary nature of the wrappers at issue. That ground of appeal must therefore be found to be admissible.

50 As to whether it is well founded, under Article 74(1) of Regulation No 40/94 OHIM examiners and, on appeal, the Boards of Appeal of OHIM are required to examine the facts of their own motion in order to determine whether the mark registration of which is sought falls under one of the grounds for refusal of registration laid down in Article 7 of that regulation. It follows that the competent bodies of OHIM may be led to base their decisions on facts which have not been put forward by the applicant for the mark.

51 Whilst it is in principle the task of those bodies to establish in their decisions the accuracy of such facts, such is not the case where they rely on facts which are well known.

52 In that regard, an applicant for a trade mark against whom OHIM relies on such well-known facts

may challenge their accuracy before the Court of First Instance.

53 The finding, by the Court of First Instance, as to whether the facts on which the Board of Appeal of OHIM has based its decision are well known or not is a factual assessment which, save where the facts or evidence are distorted, is not subject to review by the Court of Justice on appeal.

54 Therefore, the Court of First Instance did not err in law in finding, in paragraphs 58 and 95 of the judgment under appeal, that the Board of Appeal could legitimately have based its finding that the wrapping at issue is not unusual in trade on facts shown by practical experience generally acquired in the marketing of confectionery and likely to be known by anyone, and in particular by consumers of confectionery, without that Board being required to provide concrete examples.

55 The second ground of appeal must therefore be dismissed as unfounded.

#### **The third ground of appeal**

56 In the third ground of appeal, the appellant alleges that the Court of First Instance infringed Article 73 of Regulation No 40/94, pursuant to which decisions of OHIM may be based only on reasons on which the parties have had an opportunity to present their comments.

57 Since the Board of Appeal did not show the sweet wrappers which it alleges to be similar to the mark applied for, the appellant could not, at any point in the proceedings, adopt a position on that matter and was therefore deprived, in particular, of the opportunity to demonstrate that those wrappers do, in fact, bear decisive differences to the mark applied for. Its right to be heard was thus infringed.

58 Therefore, by holding, in paragraph 58 of the judgment under appeal, that the Board of Appeal was not required to give concrete examples of existing wrappers which are similar to the mark applied for and by basing the judgment under appeal on allegations on which the appellant had not had an opportunity to present its comments, the Court of First Instance infringed Article 73 of Regulation No 40/94.

59 OHIM contends that that ground of appeal is manifestly unfounded. First, the Board of Appeal did analyse the appellant's arguments in that regard but rejected them. Second, since it acknowledges having dealt with shapes commonly used for wrappers for sweets in its action before the Court of First Instance, the appellant cannot claim not to have had the opportunity to present its comments on the way in which the Board of Appeal assessed the market for those wrappers.

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

60 First, the third ground of appeal must be declared inadmissible in so far as it alleges that the Court of First Instance infringed Article 73 of Regulation No 40/94 by not annulling the decision in dispute for being based on grounds on which the appellant had not had an opportunity to present its comments.

61 According to settled case-law, to allow a party to put forward for the first time before the Court of Justice a plea in law which it has not raised before the Court of

First Instance would be to allow it to bring before the Court, whose jurisdiction in appeals is limited, a case of wider ambit than that which came before the Court of First Instance. In an appeal the Court's jurisdiction is therefore confined to review of the findings of law on the pleas argued before the Court of First Instance (see, in particular, Joined Cases C-186/02 P and C-188/02 P Ramondin and Others v Commission [2004] ECR I-10653, paragraph 60).

62 Although the appellant submitted before the Court of First Instance that the Board of Appeal had not shown the accuracy of its findings in relation to the customary nature of the wrapper at issue, it raised that ground only for the purposes of establishing infringement of Article 74(1) of Regulation No 40/94.

63 Second, that ground of appeal is unfounded in so far as it alleges that, by its own unsubstantiated claims, the Court of First Instance also infringed Article 73 of Regulation No 40/94.

64 That provision is to be complied with by bodies of OHIM in the context of assessment of applications for registration, but not in the context of proceedings before the Court of First Instance, which are governed by the Statute of the Court of Justice and by the Rules of Procedure of the Court of First Instance.

65 Moreover, the appellant was in a position to challenge before the Court of First Instance the Board of Appeal's assertion that the sweet wrapper at issue is not significantly different from numerous other wrappers commonly used in the confectionery market. Accordingly, its rights of defence, and particularly its right to be heard, were observed before that court.

66 The third ground of appeal must accordingly be rejected as being partly inadmissible and partly unfounded.

#### **The fourth ground of appeal**

67 In the fourth ground of appeal, which falls into two parts, the appellant claims that the Court of First Instance infringed Article 7(3) of Regulation No 40/94 by making the evidence that the mark applied for had become distinctive through use subject to false requirements.

68 First, the Court of First Instance erred in law in holding, in paragraphs 83 and 84 of the judgment under appeal, that the figures relating to sales of the products covered by the mark applied for and the advertising costs incurred in promoting the mark do not establish that the mark has acquired distinctive character through the use which has been made of it, in the absence of information relating to the share of the confectionery market and the share of the amount of publicity for the market to which those figures relate, respectively.

69 According to the appellant, awareness of a mark does not depend on the absence of other more well-known marks but solely on whether a sufficient amount of the product has been distributed on the market over a long period of time, thus ensuring that consumers encounter that mark. Therefore, the market share held by the mark applied for is not relevant for the purposes of assessing whether it has acquired distinctive character through use where it is established that it is widely dis-

tributed, in large quantities and over a long period. In the present case, the figures provided by the appellant prove that this is the case.

70 Second, the Court of First Instance erred in law in finding, in paragraphs 85 to 87 of the judgment under appeal, that the evidence that the mark applied for acquired distinctive character through the use which has been made of it should be provided for all the Member States of the Union.

71 According to the appellant, it is contrary to the objective of the Union, which is to abolish national borders and create a single market, to require proof of use of the mark applied for for each Member State. Thus, a mark is registrable for the purposes of Article 7(3) of Regulation No 40/94 where the applicant for a trade mark furnishes proof that it has acquired distinctive character through the use which has been made of it in a substantial part of the Union, even if, in certain Member States, the mark has not acquired such character or the applicant for the trade mark could not furnish proof thereof.

72 In support of that analysis, the appellant relies on Article 142a(2) of Regulation No 40/94, introduced by the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union and the adjustments to the Treaties on which the European Union is founded (OJ 2003 L 236, p. 33) ('the Act of Accession'), which provides: '[t]he registration of a Community trade mark which is under application at the date of accession may not be refused on the basis of any of the absolute grounds for refusal listed in Article 7(1) [of Regulation No 40/94], if these grounds became applicable merely because of the accession of a new Member State'.

73 OHIM submits that, in so far as it challenges the duty to establish that the mark applied for has acquired distinctive character through use throughout the Community, the appellant overlooks the general scheme of Article 7 of Regulation No 40/94.

74 It is apparent from Article 7(2) of Regulation No 40/94 that an application for a Community trade mark must be rejected even if the grounds for refusal exist only in part of the Community. Where one of the grounds for refusal laid down in Article 7(1)(b), (c) or (d) concerns the Community as a whole, the distinctive character acquired through use must be shown throughout the Community and not only in certain Member States.

#### Findings of the Court

75 As regards the first part of the fourth ground of appeal, it is settled case-law that, in order to assess whether a mark has acquired distinctive character following the use which has been made of it, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has

been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see, to that effect, in relation to Article 3(3) 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), a provision which is identical, in substance, to Article 7(3) of Regulation No 40/94, and [Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee \[1999\] ECR I-2779](#), paragraph 51, [Case C-299/99 Philips \[2002\] ECR I-5475](#), paragraph 60, and [Case C-353/03 Nestlé \[2005\] ECR I-6135](#), paragraph 31).

76 The market share held by the mark is therefore an indication which may be relevant for the purposes of assessing whether that mark has acquired distinctive character through use. Such is the case, in particular, where, as in the present case, a mark consisting of the appearance of the product in respect of which registration is sought appears to be devoid of any distinctive character because it does not depart significantly from the norm or customs of the sector. It is probable, in such a case, that such a mark is likely to acquire distinctive character only if, following the use which is made of it, the products which bear it have more than a negligible share of the market in the products at issue.

77 For the same reasons, the share of the amount of publicity for the market in the products in dispute represented by advertising investment in promoting a mark may also be relevant for assessing whether the mark has acquired distinctive character through use.

78 Moreover, the question whether or not such information is necessary for assessing whether a given mark has acquired distinctive character through use for the purposes of Article 7(3) of Regulation No 40/94 comes within the scope of the assessment of the facts by OHIM and, on appeal, by the Court of First Instance.

79 In those circumstances, the Court of First Instance did not err in law in finding, in paragraphs 82 to 84 of the judgment under appeal, that the sales figures for the appellant's products and the publicity costs which it incurred are not sufficient, in the absence of information relating to the market share which they represent in respect of both the global confectionery market and the global amount of advertising costs in that market, to show that the mark applied for has acquired distinctive character as a result of the use which has been made of it.

80 The first part of the fourth ground of appeal is therefore unfounded.

81 As to the second part of the fourth ground, under Article 7(1)(b) of Regulation No 40/94, read in conjunction with Article 7(2) thereof, a mark must be refused registration if it is devoid of any distinctive character in part of the Community.

82 In addition, under Article 7(3) of Regulation No 40/94, Article 7(1)(b) thereof does 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.

83 It follows that a mark can be registered under Article 7(3) of Regulation No 40/94 only if evidence is provided that it has acquired, through the use which has been made of it, distinctive character in the part of the Community in which it did not, ab initio, have such character for the purposes of Article 7(1)(b). The part of the Community referred to in Article 7(2) may be comprised of a single Member State.

84 Contrary to the appellant's analysis, Article 142a of Regulation No 40/94, in the version resulting from the Act of Accession, supports the latter interpretation.

85 As they found it necessary to introduce an express provision to the effect that registration of a Community trade mark which is under application at the date of accession may not be refused on the basis of any of the absolute grounds for refusal listed in Article 7(1) of Regulation No 40/94, if these grounds became applicable merely because of the accession of a new Member State, the authors of the Act of Accession considered that, if that provision did not exist, such an application would have had to have been refused if the mark was devoid of any distinctive character in one of the new Member States.

86 Since, in paragraphs 85 to 87 of the judgment under appeal, following an assessment of the facts and evidence, the Court of First Instance found, first, that the mark applied for was devoid of any distinctive character, ab initio, in all of the Member States of the Community and, second, that the appellant did not establish that that mark was the subject of advertising campaigns in certain Member States during the reference period, it rightly found that the figures provided in relation to the advertising costs incurred by the appellant did not provide proof that the mark had acquired distinctive character as a result of the use which had been made of it.

87 The second part of the fourth ground of appeal is also unfounded, and consequently that ground of appeal must be dismissed in its entirety.

88 Since all the appellant's grounds of appeal have failed, the appeal must be dismissed.

#### Costs

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

On those grounds, the Court (First Chamber) hereby:

1. Dismisses the appeal;
2. Orders August Storck KG to pay the costs.

#### OPINION OF ADVOCATE GENERAL RUIZ-JARABO COLOMER

delivered on 23 March 2006 1(1)  
Case C -25/05 P

August Storck KG

v

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

*(Appeals – Community trade mark – Graphic mark consisting of the representation of a sweet wrapper – Lack of distinctive character – Refusal to register)*

#### I – Introduction

1. The appeal is against the judgment of the Court of First Instance of 10 November 2004, (2) dismissing the action for annulment brought against the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM') (3) which refused registration of a mark representing a twisted sweet wrapper (shape of a sweet wrapper).

2. The issue arises of the distinctive character of the mark, a fundamental condition for registration, and one which in turn has generated a sufficient wealth of case-law on the interpretation of Article 7(1)(b) of the regulation on the Community trade mark (4) to determine the claims of the appellant, which has broadened the debate to include the acquisition of that distinctive character through use of the mark.

3. The dispute covers, in addition, the procedure before the OHIM Boards of Appeal as regards the obligations of those boards to state reasons and to examine the facts of their own motion, and this Opinion addresses those aspects also.

#### II – The legislative framework

4. The provisions necessary for ruling on the present appeal are to be found in Regulation No 40/94.

5. According to Article 4, Community registration is available to '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.'

6. By virtue of Article 7(1), entitled 'Absolute grounds for refusal', OHIM will refuse to register:

'(a) signs which do not conform to the requirements of Article 4;

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

...'

7. Article 7(2) reads:

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

8. Article 7(3) provides that subparagraphs 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.'

9. Under the heading 'Statement of reasons on which decisions are based', Article 73 requires that '[d]ecisions of the Office shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.'

10. On the ex officio examination of the facts, Article 74 states that:

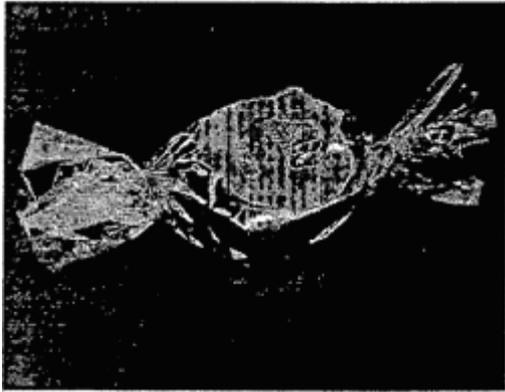
'1. In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.

...'

### III – Background to the appeal

#### A – The facts of the dispute at first instance

11. On 30 March 1998, the appellant filed at OHIM an application under Regulation No 40/94 for registration of a Community trade mark consisting of the representation in perspective of a twisted wrapper (shape of a sweet wrapper), reproduced below:



12. The products for which it sought registration belong to Class 30 of the Nice Agreement (5) and fall under the description 'sweets'.

13. By decision of 19 January 2001, the examiner refused the application, because the sign was devoid of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, and also because it had not acquired distinctive character through use of the caramel sweets within the meaning of Article 7(3) of the regulation.

14. By an appeal lodged with OHIM on 13 March 2001, pursuant to Article 59 of Regulation No 40/94, the appellant sought the annulment of the examiner's decision.

15. By its decision of 18 October 2002, the Second Board of Appeal dismissed the appeal on the same grounds as set out in the contested decision.

16. It found that as a result of the colour of the wrapper, the three shades which the appellant had invoked were not discernible in the graphic representation of the mark applied for and were, furthermore, usual in sweet packaging and frequent in trade.

17. The Board also held that the evidence adduced did not prove the distinctive character of the sweets in general and for caramels in particular, in consequence of the repeated use made of that mark.

18. Having exhausted the administrative remedies, on 26 May 2003 August Storck KG lodged an action for annulment at the Registry of the Court of First Instance.

#### B – The judgment under appeal

19. In support of its claim, August Storck KG advanced four pleas in law alleging infringement of Article 7(1)(b), Article 7(3), the first sentence of Article 74(1) and Article 73, respectively, of Regulation No 40/94.

20. Before examining the grounds of the appeal, the Court of First Instance defined the subject-matter of the dispute, since the appellant and OHIM held divergent views on the sign, and expressed its view that it was a figurative mark consisting of the representation of a twisted wrapper shape (shape of a sweet wrapper), (6) of a gold colour (7) and claimed in respect of 'sweets'. (8)

21. As regards the first plea, the first instance court explored distinctive character in relation, on the one hand, to the products and services for which registration was being sought and, on the other, in relation to the perception of the relevant public. (9) Thereafter, in order to ascertain whether consumers perceive the combination of the shape and the colour of the packaging as an indication of origin, it looked at the overall impression given by the configuration in question, (10) concluding that its characteristics were not sufficiently different from the shapes frequently used for sweet wrappers and did not, therefore, stay in the mind as indicators of commercial origin.

22. The Court of First Instance also endorsed the Board of Appeal's warning of the risk of monopolisation of the sign for sweets, since it confirmed that the sign was devoid of distinctive character for the confectionery in question, in accordance with the general interest underlying the absolute ground for refusal in Article 7(1)(c) of Regulation No 40/94. (11)

23. The Court inferred from all of the above considerations that an average consumer, reasonably well informed and reasonably observant and circumspect, would not perceive the sign in such a way as to identify the products nor to distinguish them from those of their competitors and, consequently, dismissed the plea as unfounded.

24. Nor did it uphold the second plea in law, which alleged infringement of Article 7(3) of Regulation No 40/94, on the ground that the appellant had not proven acquisition of the relevant distinctive character through use.

25. First of all, it called to mind the case-law on the requirements for acquiring distinctive character, relating to the identification of a particular commercial source, (12) to the reference to the part of the European Union where it was devoid of distinctive character (13) and to the consideration of certain objective factors in order to find that a mark had acquired distinctive character. (14)

26. Then, it refuted August Storck KG's claims based on sales figures and data about the high advertising costs of promoting the 'Werther's Original' ('Werther's Echte') caramel sweet, since the advertisements submitted contained no evidence whatsoever of use of the mark in the form applied for, since it was accompanied by word and figurative marks, without stating the proportion of expenditure corresponding to

each sign. (15) Furthermore, those costs did not prove that, throughout the Community, consumers perceived the wrapper as an indication of origin. (16)

27. Finally, it also rejected the claim that the surveys which the appellant had submitted in the proceedings suggested that the awareness of the sweet sold by August Storck KG, as an intellectual property right, derived from its shape, since it was based, rather, on the 'Werther's' name. (17)

28. In the third plea in law, the appellant alleged that the Board of Appeal had infringed the first sentence of Article 74(1) of Regulation No 40/94, since it was obliged to carry out an additional investigation to establish use of the mark.

29. The Court of First Instance rejected that argument, asserting that OHIM is only bound to verify the facts showing that the mark claimed has become distinctive through use, within the meaning of Article 7(3) of Regulation No 40/94, if the appellant has pleaded them. Since it was not in dispute that August Storck KG had provided OHIM with certain evidence for that purpose, on which the Board of Appeal based its assessment, the OHIM bodies were under no further duty. In particular, it was not for OHIM to investigate the case further in order to compensate for the lack of probative force of the evidence supporting the application. (18)

30. The Court of First Instance also rejected the fourth plea in law, which claimed that OHIM had infringed Article 73 of Regulation No 40/94 by failing to take into account all the documents submitted by the appellant, and by contravening its right to be given an opportunity to be heard.

31. It dismissed the plea on the ground, on the one hand, that it was founded on a false premiss, since the Board of Appeal had examined the evidence in question, albeit finding it insufficient to prove distinctive character deriving from the use of the mark. It pointed out, further, that the appellant itself had produced those documents in the proceedings, and therefore did have an opportunity to comment on their relevance. (19)

#### **IV – The proceedings before the Court of Justice**

32. August Storck KG's application was received at the Registry of this Court on 28 January 2005. OHIM submitted a defence on 15 April 2005, and neither party has applied to file a reply or rejoinder.

33. The hearing, at which the representatives of both parties were present, took place on 16 February 2006, jointly with that in Case C litigants.

#### **V – Analysis of the pleas in law**

34. The appellant undertaking maintains the four pleas in law which it advanced before the Court of First Instance, alleging violation of Article 7(1)(b), of the first sentence of Article 74(1), of Article 73 and of Article 7(3) of Regulation No 40/94.

35. OHIM has applied for a declaration of inadmissibility in relation to the third part of the first plea and the whole of the second plea, and it is therefore necessary to analyse those claims at the outset.

#### **A – The admissibility of a number of the pleas in law**

##### **1. Inadmissibility of the third part of the first plea in law**

36. By this complaint, August Storck KG submits that the Court of First Instance erred in assessing the distinctive character of the sweet wrapper, in breach of Article 7(1)(b) of Regulation No 40/94.

37. It claims that the Court of First Instance insufficiently assessed the combination of colours in the wrapper and did not fully examine the behaviour of consumers, whereas OHIM posits that those aspects are matters of fact and, therefore, lie outside the scope of the appeal.

38. A reading of the notice of appeal reveals patently that the appellant is criticising the outcome of the evaluation of certain factual elements. However, the Court of Justice, according to Article 58 of its Statute, cannot address those circumstances nor that evidence, save in the event of distortion or substantive inaccuracy, (20) and the only course available therefore is to suggest that the third part of the first plea be declared inadmissible.

##### **2. Inadmissibility of the second plea in law**

39. OHIM reproaches August Storck KG for repeating the arguments on which it based a ground of appeal similar to that invoked at first instance and relies on settled case-law (21) to seek the inadmissibility of the claim.

40. Admittedly, with the aim of establishing that the judgment under appeal infringed the first sentence of Article 74(1) of Regulation No 40/94, the appellant does advance the same claims as in the proceedings at first instance. However, quite apart from the fact that it could not do otherwise, the last sentence of paragraph 32 supports the criticism of the Court of First Instance for precisely endorsing the view of OHIM.

41. That being so, despite the similarity between August Storck KG's arguments before that court and those it is now making on appeal, it was entitled to use identical reasoning in support of the purported infringement of Article 74 by the Court of First Instance. Consequently, OHIM's criticism of the appellant for failing to refute as part of the present plea in law the only new observation in the judgment proves to be irrelevant, since it is for each party to choose the target of its censure.

42. I therefore propose that OHIM's claim that the plea is inadmissible should be rejected.

#### **B – Analysis of the merits of the pleas in law**

##### **1. The first two parts of the first plea: infringement of Article 7(1)(b) of Regulation No 40/94**

###### **a) The first part**

43. The appellant claims that the Court of First Instance incorrectly imposed more stringent conditions on the distinctive character of the sign, requiring it to display considerable differences from other wrappers, whereas it is discernible from Article 7(1)(b) that a small degree of distinctive character is sufficient for registration of a Community mark.

44. OHIM contends that the claim in question fails to take into account the settled case-law on this kind of mark, even though the present case concerns a two-dimensional representation (a photograph) of a three-dimensional sign.

45. Quite clearly, the wording of the article in question seems to suggest that any sign with the slightest distinctiveness should be eligible for registration.

46. The Court of Justice has held that, although the criteria for assessing the distinctive character of three-dimensional signs consisting of the shape of the product are no different from those applicable to other categories of sign, (22) there is a degree of consensus that, in practice, it is more difficult to prove than in relation to a verbal or figurative mark. (23)

47. Further, that court has on various occasions recognised that the perception of the average consumer, a decisive factor in assessing the distinctive character of signs for which registration is sought, is not necessarily the same in relation to a three-dimensional mark as with other types of mark, where the signs are not the same as the appearance of the goods which they denote, since those consumers are not accustomed to making assumptions about the origin of goods from their shape, independently of any graphic or word element. (24)

48. For those reasons, the Court has held that a simple departure from the norm or customs of the sector is not sufficient to render inapplicable the ground for refusal given in Article 3(1)(b) of Directive 89/104/EEC, (25) and that, in contrast, a trade mark which is markedly different and fulfils its essential original function is not devoid of distinctive character. (26)

49. In paragraphs 56 to 58 of the judgment under appeal, the Court of First Instance, like OHIM before it, made a finding as to the shape which, in its view, the article in issue is most likely to have, following clearly and exactly the rulings referred to in the preceding points of this Opinion, which it transposed to the case in hand without distortion and without increasing the requirements for three-dimensional marks, with the effect that the criticism which August Storck KG levels against it is unfounded.

50. I therefore propose that the Court of Justice should dismiss the first part of the first plea in law as unfounded.

#### **b) The second part of the plea.**

51. The appellant takes issue with the reference in paragraph 60 of the judgment under appeal to the risk of monopolisation of the shape of a sweet wrapper. To its mind, the reference introduces new considerations, relating to the general interest, into assessment of distinctive character under Article 7(1)(b) of Regulation No 40/94, contrary to the applicable case-law.

52. OHIM states that the allusion to this risk was not included with the intention of justifying the refusal to register the mark, but in order to make common cause with the Board of Appeal on the importance of highlighting such a possibility, because it was confirming its finding that the wrapper had no distinctive character.

53. On that point I entirely share OHIM's view, since the structure of the judgment under appeal reveals

that the reasoning relating to competition between undertakings, linked to the need for availability of the sign, was included 'for the sake of completeness', although that judgment does not expressly say so, and the appellant's argument is therefore misplaced, since the lack of distinctive character had been shown in earlier paragraphs of the same judgment.

54. Accordingly, without discussing the extent to which the general interest underpins the ground for refusal under Article 7(1)(b) of Regulation No 40/94, (27) I am bound to propose that it should be dismissed.

55. In accordance with the foregoing considerations in relation to the first plea, I suggest that the first and second parts of the plea should be rejected as unfounded and irrelevant, respectively.

#### **2. The second and third pleas in law**

56. Paragraphs 55 to 58 of the judgment under appeal confirmed the findings of the Board of Appeal that the shape of the sweet wrapper was 'usual', since it did not stand out sufficiently from the other presentations common on the market for sweets.

57. August Storck KG claims infringement of the principle, under the first sentence of Article 74(1) of Regulation No 40/94, that OHIM should investigate the facts of its own motion (second plea in law) and the maxim that OHIM decisions must be based on reasons or evidence which the parties concerned have addressed, in the second sentence of Article 73 of that regulation, and complains that the breach undermined its rights of defence (third plea in law).

58. The respondent, which had applied for a declaration of inadmissibility in relation to the second plea, seeks, in the alternative, that it be dismissed as ill-founded, as should the third plea, since it concurs with the decision of the Court of First Instance.

59. To my mind, for the following reasons, the appellant's interpretation arises from a misunderstanding of the provisions in question.

60. First, proceedings before OHIM are governed, as regards the absolute grounds of refusal, by the inquisitorial principle, according to which the administrative body is responsible not only for conducting an examination of its own motion but, in addition, for examining the facts on which it bases its decision, independently of the arguments of the parties. (28)

61. However, OHIM is not subject unconditionally to that guiding principle, which encounters certain limits, such as the margin of discretion the body enjoys to decide the extent to which an objective assessment of the factual framework is sufficient (29) and the parties' duty of cooperation.

62. Secondly, in the proper exercise of that investigative power, OHIM not only can, as the Court of First Instance suggested in paragraph 58 of the judgment under appeal, but in fact must base its analysis on facts arising from practical experience generally acquired from the marketing of mass consumer products which everyone knows. To fail to do so would be to overlook circumstances relevant to the matter in hand, in contra-

vention of the maxim that acts cannot be deemed not to have occurred.

63. In short, good sense and the general principles of law common to the Member States, to which Article 79 of the regulation on the Community trade mark refers, dictate that the Boards of Appeal should have power to use 'well-known facts' as part of their ex officio examinations.

64. Obviously, those well-known facts require no verification whatsoever, the onus of proof being on the person wishing to refute them, in keeping with the adage *res ipsa loquitur*. Accordingly, even were one to entertain the view that the appellant did not have an opportunity to express a view on the matters apparent before the Board of Appeal, it did have the chance to comment on them before the Court of First Instance which, in exercise of its supreme power to assess the case file, found the evidence to be insufficient, with the effect that the complaint of purported infringement of the rights of defence is untenable, and it is not appropriate, given the limited scope of the appellate review, to revisit the correctness of those assessments.

65. It emerges from the foregoing that the Court of First Instance did not contravene the first sentence of Article 74(1) of Regulation No 40/94 by confirming the findings of the Board of Appeal based on a number of publicly recognised facts, and that August Storck KG did have the opportunity to comment on them, at the very latest, before the court whose decision is now under appeal, and there was, therefore, no violation of its rights of defence before that Community court.

66. In consequence, I recommend that the second and third pleas in law be dismissed as unfounded.

### **3. The fourth plea in law**

67. Based on a supposed error in law by the Court of First Instance in declining to find that the sign had distinctive character in accordance with Article 7(3) of Regulation No 40/94, the claim rests on two main allegations, the first of which concerns the weight given to certain documents attesting acquisition of distinctive character through use, and the second, the geographical scope of the use of the mark for the purpose of that acquisition of distinctive character.

#### **a) Assessment of certain commercial data**

68. In order to prove the distinctive character of the wrapper, the appellant produced in the proceedings a series of figures relating to sales volumes and to the advertising costs incurred in promoting the growth and the degree of awareness of the packaging in the form of a sweet wrapper.

69. August Storck KG directs its criticism at the Board of Appeal's requirement, which the Court of First Instance adopted, that the market share of the products bearing the mark in issue should be calculated on the basis of market figures which, according to both bodies, they could not do on the basis of the figures submitted by the appellant which, for its part, argues that it has more than sufficiently demonstrated wide distribution, by means of high sales figures over a long period of time.

70. However, because it takes issue with the assessment of the evidence by the Court of First Instance, this part of the plea should be declared inadmissible. Nevertheless, understood as an allegation of an error in law arising from a request for documents without any relevant probative value, of market share, for example, that part of the plea calls for qualification.

71. According to settled case-law, the following may be taken into account in assessing the distinctive character of a mark: its market share; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant sectors which, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations. (30)

72. It is exclusively for the first instance court to assess the relevance and probative value of that data, with no form of appellate review. In the present dispute, the Court of First Instance appraised all the evidence submitted in proceedings by August Storck KG with a view to proving the distinctive character acquired through use of the sign, and it reached the conclusion that the proof was insufficient, which is why it suggested, specifically, that market share was an effective means of proving distinctive character.

73. Since the Court of Justice has acknowledged that criterion to be one of those suitable for the appellant's purposes, no error in law is apparent in the judgment under appeal, since it accords with the case-law cited.

74. The first part of the fourth plea in law must, therefore, be held to be unfounded.

#### **b) The geographical scope of use of the mark**

75. According to the appellant, the Court of First Instance infringed Article 7(3) of Regulation No 40/94 by confirming the finding of the Board of Appeal that it is necessary to submit evidence of the distinctive character acquired in all the Member States of the European Union. That view, it asserts, contravenes the spirit of Article 142a of the regulation, (31) whereas an analysis of the intention behind the precept reveals the need to comply with that requirement in a 'substantial part' of the Community territory.

76. In the view of OHIM, the issue is not one of use of the sign in a 'substantial part', but in the part of the Union where the mark could not, by reason of its characteristics, fulfil the functions typical of that type of intellectual property.

77. Resolving that discrepancy entails a systematic interpretation of Article 7 of Regulation No 40/94.

78. Accordingly, Article 7(1)(b), in conjunction with Article 7(2), suggests that, where distinctive character is lacking in one part of the Community, the precept is fully applicable and registration must be refused.

79. Furthermore, although Article 7(2) does not refer to Article 7(3), it is inconceivable that the requirement relating to the scope of the distinctive character could be less strict, since it would make no sense to relax the requirement for signs claiming to have acquired distinctiveness through use in compari-

son with those being registered for the first time, with no prior experience on the market. It is difficult to imagine any reason for the legislature wanting to enshrine any such difference in treatment. Such reasoning would in fact run counter to the scheme of the legislation since, if a lower degree of distinctive character were required where it is acquired by means of long-term use of the sign, there would be little point, in the event of doubt, in first seeking to have OHIM accept the sign as a Community trade mark.

80. The appellant's claim under Article 159a of Regulation No 40/94 is completely without foundation, since the provision reflects the political solution, of course with legal implications, to the problem arising on enlargement of the Community in relation to Community trade marks registered or applied for before 1 May 2004, a solution intended to ensure the legal certainty necessary for the proprietors both of those marks and of signs protected by the legislation of each of the new Member States. The foregoing is discernible from subparagraph 2 of Article 159a of Regulation No 40/94, according to which '[t]he registration of a Community trade mark which is under application at the date of accession may not be refused on the basis of any of the absolute grounds for refusal listed in Article 7(1), if these grounds became applicable merely because of the accession of a new Member State.'

81. What is more, according to OHIM's official explanation, (32) the holder in a new Member State of a right earlier than a Community trade mark can prohibit the use of the latter mark in his territory, where the two marks conflict, in accordance with Articles 106 and 107 of Regulation No 40/94, which already included provisions to resolve conflicts arising from the entry into force of Regulation No 40/94 itself in relation to signs registered under national laws.

82. For those reasons, the interpretative guidelines under Article 159a which the appellant advances to define the scope of Article 7(3) of Regulation No 40/94 are out of context and irrelevant.

83. Therefore, since the foregoing allegation is, likewise, untenable, the fourth plea in law and, in consequence, the entire appeal, should be dismissed.

#### VI – Costs

84. Under Article 122, in conjunction with Article 69(2), of the Rules of Procedure, which by virtue of Article 118 apply to appeal proceedings, the unsuccessful party must be ordered to pay the costs. If, as I propose, the pleas which the appellant invokes are dismissed, it must be required to pay the costs of the appeal.

#### VII – Conclusion

85. In view of the foregoing arguments, I recommend that the Court of Justice dismiss the appeal brought by August Storck KG against the judgment of the Court of First Instance of 10 November 2004 in Case T-402/02 Storck v OHIM (Shape of a sweet wrapper), and order the appellant to pay the costs of the appeal.

1 – Original language: Spanish.

2 – Case T-402/02 Storck v OHIM (Shape of a sweet wrapper) [2004] ECR II-3849 ('the judgment under appeal').

3 – Decision of 18 October 2002 (Case R 0256/2001 -4).

4 – Council Regulation (EC) No 40/94 of 20 December 1993 (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83) and, finally, by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1).

5 – Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as amended.

6 – Paragraphs 21 and 22.

7 – Paragraphs 23 to 28.

8 – Paragraphs 29 to 38.

9 – Paragraphs 48 to 53.

10 – Paragraphs 54 to 58.

11 – Paragraph 60.

12 – Joined Cases C

ing Chiemsee [1999] ECR I

Case C

paragraphs 61 and 62.

13 – In accordance with the rulings of the Court of First Instance in Case T

TIONS) [2000] ECR II

T

[2004] ECR II

14 – Windsurfing Chiemsee, paragraphs 51 and 52, and Philips, paragraphs 60 and 61.

15 – Paragraphs 82 to 84.

16 – Paragraphs 85 to 87.

17 – Paragraph 88.

18 – Paragraph 96.

19 – Paragraphs 100 and 101.

20 – Case C

I

review, see also my Opinion in that case, points 58 to 60.

21 – It cites the orders in Case C

Council [1996] ECR I

Case C

I

-3177, paragraph 17.

22 – Philips, paragraph 48, and Joined Cases C

to C

paragraph 42.

23 – Linde and Others, paragraph 48.

24 – Case C

agraph 52, in relation to packaging, and Case C

C

as regards a colour.

25 – First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

26 – Henkel, paragraph 49, in conjunction with Article 3(1)(b) of Directive 89/104, which corresponds to Article 7(3) of Regulation No 40/94.

f-108/97 and C -  
-2779, parag  
a299/99 Philips

P91/99 Ford M  
-1925, parag  
-399/02 Euro

-1391, paragraphs 43 to 47

-104/00 P D  
-7561, parag

-87/95 P CN  
-2003, parag  
-62/94 P Tu

-53/01  
-55/01 L inde

r-218/01 Henke

-104/01 L ibe

- 27 – The appellant has contended, on the basis of my Opinion in Joined Cases C Henkel v OHIM [2004] ECR I and of that of Advocate General Jacobs delivered in Case C I 8347, that the general interest and the need to preserve availability do not underlie Article 7(1)(b) of Regulation No 40/94. Whilst I maintain the view I expressed in that Opinion, the Court of Justice held differently (SAT.1 v OHIM, paragraph 25, and Henkel v OHIM, paragraphs 45 and 46).
- 28 – Martín Mateo, R. and Díez Sánchez, J.J., *La marca comunitaria. Derecho público*, Editorial Trivium, Madrid, 1996, p. 111.
- 29 – Von Mühlendahl, A. and Ohlgart, D.C., *Die Gemeinschaftsmarke*, Verlag C.H. Beck/Verlag Stämpfli + Cie AG, Berne/Munich, 1998, No 9, p. 93. See also Bender, A., ‘Artikel 74’, in Ekey, D.L. and Klippel, D., *Heidelberger Kommentar zum Markenrecht*, C.F. Müller Verlag, Heidelberg, 2003, No 3, p. 1183.
- 30 – *Windsurfing Chiemsee*, paragraphs 51 and 52, and *Philips*, paragraphs 60 and 61.
- 31 – In the consolidated version prepared by OHIM, that article is Article 159a (<http://oami.eu.int/en/mark/aspects/reg/reg4094.htm>).
- 32 – Communication No 05/03 of the President of the Office of 16 October 2003 (available at <http://oami.eu.int/en/office/aspects/communications/05-03.htm>).