

Court of Justice EU, 25 February 2010, Lancôme v OHIM – Color Edition



TRADEMARK LAW

‘Color Edition’ is normal construction of words

- That the association of the terms ‘color’ and ‘edition’ was not unusual but a normal construction in light of the lexical rules of the English language and that the mark did not therefore create, for the target public, an impression sufficiently far removed from that produced by the simple juxtaposition of the verbal elements of which it was composed to alter its meaning or scope.

In the present case, after having found that the sign ‘COLOR EDITION’ was composed exclusively of indications which may serve to designate certain characteristics of the goods in question, the General Court held, in paragraph 49 of the judgment under appeal, that the association of the terms ‘color’ and ‘edition’ was not unusual but a normal construction in light of the lexical rules of the English language and that the mark in respect of which registration had been sought did not therefore create, for the target public, an impression sufficiently far removed from that produced by the simple juxtaposition of the verbal elements of which it was composed to alter its meaning or scope.

In the light of the case-law cited in paragraphs 61 and 62 above, and as pointed out by the Advocate General in point 98 of his Opinion, that reasoning is not vitiated by any error of law.

LITIGATION

Law firm can bring an application for a declaration of invalidity based on an absolute ground

- Absolute ground for refusal of registration aim to protect the general interest.

Finally, the General Court was also correct in stating, in essence, in paragraph 26 of the judgment under appeal, that, whereas relative grounds for refusal of registration protect the interests of proprietors of certain earlier rights, the absolute grounds for refusal of registration aim to protect the general interest underlying them, which explains why Article 55(1)(a) of the regulation does not require the applicant to show an interest in bringing proceedings.

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Court of Justice EU, 25 February 2010

(C. Toader, C.W.A. Timmermans, K. Schiemann, P. Kūris and L. Bay Larsen)

JUDGMENT OF THE COURT (Second Chamber)

25 February 2010 (*)

(Appeal – Community trade mark – Regulation (EC) No 40/94 – Articles 55(1)(a) and 7(1)(c) – Interest in bringing an application for a declaration of invalidity of a trade mark based on an absolute ground for invalidity – Law firm – Word sign ‘COLOR EDITION’ – Descriptive character of a word mark composed of descriptive elements)

In Case C-408/08 P,

APPEAL under Article 56 of the Statute of the Court of Justice, brought on 22 September 2008,

Lancôme parfums et beauté & Cie SNC, established in Paris (France), represented by A. von Mühlendahl, Rechtsanwalt,

appellant,

the other parties to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant at first instance,

CMS Hasche Sigle, established in Cologne (Germany), party to the proceedings before the Board of Appeal of OHIM,

THE COURT (Second Chamber),

composed of C. Toader, President of the Eighth Chamber, acting for the President of the Second Chamber, C.W.A. Timmermans, K. Schiemann, P. Kūris (Rapporteur) and L. Bay Larsen, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: M.-A. Gaudissart, Head of Unit,

having regard to the written procedure and further to the hearing on 9 September 2009,

after hearing the Opinion of the Advocate General at the sitting on 15 October 2009,

gives the following

Judgment

1 By its appeal, Lancôme parfums et beauté & Cie SNC (‘Lancôme’) requests the Court to set aside the judgment of the Court of First Instance of the European Communities (now ‘the General Court’) of 8 July 2008 in Case T-160/07 Lancôme v OHIM – CMS Hasche Sigle (COLOR EDITION) [2008] ECR II-1733 (‘the judgment under appeal’), by which that court dismissed the action brought against the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 26 February 2007 declaring invalid the registration of the word mark COLOR EDITION for cosmetic and make-up preparations.

Legal framework

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

‘The following shall not be registered:

...

(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’.

3 Article 55(1) of the regulation is worded as follows:

‘An application for revocation of the rights of the proprietor of a Community trade mark or for a declaration that the trade mark is invalid may be submitted to the Office:

(a) where Articles 50 and 51 apply, by any natural or legal person and any group or body set up for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers, which under the terms of the law governing it has the capacity in its own name to sue and be sued;

(b) where Article 52(1) applies, by the persons referred to in Article 42(1);

(c) where Article 52(2) applies, by the owners of the earlier rights referred to in that provision or by the persons who are entitled under the law of the Member State concerned to exercise the rights in question’.

4 Under Article 51(1)(a) of the regulation, a Community trade mark is to be declared invalid on application to OHIM where that mark has been registered in breach of the provisions of Article 7.

5 Article 42(1) of the regulation lists the persons who may oppose the registration of a mark by relying on a relative ground for refusal, whereas Article 52 of the regulation determines the relative grounds for invalidity.

Background to the dispute

6 On 9 December 2002, Lancôme applied to OHIM for registration of the word sign ‘COLOR EDITION’ as a Community trade mark.

7 The goods in respect of which registration was sought fall within Class 3 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, and correspond to the following description: ‘Cosmetic and make-up preparations’.

8 The mark applied for was registered on 11 February 2004.

9 On 12 May 2004, the law firm Norton Rose Vieregge applied to OHIM for a declaration of invalidity of that registration on the basis of Articles 51(1)(a) and 7(1)(b) and (c) of the regulation.

10 On 21 December 2005, the Cancellation Division of OHIM rejected that application.

11 On 9 February 2006, the law firm CMS Hasche Sigle, the successor to Norton Rose Vieregge, appealed against the decision of the Cancellation Division.

12 By decision of 26 February 2007, the Second Board of Appeal of OHIM upheld that appeal. It held, first, that the appeal was admissible and, second, that the word sign ‘COLOR EDITION’ was descriptive for the purposes of Article 7(1)(c) of the regulation and was, consequently, also devoid of any distinctive char-

acter within the meaning of Article 7(1)(b) of the regulation.

The procedure before the General Court and the judgment under appeal

13 By application lodged at the Registry of the General Court on 7 May 2007, Lancôme brought an action against the decision of the Second Board of Appeal of OHIM of 26 February 2007.

14 In support of its action, Lancôme raised three pleas in law alleging, respectively, infringement of Articles 55(1)(a), 7(1)(c) and 7(1)(b) of the regulation.

15 In the judgment under appeal, the General Court dismissed that action and ordered Lancôme to pay the costs.

16 Having undertaken a textual and teleological analysis of Article 55(1) of the regulation, the General Court rejected the first plea considering that, with regard to applications for a declaration of invalidity based on an absolute ground for invalidity, that article merely requires an applicant to have legal personality or the capacity to sue and be sued, but does not require him to show that he has an interest in bringing proceedings.

17 In that regard, the General Court found, in paragraph 25 of the judgment under appeal, that it was apparent from Article 55(1) of the regulation that the legislature had intended to permit any natural or legal person and any group or body having the capacity to sue or be sued to make applications for a declaration of invalidity based on absolute grounds for invalidity whereas, with regard to applications for a declaration of invalidity based on relative grounds for invalidity, it had expressly restricted the group of potential applicants for such a declaration.

18 According to paragraph 26 of the judgment under appeal, that analysis is corroborated by the fact that, unlike relative grounds for refusal, which protect only the private interests of proprietors of certain earlier rights, absolute grounds for refusal are based on different general interests and, in order to ensure the widest protection for those general interests, it must be possible for the largest possible number of persons to rely on them.

19 In paragraph 35 of the judgment under appeal, the General Court found that, in view of the fact that it was not contested that CMS Hasche Sigle could be treated as a legal person, the Board of Appeal was correct to have declared its application admissible.

20 Equally, as regards the second plea in law, the General Court considered that the Board of Appeal had not erred in finding that the mark COLOR EDITION was descriptive for the purposes of Article 7(1)(c) of the regulation. In that regard, it considered there to be a sufficiently direct and specific relationship between that mark, taken as a whole, and the cosmetic and make-up preparations which it covered.

21 In that connection, the General Court stated, *inter alia*, in paragraphs 48 and 49 of the judgment under appeal, that the sign ‘COLOR EDITION’ was exclusively composed of indications designating certain characteristics of the goods in question and that it did not create, for the target public, an impression sufficiently far re-

moved from that produced by the simple juxtaposition of the verbal elements of which it was composed.

22 Finally, pointing out that it is sufficient that one of the absolute grounds for refusal applies for a sign not to be registrable as a Community trade mark, the General Court dismissed the action without examining the third plea in law.

Forms of order sought by the parties

23 Lancôme claims that the Court of Justice should set aside the judgment under appeal, dismiss the appeal brought against the decision of the Cancellation Division of OHIM, order OHIM to pay the costs incurred before the General Court and the Court of Justice, and order CMS Hasche Sigle to pay the costs relating to the appeal proceedings before OHIM.

24 OHIM contends that the appeal should be dismissed and Lancôme ordered to pay the costs.

The appeal

25 In support of its appeal, Lancôme formally raises two grounds of appeal alleging, respectively, infringement by the General Court of Articles 55(1)(a) and 7(1)(c) of the regulation.

The first ground of appeal, alleging infringement of Article 55(1)(a) of the regulation

26 By its first ground of appeal, Lancôme takes exception to the fact that the General Court accepted that a law firm had standing to apply in its own name for a declaration that a Community trade mark was invalid. That ground of appeal is divided into two parts. First, Lancôme submits, in essence, that the General Court misinterpreted Article 55(1)(a) of the regulation in considering an interest in bringing proceedings to be unnecessary in order to make an application for a declaration of invalidity of a Community trade mark on the basis of an absolute ground for invalidity. Second, it submits that it is incompatible with the role of the legal profession, as it is recognised throughout the European Union, for a law firm to be able to make such an application, on its own behalf and in its own name.

The first part of the first ground of appeal, alleging a misinterpretation of Article 55(1)(a) of the regulation in relation to an interest in bringing proceedings

– Arguments of the parties

27 Lancôme claims that the *actio popularis* is wholly alien to European Union law. Although Article 230 EC, which requires that the applicant be individually and directly concerned in order to bring an action, is not directly applicable in the present case, Article 55(1)(a) of the regulation must, in its view, none the less be interpreted in the light of the principles which are generally applicable under European Union law. In addition, all legal systems make a distinction between legal capacity and the capacity to sue or be sued. The latter presupposes an interest in bringing proceedings. It should thus not be inferred from the fact that the legislature did not expressly require an interest in bringing proceedings that such an interest is not required.

28 It claims that the distinction made by the General Court between administrative and judicial proceedings is irrelevant, since it is not conceivable that the right to

bring proceedings before an administrative authority is broader than the right to bring an action against the decisions of such an authority before the Courts of the European Union.

29 Similarly, the distinction made by the General Court between absolute and relative grounds for invalidity is irrelevant, since it cannot be inferred from that distinction that it is wholly unnecessary to show an interest in order to make an application for a declaration of invalidity based on an absolute ground for invalidity.

30 As regards the refusal to register a mark that is descriptive for the purposes of Article 7(1)(c) of the regulation, the general interest underlying that ground for refusal is the interest, which is recognised in the case-law, of all the trade-mark applicant's or proprietor's competitors, whose right to use a descriptive indication for their own goods or services must be protected from unlawful registrations by a competitor. Consequently, only where actual or potential constraints are imposed on an actual or potential competitor of the applicant may that ground for refusal be relied on.

31 That interpretation is confirmed by the explicit rule laid down in Article 55(1)(a) of the regulation, which grants the right to bring an application for a declaration of invalidity to any group or body set up for manufacturers, producers, suppliers of services, traders or consumers, that is to say those who may be affected by the improper registration of a mark.

32 Lancôme concludes from the above that Article 55(1)(a) of the regulation must be interpreted as requiring the applicant, in addition to having the capacity to bring proceedings, also to be economically concerned either actually or potentially and, consequently, to have an actual or potential economic interest in having the contested mark declared invalid. That cannot be the case of a law firm which seeks to have a Community trade mark covering cosmetic preparations declared invalid.

33 In response, OHIM contends that applications for a declaration of invalidity which are brought before it are governed only by the regulation and its implementing regulation, and that Article 55(1)(a) of the regulation is unambiguous and authorises any person to lodge an application for a declaration of invalidity.

34 According to OHIM, Lancôme misinterprets the case-law concerning the general interest underlying the absolute ground for refusal laid down in Article 7(1)(c) of the regulation. That interest is not only the interest of businesses in being able to use descriptive signs, but the interest of any individual, whether in business or not, in preventing descriptive signs from being appropriated exclusively by a single undertaking. That is also confirmed by the fact that the descriptiveness of a sign is assessed in relation to the perception which the relevant public has of it. That public is not restricted to operators in the sector concerned since it includes, above all, consumers and end users.

35 In its view, Lancôme also misinterprets Article 55(1)(a) of the regulation. The reference made in that provision to 'groups or bodies' seeks merely to com-

plete the list of persons who may apply for a declaration of invalidity. That article authorises groups or bodies which have the capacity to sue or be sued, but which lack legal personality under national law, to make such an application.

– **Findings of the Court**

36 The right to apply to OHIM for a declaration of invalidity of a Community trade mark is not subject to the rules of admissibility applicable to judicial proceedings and specific thereto. In that regard, the General Court did not err in law in stating, in paragraph 32 of the judgment under appeal, that the application for a declaration of invalidity under Article 55(1)(a) of the regulation is an administrative procedure and not a court action and in concluding, on that basis, in paragraph 30 of that judgment, that the case-law concerning Article 230 EC was not relevant to the case before it either directly or by analogy.

37 As to whether Article 55(1)(a) of the regulation makes the admissibility of an application for a declaration of invalidity subject to the establishment of an interest in bringing proceedings, the General Court correctly interpreted that article.

38 First of all, it is not disputed that, as pointed out by the General Court in paragraph 21 of the judgment under appeal, Article 55(1)(a) of the regulation makes no reference to an interest in bringing proceedings.

39 Next, as the General Court essentially stated in paragraphs 22 to 25 of the judgment under appeal, Article 55(1)(a) of the regulation provides that an application for a declaration of invalidity based on an absolute ground for invalidity may be submitted by any natural or legal person and any group or body set up for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers, which has the capacity in its own name to sue and be sued, whereas Article 55(1)(b) and (c) of the regulation, concerning applications for a declaration of invalidity based on a relative ground for invalidity, reserves the right to make such an application to certain specific persons who have an interest in bringing proceedings. The General Court rightly found that it is apparent from the scheme of that article that the legislature intended to restrict the group of persons able to apply for a declaration of invalidity in the latter case, but not in the former.

40 Finally, the General Court was also correct in stating, in essence, in paragraph 26 of the judgment under appeal, that, whereas relative grounds for refusal of registration protect the interests of proprietors of certain earlier rights, the absolute grounds for refusal of registration aim to protect the general interest underlying them, which explains why Article 55(1)(a) of the regulation does not require the applicant to show an interest in bringing proceedings.

41 Moreover, there is no basis for Lancôme's claim that Article 55(1)(a) of the regulation must be interpreted as requiring there to be an actual or potential economic interest in cancellation of a contested mark in order for it to be possible to apply to OHIM for a declaration of invalidity of that mark.

42 First, contrary to Lancôme's claim, such an interpretation is not borne out by the reference made in Article 55(1)(a) of the regulation to groups or bodies set up for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers, which under the terms of the law governing them have the capacity to sue and be sued. That list, which also contains consumers to whom an economic interest such as the one described by Lancôme cannot generally be attributed, seeks merely to include, on the list of persons who may apply to OHIM for a declaration of invalidity under that provision, groups and bodies of that nature which, although they have the capacity to bring proceedings in accordance with the law governing them, do not have legal personality.

43 Second, such an interpretation does not follow from [Joined Cases C-108/97 and C-109/97 Wind-surfing Chiemsee \[1999\] ECR I-2779](#), to which Lancôme refers. In paragraph 25 of that judgment, the Court held that the general interest requires that descriptive signs or indications relating to the goods or services in respect of which registration is sought may be freely used by all. It can be inferred from this that the general interest underlying the ground for refusal of registration of a mark because of its descriptiveness is not exclusively the interest of the trade-mark applicant's or proprietor's competitors (who may be subject to some form of constraint and who, on that basis, have an actual or potential economic interest in having the contested mark declared invalid), but a common interest.

44 It is apparent from the foregoing that the arguments put forward by Lancôme in support of the first part of the first ground of appeal are not founded and that that part of the ground of appeal must therefore be rejected.

The second part of the first ground of appeal, alleging that the role of the legal profession is incompatible with the right of a law firm to apply to OHIM for a declaration of invalidity of a mark, on its own account and in its own name

– **Arguments of the parties**

45 Lancôme argues that, even if the Court adopts a different interpretation of Article 55(1)(a) of the regulation from its own, the judgment under appeal must be set aside, in any event, since the right of a law firm to file an application for a declaration of invalidity of a Community trade mark, on its own account and in its own name, is incompatible with the role of the legal profession, as it is recognised throughout the European Union.

46 Under European Union law, the role of the legal profession has always been to collaborate in the administration of justice. Article 19 of the Statute of the Court of Justice is based on that conception of the profession of lawyer, which is also apparent from the case-law and, in particular, from Case 155/79 AM & S Europe v Commission [1982] ECR 1575, paragraph 24.

47 OHIM maintains that the second part of the first ground of appeal is inadmissible under Article 113(2) of the Rules of Procedure of the Court of Justice, on the

ground that the question was not raised at first instance as to whether it is compatible with their role for lawyers to act as applicants before OHIM.

– **Findings of the Court**

48 Although presented as one part of the ground of appeal alleging infringement of Article 55(1)(a) of the regulation, it should be noted that the second part of that ground of appeal is not based on Article 55(1)(a), but on other matters of law independent of that provision.

49 First, it is apparent from the very wording of the arguments put forward in its support that the second part of the ground of appeal was raised by Lancôme in case the Court did not adopt its interpretation of Article 55(1)(a) of the regulation, since, in Lancôme’s view, the judgment under appeal should be set aside ‘in any event’, for reasons other than the misinterpretation which it alleges.

50 Second, the reasons put forward, which concern the legal profession, are not related to Article 55(1)(a) of the regulation. Nor does the regulation contain any rules applicable to the exercise of that profession, as such rules are in principle, in the absence of specific rules of European Union law in the field, established by each Member State (see, to that effect, Case C-3/95 *Reisebüro Broede* [1996] ECR I-6511, paragraph 37, and Case C-309/99 *Wouters and Others* [2002] ECR I-1577, paragraph 99).

51 Consequently, the second part of the first ground of appeal amounts, in reality, to a separate ground of appeal from that alleging infringement of Article 55(1)(a) of the regulation.

52 However, that plea was not raised before the General Court and, since it does not relate to the admissibility of a court action but to an application made to OHIM, it does not involve a matter of public interest which the General Court should have examined of its own motion.

53 A ground of appeal of that nature is inadmissible since, in an appeal, the jurisdiction of the Court of Justice is confined to review of the findings of law on the pleas argued before the General Court (see, to that effect, *inter alia*, Case C-266/05 P *Sison v Council* [2007] ECR I-1233, paragraph 95 and the case-law cited).

54 As a result, the second part of the first ground of appeal must be disregarded and, consequently, the first ground of appeal must be rejected.

The second ground of appeal, alleging infringement of Article 7(1)(c) of the regulation

Arguments of the parties

55 By its second ground of appeal, Lancôme complains that the General Court applied the wrong criteria in its assessment of the sign ‘COLOR EDITION’ as an association of terms.

56 Lancôme submits that, according to the case-law, for a mark which is made up in that way to be regarded as descriptive, it is necessary to verify whether the terms chosen and their association are known and used habitually in the everyday language of the target public. In finding that a mark, which is made up of individual descriptive elements, is itself descriptive unless there is

a perceptible difference between the mark applied for and the mere sum of its parts, the General Court infringed the principle set out in Case C-383/99 P *Procter & Gamble v OHIM* [2001] ECR I-6251. In accordance with that principle, what the General Court should actually have done was research whether there was a perceptible difference between the word combination and the everyday language of the relevant class of consumers to designate the goods and services or their essential characteristics.

57 In addition, the General Court’s assessment was not based on any matters of fact concerning the language of the target public.

58 OHIM contends, in essence, that, by submitting that a sign is descriptive only when it is known and used habitually in the everyday language of the target public, Lancôme failed to have regard to the fundamental difference which exists between Article 7(1)(d) and Article 7(1)(c) of the regulation. In order for the latter to apply, it is irrelevant whether the disputed word combination is known and used habitually in the everyday language of the target consumer, since that provision also applies to signs which are capable of being commonly used in the future for the presentation of the goods or services in question.

59 Thus, in *Procter & Gamble v OHIM*, the Court of Justice confined itself to checking whether the grammatical construction of the word combination ‘baby-dry’ rendered the future use of that word combination possible. In OHIM’s view, the examination of the descriptive character of the sign ‘COLOR EDITION’ carried out by the General Court was also consistent with the case-law subsequent to that judgment.

60 Furthermore, in complaining that the General Court did not base its decision on any facts, Lancôme is effectively seeking to call into question the assessment of the facts carried out by that court, with the result that that part of the ground of appeal is inadmissible. That part of the ground of appeal is, in addition, manifestly unfounded since the question as to whether the consumers of cosmetic preparations currently use an expression such as ‘color edition’ in everyday language is irrelevant.

Findings of the Court

61 It is settled case-law that, as a general rule, the mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics for the purposes of Article 7(1)(c) of the regulation. However, such a combination may not be descriptive for the purposes of that provision, provided that it creates an impression which is sufficiently far removed from that produced by the combination of those elements (see Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraphs 98 and 99; Case C-265/00 *CampinaMelkunie* [2007] ECR I-1699, paragraphs 39 and 40; and [Case C-273/05 P OHIM v Celltech](#) [2007] ECR I-2883, paragraphs 77 and 78).

62 Thus, a mark consisting of a word composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of those characteristics, unless there is a perceptible difference between the word and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts (see Koninklijke KPN Nederland, paragraph 100, and Campina Melkunie, paragraph 41).

63 In the present case, after having found that the sign ‘COLOR EDITION’ was composed exclusively of indications which may serve to designate certain characteristics of the goods in question, the General Court held, in paragraph 49 of the judgment under appeal, that the association of the terms ‘color’ and ‘edition’ was not unusual but a normal construction in light of the lexical rules of the English language and that the mark in respect of which registration had been sought did not therefore create, for the target public, an impression sufficiently far removed from that produced by the simple juxtaposition of the verbal elements of which it was composed to alter its meaning or scope.

64 In the light of the case-law cited in paragraphs 61 and 62 above, and as pointed out by the Advocate General in point 98 of his Opinion, that reasoning is not vitiated by any error of law.

65 Consequently, the claims made by Lancôme in the context of the second ground of appeal are not founded and that ground of appeal must therefore be dismissed.

66 It results from all the above considerations that the appeal must be dismissed.

Costs

67 Under Article 69(2) of the Rules of Procedure, which is applicable to the procedure on appeal under Article 118 of those rules, 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 Lancôme has been unsuccessful, Lancôme must be ordered to pay the costs.

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

1. Dismisses the appeal;
2. Orders Lancôme parfums et beauté & Cie SNC to pay the costs.

OPINION OF ADVOCATE GENERAL RUIZ-JARABO COLOMER

delivered on 15 October 2009 1(1)

Case C-408/08 P

Lancôme parfums et beauté & Cie SNC

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs)
and CMS Hasche Sigle

(Appeal – Intellectual property – Regulation (EC) No 40/94 on the Community trade mark – Interest in bringing proceedings for a declaration of the invalidity of a trade mark – Law firm – Whether the party has an economic interest of its own in those proceedings – Descriptive character of a word mark)

I – Introduction

1. A well-known cosmetics and perfume company is appealing against the judgment of the Court of First Instance of 8 July 2008 in Case T-160/07, which upheld the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (‘OHIM’).

2. There are two fundamental matters in issue in this appeal. The first ground of appeal put forward concerns locus standi in relation to proceedings for a declaration of the invalidity of a Community trade mark, a subject which is split into two parts: in the first, the appellant claims that a specific interest is required in order to apply for the cancellation of a particular trade mark, while, in the second, it questions whether a law firm has standing to seek a declaration of invalidity on its own initiative, without being expressly instructed to do so by a client.

3. The second ground of appeal, however, is not concerned with procedural complexities and touches instead on the subject of the substantive requirements for the registration of signs, and, in particular, the absolute grounds for refusal. In that connection, the appellant maintains, contrary to the judgment under appeal, that the neologism which it has applied to register for its products in the make-up sector, and which consists of a term composed of the English words ‘COLOR’ and ‘EDITION’, is sufficiently distinctive.

II – Legal framework

4. Since 13 April 2009, the Community trade mark has been governed, fundamentally, by Regulation No 207/2009; (2) however, for the purposes of resolving the present appeal, the provisions of the by now almost dearly loved Regulation No 40/94 (3) continue to apply *ratione temporis*.

5. Worthy of mention in Regulation No 40/94 is Article 4, which provides:

‘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.’

6. According to Article 7(1) of the regulation:

‘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;

...

7. The absolute grounds for invalidity of a registered Community trade mark are set out in Article 51, while the relative grounds are set out in Article 52. The commencement of proceedings for a declaration of invalidity is governed by Article 55(1), in the following terms:

‘1. An application for revocation of the rights of the proprietor of a Community trade mark or for a declaration that the trade mark is invalid may be submitted to the Office:

(a) where Articles 50 and 51 apply, by any natural or legal person and any group or body set up for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers, which under the terms of the law governing it has the capacity in its own name to sue and be sued.

...

III – Background to the appeal

A – The facts of the dispute at first instance

8. On 9 December 2002, Lancôme parfums et beauté & Cie SNC (‘Lancôme’) applied to OHIM for registration of the word sign COLOR EDITION as a Community trade mark for goods in Class 3 of the Nice Agreement: (4) ‘Cosmetic and make-up preparations’. The sign was registered on 11 February 2004 and published in the Community Trade Marks Bulletin on 19 April 2004.

9. On 12 May 2004, the law firm Norton Rose Vieregge applied for a declaration of invalidity of the recently registered mark on the basis of Articles 51(1)(a) and 7(1)(b) and (c) of Regulation No 40/94, and the Cancellation Division dismissed that application in its decision of 21 December 2005. On 9 February 2006, the law firm CMS Hasche Sigle, the successor to Norton Rose Vieregge, appealed against the decision of the Cancellation Division to the Second Board of Appeal of OHIM, which upheld the appeal on 26 February 2007.

10. First, the Board of Appeal noted that the appeal was admissible on the basis of Article 55(1)(a) of Regulation No 40/94, on the grounds that the distinction made by Lancôme between the capacity to bring proceedings and an interest in bringing proceedings cannot be construed from Regulation No 40/94 and that Article 7(1)(b) and (c) of Regulation No 40/94 pursues an aim of general interest which enables actions for a declaration of invalidity based on that article to be brought by a very wide range of parties.

11. Second, with regard to the substance of the proceedings, the Board of Appeal concluded that the words COLOR EDITION were descriptive for the purpose of Article 7(1)(c) of Regulation No 40/94, since the combination of the words ‘color’ and ‘edition’ imparts a message immediately and directly understood by the public as referring to a range of cosmetic or make-up products in different tones of colour, owing to the fact that those terms are used by competitors to describe certain qualities of their products and should

therefore remain in the public domain. Finally, the Board of Appeal confirmed that the mark at issue was descriptive because it lacked distinctive character under Article 7(1)(b) of Regulation No 40/94.

B – The proceedings before the Court of First Instance and the judgment under appeal.

12. Lancôme brought an action before the Court of First Instance, seeking annulment of the decision of the Second Board of Appeal of OHIM of 26 February 2007. Lancôme complained of three infringements of Regulation No 40/94: the first, of Article 55(1)(a); the second, of Article 7(1)(c); and the third, of Article 7(1)(b). The Court of First Instance considered only the first two pleas in law because its decision in respect of the second plea meant that it was unnecessary to consider the last one.

The infringement of Article 55(1)(a) of Regulation No 40/94

13. In connection with this alleged infringement, the Court of First Instance considered whether the admissibility of applications for a declaration of invalidity was dependent on the party bringing proceedings demonstrating that it had an interest in doing so. In that regard, the Court of First Instance analysed the wording, scheme and purpose of Article 55(1)(a).

14. First, the Court of First Instance inferred from the wording of Article 55(1)(a) that, where Articles 50 and 51 apply, there is no requirement that either a natural or legal person or a group or body which has, under the terms of the law governing it, the capacity in its own name to sue and be sued have an interest in bringing proceedings for a declaration of the invalidity of a Community trade mark.

15. In the context of the scheme of the article, the Court of First Instance compared the broadness of the right to bring proceedings in cases based on the absolute grounds for invalidity with the narrowness of that right in the case of the relative grounds for invalidity, in the light of Article 55(1)(b), in conjunction with Article 51(1), of Regulation No 40/94, and found that such a distinction reflected the intention of the legislature.

16. The Court of First Instance then compared subparagraph (a) of Article 55(1) with subparagraphs (b) and (c). Based on a teleological interpretation, the Court of First Instance stated that subparagraph (a) may be relied on only in respect of the absolute grounds, thereby reflecting its aim of protecting general interests, and accordingly the sole requirement is that applicants be a natural or legal person and have the capacity to sue and be sued. However, subparagraphs (b) and (c) refer to cases of relative grounds for invalidity, in which private interests are in issue, and therefore Regulation No 40/94 requires a special interest in bringing proceedings to be demonstrated.

17. In addition, the Court of First Instance rejected the reference by Lancôme to Article 79 of Regulation No 40/94. The Court of First Instance held that that article did not apply because there was no ambiguity in the interpretation of Article 55(1)(a), and it was therefore unnecessary to take into account the principles of

law generally recognised in the Member States as laid down in Article 79.

18. Nor did the Court of First Instance consider the references by Lancôme to the case-law on Articles 230 EC, 232 EC and 236 EC to be relevant, stating that Articles 230 EC and 232 EC govern actions for annulment and actions for failure to act brought against the acts or omissions of only those institutions listed in those provisions, which do not include OHIM, while Article 236 EC concerns staff cases.

19. The Court of First Instance also drew attention to the fact that those actions are court actions, whereas an application for a declaration of invalidity provided for in Article 55(1)(a) is an administrative procedure. The Court of First Instance further pointed out that the decisions of OHIM are adopted in the exercise of circumscribed powers and, accordingly, they must be assessed solely in the context of Regulation No 40/94, rather than according to OHIM's practice in previous decisions.

The infringement of Article 7(1)(c)

20. In the light of the second infringement complained of, the Court of First Instance considered whether the sign COLOR EDITION is caught by the absolute ground for refusal of registration of a mark laid down in Article 7(1)(c) of Regulation No 40/94, in view of the sufficiently concrete and direct relationship between the sign at issue and the goods to which it refers. In that connection, the Court of First Instance upheld the decision of the Board of Appeal to refuse registration of COLOR EDITION on the ground that it is descriptive.

21. Before reaching that decision, the Court of First Instance analysed Article 7(1)(c) in detail, concluding that it applies to signs which may serve, in normal usage from the point of view of the target public, to designate, either directly or by reference to one of their essential characteristics, the goods or service in respect of which registration is sought.

22. Relying on its own recent case-law, the Court of First Instance found that, in order to apply that prohibition of registration, there must be a relationship that is so direct and specific that it enables the public concerned immediately to perceive, without further thought, a description of the goods and services in question or one of their characteristics.

23. After analysing Article 7, the Court of First Instance turned to the specific characteristics of the sign COLOR EDITION, with a view to determining whether it is descriptive in terms of both the understanding of the sign by the public and the goods or services to which it refers.

24. With regard to consumers, the Court of First Instance stated that they were made up of the general public, reasonably well informed and reasonably observant and circumspect, since COLOR EDITION refers to cosmetic and make-up products. Focusing in more detail on the definition of the target public, the Court of First Instance narrowed it down to English-speaking people or people with a suitable level of Eng-

lish, since the mark is composed of two words in that language.

25. Based on that premiss, the Court of First Instance considered whether the terms 'color' and 'edition' evoked in an immediate and concrete manner the goods for which registration was sought. Owing to their nature as words which are commonly used to designate the goods covered by the mark and which refer to certain characteristics of cosmetics and make-up, the Court of First Instance concluded that there was a highly descriptive element to both terms.

26. The Court of First Instance also took the view that the association of the two words did not create, for the consumer, an impression sufficiently far removed from that produced by the simple juxtaposition of the two elements of the sign that its meaning or scope were altered, and that no intellectual effort was required to understand its message.

27. In short, since the sign at issue was closely related to the goods for which it was intended, the Court of First Instance agreed with the finding of the Board of Appeal that the sign COLOR EDITION is descriptive and, accordingly, upheld the declaration of invalidity of the registered trade mark, in accordance with Article 51(1), in conjunction with Article 7(1)(c), of Regulation No 40/94.

IV – The procedure before the Court of Justice and the forms of order sought

28. The appeal brought by Lancôme was lodged at the Registry of the Court of Justice on 22 September 2008, and OHIM's defence was lodged on 18 November 2008. No reply or rejoinder was lodged.

29. Lancôme asks the Court to set aside the judgment under appeal; to dismiss, as unfounded, the appeal brought by CMS Hasche Sigle against the decision of OHIM to cancel the registration; to order OHIM to pay the costs of the proceedings before the Court of First Instance and the Court of Justice; and to order the law firm CMS Hasche Sigle to pay the costs incurred in the proceedings before the Board of Appeal, if the Court gives a decision on the substance of the case.

30. OHIM seeks the dismissal of the appeal and an order for costs against the appellant.

31. At the hearing, held on 9 September 2009, oral argument was presented by the representatives of both parties.

V – Analysis of the appeal

32. The appellant puts forward two grounds of appeal, the first of which claims infringement of Article 55(1)(a) of Regulation No 40/94, and the second, infringement of Article 7(1)(c) of that regulation.

A – The infringement of Article 55(1)(a)

33. This complaint about the judgment under appeal is divided into two parts. In the first part, Lancôme asserts that, on a correct interpretation of the disputed provision, law firms must have an economic interest in the cancellation of a registered sign before applying for a declaration that a Community trade mark is invalid. In the second part, however, Lancôme's central complaint is that the role of lawyers in their capacity as 'members of the legal profession' precludes them from

filing an application for a declaration of invalidity of a trade mark in their own names and on their own behalf.

34. Both complaints call into question the admissibility of the application for a declaration of invalidity lodged by the law firms. However, the second part of this ground of appeal in fact raises that question in such a way that, if it is resolved in favour of the appellant, it will not be necessary to examine the first part. Therefore, it is appropriate to deal initially with the second part of the first ground of appeal, since, if Community law were to require that law firms may bring proceedings before courts and administrative authorities only on behalf of third parties, any examination of the head of claim relating to the demonstration of an economic interest would be otiose.

1. The second part of the first ground of appeal.

(a) Definition of positions

35. Lancôme submits that the right to apply for a declaration of the invalidity of a Community trade mark is incompatible with the essential features of the profession of lawyer, arguing, on the one hand, that, in Community law, the lawyer's role has 'always' been defined as that of an ['officer of the court'], (5) and, on the other, that Article 19 of the Statute of the Court of Justice is based on a similar conception of the role, since it provides that the parties must be represented by a lawyer.

36. The appellant also cites the case-law of the Court of Justice, referring to the judgment in *AM & S v Commission*, (6) paragraph 24 of which classifies a lawyer's role as 'collaborating in the administration of justice by the courts', and advances the possibility of citing many other judgments in which that formulation was used to summarise the role of a lawyer.

37. The appellant infers from that particular conception of the role of a lawyer in Community law that lawyers are not entitled to apply for the cancellation of a trade mark in their own name, even where they are acting on behalf of a third party such as a client, because, in those circumstances they would be abusing their power; that would also be the case if an application for a declaration of invalidity were construed as constituting an *actio popularis*, in respect of which the right to bring proceedings should be interpreted in the broadest possible sense.

38. OHIM maintains that the second part of the first ground of appeal is inadmissible because the appellant did not raise at first instance the question of whether it is compatible with their role for lawyers to file applications for a declaration of invalidity with the Office, thereby extending the subject-matter of the proceedings, contrary to Article 113(2) of the Rules of Procedure of the Court of Justice. Moreover, OHIM claims that practising lawyers collaborate in the administration of justice only where they appear before Community courts representing third parties, in other words, their clients.

(b) The admissibility of the second part of the first ground of appeal

39. At the outset, I should like to express my disagreement with the view of OHIM on the subject of admissibility.

40. Although the head of claim of Lancôme, to the effect that it is incompatible with their professional role for lawyers to bring proceedings for a declaration of the invalidity of a trade mark, was not raised before the Court of First Instance, it must be conceded that that claim does not extend the subject-matter of the proceedings. The fact is that Lancôme is merely bolstering its complaint concerning the infringement of Article 55(1)(a) of Regulation No 40/94.

41. The underlying issue is the distinction between new pleas in law and new arguments, which the Court of Justice has always resolved by finding that the former are inadmissible whereas the latter may be accepted. There is no requirement that each argument put forward on appeal must previously have been discussed at first instance; (7) moreover, it is settled case-law that a plea which may be regarded as amplifying a plea made previously, whether directly or by implication, in the original application, must be considered admissible. (8)

42. Lancôme advanced this second head of claim in support of the first ground of appeal, from which it follows that there is nothing to preclude it from being raised in the appeal, and the complaint of inadmissibility put forward by OHIM must therefore be dismissed. Accordingly, the head of claim is admissible and should be analysed on the merits.

(c) Substance

43. I do not share the view that it is incompatible with their profession for lawyers to apply for the cancellation of a Community trade mark.

44. First of all, the context into which the judgment in *AM & S v Commission*, cited by the appellant, falls is completely different from that of the present dispute, since that judgment concerns the confidentiality of the correspondence of independent lawyers who advise undertakings in proceedings brought for infringements of Community competition law.

45. Second, although that judgment refers to the role of such lawyers as 'collaborating in the administration of justice by the courts', at no point does it indicate that that classification requires them to behave in a particular manner. Further, even supposing that codes of professional ethics made lawyers subject to such restrictions, Lancôme has not alleged that the law firms in question have infringed any rules of professional ethics.

46. Third, Article 19 of the Statute of the Court of Justice does not refer to lawyers in those terms either. Indeed, the essential function of that article is to govern the representation of individuals, among others, in proceedings, by requiring them to use the services of lawyers who must be members of a professional association in the European Union or in a country belonging to the European Economic Area, with the authority to practise there. (9)

47. Against that background, the reference to 'collaborating in the administration of justice' must be

construed in the manner proposed many years ago by Advocate General Roemer, that is for the purpose of ensuring that the Court of Justice hears only legal opinions and explanations of fact which have been assessed by a lawyer and are considered to be worth submitting (10). The aim is, undoubtedly, to ensure that there is measured dialogue in the legal debate, something which it would be difficult for the parties themselves to provide without legal representation in the proceedings.

48. Fourth, and over and above any of the other reasons advanced so far, I do not believe that the third and fourth paragraphs of Article 19 of the Statute of the Court of Justice may be used as a criterion for interpreting the capacity to apply for a declaration of the invalidity of a Community trade mark. In that connection, by providing that individuals must be represented by a lawyer in proceedings, Article 19 is aimed at safeguarding the right to a fair trial (11) and the right to effective legal protection of a lawyer's clients; it is, therefore, a Community provision governing the organisation of procedure which is applicable to the disputes resolved before the Court of Justice.

49. However, Article 55(1)(a) of Regulation No 40/94 is part of the task of 'cleaning up' (12) the trade-marks register, which the legislature did not wish to entrust to OHIM and instead delegated to 'any natural or legal person', in order to cleanse the register of signs which are not used or, in the case of proceedings for absolute invalidity, which warrant removal from the register on the grounds of infringement of Article 7 (absolute grounds for refusal/absolute grounds for invalidity) or of bad faith.

50. Although, as the popular saying goes, comparisons are odious, (13) an application for a declaration of the invalidity of a Community trade mark may be likened to a complaint of, for example, conduct amounting to a concerted practice under Article 81 EC, which may also be submitted by any individual or undertaking. Once such a complaint is received, the Community body concerned, in this instance OHIM, is required to examine the facts of its own motion. It may be deduced from Article 74(1) of Regulation No 40/94 that it is for OHIM to determine the factual context in proceedings concerning absolute grounds for invalidity, whereas in cases concerning relative grounds for invalidity the adversarial principle applies. (14) Since the aim of that approach is to protect the market and all involved in it against the registration of signs which, for reasons in the general interest, should not be registered, as the Court of First Instance rightly pointed out in the judgment under appeal, it is logical to conclude that the right to file an application for a declaration of the invalidity of such marks should be open to a very wide range of people.

51. In any event, the underlying logic of Article 55 of Regulation No 40/94 has nothing to do with the requirement that parties must be represented in Community legal proceedings or with the conduct or professional role of lawyers in those proceedings: it is therefore entirely unconnected with the underlying logic of Article 19 of the Statute of the Court of Justice,

the latter provision not being a point of reference for the interpretation of Article 55(1)(a) of Regulation No 40/94. The provisions of that regulation which refer to the representation of parties in legal proceedings are Articles 88 and 89, from which it is clear that assistance by a lawyer in proceedings brought before OHIM is optional.

52. Consequently, I propose that the second part of the first ground of appeal should be dismissed as unfounded.

2. The first part of the first ground of appeal

53. Having rejected the claim that the role of a lawyer as a member of the legal profession is incompatible with the filing of an application for a declaration of the invalidity of a Community trade mark, it is appropriate to turn next to the first part of the first ground of appeal, in which Lancôme contends that the provision at issue requires law firms to demonstrate an economic interest in the cancellation of a registered sign which entitles them to apply under Article 55(1)(a) of Regulation No 40/94 for a declaration that that sign is invalid.

(a) Definition of positions

54. Essentially, the appellant complains that the Court of First Instance failed to apply the general principles of Community law and comparative law governing appeals, which should have led it to require, in addition to the capacity to sue and be sued, the existence of an actual or potential economic interest on the part of the law firm to justify its intention to apply for a declaration that the Community trade mark is invalid.

55. Furthermore, the appellant rejects as irrelevant the distinctions drawn in the judgment under appeal between administrative and judicial proceedings and between the absolute and relative grounds for invalidity, and, in particular, denies that it may be inferred from the latter that it is inappropriate to require an economic interest in order to trigger the invalidity mechanism.

56. Relying on paragraph 25 of the Chiemsee judgment, (15) the appellant maintains that, in the present case, the general interest which must be taken into account is that of a trade-mark applicant's or proprietor's competitors, who must be protected against unlawful appropriation. That argument is based on an analysis of Article 7(1)(c) of Regulation No 40/94, which concerns descriptive marks and is the ground for invalidity relied on before OHIM in this case.

57. Lancôme submits that it may be inferred from paragraph 25 of that judgment and from the aforementioned ground for invalidity that only competitors who demonstrate actual or potential damage are entitled to apply for a declaration of invalidity on the ground that a sign is descriptive. In contrast, third parties who do not demonstrate an actual or potential economic interest do not suffer any damage, from which it follows that it is incorrect to grant them the right to apply for a declaration of invalidity on the ground that a trade mark is descriptive.

58. Lastly, the appellant asserts that the right to bring proceedings conferred on groups or bodies representing producers and manufacturers supports its

interpretation. The appellant submits that the explicit reference to such associations of undertakings bolsters its view that the principal aim of Article 55(1)(a) of Regulation No 40/94 is to widen the categories of persons who are affected by the improper registration of a trade mark.

59. OHIM challenges the reasoning of the appellant, which, it claims, has incorrectly interpreted the case-law and Article 55 of Regulation No 40/94.

(b) Assessment

60. By its complaint in the first part of the first ground of appeal, the appellant contends that anyone applying for a declaration of the invalidity of a Community trade mark must have a personal interest in bringing proceedings, a contention which the Court of First Instance and OHIM have rejected.

61. I will state now that I fully share the view of the Court of First Instance and OHIM.

62. First, as the judgment under appeal states, an interpretation of the wording of Article 55(1) of Regulation No 40/94 makes it clear that the Community legislature intended to ensure that an extensive range of natural and legal persons are entitled to bring proceedings for a declaration of invalidity under the provision. Furthermore, the teleological interpretation carried out by the Court of First Instance, in which it explained the differences between subparagraphs (a), (b) and (c) of Article 55(1), is correct.

63. Therefore, an application for a declaration of invalidity based on the absolute grounds laid down in Article 7 of Regulation No 40/94 must, since it is aimed at protecting general interests, be open to all individuals, partnerships and commercial companies and to all groups of undertakings, provided that they satisfy the minimum essential requirement for any action which entails legal consequences, that is the capacity to sue and be sued, which is defined as the ability to accomplish effectively the procedural acts of a party, in parallel to the capacity to act in civil law. (16)

64. However, where an application for a declaration of invalidity is based on the relative grounds laid down in Article 8 or Article 52(2) of Regulation No 40/94, which provide only for the protection of private individual rights, logic requires that only the holders of such rights should be entitled to protect them, as Article 55(1)(b) and (c) of the regulation indicates quite clearly.

65. Therefore, there is no error of law in that line of reasoning in the judgment under appeal.

66. Nor is the appellant correct in its view that Article 7(1)(c) of Regulation No 40/94, taken in conjunction with paragraph 25 of the Chiemsee judgment and with the reference to groups or bodies representing producers and manufacturers in Article 55(1)(a) of the regulation, makes clear the intention of the legislature to base the right to bring proceedings for a declaration of the invalidity of a Community trade mark on the demonstration of an actual or potential economic interest.

67. It is, therefore, appropriate to elaborate on the extract from the case-law referred to, which states:

‘However, Article 3(1)(c) [(17)] of the Directive [(18)] pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks’. (19)

68. In the context of that citation, I must now make a number of observations about the view of Lancôme, which is untenable.

69. First, the Chiemsee judgment uses the word ‘all’ in its truest sense, that is, in an imprecise way in reference to a very large group of persons. Had the Court wished to restrict that group of persons, it would have identified them more specifically by adding a noun to the pronoun, as in, for example, ‘all competitors’, thereby transforming the pronoun into an adjective. However, by using the pronoun ‘all’, the Court confirmed that the lack of precision was intentional and that signs which are descriptive of categories of goods or services must remain without a proprietor and are not suitable for appropriation.

70. Second, as the appellant states, practice shows that, in the vast majority of cases, it is rival undertakings which bring proceedings for a declaration of invalidity of registered trade marks. However, that simple sociological fact is immaterial when it comes to analysing the meaning of Article 55, which is in issue in this appeal. Although economic rivals are more alert and are more concerned than, for example, consumers to prevent competitors from appropriating signs subject to the requirement of availability, there is another decisive factor which must not be underestimated.

71. In that regard, the capacity to sue and be sued of any person under Article 55(1)(a) is only the first requirement. Anyone wishing to obtain a declaration of the invalidity of a registered Community trade mark must also comply with other formalities, which are set out in Article 55(2): the application must state reasons and the appropriate fee must be paid. For a reasonably well informed and reasonably observant and circumspect consumer or user, that requirement to state reasons is excessive and too time-consuming for the benefit which he would receive from the cancellation of the sign; but, above all, payment of the fee of EUR 700 (20) is usually a deterrent, even if someone is prepared to invest the time and effort involved.

72. It is not surprising, therefore, that undertakings, groups and bodies representing producers and manufacturers, and groups and bodies representing consumers strive to monitor the register and keep it free of signs that are descriptive or contrary to the general interests protected under Article 7 of Regulation No 40/94. The reasoning behind that legislative technique is based on the desire to prevent vexatious applications for a declaration of invalidity, in other words, applications that are without foundation, which would necessitate on each occasion the commencement of new proceedings, with

all the problems that would entail for the proprietor of the contested trade mark. However, that does not mean that it is possible to support an interpretation *contra legem*, by requiring anyone who attempts to apply for a declaration of invalidity under Article 55(1)(a) of Regulation No 40/94 to demonstrate a specific, potential or actual economic interest, or an interest of any other kind.

73. Third, Article 55 of Regulation No 40/94, interpreted in the light of Article 3 thereof, places on the same footing as legal persons companies and other legal entities which, under the terms of the law governing them, have the capacity in their own name to have rights and obligations of all kinds, to make contracts or accomplish other legal acts and to sue and be sued. The desire to include the maximum possible number of persons for all purposes is, therefore, a constant theme in Community trade-mark legislation.

74. Fourth and finally, in connection with the application of the principles of Community law which Lancôme advances in support of its contention that the same standing to bring proceedings is required as that laid down for actions for annulment under Article 230 EC, I wholeheartedly endorse the reasoning set out in the judgment under appeal, concerning the need to differentiate between administrative and judicial proceedings.

75. Furthermore, it is not appropriate to transpose to the sphere of proceedings for a declaration of invalidity under the Community Trade Mark Regulation the principles developed by the Court of Justice in relation to the concept of whether a Community legislative act which an individual seeks to challenge under Article 230 EC is of direct and individual concern to that individual. The right of challenge provided for under that article of the Treaty concerns legislative measures of general application which, in principle, individuals may not contest and in respect of which the Court has laid down criteria aimed at placing the procedural position of individuals in situations in which Community law directly and individually affects their personal legal rights on an equal footing with that of persons to whom certain legislative acts are addressed, who always have standing to bring proceedings. (21)

76. In reply to the question I put to Lancôme's representative at the hearing, concerning how the alleged requirement of an economic interest in bringing proceedings for a declaration of invalidity squares with the ground of protecting public policy or accepted principles of morality laid down in Article 7(1)(f) of Regulation No 40/94, the representative referred to the 'variable intensity' with which the general interest must be gauged in each of the absolute grounds for refusal.

77. However, that grading of the general interest requirement underlying the grounds for refusal/invalidity of signs is relevant for the purposes of gauging the reasons why a sign should not be registered or why its registration should be cancelled, but it cannot be transposed to the sphere of the procedural requirements for standing to bring proceedings. On the one hand, the wording of the provisions relating to the right to bring

proceedings makes clear how wide the range of individuals is who may apply for a declaration of invalidity; on the other hand, it would be very complicated for OHIM to process such applications if the applicant's standing were made conditional on the intensity of the general interest to be protected. In short, the alleged intensity is a substantive matter whereas the question of standing to bring proceedings falls within the procedural scope of the formal requirements, and there are no communicating vessels between the two.

78. It follows from the foregoing that the formalities applicable to an application for a declaration of the invalidity of a Community trade mark under Article 55(1)(a) of Regulation No 40/94 are not subject to the same type of considerations. As the judgment under appeal rightly states, the formalities constitute conditions for the commencement of an administrative procedure which does not concern a general measure but rather an act, adopted in the exercise of circumscribed powers, that confers on an undertaking a registered right of exclusive use; the revocation of that right must, for reasons of general interest, be sought before the same authority which granted it rather than before a court, although the dispute may subsequently come before the Community courts.

79. For the reasons set out, I propose that the first part of the second ground of appeal should not be upheld either. Accordingly, since neither of the two parts has been upheld, the first ground of appeal fails and I propose that it should be dismissed in its entirety.

B – The second ground of appeal, claiming infringement of Article 7(1)(c) of Regulation No 40/94
1. Arguments of the parties

80. According to Lancôme, the Court of First Instance erred in law when it held, in paragraph 43 of the judgment under appeal, that a trade mark composed of elements each of which is descriptive of characteristics of the goods or services is itself descriptive of the characteristics of those goods or services for the purposes of Article 7(1)(c) of Regulation No 40/94, unless there is a perceptible difference between the mark applied for and the mere sum of its parts. Lancôme asserts that, in accordance with settled case-law, beginning with the so-called 'Baby-Dry' judgment, (22) the Court of First Instance should have ascertained whether there was a perceptible difference between the combination of the words in question (COLOR and EDITION) and the common parlance of the relevant class of consumers. The appellant submits that, by failing to do so, the Court of First Instance has introduced, surreptitiously, a change in the case-law, something for which it lacks jurisdiction.

81. The appellant further claims that, in the judgment under appeal, rather than relying on findings of fact when it examined the meaning of the combination of words, the Court of First Instance relied on mere conjectures without any factual basis when it analysed those words in relation to the everyday language of consumers of cosmetic products.

82. OHIM contends that, by maintaining that a word sign is descriptive only when it is known and used ha-

bitually in the everyday language of the relevant public, the appellant ignores the fundamental difference between subparagraphs (c) and (d) of Article 7(1) of Regulation No 40/94. OHIM submits that, for the purposes of applying Article 7(1)(c), the degree of knowledge and usage in the everyday language of the relevant public is irrelevant, since it may be inferred from the actual wording of the provision that it also applies *pro futuro* to signs which ‘may serve’ in trade.

83. For that reason, in the ‘Baby-Dry’ judgment, the Court restricted itself to confirming that the term composed of those two English words would be used in the future, without requiring its actual usage in common parlance. Moreover, OHIM contends that the case-law of the Court has developed with regard to the definition of the ‘perceptible difference’ between the descriptive components of a term and the sign taken as a whole, and that, therefore, the analysis of the terms COLOR and EDITION carried out by the Court of First Instance is consistent with the most recent case-law.

84. Finally, on the assertion that the examination of the words forming the mark applied for lacks any factual basis, OHIM claims that the arguments advanced by Lancôme are partially inadmissible because they call into question certain findings of the Court of First Instance, and that those arguments are manifestly unfounded in so far as they complain that the judgment under appeal failed to ascertain whether the words COLOR and EDITION are in common usage in the language of the relevant public.

2. Evaluation

85. The second ground of appeal put forward by the appellant concerns a matter which is frequently discussed before the Court but which it is worth going over again in order to make it clear; that matter is the interpretation of Article 7(1)(c) of Regulation No 40/94.

86. Lancôme challenges the judgment of the Court of First Instance by relying exclusively on a number of extracts from the judgment of the Court of Justice in ‘Baby-Dry’. In particular, Lancôme complains that the Court of First Instance failed to take into account paragraph 40 of that judgment, which states that ‘... any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark’.

87. The appellant infers from that citation that ‘perceptible difference’ must be taken to mean the distinction between the combination of the terms, in the present case COLOR and EDITION, and the everyday language used by the relevant class of consumers to identify the goods or services or any of their essential characteristics. However, since the Court of First Instance merely examined the perceptible difference between the mark applied for and the sum of its parts, the appellant complains that it incorrectly applied a rule of law.

88. As OHIM states in its response, although the starting point for the case-law on Article 7(1)(c) of Regulation No 40/94 is the ‘Baby-Dry’ judgment, subsequent developments in that line of authority entailing highly significant qualifications of the judgment, cannot be sidestepped, even though Lancôme attempts to ignore them.

89. The appellant correctly points out that the ‘Baby-Dry’ judgment was given by the Grand Chamber of the Court of Justice, (23) which should carry greater weight when it comes to assessing the force of subsequent decisions which were not made by the Court sitting in that formation. However, the distribution of cases between the different formations into which the Court is organised cannot be set up as an incontrovertible indicator of the importance of each case, since, when cases are allocated to the Chambers, the significance of the judgment to be given is not always clear; often, the importance of a judgment becomes evident only when the Opinion of the Advocate General is delivered or at the deliberation stage. In both situations, a re-allocation to the Grand Chamber would lead to more difficulties than would be solved by the prompt resolution of the case by the formation originally seised of it. Accordingly, the force of a decision of the Court does not depend on which type of Chamber heard the case, subject always to the greater authority that is attached to judgments given by the Court sitting in Grand Chamber formation or as a full Court. In any event, it would be appropriate if the most important judgments and modifications thereof were always given by the Court sitting in Grand Chamber formation. It is also necessary to note that the ‘Baby-Dry’ judgment has become isolated within the case-law, while its criteria have since been altered by a number of judgments, which affords the latter judgments greater weight even though they were given by the Court sitting in a reduced formation.

90. The previous point undermines the arguments of Lancôme with which it has sought to justify its exclusive reliance on the ‘Baby-Dry’ judgment in the legal debate in these proceedings. I will continue below the account of the case-law which has developed from that judgment.

91. In reaction to the ‘Baby-Dry’ judgment, which was delivered in September 2001, in January 2002 I delivered my Opinion in the case known as ‘Postkantoor’, (24) in which I made clear the weaknesses of the ‘Baby-Dry’ judgment, especially in relation to the proposed test for determining whether a combination of descriptive components has distinctive character. (25)

92. After pointing out that that test is not tempered by the requirement of availability, (26) to which the ‘Baby-Dry’ judgment did not refer, I proposed in the ‘Postkantoor’ Opinion that, for the purposes of the absolute ground for refusal/invalidity concerned, a difference will be regarded as perceptible if it affects important components of either the form of the sign or its meaning. I added that, as regards form, a perceptible difference arises where, as a result of the unusual or imaginative nature of the word combination, the neolo-

gism itself is more important than the sum of the terms of which it is composed. As regards meaning, a difference will be perceptible provided that whatever is evoked by the composite sign is not identical to the sum of that which is suggested by the descriptive components. (27)

93. The Court took the first step towards the reformulation of the rule in ‘Baby-Dry’ in the ‘Doublemint’ case, in which it set aside the judgment of the Court of First Instance on the ground that it had applied an incorrect criterion when it interpreted Article 7(1)(c) of Regulation No 40/94 as precluding the registration of trade marks which are ‘exclusively descriptive’ of the goods or services concerned, or of their characteristics. However, the error made by the Court of First Instance is not so serious if it is borne in mind that, in ‘Baby-Dry’, the Court of Justice appeared to adopt the same approach by permitting the registration of a term if there is ‘any perceptible difference’ between the meaning of the combination of words and their meaning in the common parlance.

94. It would be presumptuous of me to claim that my Opinion in ‘Postkantoor’ had some influence on the ‘Doublemint’ judgment; however, I do not believe that I would be similarly at fault for claiming such influence in relation to the ‘Postkantoor’ judgment and the ‘Biomild’ judgment, (28) which were both given on the same date and by the same Chamber.

95. As an illustration of the effect which my Opinion had on the ‘Postkantoor’ judgment, I transcribe the following extract and invite a comparison with the references to my Opinion in ‘Postkantoor’ which are set out in paragraphs 91 and 92 of the present Opinion: ‘... a trade mark consisting of a neologism composed of elements each of which is descriptive of characteristics of the goods or services in respect of which registration is sought is itself descriptive of the characteristics of those goods or services, [within the meaning of Article 7(1)(c) of Regulation No 40/94], (29) unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts’. (30)

96. Moreover, it is striking that in ‘Postkantoor’ and ‘Biomild’, the Court completely refrained from referring to or citing the ‘Baby-Dry’ judgment, thereby emphasising its wish to distance itself from the interpretation put forward in the latter decision.

97. Finally, as evidence of the force of that new direction in the case-law, it is important to draw attention to the ‘CALTECH’ case, (31) which, on the one hand, confirms definitively that it is no longer appropriate to compare the terms at issue with ‘the common parlance of the relevant class of consumers’ and, on the other, raises the bar for passing the test by no longer stipulating that ‘any perceptible difference’ must be examined but rather only differences of a certain magnitude.

98. For the reasons set out in connection with the second ground of appeal, I can find no error of law on the part of the Court of First Instance, since it applied the criteria set out in the case-law analysed rather than the ones set out in the ‘Baby-Dry’ judgment.

99. As concerns the argument put forward by Lancôme, in which it complains that the Court of First Instance did not accept its submissions relating to the language of the relevant public [based] on verified facts, I must agree with OHIM that, in the light of the reversal of case-law referred to above, the use of the two words which form the trade mark COLOR EDI-TION in the language of consumers of cosmetic products is not relevant for the purposes of Article 7(1)(c) of Regulation No 40/94. Accordingly, it is appropriate to declare that argument ineffective.

100. Accordingly, the second ground of appeal put forward by the appellant must be dismissed. Since I have also proposed the same outcome for the first ground of appeal, it is appropriate to dismiss this appeal in its entirety.

VI – Costs

101. The outcome which I suggest requires that Lancôme be ordered to pay the costs incurred in this appeal since it has been unsuccessful in all its claims, in accordance with the first paragraph of Article 122, in conjunction with the first subparagraph of Article 69(2), of the Rules of Procedure of the Court of Justice.

VII – Conclusion

102. In the light of the foregoing considerations, I propose that the Court of Justice should:

(1) Dismiss the appeal lodged by Lancôme parfums et beauté & Cie SNC against the judgment given on 8 July 2008 by the Second Chamber of the Court of First Instance in Case T-160/07.

(2) Order the appellant to pay the costs incurred in this appeal.

1 – Original language: Spanish.

2 – Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), which entered into force on the date indicated in the point to which this footnote refers.

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

4 – 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 addition to the English, the appellant cites the equivalent terms in German, ‘Organ der Rechtspflege’, and French, ‘collaborateur de la justice’.

- 6 – Case 155/79 *AM & S v Commission* [1982] ECR 1575.
- 7 – Case C-229/05 *PKK and KNK v Council* [2007] ECR I-439, paragraph 66.
- 8 – Case 306/81 *Verros v Parliament* [1983] ECR 1755, paragraph 9; Case C-301/97 *Netherlands v Council* [2001] ECR I-8853, paragraph 169; and Case C-37/05 *BioID v OHIM* [2005] ECR I-7975, paragraphs 56 to 58.
- 9 – Order of the Court of 15 March 1984 in Case 131/83 *Vaupel v Court of Justice*, paragraph 8, and Order of the Court in Case C-174/96 *Lopes v Court of Justice* [1996] ECR I-6401, paragraph 10.
- 10 – Opinion in Case 108/63 *Merlini v High Authority of the ECSC* [1965] ECR 1, p. 20.
- 11 – Stumpff, C., ‘Artikel 6 EUV’, in Schwarze J., *EU-Kommentar*, 2nd ed., Nomos, Baden-Baden, 2009, p. 96. See also Case C-305/05 *Ordre des barreaux francophones et germanophone and Others* [2007] ECR I-5305, paragraph 31.
- 12 – See my Opinion in Case C-495/07 *Silberquelle* [2009] ECR I-0000, points 45 and 46, in which I refer to that task in relation to revocation; the Court followed my reasoning in paragraph 19 of its judgment.
- 13 – Cervantes uses this saying in *Don Quixote*, translated by J.M. Cohen, Penguin Books, Harmondsworth, 1986, Part II, Chapter XXIII, p. 619, in the account of the episode in Montesinos’ cave, when Don Quixote replies to Montesinos: ‘... you will know that all comparisons are odious, and so there is no reason to compare anyone with anyone. The peerless Dulcinea is who she is, and the lady Doña Belerma is who she is, and was...’.
- 14 – Bender, A., ‘Nichtigkeit’, in Fezer, K.-H. (Coordinator), *Handbuch der Markenpraxis - Band I Markenverfahrensrecht*, C.H. Beck, Munich, 2007, p. 678.
- 15 – Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779.
- 16 – I have taken the definition from a leading authority, Guasp, J., *Derecho procesal civil*, 4th ed., Civitas, Madrid, 1998, Volume I, p. 175.
- 17 – The counterpart of Article 7(1)(c) of Regulation No 40/94.
- 18 – 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).
- 19 – *Windsurfing Chiemsee*, paragraph 25; emphasis added.
- 20 – The amount stipulated as the fee for an application for revocation or a declaration of invalidity in accordance with Article 2, point 17 of Commission Regulation (EC) No 2869/95 of 13 December 1995 on the fees payable to the Office for Harmonisation in the Internal Market (OJ 1995 L 303, p. 33), last amended by Commission Regulation (EC) No 355/2009 of 31 March 2009 (OJ 2009 L 109, p. 3) (in force since 1 May 2009); the unofficial consolidated version may be viewed at http://oami.europa.eu/ows/rw/resource/documents/CTM/regulations/286995_cv_fr.pdf.
- 21 – On the conditions to be satisfied by an individual wishing to bring an action for annulment, see Lenaerts, K./ Arts, D./ Maselis, I., *Procedural Law of the European Union*, Thomson Sweet & Maxwell, 2nd ed., London 2006, p. 244 et seq.
- 22 – Case C-383/99 *P Procter & Gamble v OHIM (BABY-DRY)* [2001] ECR I-6251.
- 23 – In fact, it was the so-called ‘petit plenum’, made up of 13 judges; at that time, the plenary session was composed of the 15 judges who formed the Court of Justice.
- 24 – Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619.
- 25 – In particular, point 69 et seq. of my Opinion in ‘Postkantoor’.
- 26 – On that criterion for interpretation, see my Opinion in Case C-102/07 *adidas and adidas Benelux BV* [2008] ECR I-2439, particularly points 33 to 45.
- 27 – My Opinion in ‘Postkantoor’, point 70.
- 28 – Case C-265/00 *Campina Melkunie* [2004] ECR I-1699.
- 29 – The judgment referred to in Article 3(1)(c) of Directive 89/104/EC.
- 30 – *Koninklijke KPN Nederland*, paragraph 104, and *Campina Melkunie*, paragraph 43.
- 31 – Case C-273/05 *P OHIM v Celltech R&D Ltd* [2007] ECR I-2883, paragraphs 76 to 78.