

European Court of Justice, 8 May 2008, Eurohypo



TRADEMARK LAW - LITIGATION

Assessment of the compound trade mark

- The Court of First Instance rightly held that in order to assess the distinctive character of a compound mark, not only must the various elements of which it is composed be examined but also the mark as a whole

Public interest which Article 7(1)(b) of Regulation No 40/94 aims to protect is to guarantee the identity of the origin

- The Court of First Instance assessed the mark EUROHYPO without, in particular, taking into account the public interest which Article 7(1)(b) of Regulation No 40/94 aims specifically to protect, that is, to guarantee the identity of the origin of the designated product or service

In that regard, it should be noted that the notion of general interest underlying Article 7(1)(b) of Regulation No 40/94 is, manifestly, indissociable from the essential function of a trade mark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. In the present case, the reasoning followed by the Court of First Instance is based on an incorrect interpretation of the principles mentioned in paragraphs 54 to 56 of this judgment. It is apparent from paragraphs 45, 54, 55 and 57 of the judgment under appeal that the Court of First Instance assessed the distinctive character of the mark EUROHYPO by carrying out solely an analysis of its descriptive character within the meaning of Article 7(1)(c) of Regulation No 40/94. Consequently, the judgment under appeal contains no separate examination of the ground for refusal laid down in Article 7(1)(b) of that regulation on the basis of which, however, the Court of First Instance rejected the second plea, raised at first instance, against the contested decision. In so doing, the Court of First Instance assessed the mark EUROHYPO without, in particular, taking into account the public interest which Article 7(1)(b) of Regulation No 40/94 aims specifically to protect, that is, to guarantee the identity of the origin of the design-

ated product or service. Moreover, in the context of such an assessment, the Court of First Instance used an incorrect criterion to determine whether the mark in question could be registered.

- Although descriptiveness permits excluding the use of a trade mark, nevertheless, it does not allow it to be determined whether a mark is capable of guaranteeing the identity of the origin of the designated product or service to the consumer or end user

According to that criterion, a mark composed of descriptive elements could meet the conditions for registration where the word has become a part of everyday language and has acquired a meaning of its own. But, while that criterion is relevant in the context of Article 7(1)(c) of Regulation No 40/94, it cannot form a basis for the interpretation of Article 7(1)(b). Although that criterion permits excluding the use of a trade mark to describe a product or a service, nevertheless, it does not allow it to be determined whether a mark is capable of guaranteeing the identity of the origin of the designated product or service to the consumer or end user. In those circumstances, the appellant is right to claim that the judgment under appeal is vitiated by an error in law in the interpretation of Article 7(1)(b) of Regulation No 40/94. It follows from the foregoing, without it being necessary to examine the third part of the second plea of the appeal, that the judgment under appeal must be set aside inasmuch as the Court of First Instance held that the Fourth Board of Appeal of OHIM did not infringe Article 7(1)(b) of Regulation No 40/94 by refusing, in the contested decision, to register the term EUROHYPO as a Community trade mark for the services, 'financial affairs, monetary affairs, real estate affairs, provision of financial services, financing ...', in Class 36 of the Nice Agreement.

Eurohypo does not have a distinctive character

- No additional element to make the combination, created by the current and usual components EURO and HYPO, unusual or have its own meaning which distinguishes the services offered by the appellant from those of a different commercial origin

As OHIM correctly stated in the contested decision, the relevant public, in the field covered by the trade mark application, understand the word sign EUROHYPO as referring, as a whole and in general, to financial services requiring real securities and, in particular, to mortgage loans paid in the currency of the European Economic and Monetary Union. Furthermore, there is no additional element which would allow the view to be reached that the combination, created by the current and usual components EURO and HYPO, is unusual or might have its own meaning which, in the perception of the relevant public, distinguishes the services offered by the appellant from those of a different commercial origin. Therefore, the relevant public perceives the trade mark in question as providing details of the type of services which it designates and not as indicating the

origin of those services. It follows that the trade mark for which registration is sought does not have a distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94. In those circumstances, the appellant's action against the contested decision must be dismissed.

Assessment of the evidence

- [Plea inadmissible because the appellant limits itself to challenging the assessment of the facts carried out by OHIM and not the assessment of the evidence](#)

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European Court of Justice, 8 May 2008

(P. Jann, A. Tizzano, A. Borg Barthet, M. Ilešič and E. Levits)

JUDGMENT OF THE COURT (First Chamber)
8 May 2008 (*)

(Appeal – Community trade mark – Regulation (EC) No 40/94 – Article 7(1)(b) – Word mark EUROHYPO – Absolute ground for refusal of registration – Trade mark devoid of any distinctive character)

In Case C-304/06 P,

APPEAL under Article 56 of the Statute of the Court of Justice, brought on 13 July 2006,

Eurohypo AG, established in Eschborn (Germany), represented by C. Rohnke and M. Kloth, Rechtsanwälte, with an address for service in Luxembourg, appellant,

the other party to the proceedings being

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

THE COURT (First Chamber),

composed of P. Jann, President of the Chamber, A. Tizzano (Rapporteur), A. Borg Barthet, M. Ilešič and E. Levits, Judges,

Advocate General: V. Trstenjak,

Registrar: J. Swedenborg, Administrator, having regard to the written procedure and further to the hearing on 4 October 2007,

after hearing the [Opinion of the Advocate General](#) at the sitting on 8 November 2007,

gives the following

Judgment

1 By its appeal, Eurohypo AG ('the appellant') seeks to have set aside the judgment of the Court of First Instance of the European Communities of 3 May 2006 in Case T-439/04 Eurohypo v OHIM (EUROHYPO) [2006] ECR II-1269 ('the judgment under appeal') in which the Court of First Instance dismissed the appellant's action brought against the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 6 August 2004 (Case R 829/2002-4) ('the contested decision').

2 By the contested decision, OHIM had refused to register the word sign EUROHYPO as a Community trade mark for services in Class 36 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended ('the Nice Agreement'), corresponding to the following description: 'financial affairs; monetary affairs; real estate affairs; provision of financial services; financing ...'.

Legal context

3 Article 7 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 (OJ 1994 L 349, p. 83) ('Regulation No 40/94'), provides:

'1. The following shall not be registered:

...

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

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

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

...

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

...

4 Article 38(1) of Regulation No 40/94 provides:

'Where, under Article 7, a trade mark is ineligible for registration in respect of some or all of the goods or services covered by the Community trade mark application, the application shall be refused as regards those goods or services.'

5 Article 74(1) of Regulation No 40/94 provides:

'1. In proceedings before it the Office shall examine the facts of its own motion; ...'

Background

6 On 30 April 2002, the appellant applied to OHIM for registration of the word sign EUROHYPO for services in Class 36 of the Nice Agreement and corresponding to the following description:

'Financial affairs; monetary affairs; real estate affairs; provision of financial services; financing; financial analysis; investment affairs; insurance affairs'.

7 Since the application was rejected by the OHIM examiner by decision of 30 August 2002, pursuant to Article 7(1)(b) and (c) and Article 7(2) of Regulation No 40/94, the appellant filed an appeal at OHIM.

8 In the contested decision OHIM partially upheld the appeal and annulled the examiner's decision as regards 'financial analysis; investment affairs; insurance affairs'.

9 The appeal was, however, dismissed as regards the other services in Class 36, namely, ‘financial affairs; monetary affairs; real estate affairs; provision of financial affairs; provision of financial services; financing’.

10 Essentially, OHIM held that the components EURO and HYPO contained a clearly understandable indication of the characteristics of the five services mentioned above and that the combination of those two components in one word did not render the mark less descriptive. Therefore, it held that the word sign EUROHYPO was descriptive of ‘financial affairs; monetary affairs; real estate affairs; provision of financial services; financing’ and that it was, therefore, devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, at least in German-speaking countries, and that that ground was sufficient, under Article 7(2) of that regulation, to justify a refusal of protection.

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

11 On 5 November 2004, the appellant brought an action before the Court of First Instance for annulment of the contested decision. In support of that action, the appellant raised two pleas in law claiming, respectively, infringement of Article 74(1), and of Article 7(1)(b), of Regulation No 40/94.

12 By its first plea, alleging infringement of Article 74(1) of Regulation No 40/94, the appellant claimed that, in the contested decision, OHIM did not exhaustively examine the public’s perception of the word sign EUROHYPO.

13 The Court of First Instance rejected that plea, holding, at paragraph 20 of the judgment under appeal that ‘... the fact that the Board of Appeal, being sufficiently convinced of the descriptiveness of the elements “euro” and “hypo” and the word “eurohypo” to refuse registration, chose not to carry out further research is not contrary to the first sentence of Article 74(1) of Regulation No 40/94’.

14 By its second plea, the appellant claimed infringement of Article 7(1)(b) of Regulation No 40/94 inasmuch as the Fourth Board of Appeal of OHIM had held that the word sign EUROHYPO was descriptive of the financial services at issue.

15 As regards the basis of the contested decision, the Court of First Instance first observed, at paragraphs 41, 43 and 44 of the judgment under appeal:

‘41 ... contrary to OHIM’s submissions, it is clear from paragraph 12 et seq. of the contested decision that the decision to refuse registration of the word sign EUROHYPO, in respect of “financial affairs; monetary affairs; real estate affairs; financial services; financing”, refers only to Article 7(1)(b) of Regulation No 40/94. However, the analysis carried out in paragraphs 13 to 16 underpinning that decision to refuse registration concerns the descriptiveness of the word sign EUROHYPO.

...

43 However, there is a clear overlap between the scope of the grounds for refusal set out in subparagraphs (b) to (d) of that provision

44 It is also clear from the case-law of the Court of Justice and the Court of First Instance that a word mark which is descriptive of the characteristics of the goods or services concerned for the purposes of Article 7(1)(c) of Regulation No 40/94 is, on that account, necessarily devoid of any distinctive character in relation to those goods or services within the meaning of Article 7(1)(b) ...’

16 The Court of First Instance then stated at paragraph 45 of the judgment under appeal that ‘... the assessment of the legality of the contested decision requires verification as to whether the Board of Appeal has established that the word sign EUROHYPO was descriptive of “financial affairs; monetary affairs; real estate affairs; financial services; financing” within Class 36. If that is the case the refusal to register is the result of a correct application of both Article 7(1)(b) of Regulation No 40/94 and Article 7(1)(c) and the contested decision must be upheld. ...’.

17 The Court of First Instance then examined whether the word sign EUROHYPO was descriptive for the services at issue.

18 First, it held, at paragraphs 51 and 52 of the judgment under appeal, that OHIM had rightly found that the individual components EURO and HYPO were descriptive of the services at issue.

19 Second, the Court of First Instance examined whether the descriptive character of the components which comprised the word sign EUROHYPO also existed for the compound word itself. At paragraph 55 of the judgment under appeal, the Court found in the affirmative in the following terms:

‘In the present cases the word sign EUROHYPO is a straightforward combination of two descriptive elements, which does not create an impression sufficiently far removed from that produced by the mere combination of the elements of which it is composed to amount to more than the sum of its parts. The applicant has not shown that that compound word had become part of everyday language and had acquired a meaning of its own. It argues, to the contrary, that the word sign EUROHYPO has not become part of everyday German for describing financial services.’

20 In addition, at paragraph 56 of the judgment under appeal the Court of First Instance held that the solution identified in the judgment of the Court of Justice in [Case C-383/99 P Proctor & Gamble v OHIM \[2001\] ECR I-6251 \(‘Baby-dry’\) could not be transposed to the present case given that ‘... the term at issue in that case was a lexical invention which had an unusual structure, which is not the case for the word sign EUROHYPO’.](#)

21 Consequently, the Court of First Instance held, at paragraph 57 of the judgment under appeal:

‘The Board of Appeal ... lawfully found that the word sign EUROHYPO was descriptive of “financial affairs; monetary affairs; real estate affairs; financial services and financing” in Class 36 and was, therefore, devoid

of any distinctive character. It follows that, in accordance with the findings in paragraph 45 above, there is no need to examine whether the Board of Appeal put forward other grounds for finding that the mark applied for was devoid of any distinctive character.'

22 Finally, at paragraph 58 of the judgment under appeal, the Court of First Instance held that the claim based on the widespread use of the mark was inadmissible as that claim was raised for the first time before the Court of First Instance.

23 Therefore, the Court of First Instance dismissed the action in its entirety.

Forms of order sought

24 In its appeal, the appellant claims that the Court should:

- set aside the judgment under appeal;
- annul the contested decision;
- order OHIM to pay the costs.

25 OHIM claims the Court should dismiss the appeal and order the appellant to pay the costs.

The appeal

26 In support of its appeal, the appellant relies on two pleas in law alleging, respectively, infringement of Article 74(1), and of Article 7(1)(b), of Regulation No 40/94.

The first plea in law

Arguments of the parties

27 By its first plea, the appellant claims that Article 74(1) of Regulation No 40/94 requires OHIM to carry out in-depth analyses in order to establish with certainty whether there are grounds for refusing registration. In the present case, OHIM restricted itself to an analysis of the descriptive character of the individual components EURO and HYPO without making findings of fact on the word mark EUROHYPO as a whole.

28 In addition, the appellant criticises OHIM for having carried out internet research in relation to the mark EUROHYPO and that it knowingly concealed the results in so far as they did not show that the mark was used in a descriptive way. In so doing, OHIM misrepresented the facts.

29 The Court of First Instance accordingly erred in law by holding that the absence of references to Internet research in relation to the descriptive character of the mark EUROHYPO in the reasoning of the contested decision was not contrary to Article 74(1) of Regulation No 40/94.

30 OHIM contends that it is not bound by strict evidential requirements. In particular, under the principle of unfettered evaluation of the evidence, it may make its decision on the basis of its own belief whether it considers a fact has been proved. Therefore, once it considers that it has sufficient evidence to make a decision, it is not obliged to continue its investigation and analysis.

31 OHIM contends, in addition, that the descriptive use of a newly-created word is not a relevant criterion in the application of Article 7(1)(b) of Regulation No 40/94 and, therefore, that the Board of Appeal could not be criticised for not mentioning it.

Findings of the Court

32 It should be stated, at the outset, that by its first plea, even though it has formally pleaded an error in law, the appellant is seeking, in essence, to call into question the factual assessment carried out by the Court of First Instance and, in particular, to dispute the probative value of a number of facts which led the Court of First Instance to find that OHIM was not obliged to undertake additional research where it was sufficiently certain as regards the descriptive character of the components EURO and HYPO and of the word EUROHYPO.

33 It follows from settled case-law that the Court of Justice has no jurisdiction to establish the facts or, in principle, to examine the evidence which the Court of First Instance accepted in support of those facts. Provided that the evidence has been properly obtained and the general principles of law and the rules of procedure in relation to the burden of proof and the taking of evidence have been observed, it is for the Court of First Instance alone to assess the value which should be attached to the evidence produced to it. Save where the clear sense of the evidence has been distorted, that appraisal does not therefore constitute a point of law which is subject as such to review by the Court of Justice (see, to that effect, Case C-185/95 P *Baustahlgeewebe v Commission* [1998] ECR I-8417, paragraph 24; Case C-40/03 P *Rica Foods v Commission* [2005] ECR I-6811, paragraph 60; and Case C-551/03 P *General Motors v Commission* [2006] ECR I-3173, paragraph 52).

34 In that regard, it should be recalled that there is distortion of the clear sense of the evidence where, without recourse to new evidence, the assessment of the existing evidence appears to be clearly incorrect (Case C-229/05 P *PKK and KNK v Council* [2007] ECR I-439, paragraph 37, and Case C-326/05 P *Industrias Químicas del Vallés v Commission* [2007] ECR I-6557, paragraph 60).

35 However, it must be pointed out that, in the context of the first plea, the appellant limits itself to challenging the assessment of the facts carried out by OHIM in the contested decision and, in particular, the alleged incomplete nature of that assessment. By contrast, it has not shown, nor even alleged, that the Court of First Instance carried out a clearly incorrect assessment of the evidence.

36 Therefore, the first plea in law must be held to be inadmissible.

The second plea in law

37 By its second plea, the appellant claims that the Court of First Instance erred in law in the interpretation of Article 7(1)(b) of Regulation No 40/94. That plea is divided into three separate parts.

38 By the first part, the appellant criticises the Court of First Instance for failing to take into account the overall impression produced by the EUROHYPO mark. By the second part, the appellant claims that the Court of First Instance incorrectly interpreted the criteria for refusal of registration set out in Article 7(1)(b) and (c) of Regulation No 40/94. Finally, as regards the third

part, the appellant maintains that the Court of First Instance incorrectly applied the principles identified in the Baby-Dry judgment.

The first part of the second plea

– **Arguments of the parties**

39 According to the appellant, the Court of First Instance examined only the descriptive character of the components EURO and HYPO taken separately, and examined the overall impression produced by the mark only as a secondary issue. The Court of First Instance based its decision, in the judgment under appeal, on the presumption that, where the components which comprise a composite mark are descriptive, the mark as a whole is, in principle, also descriptive.

40 OHIM contests that line of argument contending that the Court of First Instance devoted a part of its reasoning precisely to the direct and specific assessment of the distinctive character of the compound trade mark as a whole and did not rely solely on a presumption.

– **Findings of the Court**

41 As regards a compound trade mark, such as that at issue in the present case, the assessment of its distinctive character cannot be limited to an evaluation of each of its words or components, considered in isolation, but must, on any view, be based on the overall perception of that mark by the relevant public and not on the presumption that elements individually devoid of distinctive character cannot, on being combined, have a distinctive character (see, to that effect, [Case C-329/02 P SAT.1 v OHIM \[2004\] ECR I-8317, paragraph 35](#)). The mere fact that each of those elements, considered separately, is devoid of any distinctive character does not mean that their combination cannot present such character ([Case C-37/03 P BioID v OHIM \[2005\] ECR I-7975, paragraph 29](#)).

42 At paragraph 54 of the judgment under appeal, the Court of First Instance rightly held that in order to assess the distinctive character of a compound mark, not only must the various elements of which it is composed be examined but also the mark as a whole.

43 Admittedly, in the same paragraph, the Court of First Instance stated that a mark consisting of a word composed of elements, each of which is descriptive of the characteristics of those goods or services in respect of which registration is sought, is itself descriptive of the characteristics of those goods and services.

44 However, that finding did not affect the analysis of the Court of First Instance on that point, since it did not limit itself to assessing, as a secondary issue, the overall impression produced by the trade mark applied for, but devoted a part of its reasoning to evaluating, with regard to a compound mark, the descriptive character of the sign as a whole.

45 At paragraph 55 of the judgment under appeal, the Court of First Instance held that the impression created by the mark at issue was not sufficiently far removed from that produced by the mere combination of the elements of which it is composed to amount to more than the sum of its parts and that the appellant had not shown that that compound word had become

part of everyday language and had acquired a meaning of its own.

46 Moreover, at paragraph 56 of the judgment under appeal, the Court of First Instance examined whether the mark at issue was a lexical invention which had an unusual structure, finding that that was not the case.

47 Finally, at paragraph 57 of the judgment under appeal, the Court of First Instance held that the mark EUROHYPO, considered as a whole, was descriptive of the services in question.

48 Therefore, the Court of First Instance cannot be criticised for not having verified whether the mark, taken as a whole, had a descriptive character or for having done so merely as a secondary point.

49 It follows that the first part of the second plea in law must be rejected as unfounded.

The second part of the second plea

– **Arguments of the parties**

50 The appellant claims that the Court of First Instance incorrectly applied, in an assessment carried out on the basis of Article 7(1)(b) of Regulation No 40/94, a criterion which is relevant solely for the purposes of the application of Article 7(1)(c) of that regulation. The Court of First Instance held that a compound mark composed of descriptive elements met the conditions for registration where the word in question had become part of everyday language and had acquired a meaning of its own, whereas, according to the appellant, that criterion is relevant only in the context of the application of Article 7(1)(c) of Regulation No 40/94.

51 The appellant also maintains that while it is true that there is overlap between the respective scope of the grounds for refusal set out in Article 7(1)(b) to (d) of Regulation No 40/94, that does not relieve the Court of First Instance of having to interpret, independently, the grounds for refusal in the light of the different general interest objectives pursued by each of those provisions.

52 OHIM replies to those arguments by stating that the scope of the grounds for refusal set out in Article 7(1)(b) and (c) of Regulation No 40/94 are overlapping and, by that token, a descriptive sign normally falls within the scope of the grounds for refusal set out in both provisions.

53 According to OHIM, the fact that the provisions in question pursue separate general interests does not require a different interpretation of the concept of descriptive character depending on the provision at issue. Therefore, the Court of First Instance did not err in law in interpreting Article 7(1)(b) of Regulation No 40/94.

Findings of the Court

54 It must, first, be borne in mind that, while the Court of Justice has had occasion to find a degree of overlap between the respective scope of the absolute grounds for refusal to register a trade mark set out in Article 7(1)(b) to (d) of Regulation No 40/94 (see, by analogy, as regards the identical provisions of Article 3(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), [Case C-363/99 Koninklijke KPN Nederland \[2004\] ECR I-1619, paragraph 67](#), and [Case C-265/00](#)

[Campina Melkunie \[2004\] ECR I-1699, paragraph 18](#)), it is nevertheless the case that, according to established case-law, each of the grounds for refusal to register listed in Article 7(1) of Regulation No 40/94 is independent of the others and requires separate examination (see [Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM \[2004\] ECR I-5089, paragraph 45](#); [Case C-64/02 P OHIM v Erpo Möbelwerk \[2004\] ECR I-10031, paragraph 39](#); and [Case C-173/04 P Deutsche SiSi-Werke v OHIM \[2006\] ECR I-551, paragraph 59](#)).

55 The Court of Justice has also had occasion to make it clear that the various grounds for refusal must be interpreted in the light of the public interest underlying each of them. The public interest taken into account in the examination of each of those grounds for refusal may, or even must, reflect different considerations, depending upon which ground for refusal is at issue ([Henkel v OHIM, paragraphs 45 and 46](#); [SAT.1 v OHIM, paragraph 25](#); and [BioID v OHIM, paragraph 59](#)).

56 In that regard, it should be noted that the notion of general interest underlying Article 7(1)(b) of Regulation No 40/94 is, manifestly, indissociable from the essential function of a trade mark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin ([SAT.1 v OHIM, paragraphs 23 to 27](#), and [BioID v OHIM, paragraph 60](#)).

57 In the present case, the reasoning followed by the Court of First Instance is based on an incorrect interpretation of the principles mentioned in paragraphs 54 to 56 of this judgment.

58 It is apparent from paragraphs 45, 54, 55 and 57 of the judgment under appeal that the Court of First Instance assessed the distinctive character of the mark EUROHYPO by carrying out solely an analysis of its descriptive character within the meaning of Article 7(1)(c) of Regulation No 40/94. Consequently, the judgment under appeal contains no separate examination of the ground for refusal laid down in Article 7(1)(b) of that regulation on the basis of which, however, the Court of First Instance rejected the second plea, raised at first instance, against the contested decision.

59 In so doing, the Court of First Instance assessed the mark EUROHYPO without, in particular, taking into account the public interest which Article 7(1)(b) of Regulation No 40/94 aims specifically to protect, that is, to guarantee the identity of the origin of the designated product or service.

60 Moreover, in the context of such an assessment, the Court of First Instance used an incorrect criterion to determine whether the mark in question could be registered.

61 According to that criterion, a mark composed of descriptive elements could meet the conditions for registration where the word has become a part of everyday language and has acquired a meaning of its own. But,

while that criterion is relevant in the context of Article 7(1)(c) of Regulation No 40/94, it cannot form a basis for the interpretation of Article 7(1)(b).

62 Although that criterion permits excluding the use of a trade mark to describe a product or a service, nevertheless, it does not allow it to be determined whether a mark is capable of guaranteeing the identity of the origin of the designated product or service to the consumer or end user.

63 In those circumstances, the appellant is right to claim that the judgment under appeal is vitiated by an error in law in the interpretation of Article 7(1)(b) of Regulation No 40/94.

64 It follows from the foregoing, without it being necessary to examine the third part of the second plea of the appeal, that the judgment under appeal must be set aside inasmuch as the Court of First Instance held that the Fourth Board of Appeal of OHIM did not infringe Article 7(1)(b) of Regulation No 40/94 by refusing, in the contested decision, to register the term EUROHYPO as a Community trade mark for the services, 'financial affairs, monetary affairs, real estate affairs, provision of financial services, financing ...', in Class 36 of the Nice Agreement.

The action before the Court of First Instance

65 Pursuant to the second sentence of the first paragraph of Article 61 of the Statute of the Court of Justice, the Court of Justice, where it has quashed the decision of the Court of First Instance, may itself give final judgment in the matter, where the state of the proceedings so admits. Such is the case in the present proceedings.

66 As a preliminary point, it should be borne in mind, as is apparent from paragraph 56 of this judgment, that for a trade mark to possess a distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings ([Henkel v OHIM, paragraph 34](#) and the case-law cited).

67 In that regard, it is apparent from settled case-law that that distinctive character must be assessed, first, by reference to the products or services in respect of which registration has been applied for and, second, by reference to the perception of the relevant public ([Joined Cases C-473/01 P and C-474/01 P Procter & Gamble v OHIM \[2004\] ECR I-5173, paragraph 33](#), and [Case C-25/05 P Storck v OHIM \[2006\] ECR I-5719, paragraph 25](#)).

68 In the present case, it should be noted that, as the Board of Appeal stated in the contested decision, without it being disputed by the appellant, the relevant services are aimed at all consumers. Moreover, it is common ground that the absolute ground for refusal was invoked only in relation to one of the languages spoken in the European Union, namely German. Consequently, the relevant public against which the distinctive character of the trade mark must be measured is the average German-speaking consumer,

reasonably well informed and reasonably observant and circumspect.

69 As OHIM correctly stated in the contested decision, the relevant public, in the field covered by the trade mark application, understand the word sign EUROHYPO as referring, as a whole and in general, to financial services requiring real securities and, in particular, to mortgage loans paid in the currency of the European Economic and Monetary Union. Furthermore, there is no additional element which would allow the view to be reached that the combination, created by the current and usual components EURO and HYPO, is unusual or might have its own meaning which, in the perception of the relevant public, distinguishes the services offered by the appellant from those of a different commercial origin. Therefore, the relevant public perceives the trade mark in question as providing details of the type of services which it designates and not as indicating the origin of those services.

70 It follows that the trade mark for which registration is sought does not have a distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94. In those circumstances, the appellant's action against the contested decision must be dismissed.

Costs

71 Under Article 122 of the Rules of Procedure of the Court of Justice, where the appeal is well founded and the Court itself gives final judgment in the case, the Court shall make a decision as to costs.

72 Under Article 69(2) of the Rules of Procedure of the Court of Justice, applicable in the procedure on appeal pursuant to Article 118 of those rules, the unsuccessful party shall be ordered to pay the costs if they have been applied for in the successful party's pleadings. As OHIM has applied for costs against the appellant and the latter has been unsuccessful, the appellant should be ordered to pay the costs of the proceedings at both instances.

On those grounds,

the Court (First Chamber) hereby:

1. Sets aside the judgment of the Court of First Instance of the European Communities of 3 May 2006 in Case T-439/04 Eurohypo v OHIM (EUROHYPO), inasmuch as the Court of First Instance of the European Communities held that the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) did not infringe Article 7(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, as amended by Council Regulation (EC) No 3288/94 of 22 December 1994, by refusing, in its decision of 6 August 2004 (Case R 829/2002-4), to register the term EUROHYPO as a Community trade mark for services in Class 36 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended, corresponding to the following description: 'financial affairs; monetary affairs; real estate affairs; provision of financial services; financing ...';

2. Dismisses the action against the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 6 August 2004 (Case R 829/2002-4);

3. Orders Eurohypo AG to pay the costs of the proceedings at both instances.

OPINION OF ADVOCATE GENERAL TRSTENJAK

delivered on 8 November 2007 1(1)

Case C-304/06 P

Eurohypo AG

v

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

(Appeal – Community trade mark – Word mark EUROHYPO – Absolute grounds for refusal – Article 7(1)(b) and (c) of Regulation (EC) No 40/94 – Examination of the facts of the Office's own motion – Article 74(1) of Regulation No 40/94 – Extent of OHIM's duty to examine the facts of its own motion)

I – Introduction

1. This appeal against the judgment of the Court of First Instance of the European Communities of 3 May 2006 in Case T-439/04 Eurohypo v OHIM (2) raises, first, the question of the extent of the duty of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) to examine the facts of its own motion in the context of the procedure for registering a Community trade mark and, secondly, the question of the scope and the consequences of the overlap between Article 7(1)(b) and Article 7(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (3) ('the regulation').

II – Legal context

2. Article 7(1) of the regulation provides:
'The following shall not be registered:

...

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

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service; ...'

3. Article 7(2) states that 'paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

4. Article 73 of the regulation provides that 'decisions of [OHIM] shall state the reasons on which they are based'.

5. Article 74(1) of the regulation states that 'in proceedings before it, [OHIM] shall examine the facts of its own motion; ...'.

III – Background to the appeal

6. On 30 April 2002, Deutsche Hypothekenbank Frankfurt-Hamburg AG, since renamed Eurohypo AG ('the appellant'), applied for registration of the Community trade mark 'EUROHYPO' as a Community

trade mark for the following services falling within Class 36 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: ‘financial affairs; monetary affairs; real estate affairs; provision of financial services; financing; financial analysis; investment affairs; insurance affairs’.

7. By decision of 30 August 2002, the examiner refused the application pursuant to Article 7(1)(b) and (c) and Article 7(2) of the regulation.

8. On 30 September 2002, the appellant brought an appeal against this decision.

9. By decision of 6 August 2004, the Fourth Board of Appeal upheld the appeal as regards ‘financial analysis, investment affairs, insurance affairs’. However, the appeal was dismissed as regards the other services in Class 36, namely, ‘financial affairs; monetary affairs; real estate affairs; provision of financial services; financing’. Essentially, the Board of Appeal held that the word sign EUROHYPO was descriptive of those services, citing Article 7(1)(b) of the regulation. It added that that was the case, in any event, in German-speaking countries, and that that ground was sufficient under Article 7(2) of the regulation to justify a refusal of protection. The Board of Appeal also held that the elements ‘euro’ and ‘hypo’ contained a clearly understandable indication of the characteristics of the five services mentioned above, and that the association of those two elements in one word did not render the mark less descriptive.

10. On 5 November 2004, the appellant brought an action for annulment before the Court of First Instance, seeking to have this decision annulled. In support of its action, the appellant relied on two pleas in law: one alleging infringement of the principle of OHIM’s duty to examine the facts of its own motion, laid down by the first sentence of Article 74(1) of the regulation, and the other alleging infringement of Article 7(1)(b) of the regulation.

11. In the judgment under appeal, the Court of First Instance dismissed the action.

12. On the first plea in law, the Court of First Instance held that it was sufficient that the Board of Appeal applied the descriptiveness test, as interpreted by the case-law, in order to reach a decision and it was not obliged to justify its action by the production of evidence (paragraph 19). Since the Board of Appeal was sufficiently convinced of the descriptiveness of the elements ‘euro’ and ‘hypo’ and the word ‘eurohypo’ to refuse registration, it chose not to carry out further research. Such a decision is not contrary to the first sentence of Article 74(1) of the regulation (paragraph 20).

13. On the second plea in law, the Court of First Instance first of all referred to settled case-law, according to which a word mark that is descriptive of the characteristics of the goods or services concerned for the purposes of Article 7(1)(c) of the regulation is, on that account, necessarily devoid of any distinctive character in relation to the same goods or services for the pur-

poses of Article 7(1)(b) of the regulation (paragraph 44). It then held that the Board of Appeal had rightly observed that the public concerned perceived ‘euro’, in the financial field, as the currency which is in circulation in the European Union and as describing that monetary area (paragraph 51); that, furthermore, the Board of Appeal had rightly held that in the context of financial services ‘hypo’ was understood by the average consumer as an abbreviation of ‘hypothek’ (mortgage) (paragraph 52); that the word sign EUROHYPO is a combination of two descriptive elements, which does not create an impression sufficiently far removed from that produced by the mere combination of the elements of which it is composed to amount to more than the sum of its parts (paragraph 55); that the solution identified in the BABY-DRY judgment (Case T-163/98 Procter & Gamble v OHIM (BABY-DRY) [1999] ECR II-2383) cannot be transposed to the sign EUROHYPO (paragraph 56).

14. In its appeal, the appellant claims that the Court of Justice should set aside this judgment and declare the decision of the Fourth Board of Appeal invalid. It also requests that OHIM should be ordered to pay the costs.

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

IV – Observations submitted to the Court of Justice

16. In support of its appeal, the appellant puts forward two grounds of appeal, alleging infringement of the first sentence of Article 74(1) and infringement of Article 7(1)(b) of the regulation, respectively.

A – The first ground of appeal

17. The appellant claims that the first sentence of Article 74(1) of the regulation requires that in-depth analyses must be carried out in order to establish with certainty whether there are grounds for refusing registration. Neither the judgment nor the defendant’s decisions which preceded it contain findings of fact as to the allegedly descriptive character of the sign EUROHYPO, seen as a whole. The defendant cited only the results of research referring to possible descriptive uses of the elements ‘euro’ and ‘hypo’ and simply asserts, without evidence or indication of any source, that the word as a whole is just as descriptive as the sum of its parts. The appellant adds that certain documents point to OHIM having carried out research in order to find evidence of a possible descriptive use, and that it ‘knowingly concealed’ the results of its research from the Court of First Instance. In doing so, OHIM has misrepresented the facts. The finding of the Court of First Instance relating to the allegedly descriptive meaning of the whole word ‘eurohypo’ is therefore based on distorted facts and consequently should be corrected by the Court of Justice.

18. OHIM acknowledges that it is required to state reasons for a decision to refuse an application for registration. However, this requirement to give reasons should not be confused with a duty to provide evidence. According to OHIM, it can, on the basis of its own deliberations, decide whether it considers a fact to be established or not. OHIM argues that it is clear from

the case-law of the Court of First Instance that it may base its analysis on facts arising from practical experience generally acquired from the marketing of general consumer goods which are likely to be known by anyone and are in particular known by the consumers of those goods. Since that gives concrete expression to OHIM's duty to set out the facts, and not to a duty to provide evidence, in such a case OHIM is not obliged to provide examples of such practical experience.

19. OHIM adds that distinctiveness is examined through a priori examination of the average consumer's supposed perception of the products and services covered by the mark applied for. Consequently, while actual descriptive use of elements of the sign or of the sign taken as a whole could support the finding that it lacked distinctiveness, such use could never require that this finding be reached. Therefore, if an issue of fact is irrelevant to the legal analysis, the Board of Appeal cannot be criticised for not having mentioned it.

B – The second ground of appeal

20. First, the appellant claims that the Court of First Instance merely analysed the descriptiveness of the elements 'euro' and 'hypo' taken separately, and only secondarily examined the overall impression produced by the mark. The appellant compares this to the judgment of the Court of First Instance in Case T-323/00 SAT.1 v OHIM (SAT.2), (4) which was set aside by the Court of Justice in Case C-329/02 P SAT.1 v OHIM. (5) The appellant argues that in both cases, the Court of First Instance only secondarily examined the overall impression produced by the combination of words and refused to give any relevance to aspects such as the existence of an element of imaginativeness, which ought to be taken into account in the context of such an examination. These reasons played a decisive part in the Court's setting aside the judgment in Case T-323/00, and in the present case, according to the appellant, there can be no other outcome.

21. The appellant also draws a parallel with Case C-383/99 P Procter & Gamble v OHIM. (6) In this judgment, the Court did not base its decision on the unusual nature of the sequence of the words 'BABY-DRY' (instead of DRY-BABY), but on the fact that this word combination represented an unusual way of referring to babies' nappies. The same is true of EUROHYPO for the rejected financial services. In both cases, the individual elements of the two marks are comprehensible to the public. Furthermore, in the name 'BABY-DRY', the individual elements are much more clearly emphasised by the hyphen than in EUROHYPO. In the latter, the graphic fusion of the two elements to form a particular combination of words is much more distinct.

22. OHIM argues that the Court of First Instance, in paragraph 54 et seq. of the judgment under appeal, assessed the overall impression produced by the trade mark and took the view, like the Board of Appeal, that the combination of the two descriptive elements does not create an impression that is more than the sum of its parts. As to whether the substance of the result of the assessment of the trade mark as a whole is vindicated,

this is a question that can no longer be the subject of review at the stage of appeal proceedings.

23. OHIM also states that the Court of First Instance concluded that the structure of the word combination is not unusual and therefore that it is not comparable to the sign 'BABY-DRY'.

24. Secondly, the appellant takes the view that the judgment of the Court of First Instance was based on the use of a criterion according to which a trade mark comprising descriptive elements may be capable of registration if the compound word has become part of everyday language and has acquired its own meaning. That criterion is relevant in the context of Article 7(1)(c) of the regulation as regards the possibility of a requirement of availability, but it is not a criterion that applies to the interpretation of Article 7(1)(b) for the purpose of establishing distinctive character, that is, whether the mark is capable of being perceived by the public as indicating the commercial origin. In applying that criterion, which relates solely to Article 7(1)(c) of the regulation, as a reason for its decision to dismiss the action, the Court of First Instance incorrectly interpreted Article 7(1)(b) of the regulation.

25. The appellant adds that the Court of First Instance erred in the application of this criterion by stating in paragraph 55 of the judgment that the appellant had not established that the compound word at issue had acquired its own meaning and by denying on that basis that it was sufficiently distinctive. According to the appellant, the overall sign EUROHYPO fulfils the criterion of having its own meaning. Even if it were to be accepted that the individual elements 'euro' and 'hypo' are actually understood as a descriptive indication of the European currency and of the word 'hypothek' (mortgage), the word 'eurohypo' is more likely to be understood by the German public as an abbreviation of 'Europäische Hypothekenbank' ('European mortgage bank') – apart merely from being an indication of the appellant as the undertaking of origin – and therefore in a sense is more than the sum of the currency 'euro' and the idea of 'hypothek'. This is, moreover, proved by the practice of numerous other banks whose names include the element 'hypo' as well as by the history of the creation of the appellant, arising from a merger with inter alia 'Eurohypo AG Europäische Hypothekenbank der Deutschen Bank', to become 'Deutsche Hypothekenbank Frankfurt-Hamburg AG'.

26. Finally, the appellant states that, while the public interest underlying Article 7(1)(b) of the regulation is based on the need not to restrict unjustifiably the availability of the sign for other operators which market goods or services such as those in respect of which registration is sought, the public interest which Article 7(1)(c) of the regulation is designed to protect is clearly based on the requirement that the sign may be freely used by all. Thus, by examining in passing the ground for refusal set out in subparagraph (c) in examining subparagraph (b), without distinguishing between the different types of public interest, the Court of First Instance incorrectly interpreted Article 7(1)(b). On this

subject, the appellant refers to paragraph 36 of the judgment in SAT.1 v OHIM. (7)

27. According to OHIM, the scope of the rules set out in Article 7(1)(b) overlaps with that of the rules set out in Article 7(1)(c) of the regulation. Thus a descriptive sign normally falls within the scope of both rules. Therefore it is self-evident that the rules identified in the case-law concerning Article 7(1)(c) of the regulation with regard to findings on the descriptiveness of a compound word are equally applicable to the analysis of a descriptive term in the context of Article 7(1)(b) of the regulation, in so far as the criterion for examining both rules is the relevant public's perception. The appellant fails to show why the different public interest that underlies each of the rules should lead to a different interpretation of the criterion of the descriptive term, depending on the rule at issue. OHIM considers that the question whether the consumer will perceive a word as descriptive precisely does not depend on the protection which the rule to be applied seeks to achieve. Furthermore, the appellant appears to share this point of view, since it would like to transpose the case-law in BABY-DRY, handed down in the context of Article 7(1)(c) of the regulation, to the present case.

V – Assessment

A – The first ground of appeal

28. In response to the appellant, which states that the Board of Appeal simply maintained, but without establishing, that the word 'eurohypo' taken as a whole is just as descriptive as the sum of the elements 'euro' and 'hypo', OHIM states that it is not under a duty to provide evidence, but only a duty to state reasons.

29. Under Article 74(1) of the regulation, 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 applied for falls under one of the grounds for refusal of registration laid down in Article 7 of the regulation. (8) However, this provision clearly does not state in what way OHIM is to carry out this examination of the facts. It is evident from the case-law of the Court of First Instance, as the judgment under appeal in this case points out in paragraph 19, that the Board of Appeal is not obliged to justify its action by the production of evidence. (9) It is also clear from the case-law of the Court of First Instance that the Board of Appeal may base its analysis on facts arising from practical experience generally acquired from the marketing of general consumer goods which are likely to be known by anyone and are in particular known by the consumers of those goods. (10)

30. In this case, as the judgment under appeal points out in paragraph 20, the Board of Appeal analysed not only the meaning of the elements 'euro' and 'hypo' but also the possible meanings of the compound word 'eurohypo'. In particular, the Board of Appeal states, in paragraph 14 of the contested decision, that this word will, for the German consumer, denote financial transactions guaranteed by securities and financing, notably in property affairs but also in other spheres where securities are needed. (11) In paragraph 16, the Board of Appeal states that the Court of Justice's solution in

Proctor & Gamble v OHIM (12) cannot be accepted in this case, since this judgment considered the unusual word order crucial to declaring that 'BABY-DRY' (instead of dry baby) was not descriptive of babies' nappies; there is no such unusual (13) sequence of words in the present case. (14)

31. The appellant's first ground of appeal should therefore be rejected. (15)

B – The second ground of appeal

32. The appellant first criticises the Court of First Instance for relying on the argument that the elements concerned, which are not distinctive if viewed alone, also cannot become distinctive when they are combined, instead of basing its assessment on the average consumer's perception of this combination as a whole.

33. It should be borne in mind first of all that the Court of First Instance has exclusive jurisdiction to make findings of fact, save where a substantive inaccuracy in its findings is attributable to the documents submitted to it, and to appraise those facts. That appraisal thus does not, save where the clear sense of the evidence produced before it has been distorted, constitute a point of law which is subject, as such, to review by the Court of Justice on appeal. (16)

34. It should also be borne in mind that, as regards a trade mark comprising words, the possible distinctiveness of each of its terms or elements, taken separately, may be assessed, in part, but must, in any event, depend on an appraisal of the whole which they comprise. Indeed, the mere fact that each of those elements, considered separately, is devoid of any distinctive character does not mean that their combination cannot present a distinctive character. (17)

35. The Court of First Instance first of all stated, in paragraph 51 of the judgment under appeal, that the Board of Appeal had rightly observed that the public concerned perceived 'euro', in the financial field, as the currency which is in circulation in the European Union and which describes that monetary area or also, as the appellant claims, as the abbreviation of the word 'Europe'. That element therefore designates, according to the Court of First Instance, at least in one of its possible meanings, a characteristic of the financial services in question. The Court of First Instance next stated, in paragraph 52 of the judgment under appeal, that the Board of Appeal had rightly held that in the context of financial services 'hypo' was understood by the average consumer as an abbreviation of the term 'hypothek'.

36. The Court of First Instance then pointed out, in paragraph 54, that it is clear from the case-law that 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 the characteristics of those goods or services unless there is a perceptible difference between the word and the mere sum of its parts: that assumes either 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, or that the word has become part of everyday language and has acquired its own meaning, with the result that it is now independent of its elements.

37. The Court of First Instance concluded from this, in paragraph 55, that, first, the word sign EUROHYPO is a straightforward combination of two descriptive elements, which does not create an impression sufficiently far removed from that produced by the mere combination of the elements of which it is composed to amount to more than the sum of its parts and that, secondly, the appellant did not show that that compound word had become part of everyday language and had acquired a meaning of its own, but argued, to the contrary, that the word sign EUROHYPO has not become part of everyday German for describing financial services.

38. The appellant compares this case to the judgments in *SAT.1 v OHIM* and *Proctor & Gamble v OHIM*. In the first of these judgments, it was in particular because the Court of First Instance did not take into account the existence of an element of imaginativeness in the overall impression produced by the term SAT.2 that the Court of Justice set aside the judgment of the Court of First Instance. (18) In the present case, contrary to what the appellant maintains, there is no element of imaginativeness introducing any originality that might confer the slightest distinctiveness on the word sign EUROHYPO. As to the appellant's reference to the judgment in *Proctor & Gamble v OHIM*, it is sufficient, as OHIM has pointed out, to note that paragraph 56 of the judgment under appeal indicated that the word combination BABY-DRY was a lexical invention which had an unusual structure, (19) which is not the case with the word sign EUROHYPO. According to the judgment in *Proctor & Gamble v OHIM*, 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. (20) In the present case, it must be said that there is no perceptible difference between the compound sign and the sum of the meanings lent by its descriptive elements. (21)

39. It is also interesting to note that, in a judgment of 14 June 2007, the Court of First Instance took the view that the word sign EUROPIG could not be registered for, *inter alia*, meat products, since this sign does not create 'an impression sufficiently far removed from that produced by the mere juxtaposition of the verbal elements of which it is composed as to modify the meaning or the scope'. (22)

40. Therefore, the appellant's argument that the Court of First Instance did not assess the overall impression arising from the word sign 'EUROHYPO' should not be accepted.

41. The appellant next criticises the Court of First Instance for having incorrectly interpreted Article 7(1)(b) of the regulation by using the criterion according to which a mark made up of descriptive components may be capable of registration if the compound word has entered general linguistic use and has acquired a meaning of its own. According to the appellant, that criterion is relevant only in the context of Article 7(1)(c).

42. The judgment under appeal confirmed the decision of the Board of Appeal, which considered *inter alia* that the word sign EUROHYPO was descriptive of 'financial affairs; monetary affairs; real estate affairs; provision of financial services; financing', under reference to Article 7(1)(b) of the regulation.

43. However, Article 7(1)(b) of the regulation refers expressly to 'trade marks which are devoid of any distinctive character'. It is the following subparagraph, namely Article 7(1)(c) of the regulation, which gives examples of signs or indications that cannot be used as trade marks because of their descriptive nature.

44. In addition, the Court of Justice has pointed out many times, as, for that matter, is mentioned in paragraph 42 of the judgment under appeal, that each of the grounds for refusal to register listed in Article 7(1) of the regulation is independent of the others and calls for separate examination. According to the Court, the various grounds for refusal must be interpreted in the light of the public interest underlying each of them. The public interest taken into account may, or even must, reflect different considerations, depending on the ground for refusal in question. (23) Article 7(1)(c) of the regulation pursues an aim which is in the public interest, (24) which requires that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all. (25) The notion of public interest underlying Article 7(1)(b) of the regulation is indissociable from the essential function of a trade mark which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. (26)

45. However, the Court, (27) finding that there is a clear overlap between the scope of the grounds set out in Article 7(1)(b) to (d) of the regulation, (28) has first and foremost taken the view that a word mark which is descriptive of characteristics of goods or services for the purposes of Article 7(1)(c) of the regulation is, on that account, necessarily devoid of any distinctive character with regard to the same goods or services for the purposes of Article 7(1)(b) of the regulation. (29)

46. This view has been strongly criticised in some legal textbooks, (30) which consider that the different grounds for refusal should be seen as equivalent and independent grounds and not as being in an inclusive relationship with one another, even though the writers concede that merely descriptive signs are as a general rule also devoid of any distinctive character. (31)

47. It is also interesting (32) to observe that, in the proposal for a Council regulation, (33) descriptive signs are presented as examples of signs devoid of any distinctive character. (34) However, it must be emphasised that this is not the case with the wording finally set out in the regulation. Article 7(1), as a rule imposing a prohibition, must be interpreted restrictively. (35) In this wording, the descriptive character referred to in Article 7(1)(c) is presented as an absolute ground for refusing registration, alternative to the ground based on the absence of any distinctive character laid down in Article 7(1)(b). (36) Therefore, it is this wording, and not the one set out in the proposal, which must be applied. To take the view that descriptiveness is merely an example of absence of distinctiveness would effectively mean that this amendment to the wording had no purpose. In addition, as has been stated many times in the case-law, (37) each of the grounds for refusal to register listed in Article 7(1) of the regulation is independent and requires separate examination. Consequently, I cannot be satisfied, as the judgment under appeal was, with the assumption that an element which is descriptive is necessarily devoid of any distinctive character and so disregard the fact that the regulation is worded in such a way that these characteristics are put forward in the alternative. (38)

48. Thus, in September 2004, in *SAT.1 v OHIM*, (39) the Court of Justice set aside the judgment of the Court of First Instance, on the ground that it relied on the use of a criterion according to which trade marks which are capable of being commonly used, in trade, for the presentation of the goods or services in question may not be registered. The Court of Justice held that 'that criterion is relevant in the context of Article 7(1)(c) of the regulation but it is not the yardstick against which Article 7(1)(b) thereof should be judged'. In September 2005, in *BioID v OHIM*, the Court of Justice, as it had been invited to do by Advocate General Léger (40) in his Opinion, (41) set aside the judgment of the Court of First Instance for the same reason and in the same terms. (42) The same conclusion was reached by the Court of Justice in its judgment in *Deutsche SiSi-Werke v OHIM*, delivered in January 2006. (43)

49. In the present case, the situation is entirely comparable. Both the judgment of the Court of First Instance and the decision of the Board of Appeal have taken the view that the word sign EUROHYPO is not distinctive, and consequently that its registration must be refused under Article 7(1)(b), on the ground that it is composed of two descriptive words whose combination does not create an impression sufficiently far removed from these elements to amount to more than the sum of its parts, while the question of descriptiveness is covered by Article 7(1)(c). Following the examples of *SAT.1 v OHIM*, *BioID v OHIM* and *Deutsche SiSi-Werke v OHIM*, it must be held that the ground of appeal alleging that the Court of First Instance applied a criterion relevant in the context of Article 7(1)(c) of the regulation but not in that of Article 7(1)(b) is well founded.

50. It is true that the descriptive character of the word sign EUROHYPO has been established above. In this regard, and given that it is quite evident from the wording of Article 7(1) of the regulation that it is sufficient that one of the absolute grounds for refusal listed applies for the sign not to be registrable as a Community trade mark, (44) the word sign EUROHYPO should be refused registration for the relevant services because of its descriptive character for the purposes of Article 7(1)(c). Similarly, the applicant itself accepts that the word 'eurohypo' is likely to be understood by the German public as an abbreviation of 'Europäische Hypothekenbank' ('European mortgage bank'). Yet this word does not appear to enable the relevant public to identify the origin of the goods or services protected and to distinguish them from those of other undertakings, and thus does not seem able to fulfil the essential function of a trade mark. On the contrary, a word that may be understood as 'European mortgage bank' is likely to restrict unduly the availability of such a concept for the other operators which offer goods or services of the same type as those in respect of which registration is sought. As the appellant states, Article 7(1)(b) of the regulation is directed precisely at avoiding this. (45)

51. However, in an appeal, the jurisdiction of the Court of Justice is confined to a review of the findings of law on the pleas argued before the Court of First Instance. (46) Therefore the judgment under appeal must be set aside in so far as the Court of First Instance erred in law in its interpretation of Article 7(1)(b) of the regulation by using a criterion relevant in the context of Article 7(1)(c) of the regulation.

VI – Costs

52. Under Article 69(2) of the Rules of Procedure, applicable to the procedure on appeal 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 Eurohypo has applied for costs and OHIM has been unsuccessful, the latter must be ordered to pay the costs of the two actions.

VII – Conclusion

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

- (1) set aside the judgment of the Court of First Instance of the European Communities of 3 May 2006 in Case T-439/04 *Eurohypo v OHIM*;
- (2) annul the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 6 August 2004;
- (3) order OHIM to pay the costs of the two actions.

1 – Original language: French.

2 – [2006] ECR II-6161; 'the judgment under appeal'.

3 – OJ 1994 L 11, p. 1.

4 – [2002] ECR II-2839.

5 – [2004] ECR I-8317.

6 – [2001] ECR I-6251.

7 – Cited in footnote 5.

8 – Case C-25/05 P *Storck v OHIM* [2006] ECR I-5719, paragraph 50, and Case C-273/05 P *OHIM v Celltech* [2007] ECR I-2883, paragraph 38.

9 – Case T-289/02 *Telepharmacy Solutions v OHIM (TELEPHARMACY SOLUTIONS)* [2004] ECR II-2851, paragraph 54, and Case T-19/04 *Metso Paper Automation v OHIM (PAPERLAB)* [2005] ECR II-2383, paragraph 34.

10 – Case T-185/02 *Ruiz-Picasso and Others v OHIM – DaimlerChrysler (PICARO)* [2004] ECR II-1739, paragraph 29.

11 – ‘Die Kombination beider Wortelemente der Markenmeldung zu einem Wort macht die Gesamtmarke nicht weniger beschreibend. Auch wenn der Beschwerdeführerin zuzugeben ist, dass nicht die Hypothek, sondern das dinglich gesicherte Darlehen – und auch das nur ggf. – in Euro ausgezahlt wird, folgt daraus nicht, dass “Eurohypo” für den deutschsprachigen Durchschnittsverbraucher etwas anderes beschrieb als dinglich besicherte Geldgeschäfte und Finanzierungen insbesondere im Immobilienwesen, aber auch in anderen Bereichen, wo es dinglicher Besicherungen für jede Art von Finanzdienstleistungen bedarf. Dabei ist unerheblich, dass der Begriff “EUROHYPO” in Wörterbüchern so nicht nachweisbar ist (vgl. Entscheidung des Gerichts Erster Instanz vom 26. Oktober 2000, Rs. T-345/99, *TRUSTEDLINK*, Slg. 2000 II-3525, Rdnr. 37), denn dem angesprochenen Durchschnittsverbraucher erschließt sich die Bedeutung der Bezeichnung unzweideutig auch so.’

12 – Cited in footnote 6.

13 – Ekey, F.L. and Klippel, D., *Heidelberger Kommentar zum Markenrecht*, C.F. Müller Verlag, Heidelberg, 2003, p. 879: according to these authors, in principle, combining words does not make a whole into more than the sum of its parts. This does not apply, however, where words that are not usually used in combination are combined in such a way as to form a compound word which is unusual in its structure and can be easily memorised. Minor stylistic variations, such as joining words that are normally separated, change nothing with regard to lack of distinctiveness, unless a completely different overall impression is created.

14 – ‘Was schließlich das “BABY-DRY” – Urteil des EuGH angeht, ist anzumerken, dass jene Entscheidung entscheidend auf die unübliche Wortfolge abgestellt hat, als sie “BABYDRY” (statt dry baby) für nicht beschreibend im Hinblick auf Baby-Windeln erklärte. Eine solche unübliche Wortstellung ist hier aber nicht gegeben.’

15 – In *OHIM v Celltech*, cited in footnote 8, the Court of Justice confirmed the judgment of the Court of First Instance, which held that the Board of Appeal should have established, for example by referring to scientific literature, the correctness of the findings on the basis of which it held that the mark *CELLTECH* is descriptive, while the Board of Appeal had found that ‘the combination “*CELLTECH*” will immediately and unambiguously be perceived by the relevant consumer [specialists and average consumers] as designating ac-

tivities in the field of cell technology and products, apparatus and equipment used in connection with or resulting from such activities’. In this case, however, there cannot properly speaking be any ‘scientific proof’ to be adduced; assessing the word ‘eurohypo’ necessarily supposes a subjective assessment.

16 – See, inter alia, Case C-449/99 P *EIB v Hautem* [2001] ECR I-6733, paragraph 44; Case C-104/00 P *DKV v OHIM* [2002] ECR I-7561, paragraph 22; Case C-173/04 P *Deutsche SiSi-Werke v OHIM* [2006] ECR I-551, paragraph 35; Case C-240/03 P *Comunità montana della Valnerina v Commission* [2006] ECR I-731, paragraph 63; Case C-206/04 P *Mülhens v OHIM* [2006] ECR I-2717, paragraph 41; *Storck v OHIM*, cited in footnote 8, paragraph 40; Case C-412/05 P *Alcon v OHIM* [2007] ECR I-3569; and Case C-334/05 P *OHIM v Shaker* [2007] ECR I-4529.

17 – *SAT.1 v OHIM*, cited in footnote 5, paragraph 28.

18 – *SAT.1 v OHIM*, cited in footnote 5, paragraph 35.

19 – *Proctor & Gamble v OHIM*, cited in footnote 6, paragraph 43.

20 – *Ibid.*, paragraph 40.

21 – On the concept of ‘perceptible difference’, see the Opinion of Advocate General Ruiz-Jarabo Colomer in Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, point 69 et seq.

22 – Case T-207/06 *Europig v OHIM (EUROPIG)* [2007] ECR II-1961, paragraph 35.

23 – See, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraphs 45 and 46; *SAT.1 v OHIM*, cited in footnote 5, paragraph 25; and Case C-37/03 P *BioID v OHIM* [2005] ECR I-7975, paragraph 59.

24 – Ekey, F.L. and Klippel, D., cited in footnote 13, p. 893: the authors explain that the rationale of Article 7(1)(c) is the ‘Freihaltungsbedürfnis’ (requirement that this concept should not be monopolised).

25 – Case C-191/01 P *OHIM v Wrigley* [2003] ECR I-12447, paragraph 31. This was set out for the first time, in regard to Article 3(1)(c) of the trade marks directive (First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks; OJ 1989 L 40, p. 1), which applies to national and not Community trade marks, but whose wording is identical to that of Article 7(1)(c) of the regulation on the Community trade mark, in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25, and Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 73.

26 – *SAT.1 v OHIM*, cited in footnote 5, paragraphs 23 and 27, and *BioID v OHIM*, cited in footnote 23, paragraph 60. See, inter alia, Monteiro, J., ‘La marque verbale: examen des décisions majeures concernant l’appréciation des motifs absolus’, *Propriété industrielle*, March 2006.

27 – *Koninklijke KPN Nederland*, cited in footnote 21, paragraphs 67 and 85, and Case C-265/00 *Campina Melkunie* [2004] ECR I-1699, paragraphs 8 and 18.

28 – On this issue, see, inter alia, Simon, I., ‘What’s Cooking at the CFI? More Guidance on Descriptive

and Non-Distinctive Trade Marks', *European Intellectual Property Review*, 2003, p. 322; Handler, M., 'The Distinctive Problem of European Trade Mark Law', *European Intellectual Property Review*, 2005, p. 306; and Tritton, G., *Intellectual Property in Europe*, Sweet & Maxwell, 2002, p. 220.

29 – Campina Melkunie, cited in footnote 27, paragraph 19, and Koninklijke KPN Nederland, cited in footnote 21, paragraph 86.

30 – Rohnke, C., 'Die Rechtsprechung des EuGH im Markenrecht – Schwerpunkte, Tendenzen, Systematik', *MarkenR*, 2006, p. 480; Eisenführ, G. and Schennen, D., *Kommentar zur Gemeinschaftsmarkenverordnung*, Heymanns, 2003, pp. 85, 86 and 123 (these authors state that all the grounds for refusal must be assessed independently. Lack of distinctiveness is not a generic concept of which subparagraphs (c) and (d) would be merely examples. It is true that situations covered by subparagraphs (c) and (d) often also lack distinctiveness, but this is not always inevitably the case, just as it is not only signs falling under subparagraphs (c) and (d) that may lack distinctiveness); and Ekey, F.L. and Klippel, D., cited in footnote 13, p. 874 (according to these authors, the different grounds for refusal under Article 7(1) are parallel and equivalent. None is subject to another, nor are they interdependent. Nor do they overlap; rather, grounds for refusal are autonomous, so that, for the application to be rejected, it is sufficient that one of the grounds is met).

31 – Eisenführ, G., and Schennen, D., cited in footnote 30, p. 91, and Ekey, F.L., and Klippel, D., cited in footnote 13, p. 878.

32 – Ekey, F.L., and Klippel, D., cited in footnote 13, point out (p. 875) that the regulation was finally worded in such a way that each absolute ground for refusal has the same value. The regulation thus clearly rejected the still widespread belief that the sole ground for refusal is lack of distinctiveness and that the other grounds are merely applications of this.

33 – 'Article 6 (Absolute grounds for refusal)

1. Trade marks ... which are not distinctive, shall not be registered; in particular ...:

(a) those which consist solely of signs or indications which in trade may be requisite for the purpose of showing the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of the goods or service' (OJ 1980 C 351, p. 5).

34 – Ströbele, P. ('Keine Ruhe auf fremden Matratzen, Zur markenrechtlichen Schutzfähigkeit fremdsprachiger beschreibender Angaben', *MarkenR*, 2006, p. 434) explains that, on the initiative of the German delegation, among others, the draft text, which provided that the ground for refusal was the lack of distinctive character and that descriptive character was only an example of this, was amended so as to differentiate between trade marks devoid of distinctive character and descriptive trade marks.

35 – Eisenführ, G. and Schennen, D., cited in footnote 30, p. 86.

36 – From the point of view of systematic interpretation, it is apparent both from the internal scheme and the external scheme of Article 7(1) of the regulation that these are two different criteria. The external scheme – that is, the structure of the text – clearly shows that subparagraphs (b) and (c) are two distinct points. According to the internal scheme – that is, the organisation of the content of the text – the aims of these two points are different (on the concepts of internal and external schemes, see Heck, P., 'Das Problem der Rechtsgewinnung, Gesetzesauslegung und Interessenjurisprudenz', *Begriffsbildung und Interessenjurisprudenz*, Verlag Gehlen, Berlin, Zürich, 1968, pp. 188 and 189).

37 – See above.

38 – Advocate General Ruiz-Jarabo Colomer, in his Opinion delivered on 14 May 2002 in *DKV v OHIM*, cited in footnote 16, states, in point 40: 'It is ... to my mind preferable that the Community Courts apply the grounds for refusal with the same rigour as that employed by the registration authorities. Each of the conditions for registration in Article 7(1)(b), (c) and (d), in requiring a sign to be capable of distinguishing the goods and services under consideration and not to be descriptive or generic, is independent of the others, and must be considered separately. That does not preclude the same sign in practice being caught by more than one category. Thus, a sign that is wholly descriptive will in general be devoid of any distinctive character within the meaning of Article 7(1)(b).'

39 – Cited in footnote 5, paragraph 36.

40 – Cited in footnote 23, points 80 and 81: '... I believe that the Court misinterpreted Article 7(1)(b) of the regulation by basing its conclusion, that the sign in question is devoid of distinctive character, on its finding that "the overall mark is likely to be commonly used in trade to present the goods and services" referred to in the application for registration. ... I conclude that the contested judgment is vitiated by the same errors of law as the judgment in *SAT.1 v OHIM (SAT.2)*, cited above. I therefore suggest that the Court of Justice draw the same conclusions as in *SAT.1 v OHIM (SAT.2)*, and set aside the contested judgment'.

41 – See also the Opinion of Advocate General Sharpston of 14 December 2006 in *OHIM v Celltech*, cited in footnote 8, points 23 and 24.

42 – Cited in footnote 23, paragraphs 61 to 63: '... in paragraphs 23, 34, 41 and 43 of the judgment under appeal, the Court of First Instance primarily accepted the fact that the trade mark applied for is likely to be commonly used in trade, in order to establish that it fell within Article 7(1)(b) of the regulation. ... It must, however, be stated that, as the Court of Justice held in paragraph 36 of *SAT.1 v OHIM*, cited above, that criterion, although relevant in relation to Article 7(1)(c) of Regulation No 40/94, is not the yardstick by which Article 7(1)(b) must be interpreted. ... Consequently, it must be held that the head of claim alleging that the Court of First Instance applied a criterion relevant in the context of Article 7(1)(c) of the regulation rather than in that of Article 7(1)(b) is well founded.'

43 – Cited in footnote 16, paragraph 63.

44 – DKV v OHIM, cited in footnote 16, paragraph 29.

45 – SAT.1 v OHIM, cited in footnote 5, paragraph 26.

This need was first established by the Court of Justice in the context of Article 3(1)(b) of Directive 89/104, in its judgment in Case C-104/01 Libertel [2003] ECR I-3793, paragraph 60.

46 – See, inter alia, Joined Cases C-186/02 P and C-188/02 P Ramondín and Others v Commission [2004] ECR I-10653, paragraph 60; Storck v OHIM, cited in footnote 8, paragraph 61; and OHIM v Celltech, cited in footnote 8, paragraph 21.
