

Court of Justice EU, 6 September 2018, Souvenir – Geschenke – Ehrenpreise eV v EUIPO



## TRADE MARK LAW

Designation ‘Neuschwanstein’ from Union word mark “NEUSCHWANSTEIN” not descriptive for quality or essential characteristic goods and services:

- ‘souvenir items’ not mentioned in Nice classification, goods covered by contested trade mark are everyday consumer goods and everyday services

Consequently, the General Court was fully entitled to consider, as is apparent from paragraphs 22 and 27 of the judgment under appeal, that the goods covered by the contested trade mark are everyday consumer goods and that the services concerned are everyday services facilitating the management and operation of the castle

- souvenir function is not an objective characteristic inherent to the nature of a product

The souvenir function ascribed to a product is not an objective characteristic inherent to the nature of that product, since that function is determined by the free will of the buyer and is focused solely on that buyer’s intentions.

- the fact that the concerned items constitute souvenirs through the mere affixing of the name “Neuschwanstein” is not, in itself, an essential descriptive characteristic of those goods.

In so far as the name ‘Neuschwanstein’ designates the castle which bears that name, it must be considered that merely affixing that name on, inter alia, the goods concerned enables the relevant public to regard those everyday consumer goods also as souvenir items. The fact that they constitute souvenirs through the mere affixing of that name is not, in itself, an essential descriptive characteristic of those goods.

Designation “Neuschwanstein” not descriptive for place of origin goods and services:

- the castle of Neuschwanstein is not famous because of souvenir items or offered services, not apparent from the case file that the contested trade mark is used to market specific souvenir products

and to offer particular services for which it would be traditionally known

In the present case, as the General Court considered in paragraphs 27 and 29 of the judgment under appeal, Neuschwanstein Castle is famous not for the souvenir items it sells or the services it offers, but for its unusual architecture. Furthermore, it is not apparent from the case file that the contested trade mark is used to market specific souvenir products and to offer particular services for which it would be traditionally known.

- not all services covered by the contested trade mark are directly offered at the website of the castle

Moreover, as is apparent from paragraph 41 of the judgment under appeal, none of the services covered by the contested trade mark is directly offered onsite at Neuschwanstein Castle. Regarding the goods concerned, as the appellant itself acknowledges in its appeal, it cannot be excluded that they may be sold beyond that castle’s surroundings.

- therefore it is not reasonable to conclude that, in the mind of the relevant public, the place of marketing to which the name ‘Neuschwanstein’ relates is, as such, a description of a quality or an essential characteristic of the goods and services covered by the contested trade mark.

In those circumstances, it is not reasonable to conclude that, in the mind of the relevant public, the place of marketing to which the name ‘Neuschwanstein’ relates is, as such, a description of a quality or an essential characteristic of the goods and services covered by the contested trade mark.

**General Court gave sufficient reasons to the requisite legal standard in regard to the existence of distinctive character of the contested trade mark:**

- by stating that mere affixing of that mark on the goods and services concerned enables the relevant public to distinguish them from those sold or provided in other commercial or tourist areas

In those circumstances, it is necessary to conclude that, at the end of its assessment of the contested trademark’s distinctive character, carried out in the light of the case-law recalled in paragraph 36 of the judgment under appeal, pursuant to which the distinctive character of a trade mark means that that mark enables the goods and services in respect of which registration has been sought to be identified as originating from a particular undertaking, the General Court gave reasons, to the requisite legal standard, for the existence of that distinctive character by stating that the mere affixing of that mark on the goods and services concerned enables the relevant public to distinguish them from those sold or provided in other commercial or tourist areas.

It is not apparent from the Lindt & Sprüngli-judgment ([IPPT20090611](#)) that the assessment of bad faith must necessarily take the means used to achieve a legitimate objective into account

- In that judgment, to which the General Court refers in paragraph 58 of the judgment under

appeal, the Court held, in essence, regarding the intention of the applicant at the time of filing the application for registration of an EU trade mark, that, even in a situation where that applicant files an application for registration of a sign with the sole aim of competing unfairly with a competitor who is using a similar sign, it cannot be excluded that the applicant's registration of the sign may be in pursuit of a legitimate objective.

The Court specified that that could be the case, in particular, where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation (judgment of 11 June 2009, Chocoladefabriken Lindt & Sprüngli, C-529/07, EU:C:2009:361, paragraphs 47 to 49). Accordingly, it is not apparent from that judgment that the assessment of bad faith must necessarily take the means used to achieve such an objective into account.

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### **Court of Justice EU, 6 September 2018**

(J.L. da Cruz Vilaca, E. Levits, A. Borg Barthet (Rapporteur, M. Berger, F. Biltgen)

JUDGEMENT OF THE COURT (Fifth chamber).

6 September 2018 (\*)

“Appeal — EU trade mark — Invalidity proceedings — Word mark NEUSCHWANSTEIN — Regulation (EC) No 207/2009 — Article 7(1)(b) and (c) — Absolute grounds for refusal — Descriptive character — Indication of geographical origin — Distinctive character — Article 52(1)(b) — Bad faith”

In Case C-488/16 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 13 September 2016

Bundesverband Souvenir — Geschenke — Ehrenpreise eV, established in Veitsbronn (Germany), represented by B. Bittner, Rechtsanwalt, appellant,

the other parties to the proceedings being: European Union Intellectual Property Office (EUIPO), represented by D.Botis, A.Schifko and D.Walicka, acting as Agents,

defendant at first instance,

Freistaat Bayern, represented by M. Müller, Rechtsanwalt,

intervener at first instance,

THE COURT (Fifth Chamber)

composed of J.L. da Cruz Vilaça, President of the Chamber, E. Levits, A. Borg Barthet (Rapporteur),

M. Berger and F. Biltgen, Judges,

Advocate General: M. Wathelet,

Registrar: R. Şereş, Administrator,

having regard to the written procedure and further to the hearing on 29 November 2017,

after hearing the Opinion of the Advocate General at the sitting on 11 January 2018,

gives the following

### **Judgment**

1 By its appeal, Bundesverband Souvenir - Geschenke - Ehrenpreise eV seeks the setting aside of the judgment of the General Court of the European Union of 5 July 2016, Bundesverband Souvenir - Geschenke - Ehrenpreise v EUIPO - Freistaat Bayern (NEUSCHWANSTEIN) (T-167/15, not 18-9-2018 published, EU:T:2016:391) (‘the judgment under appeal’), whereby that court dismissed its action seeking annulment of the decision of the Fifth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 22 January 2015 (Case R 28/2014-5), relating to invalidity proceedings between the appellant and Freistaat Bayern (Free State of Bavaria, Germany) (‘the decision at issue’).

### **Legal context**

2 Article 7, entitled ‘Absolute grounds for refusal’, of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), provides, in paragraph 1(b) and (c) thereof:

‘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 52 of that regulation, entitled ‘Absolute grounds for invalidity’, provides, in paragraph 1 thereof:

‘A [European Union] trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

(a) where the [EU] trade mark has been registered contrary to the provisions of Article 7;

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.’

### **Background to the dispute**

4 On 22 July 2011 the Freistaat Bayern filed an application for registration of an EU trade mark with EUIPO pursuant to Regulation No 207/2009.

5 Registration as a mark was sought for the word sign ‘NEUSCHWANSTEIN’ (‘the contested trade mark’).

6 The goods and services in respect of which registration was sought are in Classes 3, 8, 14 to 16, 18, 21, 25, 28, 30, 32 to 36, 38 and 44 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, for each of those classes, to the following description:

– Class 3: ‘Perfumery goods; articles for body and beauty-care’;

– Class 8: ‘Cutlery of precious metals’;

– Class 14: ‘Jewellery; clocks and watches’;

– Class 15: ‘Musical instruments; musical boxes; electric and electronic musical instruments’;

- Class 16: ‘Writing and note paper; pencils and ink’;
- Class 18: ‘Leather and imitations of leather; umbrellas; travelling bags; handbags; suit carriers; suitcases; briefcases; vanity cases (not fitted); toilet bags’;
- Class 21: ‘Glassware, porcelain and earthenware not included in other classes; teapots not of precious metal’;
- Class 25: ‘Clothing; footwear; headgear; suspenders; belts; braces’;
- Class 28: ‘Games and playthings; board games’;
- Class 30: ‘Coffee; tea; cocoa; sugar; honey; pastries; cakes; cookies; sweets; ice-cream; confections; spices’;
- Class 32: ‘Soft drinks; beers’;
- Class 33: ‘Alcoholic beverages (except beers)’;
- Class 34: ‘Matches; cigarette cases, ashtrays, smokers’ articles made of non-precious metal; cigarettes; tobacco’;
- Class 35: ‘Advertising agency services’;
- Class 36: ‘Insurance; finance; monetary affairs; real estate affairs’;
- Class 38: ‘Telecommunication and communication services’;
- Class 44: ‘Hygienic and beauty care for human beings’.

7 The application for registration of the contested trade mark was published in Community Trade Marks Bulletin No 166/2011 of 2 September 2011, and the contested trade mark was registered on 12 December 2011 under No 10 144 392.

8 On 10 February 2012 the appellant filed an application for a declaration of invalidity under Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(b) and (c) of that regulation, of the contested trade mark in respect of all the goods and services referred to in paragraph 6 above.

9 On 21 October 2013 the Cancellation Division of EUIPO rejected that application for a declaration of invalidity, concluding that the contested trade mark did not consist of indications which might serve to designate the geographical origin or of other characteristics inherent to the goods and services concerned, and that there had therefore been no infringement of Article 7(1)(c) of Regulation No 207/2009. In addition, it held that, since the contested trade mark was distinctive in respect of the goods and services concerned, there had been no infringement of Article 7(1)(b) of that regulation. Lastly, it considered that the appellant had not proved that the application for registration of the contested trade mark had been made in bad faith and that there had therefore been no infringement of Article 52(1)(b) of that regulation.

10 On 20 December 2013 the appellant filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009, against the Cancellation Division’s decision.

11 By the decision at issue, the Fifth Board of Appeal of EUIPO confirmed the Cancellation Division’s decision and dismissed the appellant’s appeal. The

procedure before the General Court and the judgment under appeal 12 By application lodged at the Registry of the General Court on 2 April 2015, the appellant brought an action seeking annulment of the decision at issue.

13 In support of its action, it relied on three pleas in law, alleging infringement of Article 7(1)(b) of Regulation No 207/2009, of Article 7(1)(c) of that regulation, and of Article 52(1)(b) thereof, respectively.

14 By the judgment under appeal, the General Court rejected the three pleas relied on by the appellant and, consequently, dismissed the action in its entirety.

Forms of order sought before the Court

15 By its appeal, the appellant claims that the Court should:

- set aside the judgment under appeal;
- cancel the registration of the contested trade mark; and
- order EUIPO to pay the costs.

16 EUIPO and the Freistaat Bayern contend that the Court should dismiss the appeal and order the appellant to pay the costs.

#### **The appeal**

17 The appellant raises three grounds in support of its appeal, alleging infringement of Article 7(1)(c) of Regulation No 207/2009, of Article 7(1)(b) of that regulation, and of Article 52(1)(b) thereof, respectively.

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

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

18 By the first ground of appeal, the appellant submits that the General Court infringed Article 7(1)(c) of Regulation No 207/2009 by finding that the contested trade mark was not descriptive of the goods and services concerned. That ground of appeal is divided, in essence, into two parts.

19 By the first part, the appellant disputes certain assessments carried out by the General Court in paragraphs 22, 26 and 27 of the judgment under appeal.

20 Thus, in the first place, the General Court incorrectly considered, in paragraph 22 of the judgment under appeal, that, for certain goods in Class 14, the relevant public’s degree of attentiveness is higher. According to the appellant, even if that class of goods partly consists of expensive goods, nevertheless it cannot be considered, generally, that the degree of attentiveness will be higher for those goods, since jewellery and clocks may also be offered at very reasonable prices.

21 In the second place, the General Court also incorrectly found, in paragraph 26 of the judgment under appeal, that the name ‘Neuschwanstein’, literally meaning ‘new swan stone’, is a colourful and original name which nevertheless does not enable the relevant public to establish a connection with the categories of goods and services concerned. According to the appellant, that finding involves an analysis of the name ‘Neuschwanstein’ that will not be carried out by the relevant public.

22 In the third place, the appellant submits that paragraph 27 of the judgment under appeal contains a

contradiction inasmuch as the General Court acknowledges that Neuschwanstein Castle is geographically locatable while stating that it cannot be regarded as a geographical location.

23 In the fourth and last place, the appellant considers that the General Court's statement in paragraph 27 of the judgment under appeal that Neuschwanstein Castle is first and foremost a museum location is inaccurate. First of all, the General Court contradicts itself, in so far as it indicates in that same paragraph that that castle is known for its unusual architecture, something which would not be true of a museum. Next, the relevant public perceives that castle as a building which also draws its distinctiveness from its geographical location, and not as a museum. Lastly, the importance of a museum is assessed according to the objects which are exhibited there. However, the public visits that castle in order to admire not the objects which are exhibited there, but its unusual architecture.

24 By the second part of the first ground of appeal, the appellant complains that the General Court failed to have regard to the public interest underlying Article 7(1)(c) of Regulation No 207/2009 and the case-law stemming from the judgment of 4 May 1999, [Windsurfing Chiemsee](#) (C-108/97 and C-109/97, EU:C:1999:230), by finding, in paragraph 27 of the judgment under appeal, that, as Neuschwanstein Castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark could not be indicative of the geographical origin of the goods and services it covers.

25 It is apparent from the judgment of 4 May 1999, [Windsurfing Chiemsee](#) (C-108/97 and C-109/97, EU:C:1999:230), that, as regards geographical names, it is in the public interest that they remain available, not least because they may influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response. According to the appellant, such a favourable response may be evoked by, for example, holiday memories, so that the relevant public will establish a connection between the goods and services concerned and the tourist location of Neuschwanstein Castle, and not between those goods and services and a particular undertaking.

26 The Court also held in paragraph 37 of the judgment of 4 May 1999, [Windsurfing Chiemsee](#) (C-108/97 and C-109/97, EU:C:1999:230), that a product need not be manufactured in a geographical location in order to be associated with it. In the case of souvenir items, the place where the goods are marketed is decisive for the relevant public because such items are marketed almost exclusively in the immediate surroundings of the tourist

attraction concerned. The place where the goods are marketed should therefore also be regarded as an indication of geographical origin.

27 Moreover, by taking into account, in paragraph 29 of the judgment under appeal, only the marketing of those goods and services by the owner of the castle itself, the General Court disregarded the public interest

in guaranteeing that the name of a world-famous tourist attraction remains available for souvenir items.

28 EUIPO and the Freistaat Bayern chiefly contend that the first ground of appeal should be rejected as inadmissible. In any event, they maintain that the General Court correctly applied the relevant case-law and Article 7(1)(c) of Regulation No 207/2009.

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

29 Regarding the first part of the first ground of appeal, it should be borne in mind that, under Article 256 TFEU and the first paragraph of Article 58 of the Statute of the Court of Justice of the European Union, an appeal lies on a point of law only. The General Court has exclusive jurisdiction to find and appraise the relevant facts and to assess the evidence. The appraisal of those facts and the assessment of that evidence thus does not, save where they distort the evidence, constitute a point of law which is subject, as such, to review by the Court of Justice on appeal (see, in particular, judgment of 2 September 2010, [Calvin Klein Trademark Trust v OHIM](#), C-254/09 P, EU:C:2010:488, paragraph 49 and the case-law cited).

30 The findings made by the General Court in paragraphs 22, 26 and 27 of the judgment under appeal that the relevant public displays a higher degree of attentiveness in respect of the goods and services in Classes 14 and

36, that the name 'Neuschwanstein' is a colourful and original name, that the castle bearing that name cannot be regarded as a geographical location, and that that castle is first and foremost a museum location, constitute such appraisals of the facts.

31 It must be found that, by the arguments it puts forward in support of the first part, the appellant confines itself to disputing those appraisals of the facts conducted by the General Court and seeks, in fact, to obtain a new appraisal of those facts from the Court, without however claiming that there has been the slightest distortion of those facts in that regard.

32 It follows that the first part of the first ground of appeal must be rejected as inadmissible.

33 By the second part of the first ground of appeal, the appellant submits, in essence, that the General Court failed to have regard to the public interest underlying Article 7(1)(c) of Regulation No 207/2009 and the judgment of 4 May 1999, [Windsurfing Chiemsee](#) (C-108/97 and C-109/97, EU:C:1999:230), by finding, in paragraph 27 of the judgment under appeal, that, as Neuschwanstein Castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark may not be indicative of the geographical origin of the goods and services concerned.

34 Accordingly, by the second part of the first ground of appeal, the appellant complains that the General Court did not classify the name 'Neuschwanstein' as an indication of the geographical origin of the goods and services covered by the contested trade mark for the purposes of Article 7(1)(c) of Regulation No 207/2009, so that that part raises a point of law, which is admissible in the context of an appeal.

35 As a preliminary point, it should be borne in mind that Article 7(1)(c) of Regulation No 207/2009 prohibits the registration of EU trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the geographical origin of the product or the service in respect of which that registration is sought.

36 According to settled case-law, that provision 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 sought may be freely used by all, including as collective marks or as part of complex or graphic marks. That provision therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (judgments of 4 May 1999, [Windsurfing Chiemsee](#), C-108/97 and C-109/97, EU:C:1999:230, paragraph 25, and of 10 July 2014, [BSH v OHIM](#), C-126/13 P, not published, EU:C:2014:2065, paragraph 19 and the case-law cited).

37 As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in respect of which registration of the mark is sought, especially geographical names, the Court has held that it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response (judgment of 4 May 1999, [Windsurfing Chiemsee](#), C-108/97 and C-109/97, EU:C:1999:230, paragraph 26).

38 The Court has emphasised in that regard that a sign may not be refused registration on the basis of Article 7(1)(c) of Regulation No 207/2009 unless the geographical name in respect of which registration as a trade mark is sought designates a place which is associated in the mind of the relevant class of persons, at the time the application for registration is made, with the category of goods concerned, or it is reasonable to assume that such an association may be established in the future (see, to that effect, judgments of 4 May 1999, [Windsurfing Chiemsee](#), C-108/97 and C-109/97, EU:C:1999:230, paragraph 31, and of 12 February 2004, [Koninklijke KPN Nederland](#), C-363/99, EU:C:2004:86, paragraph 56).

39 However, it should be noted that, in principle, Article 7(1)(c) of Regulation No 207/2009 does not preclude the registration of geographical names which are unknown to the relevant class of persons — or at least unknown as the designation of a geographical location — or of names in respect of which, because of the type of place they designate, such persons are unlikely to believe that the category of goods concerned originates there (see, to that effect, judgment of 4 May 1999, [Windsurfing Chiemsee](#), C-108/97 and C-109/97, EU:C:1999:230, paragraph 33).

40 In the present case, the General Court held, in essence, in paragraph 27 of the judgment under appeal, that Neuschwanstein Castle is first and foremost a museum location, the primary function of which is not the manufacture or marketing of souvenir products or the provision of services, but heritage conservation, and that that castle is not famous for the souvenir items it sells or the services it offers. The General Court inferred from this that, as that castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark may not be indicative of the geographical origin of the goods and services it covers. Accordingly, it is for the Court to verify whether, as the appellant claims, that assessment stems from a failure to have regard to the public interest underlying Article 7(1)(c) of Regulation No 207/2009.

41 In the first place, it is necessary to examine the appellant's argument that the name 'Neuschwanstein' is descriptive for the purposes of Article 7(1)(c) of Regulation No 207/2009, in so far as the memory to which that name relates is an indication of a quality or an essential characteristic of the goods and services covered by the contested trade mark enabling the relevant public to establish a connection between those goods and services and Neuschwanstein Castle.

42 In that regard, it should be emphasised, as the Advocate General observed in [point 39 of his Opinion](#), that none of the classes of the Nice Agreement concerns 'souvenir items'. Consequently, the General Court was fully entitled to consider, as is apparent from paragraphs 22 and 27 of the judgment under appeal, that the goods covered by the contested trade mark are everyday consumer goods and that the services concerned are everyday services facilitating the management and operation of the castle.

43 In addition, it is not apparent from the case file that those goods and services for everyday use have particular characteristics or specific qualities for which Neuschwanstein Castle would be traditionally known and in respect of which the relevant public would be likely to believe that they originate there or that they are manufactured or provided there.

44 In particular, regarding the goods covered by the contested trade mark, it should be emphasised that the fact that those goods are sold as souvenir items is irrelevant for the purpose of assessing the descriptive character of the name 'Neuschwanstein'. The souvenir function ascribed to a product is not an objective characteristic inherent to the nature of that product, since that function is determined by the free will of the buyer and is focused solely on that buyer's intentions.

45 In so far as the name 'Neuschwanstein' designates the castle which bears that name, it must be considered that merely affixing that name on, inter alia, the goods concerned enables the relevant public to regard those everyday consumer goods also as souvenir items. The fact that they constitute souvenirs through the mere affixing of that name is not, in itself, an essential descriptive characteristic of those goods.

46 Accordingly, it is not reasonable to conclude that, in the mind of the relevant public, the memory to which the name ‘Neuschwanstein’ relates is an indication of a quality or an essential characteristic of the goods and services covered by the contested trade mark.

47 In the second place, it is necessary to examine the appellant’s argument that the name ‘Neuschwanstein’ is descriptive of the geographical origin of the goods and services covered by the contested trade mark in so far as the place where those goods and services are marketed should be regarded as a tie connecting those goods and services with Neuschwanstein Castle.

48 In that regard, it should be borne in mind that, in its judgment of 4 May 1999, [Windsurfing Chiemsee](#) (C-108/97 and C-109/97, EU:C:1999:230, paragraph 36), the Court held that, whilst an indication of the geographical origin of a product usually indicates the place where that product was or could be manufactured, the connection between a product and a geographical location might depend on other ties, such as the fact that that product was conceived and designed in that geographical location.

49 Accordingly, the Court did not confine such ties to the place of manufacture of the goods concerned. However, as the Advocate General indicated in point [41 of his Opinion](#), that does not necessarily imply that the place of marketing may serve as a tie connecting the goods and services covered by the contested trade mark with the place concerned, even in the case of items sold as souvenirs.

50 The mere fact that those goods and services are offered in a particular place cannot constitute a descriptive indication of the geographical origin of those goods and services, in so far as the place where those goods and services are sold is not capable, as such, of designating characteristics, qualities or distinctive features connected with the geographical origin of those goods and services, such as a craft, a tradition or a climate which is a characteristic of a particular place, as the Advocate General notes, in essence, in [point 42 of his Opinion](#).

51 In the present case, as the General Court considered in paragraphs 27 and 29 of the judgment under appeal, Neuschwanstein Castle is famous not for the souvenir items it sells or the services it offers, but for its unusual architecture. Furthermore, it is not apparent from the case file that the contested trade mark is used to market specific souvenir products and to offer particular services for which it would be traditionally known.

52 Moreover, as is apparent from paragraph 41 of the judgment under appeal, none of the services covered by the contested trade mark is directly offered onsite at Neuschwanstein Castle. Regarding the goods concerned, as the appellant itself acknowledges in its appeal, it cannot be excluded that they may be sold beyond that castle’s surroundings.

53 In those circumstances, it is not reasonable to conclude that, in the mind of the relevant public, the place of marketing to which the name ‘Neuschwanstein’ relates is, as such, a description of a

quality or an essential characteristic of the goods and services covered by the contested trade mark.

54 Therefore, the General Court did not err in law in finding, in paragraph 27 of the judgment under appeal, that, as Neuschwanstein Castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark could not be indicative of the geographical origin of the goods and services it covers.

55 It follows that the second part of the first ground of appeal must be rejected as unfounded and that the first ground of appeal must, accordingly, be rejected in its entirety.

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

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

56 The second ground of appeal comprises two parts. By the first part, the appellant submits, first, in essence, that the General Court infringed Article 7(1)(b) of Regulation No 207/2009 in confining itself, for the purpose of assessing the distinctive character of the contested trade mark, to stating, in paragraphs 41 and 42 of the judgment under appeal, that merely affixing the name ‘Neuschwanstein’ on the goods and services concerned enables them to be distinguished from those sold or provided in other commercial or tourist areas. According to the appellant, that finding does not permit conclusions to be drawn as regards the distinctive character of the contested trade mark. An item bearing the inscription ‘Munich’ would necessarily be distinct from an article bearing the name ‘Hamburg’, since consumers could assume that the former was manufactured in Munich and the latter in Hamburg.

57 Next, in paragraph 41 of the judgment under appeal, the General Court uses circular reasoning when it states that the sign ‘NEUSCHWANSTEIN’ designates not only Neuschwanstein Castle in its capacity as a museum location, but also the contested trade mark itself. In so doing, the General Court anticipates the decision as to whether or not that sign may constitute a trade mark.

58 Lastly, the appellant submits that the General Court’s statement in paragraph 42 of the judgment under appeal that the contested trade mark enables goods or services, the quality of which may be controlled by the Freistaat Bayern, to be marketed or provided under its sign is not an indicator of the distinctive character of the sign ‘NEUSCHWANSTEIN’ but a consequence of the registration of that sign as a trade mark.

59 By the second part of the second ground of appeal, the appellant argues that the General Court should have taken account, at least for guidance, of the order of the Bundesgerichtshof (Federal Court of Justice, Germany) of 8 March 2012 which cancelled the registration of the sign ‘NEUSCHWANSTEIN’ as a national trade mark.

60 EUIPO and the Freistaat Bayern consider that the first part of the second ground of appeal is inadmissible and that the second part of the second ground of appeal should be rejected as unfounded.

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

61 Regarding the first part of the second ground of appeal, it should be noted that, although the wording of

the appeal is unclear in that regard, it may be inferred from the appellant's line of argument that that part consists, in essence, of a claim that the General Court provided an inadequate statement of reasons for its assessment of the distinctive character of the contested trade mark.

62 By complaining that the General Court provided an inadequate statement of reasons for the finding that the contested trade mark has distinctive character, the appellant raises a point of law which is amenable, as such, to review on appeal (judgment of 5 July 2011, [Edwin v OHIM](#), C-263/09 P, EU:C:2011:452, paragraph 63 and the case-law cited).

63 According to the settled case-law of the Court, the obligation to state reasons owed by the General Court requires it to disclose clearly and unequivocally the reasoning followed by it, in such a way as to enable the persons concerned to ascertain the reasons for the decision taken and the Court of Justice to exercise its power of review (judgment of 24 January 2013, 3F v Commission, C-646/11 P, not published, EU:C:2013:36, paragraph 63 and the case-law cited).

64 It should be noted, in that regard, that, having recalled the relevant case-law for assessing the distinctive character of the contested trade mark in paragraphs 36 to 39 of the judgment under appeal, the General Court considered, in paragraph 41 of that judgment, that the goods and services concerned are everyday consumer goods, without there being a need to distinguish those that could fall within the category of typical souvenir items, and everyday services, which are distinct from souvenir products and other services relating to tourist activities by reason of their name alone, in so far as that name designates not only the castle in its capacity as a museum location, but also the contested trade mark itself. The General Court added that the goods concerned are not manufactured on the site of the castle itself, but are only offered for sale there, and that, although some of the services contribute to the management of the castle, not all of them are offered onsite.

65 In paragraph 42 of the judgment under appeal, the General Court found that the word element constituting the contested trade mark, which is identical to the name of the castle, is a fanciful name which has no descriptive relationship with the goods and services marketed or offered. According to the General Court, as the name 'Neuschwanstein' means 'new swan stone', the mere affixing of the contested trade mark on the items sold and the services offered enables those goods and services to be distinguished from other everyday consumer goods and services sold or provided in other commercial or tourist areas. The General Court added that the contested trade mark enables goods and services — the quality of which may be controlled by the Freistaat Bayern, either directly, or indirectly under licensing agreements — to be marketed and provided under its sign.

66 Furthermore, in paragraph 43 of the judgment under appeal, the General Court considered that the contested

trade mark enables the relevant public, because of the nature of the name of that mark, not only to refer to a visit to the castle, but also to distinguish the commercial origin of the goods and services concerned, so that it will conclude that all the goods and services designated by the contested trade mark were manufactured, marketed or supplied under the control of the Freistaat Bayern, which is responsible for their quality.

67 It is apparent from paragraphs 41 to 43 of the judgment under appeal that, in order to assess the distinctive character of the contested trade mark, the General Court examined the goods and services covered by that mark and assessed the word element constituting the contested trade mark, which, in its view, is a fanciful name that has no descriptive relationship with the goods and services concerned.

68 In that regard, it should be noted that the finding of the General Court that the contested trade mark is not descriptive of the geographical origin of those goods and services does not prejudice the distinctive character of that mark but is rather a necessary condition for being able to register a mark which is not devoid of distinctive character. It is precisely because of the contested trade mark's lack of descriptive character that it is open to an entity, such as the Freistaat Bayern, to apply for the name of the museum location of which it is the owner to be registered as an EU trade mark, since Regulation No 207/2009 does not, in principle, preclude it. Therefore, as the Advocate General indicated in [points 55 and 56 of his Opinion](#), the General Court's reasoning cannot be regarded as circular in that regard.

69 In those circumstances, it is necessary to conclude that, at the end of its assessment of the contested trade mark's distinctive character, carried out in the light of the case-law recalled in paragraph 36 of the judgment under appeal, pursuant to which the distinctive character of a trade mark means that that mark enables the goods and services in respect of which registration has been sought to be identified as originating from a particular undertaking, the General Court gave reasons, to the requisite legal standard, for the existence of that distinctive character by stating that the mere affixing of that mark on the goods and services concerned enables the relevant public to distinguish them from those sold or provided in other commercial or tourist areas.

70 By contrast, in so far as the General Court's statement in paragraph 42 of the judgment under appeal that the contested trade mark enables goods and services, the quality of which may be controlled by the Freistaat Bayern, to be marketed and provided under its sign constitutes a ground included purely for the sake of completeness, it must be held that the appellant's argument directed against that ground is ineffective (judgment of 1 February 2018, Kühne + Nagel International and Others v Commission, C-261/16 P, not published, EU:C:2018:56, paragraph 69, and order of 14 January 2016, Royal County of Berkshire Polo Club v OHIM, C-278/15 P, not published, EU:C:2016:20, paragraph 43 and the case-law cited).

71 It follows that the first part of the second ground of appeal must be rejected as being in part unfounded and in part ineffective.

72 Regarding the second part of the second ground of appeal, it should be borne in mind that, according to settled case-law, the decisions concerning the registration of a sign as an EU trade mark which the Boards of Appeal are called on to take under Regulation No 207/2009 are adopted in the exercise of circumscribed powers and are not a matter of discretion and, accordingly, the legality of those decisions must be assessed solely on the basis of that regulation, as interpreted by the Courts of the European Union (judgment of 19 January 2012, [OHIM v Nike International](#), C-53/11 P, EU:C:2012:27, paragraph 57 and the case-law cited). Furthermore, as is apparent from paragraph 44 of the judgment under appeal, the EU trade mark system is an autonomous system with its own set of objectives and rules peculiar to it; it applies independently of any national system (judgment of 12 December 2013, [Rivella International v OHIM](#), C-445/12 P, EU:C:2013:826, paragraph 48 and the case-law cited).

73 It follows that the General Court was not required to take the order of the Bundesgerichtshof (Federal Court of Justice) of 8 March 2012 into consideration. Therefore, the second part of the second ground of appeal must be rejected as unfounded.

74 Accordingly, the second ground of appeal must be rejected in its entirety.

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

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

75 The third ground of appeal, alleging infringement of Article 52(1)(b) of Regulation No 207/2009, comprises two parts. By the first part, the appellant submits, first, that the General Court erred in law by finding, in paragraph 55 of the judgment under appeal, that it is not apparent from the documents in the case file that the contested trade mark was used, before the date of its registration, to market specific souvenir products and offer particular services. The appellant provided numerous examples of souvenirs bearing the inscription 'Neuschwanstein' appended to the application at first instance. In addition, the Freistaat Bayern, as owner of the castle, has an onsite presence and should be aware of the marketing of souvenir items bearing that name.

76 Second, the General Court erred in law by considering, in paragraph 57 of the judgment under appeal, that the letter of formal notice sent by the Freistaat Bayern to the company N. on 12 June 2008 does not demonstrate the malicious intention of the Freistaat Bayern to register the contested trade mark in order to prevent third parties from using the sign 'NEUSCHWANSTEIN'. The appellant cites, in that regard, a statement from the spokesperson for the Freistaat Bayern bearing witness to that intention.

77 By the second part of the third ground of appeal, the appellant argues that the General Court was wrong to rule out, in paragraph 58 of the judgment under appeal, bad faith on the part of the Freistaat Bayern on the ground that it was pursuing the legitimate objective of

conserving and preserving the museum location. The appellant considers that the judgment of 11 June 2009, [Chocoladefabriken Lindt & Sprüngli](#) (C-529/07, EU:C:2009:361), to which the General Court refers, does not permit the conclusion that a legitimate objective rules out bad faith. In order to assess the latter, it is necessary to take the means used to achieve that aim into account.

78 EUIPO and the Freistaat Bayern contend that the third ground of appeal is inadmissible and, in any event, unfounded.

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

79 Regarding the first part of the third ground of appeal, it should be noted that, in paragraph 55 of the judgment under appeal, the General Court found, in particular, that the appellant had not produced evidence establishing the objective circumstances in which the Freistaat Bayern would have been aware of the marketing by the appellant or by other third parties of some of the goods and services concerned. In paragraph 57 of that judgment, the General Court examined the letter of formal notice sent by the Freistaat Bayern to the company N. on 12 June 2008 and observed, in that regard, that the application for registration of the national word mark NEUSCHWANSTEIN filed by that company dated from 15 January 2008. The General Court noted that the Freistaat Bayern had filed, first, an application for registration of the national word mark NEUSCHWANSTEIN on 28 January 2005 with the Deutsches Patent- und Markenamt (German Patent and Trade Mark Office), which registered that mark on 4 October 2005, and, second, an application for registration of the EU figurative mark on 11 July 2003 with EUIPO, which registered that mark on 14 September 2006. The General Court therefore concluded from this that it was the company N. that had prior knowledge of the Freistaat Bayern's mark and not vice versa, and that, accordingly, the Freistaat Bayern had not shown bad faith.

80 It must be found that, by the line of argument put forward in support of the first part of the third ground of appeal, the appellant is in fact attempting to call in question the assessment of the evidence carried out by the General Court in paragraphs 55 and 57 of the judgment under appeal, without however invoking the slightest distortion of that evidence.

81 In those circumstances, in accordance with the case-law recalled in paragraph 29 above, the first part of the third ground of appeal must be rejected as inadmissible.

82 Regarding the second part of the third ground of appeal, it must be found that the appellant's line of argument is based on an incorrect reading of the judgment of 11 June 2009, [Chocolade fabriken Lindt & Sprüngli](#) (C-529/07, EU:C:2009:361).

83 In that judgment, to which the General Court refers in paragraph 58 of the judgment under appeal, the Court held, in essence, regarding the intention of the applicant at the time of filing the application for registration of an EU trade mark, that, even in a situation where that applicant files an application for

registration of a sign with the sole aim of competing unfairly with a competitor who is using a similar sign, it cannot be excluded that the applicant's registration of the sign may be in pursuit of a legitimate objective. The Court specified that that could be the case, in particular, where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation (judgment of 11 June 2009, [Chocoladefabriken Lindt & Sprüngli](#), C-529/07, EU:C:2009:361, paragraphs 47 to 49). Accordingly, it is not apparent from that judgment that the assessment of bad faith must necessarily take the means used to achieve such an objective into account.

84 It follows that the second part of the third ground of appeal must be rejected as unfounded and that, accordingly, the third ground of appeal must be rejected.

85 In the light of all of the foregoing, the appeal must be dismissed in its entirety.

#### Costs

86 Under Article 184(2) of the Rules of Procedure of the Court of Justice, where the appeal is unfounded, the Court is to make a decision as to the costs. Under Article 138(1) of those Rules, applicable to appeal proceedings by virtue of Article 184(1) 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 EUIPO and the Freistaat Bayern have applied for costs to be awarded against Bundesverband Souvenir — Geschenke — Ehrenpreise and the latter has been unsuccessful, it must be ordered to pay the costs. On those grounds, the Court (Fifth Chamber) hereby:

1. Dismisses the appeal;
  2. Orders Bundesverband Souvenir — Geschenke — Ehrenpreise eV to pay the costs.
- [Signatures]

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### OPINION OF ADVOCATE GENERAL M. WATHELET

delivered on 11 January 2018 (1)

Case C-488/16 P

Bundesverband Souvenir — Geschenke — Ehrenpreise eV

v

European Union Intellectual Property Office (EUIPO)  
(Appeal — EU trade mark — Invalidity proceedings — Word mark NEUSCHWANSTEIN — Rejection of application for declaration of invalidity — Absolute grounds for refusal — Article 7(1)(b) and (c) of Regulation (EC) No 207/2009 — Descriptive character — Indication of geographical origin — Distinctive character — Article 52(1)(b) of Regulation (EC) No 207/2009 — Bad faith)

#### I. Introduction

1. By its appeal, the appellant, Bundesverband Souvenir — Geschenke — Ehrenpreise eV ('BSGE'),

asks the Court to set aside the judgment of the General Court of 5 July 2016, *Bundesverband Souvenir — Geschenke — Ehrenpreise v EUIPO — Freistaat Bayern (NEUSCHWANSTEIN)* (T-167/15, not published, EU:T:2016:391), which dismissed the action seeking the annulment of the decision of the Fifth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 22 January 2015 (Case R 28/2014-5), relating to proceedings for a declaration of invalidity between BSGE and Freistaat Bayern (Free State of Bavaria, Germany) ('the judgment under appeal').

#### II. Background to the dispute

2. On 22 July 2011, Freistaat Bayern filed an application for registration of the word sign 'NEUSCHWANSTEIN' ('the contested mark') as an EU trade mark with EUIPO, pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).

3. The name 'NEUSCHWANSTEIN' refers to the famous Neuschwanstein Castle, situated in the municipality of Schwangau (Germany), currently in the ownership of Freistaat Bayern and built, although not completed, between 1869 and 1886, during the reign of King Ludwig II of Bavaria.

4. The goods and services in respect of which registration was sought are in Classes 3, 8, 14 to 16, 18, 21, 25, 28, 30, 32 to 36, 38 and 44 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 ('the Nice Agreement').

5. The EU trade mark application was published in Community Trade Marks Bulletin No 166/2011 of 2 September 2011 and the trade mark was registered on 12 December 2011 under number 10144392.

6. On 10 February 2012, BSGE filed an application under Article 52(1)(a), in conjunction with Article 7(1)(b) and (c), of Regulation No 207/2009 for a declaration that registration of the contested mark was invalid in respect of all the goods and services referred to in point 4 above.

7. On 21 October 2013, the Cancellation Division of EUIPO rejected the application for a declaration of invalidity, finding that the contested mark did not consist of indications which may serve to designate the geographical origin or of other characteristics inherent to the goods and services in question and that there was therefore no infringement of Article 7(1)(c) of Regulation No 207/2009. In addition, the Cancellation Division held that, since the mark at issue was distinctive in respect of the goods and services in question, there was no infringement of Article 7(1)(b) of that regulation. Finally, it found that BSGE had not proven that the application for registration of the contested mark had been made in bad faith and that there was therefore no infringement of Article 52(1)(b) of the regulation.

8. On 20 December 2013, BSGE filed a notice of appeal with EUIPO against the Cancellation Division's

decision, pursuant to Articles 58 to 64 of Regulation No 207/2009.

9. By decision of 22 January 2015, the Fifth Board of Appeal of EUIPO confirmed the decision of the Cancellation Division and dismissed the appeal. In particular, the Board of Appeal found that the contested mark was not indicative of geographical origin within the meaning of Article 7(1)(c) of Regulation No 207/2009 and was not devoid of the distinctive character required under Article 7(1)(b) of the same regulation. In addition, the Board of Appeal held that no bad faith on the part of Freistaat Bayern had been established for the purposes of Article 52(1)(b) of that regulation.

III. The action before the General Court and the judgment under appeal

10. By application lodged at the Registry of the General Court on 2 April 2015, BSGE brought an action for annulment of the decision of the Fifth Board of Appeal of EUIPO of 22 January 2015.

11. In support of its action, BSGE put forward three pleas in law, alleging: (i) infringement of Article 7(1)(b) of Regulation No 207/2009; (ii) infringement of Article 7(1)(c) of Regulation No 207/2009; and (iii) infringement of Article 52(1)(b) of that regulation.

12. The General Court first examined the second plea, under which BSGE claimed that the Fifth Board of Appeal of EUIPO had infringed Article 7(1)(c) of Regulation No 207/2009 in finding that the contested mark was not a descriptive indication of the goods and services in question. The General Court dismissed that plea, holding, in essence, in paragraph 27 of the judgment under appeal, that as Neuschwanstein Castle is above all a museum location, it is not as such a place of production of goods or rendering of services and therefore the contested mark could not be indicative of the geographical origin of the goods and services it covered.

13. The General Court also dismissed the first plea, under which BSGE claimed that the Fifth Board of Appeal of EUIPO had infringed Article 7(1)(b) of Regulation No 207/2009 in finding that the contested mark was not devoid of distinctive character. The General Court held, in essence, in paragraphs 41 and 42 of the judgment under appeal, that the goods and services in question were everyday goods and services, distinguishable from souvenir goods and other tourist-related services by their designation alone, and that the word element constituting the contested mark was a fantasy name with no descriptive relationship with the goods sold or services offered.

14. Finally, the General Court dismissed the third plea, under which BSGE claimed that the Fifth Board of Appeal of EUIPO had infringed Article 52(1)(b) of Regulation No 207/2009 in finding that no bad faith had been established on the part of Freistaat Bayern. The General Court held, in paragraph 55 of the judgment under appeal, that BSGE had not provided evidence of the objective circumstances in which Freistaat Bayern was alleged to know that some of the

goods and services in question were marketed by BSGE and other third parties.

15. The General Court accordingly dismissed the action in its entirety.

#### **IV. Procedure before the Court**

16. By its appeal, BSGE claims that the Court should:

- set aside the judgment under appeal;
- cancel registration of the NEUSCHWANSTEIN trade mark; and
- order EUIPO to pay the costs.

17. EUIPO contends that the Court should dismiss the appeal and order BSGE to pay the costs.

18. Freistaat Bayern contends that the Court should dismiss the appeal and order BSGE to pay the costs, including those incurred by Freistaat Bayern.

19. A hearing was held on 29 November 2017, at which BSGE, EUIPO and Freistaat Bayern were asked to concentrate their submissions on the second part of the first ground of appeal and the first part of the second ground of appeal.

#### **V. The appeal**

20. In accordance with the Court's request, this Opinion concentrates on the second part of the first ground of appeal and the first part of the second ground of appeal.

A. The second part of the first ground of appeal, alleging infringement of Article 7(1)(c) of Regulation No 207/2009

##### **1. Arguments of the parties**

21. By the second part of the first ground of appeal, BSGE alleges that the General Court failed to have regard to the public interest underlying Article 7(1)(c) of Regulation No 207/2009 and the case-law stemming from, inter alia, the judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230), when it held, in paragraph 27 of the judgment under appeal, that Neuschwanstein Castle is not as such a place of production of goods or rendering of services and therefore the contested mark could not be indicative of the geographical origin of the goods and services it covers.

22. According to BSGE, Neuschwanstein Castle is geographically locatable and, therefore, the 'NEUSCHWANSTEIN' sign could be indicative of geographical origin for the purposes of Article 7(1)(c) of Regulation No 207/2009 due to the fact that goods and services covered by the contested mark are marketed at that location.

23. EUIPO and Freistaat Bayern agree with the analysis made by the General Court in paragraph 27 of the judgment under appeal.

24. According to EUIPO, there is nothing on the file to show that the contested mark is used to market specific souvenirs or offer particular services, which would lead the relevant public to think that it was an indication of geographical origin. EUIPO considers that the goods and services covered by the contested mark are intended for everyday use, do not have any specific characteristics and only become souvenirs through the affixing of the 'NEUSCHWANSTEIN' sign.

25. Freistaat Bayern asserts that Article 7(1)(c) of Regulation No 207/2009 can serve as the basis for excluding the registration as an EU mark of names of objects which are geographically locatable, but only when the sign in question is objectively descriptive in relation to the goods and services claimed, which is not the case for the goods and services covered by the contested mark.

26. According to Freistaat Bayern, the pleasant emotions and positive connotations that the contested mark might evoke for the relevant public and the place of marketing of the goods and services covered by the contested mark are not sufficient for the 'NEUSCHWANSTEIN' sign to constitute an indication of geographical origin for the purposes of Article 7(1)(c) of Regulation No 207/2009.

## 2. Assessment

27. Article 7(1)(c) of Regulation No 207/2009 prevents the registration of EU trade marks which consist exclusively of signs or indications which may serve, in trade, to designate, inter alia, the geographical origin of the goods or of rendering of the service for which registration is sought.

28. According to settled case-law, 'Article [7](1)(c) [of Regulation No 207/2009] pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics 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 7(1)(c)] therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks'. (2)

29. More particularly, with regard to signs or indications which may serve to designate geographical origin, especially geographical names, the Court has held that 'it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response'. (3)

30. On the basis of that public interest consideration, the Court held that an assessment must be made as to whether a geographical name designates a place which is, in the mind of the relevant class of persons, currently or potentially associated with the category of goods or services in question and, if so, registration of that name as an EU trade mark must be refused. (4)

31. The requirement that such an association exists or could be made between the goods or service in question and the geographical name stems from the very concept of 'geographical origin'. For registration as an EU mark to be refused in respect of a geographical name, that name must be capable of designating an origin, in other words there must be a connection between the goods or the service and the geographical name, (5) since a geographical name does not in itself automatically constitute evidence of the origin. As Advocate General Cosmas illustrated so well, nobody

would think that 'Montblanc' pens originate from the mountain of that name. (6)

32. However, as the Court has held, the existence of that connection between goods and geographical location does not depend only on the place where those goods were or could be manufactured but might also depend on other ties, such as the location where the goods were conceived or designed. (7)

33. In this respect, the General Court held in paragraph 27 of the judgment under appeal that Neuschwanstein Castle is not a geographical location but a museum location, the principal function of which is the preservation of cultural heritage and not the manufacturing or marketing of souvenirs or rendering of services. In addition, according to the General Court, Neuschwanstein Castle is not known for its souvenirs, which are not manufactured within the castle but merely marketed there to tourists. Therefore, the General Court held that the 'NEUSCHWANSTEIN' sign could not be indicative of a geographical origin within the meaning of Article 7(1)(c) of Regulation No 207/2009.

34. At that point in its judgment, the General Court proceeded to make a series of findings of fact which may be contested on appeal only in the event of a distortion of the facts, which is not something claimed by BSGE.

35. Nonetheless, the legal classification of certain facts, such as the designation of geographical origin by means of the 'NEUSCHWANSTEIN' sign, may be examined in the context of this appeal.

36. In my opinion, it is not decisive, as BSGE maintains, whether Neuschwanstein Castle is a geographical location or whether it is so famous that, in the eyes of the relevant public, the name 'Neuschwanstein' prevails over the name of the place where the castle is situated (namely the municipality of Schwangau). What matters instead is that the signs or indications making up the EU mark may serve as a basis for designating a geographical origin of the goods and services covered by the mark.

37. It is precisely for that reason that BSGE complains that the General Court did not find the place of marketing the souvenirs to be a tie that could connect the goods with the 'NEUSCHWANSTEIN' sign and thus indicate a geographical origin within the meaning of paragraph 36 of the judgment of 4 May 1999, [Windsurfing Chiemsee](#) (C-108/97 and C-109/97, EU:C:1999:230).

38. I disagree with that complaint for the following reasons.

39. First of all, it should be noted that, from a legal perspective, the goods covered by the contested mark are not souvenir items but goods that fall into the classes set out in paragraph 3 of the judgment under appeal, for example, t-shirts, knives, forks, plates, teapots, etc. Under the Nice Agreement, there is no class entitled 'souvenir items' since, if such a class existed, it would be so wide-ranging that it would not be capable of designating a specific category of goods. In addition, as souvenirs are items that recall a person,

place or event, they are items evoking emotions. Human emotions cannot be covered by an EU trade mark since they do not constitute goods or services for the purposes of Article 7(1)(c) of Regulation No 207/2009. For that reason and despite BSGE's assertion to the contrary, this appeal does not concern the geographical origin of souvenir items but everyday goods.

40. So far as concerns the place of marketing as a tie connecting goods with a geographical place, it is clear from the wording of paragraph 36 of the judgment of 4 May 1999, [Windsurfing Chiemsee](#) (C-108/97 and C-109/97, EU:C:1999:230) that the Court did not limit connecting ties to the place of manufacture of the goods in question, since it held that 'the connection between a category of goods and a geographical location might depend on other ties, such as the fact that the goods were conceived and designed in the geographical location concerned'.

41. However, that does not necessarily imply that the place of marketing can serve as a tie connecting the goods or services with the place concerned, even in the case of souvenir items. As BSGE acknowledges in paragraph 28 of its appeal, it is quite possible that a souvenir item bearing the contested mark could be sold outside the vicinity of Neuschwanstein Castle. The very existence of that possibility supports the argument that the place of marketing of an item bearing the contested mark is not necessarily a tie connecting that article with Neuschwanstein Castle.

42. Finally, the place of marketing is in itself incapable of proving geographical origin, since the place where goods are sold is not descriptive of their properties, qualities or other characteristics (8) and, consequently, the relevant public cannot associate properties, qualities or other characteristics with goods on the basis that they have been purchased in a particular geographical location. By contrast, the relevant public can make such a link between goods and the geographical location in which they were manufactured, conceived or designed if it is thought that the goods have certain properties, qualities or other characteristics (such as a technique, tradition or craft) given that they were manufactured or conceived and designed in a particular geographical location. For example, the relevant public will associate certain qualities with Limoges porcelain so that, in relation to porcelain goods, the 'Limoges' sign is descriptive of a geographical origin.

43. In the present case, BSGE is not claiming that the relevant public associates or could associate certain properties, qualities or other characteristics with the goods and services covered by the contested mark on the basis that they were sold on the premises of Neuschwanstein Castle. As the General Court held in paragraph 27 of the judgment under appeal, 'Neuschwanstein Castle is not known for the souvenirs it sells or the services it offers'.

44. For these reasons, it is my opinion that in holding, in paragraph 27 of the judgment under appeal, that the contested mark cannot be indicative of the geographical origin of the goods and services it covers, the General

Court did not make any error of law in the interpretation and application of Article 7(1)(c) of Regulation No 207/2009. Therefore, the second part of the first ground of appeal must be rejected.

## **B. The first part of the second ground of appeal, alleging infringement of Article 7(1)(b) of Regulation No 207/2009**

### **1. Arguments of the parties**

45. By the first part of its second ground of appeal, BSGE alleges, in essence, that in holding, in paragraphs 41 and 42 of the judgment under appeal, that the contested mark possessed a distinctive character, the General Court infringed Article 7(1)(b) of Regulation No 207/2009, since merely affixing the 'NEUSCHWANSTEIN' sign to souvenir items is not sufficient to distinguish the goods and services covered by the contested mark from those sold and offered in the vicinity of Neuschwanstein Castle.

46. In addition, BSGE maintains that the General Court used circular reasoning in holding, in paragraph 41 of the judgment under appeal, that the 'NEUSCHWANSTEIN' sign not only designates the castle as a museum location but also the contested mark itself. The same goes for paragraph 42 of the judgment under appeal where the General Court held that the contested mark enables products to be marketed and services to be offered under that designation, the quality of which could be controlled by Freistaat Bayern, whereas that is not an indication of the distinctive nature of the 'NEUSCHWANSTEIN' sign but a consequence of its registration as an EU trade mark. BSGE claims that, by so doing, the General Court anticipated the decision as to whether or not that sign could constitute an EU trade mark.

47. EUIPO and Freistaat Bayern consider that the first part of the second ground of appeal is inadmissible to the extent that it does not raise any question of law and seeks to obtain from the Court a re-assessment of the distinctive character of the 'NEUSCHWANSTEIN' sign. EUIPO comments that, in the business world, it is common for museums and companies operating cultural and tourist sites to market goods under their respective names and that those names are used as trade marks.

48. In the alternative, Freistaat Bayern submits that the first part of the second ground of appeal is unfounded. It states that the General Court established that the relevant class of persons is familiar with the fact that tourist attractions and museums are businesses that not only provide cultural entertainment but nowadays also manufacture and market goods under the name of their establishment as a way of complementing their main service. It maintains that the General Court was also right to find, in paragraph 43 of the judgment under appeal, that the relevant public did not perceive the contested mark only as a reference to the castle, but at least 'also as an indication of the commercial origin of the goods and services concerned'.

### **2. Assessment**

#### **(a) Admissibility**

49. I agree with EUIPO and Freistaat Bayern that, to the extent that BSGE complains that the grounds given by the General Court for finding that the ‘NEUSCHWANSTEIN’ sign had distinctive character were that the sign designated not only the castle as a museum but also the contested mark itself, BSGE is seeking to obtain from the Court a re-assessment of the said sign which, it maintains, does not have distinctive character and would only be perceived by the relevant public as referring to the castle. It is settled case-law of the Court (9) that such an argument may not be the subject of an appeal except where there has been a distortion of the facts or the evidence, which is not something claimed in the present case.

50. However, to the extent that BSGE complains that the General Court provided insufficient grounds for its assertion that the contested mark has a distinctive character, BSGE is raising a question of law which, in itself, may be raised in the context of an appeal. (10)

**(b) Substance**

51. It has consistently been held that the statement of the reasons on which a judgment of the General Court is based must clearly and unequivocally disclose that Court’s reasoning in such a way as to enable the persons concerned to ascertain the reasons for the decision taken and the Court of Justice to exercise its power of review. (11)

52. In my opinion, paragraphs 41 to 43 of the judgment under appeal do not amount to an insufficient statement of reasons for the following reasons.

53. Paragraph 41 of the judgment under appeal states, in essence, that the goods and services covered by the contested mark are everyday goods and services, distinguishable from souvenir goods and other tourist-related services by their designation alone, inasmuch as it designates not only the castle in its capacity as a museum location but also the contested mark itself. The General Court held that the goods and services covered by that mark were not manufactured but only marketed at Neuschwanstein Castle and the services in question were not all rendered on site.

54. The description of the goods and services in question as goods and services intended for everyday use, distinguishable from other goods (souvenir items) and tourist-related services by their designation alone, is a factual statement against which BSGE may not appeal except in the case of distortion of the facts, which is not something claimed by BSGE. The same goes for the statement that the goods covered by the contested mark were not manufactured at Neuschwanstein Castle but marketed there, and that the services covered by the contested mark were not all rendered on site.

55. Despite BSGE’s assertion to the contrary, the General Court’s reasoning that the ‘NEUSCHWANSTEIN’ sign is simultaneously the contested mark and the name of the castle where the goods and services covered by the mark are marketed is not circular.

56. In the present case, if the ‘NEUSCHWANSTEIN’ sign is not descriptive of the geographical origin of the

goods and services it covers, there is in principle nothing to stop Freistaat Bayern from registering the name of the museum location in its ownership as an EU trade mark. In that event, it would be normal for the name of that place and the mark to be identical.

57. In paragraph 42 of the judgment under appeal, the General Court went on to hold that the ‘NEUSCHWANSTEIN’ sign was not descriptive of the goods and services covered by the contested mark because it was only the affixing of the sign to the goods and services in question that enabled them to be distinguished from the goods and services of other undertakings.

58. First of all, as I mentioned in point 39 of this Opinion, the Nice Agreement does not recognise any classes of goods or services called ‘souvenir items’. Accordingly, the General Court was right to consider whether the ‘NEUSCHWANSTEIN’ sign was descriptive of the goods and services covered as intended for everyday use and not for use as souvenirs.

59. According to established case-law, an EU trade mark cannot be descriptive but must ‘serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings’. (12)

60. The General Court was correct to hold that, as a fantasy name meaning the ‘new stone of the swan’, the ‘NEUSCHWANSTEIN’ sign could not be descriptive of the goods and services covered by the contested mark, as it is not descriptive of their characteristics, as, for example, the word sign ‘ecoDoor’ would be for energy-efficient goods. (13)

61. In the present case, BSGE maintains that the only connection that could exist between the ‘NEUSCHWANSTEIN’ sign and the goods and services covered by the contested mark is their place of marketing in the vicinity of the castle of that name. As I explained in point 42 of this Opinion, the place of marketing is not a characteristic of the goods and services covered by the contested mark. (14)

62. One can easily follow the General Court’s reasoning that it is only the affixing of the non-descriptive ‘NEUSCHWANSTEIN’ sign (which, in the eyes of the relevant class of persons, has no connection with the goods and services in question other than their place of marketing at the castle of the same name) which enables the relevant public to distinguish the goods and services in question from those of other undertakings.

63. In paragraph 43 of the judgment under appeal, the General Court rejected the arguments of BSGE and the Fifth Board of Appeal of EUIPO that the ‘NEUSCHWANSTEIN’ sign was an advertising medium or a slogan. However, the General Court found that the sign allowed the relevant public both to distinguish the commercial origin of the goods and services covered by the contested mark and to make a reference to a visit to the castle. This dual function is the inevitable consequence of the choice by the owner of a museum location to register its name as an EU

trade mark, against which there is no prohibition. In that sense, the General Court substantiated the distinctive character of the ‘NEUSCHWANSTEIN’ sign inasmuch as it enables the relevant public to associate the goods and services covered by the contested mark with Freistaat Bayern.

64. For the reasons set out above, I consider that the first part of the second ground of appeal should be rejected.

## VI. Conclusions

65. For the above reasons and without prejudice to the examination of the other grounds of appeal, I propose that the Court should reject the second part of the first ground of appeal and the first part of the second ground of appeal.

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1 Original language: French.

2 Judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraph 25). See also, to that effect, judgments of 8 April 2003, *Linde and Others* (C-53/01 to C-55/01, EU:C:2003:206, paragraph 73); of 6 May 2003, *Libertel* (C-104/01, EU:C:2003:244, paragraph 52); of 23 October 2003, *OHIM v Wrigley* (C-191/01 P, EU:C:2003:579, paragraph 31); of 12 February 2004, *Koninklijke KPN Nederland* (C-363/99, EU:C:2004:86, paragraph 54); of 10 March 2011, *Agencja Wydawnicza Technopol v OHIM* (C-51/10 P, EU:C:2011:139, paragraph 37); of 10 July 2014, *BSH v OHIM* (C-126/13 P, not published, EU:C:2014:2065, paragraph 19); and of 6 July 2017, *Moreno Marín and Others* (C-139/16, EU:C:2017:518, paragraph 23).

3 Judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraph 26).

4 See judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraphs 31 to 33 and 37).

5 See, to that effect, judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraph 33) and Opinion of Advocate General Cosmas in Joined Cases *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1998:198, points 35 to 37).

6 See Opinion of Advocate General Cosmas in Joined Cases *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1998:198, point 35).

7 See judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraphs 36 and 37).

8 See judgment of 10 March 2011, *Agencja Wydawnicza Technopol v OHIM* (C-51/10 P, EU:C:2011:139, paragraph 50).

9 See judgment of 4 July 2000, *Bergaderm and Goupil v Commission* (C-352/98 P, EU:C:2000:361, paragraph 35), and orders of 26 September 1994, *X v Commission* (C-26/94 P, EU:C:1994:346, paragraph 13), and of 9 March 2012, *Atlas Transport v OHIM* (C-

406/11 P, not published, EU:C:2012:136, paragraph 32).

10 See judgment of 5 July 2011, *Edwin v OHIM* (C-263/09 P, EU:C:2011:452, paragraph 63 and the case-law cited).

11 See judgments of 14 October 2010, *Deutsche Telekom v Commission* (C-280/08 P, EU:C:2010:603, paragraph 136), and of 24 January 2013, *3F v Commission* (C-646/11 P, not published, EU:C:2013:36, paragraph 63).

12 See judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraph 46). See also, to that effect, judgments of 18 June 2002, *Philips* (C-299/99, EU:C:2002:377, paragraph 35); of 8 April 2003, *Linde and Others* (C-53/01 to C-55/01, EU:C:2003:206, paragraph 40); and of 6 May 2003, *Libertel* (C-104/01, EU:C:2003:244, paragraph 62).

13 See judgment of 10 July 2014, *BSH v OHIM* (C-126/13 P, not published, EU:C:2014:2065, paragraphs 24 to 27).

14 I would point out that there is an overlap between the scope of Article 7(1)(b) and (c) of Regulation No 207/2009 in the sense that a descriptive sign may not be distinctive. See judgments of 12 February 2004, *Koninklijke KPN Nederland* (C-363/99, EU:C:2004:86, paragraphs 67, 85 and 86), and of 10 March 2011, *Agencja Wydawnicza Technopol v OHIM* (C-51/10 P, EU:C:2011:139, paragraphs 46 and 47).