

JUDGMENT OF THE COURT (Sixth Chamber)

12 February 2004 \*

In Case C-363/99,

REFERENCE to the Court under Article 234 EC by the Gerechtshof te 's-Gravenhage (Netherlands) for a preliminary ruling in the proceedings pending before that court between

**Koninklijke KPN Nederland NV**

and

**Benelux-Merkenbureau,**

on the interpretation of Articles 2 and 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1),

\* Language of the case: Dutch.

THE COURT (Sixth Chamber),

composed of: V. Skouris, acting for the President of the Sixth Chamber, C. Gulmann, J.N. Cunha Rodrigues, R. Schintgen and F. Macken (Rapporteur), Judges,

Advocate General: D. Ruiz-Jarabo Colomer,  
Registrar: H. von Holstein, Deputy Registrar,

after considering the written observations submitted on behalf of:

- Koninklijke KPN Nederland NV, by K. Limperg and T. Cohen Jehoram, advocaten,
- the Benelux-Merkenbureau, by J.H. Spoor and L. De Gryse, advocaten,
- the Commission of the European Communities, by K. Banks and H.M.H. Speyart, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Koninklijke KPN Nederland NV, of the Benelux-Merkenbureau and of the Commission at the hearing on 15 November 2001,

after hearing the Opinion of the Advocate General at the sitting on 31 January 2002,

gives the following

### Judgment

- 1 By judgment of 3 June 1999, received at the Court on 1 October 1999, the Gerechtshof te 's-Gravenhage (Regional Court of Appeal, The Hague) referred to the Court for a preliminary ruling pursuant to Article 234 EC nine questions on the interpretation of Articles 2 and 3 of the 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, 'the Directive').
  
- 2 Those questions were raised in proceedings between Koninklijke KPN Nederland NV ('KPN') and the Benelux Merkenbureau (Benelux Trade Mark Office; 'the BTMO') concerning the latter's refusal to register as a trade mark the sign 'Postkantoor' applied for by KPN for various goods and services.

## Legal background

### *Community legislation*

- 3 The purpose of the Directive — according to the first recital in its preamble — is to approximate the trade mark laws of the Member States so as to remove the disparities which may impede the free movement of goods and freedom to provide services and may distort competition within the common market.
- 4 However, as the third recital in its preamble makes clear, the Directive does not aim for full-scale approximation of the trade mark laws of the Member States and is limited to bringing about an approximation of those national provisions of law which most directly affect the functioning of the internal market.
- 5 The seventh recital in the preamble to the Directive states that attainment of the objectives at which the approximation of the trade mark laws of the Member States is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States and that the grounds for refusal or invalidity concerning the trade mark itself, for example, the absence of any distinctive character, are to be listed in an exhaustive manner, even if some of these grounds are listed as an option for the Member States, which will therefore be able to maintain or introduce those grounds in their legislation.
- 6 The 12th recital in the preamble to the Directive states that all Member States of the Community are bound by the Paris Convention for the Protection of

Industrial Property of 20 March 1883, as last revised at Stockholm on 14 July 1967 (United Nations Treaty Series, Vol. 828, No 11847, p. 108) and that it is necessary that the provisions of the Directive be entirely consistent with those of the Paris Convention.

- 7 Article 2 of the Directive, entitled ‘Signs of which a trade mark may consist’, provides as follows:

‘A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.’

- 8 Article 3 of the Directive, which lists the grounds for refusal or invalidity, provides at paragraphs (1) and (3):

‘1. The following shall not be registered or if registered shall be liable to be declared invalid:

(a) signs which cannot constitute a trade mark;

(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;

...

(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;

...

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration’.

*The Uniform Benelux Law on Trade Marks*

- 9 The Uniform Benelux Law on Trade Marks was amended, with effect from 1 January 1996, by the Protocol of 2 December 1992 amending that law (*Nederlands Traktatenblad* 1993, No 12, 'the UBL'), in order to incorporate the Directive into the laws of the three Benelux States.

- 10 Article 1 of the UBL provides:

'The following may be registered as individual marks: names, designs, imprints, stamps, letters, numerals, the shape of goods or their packaging, and any other signs which serve to distinguish the goods of an undertaking.

However, shapes which result from the nature of the goods themselves, or which affect the substantial value of the goods, or which give rise to a technical result may not be registered as trade marks.'

- 11 Article 6a, paragraphs 1 to 4, of the UBL provides as follows:

'1. The Benelux Trade Mark Office shall refuse registration where it considers that:

- (a) the sign filed does not constitute a trade mark within the meaning of Article 1, in particular because it is devoid of any distinctive character, as provided for in Article 6 *quinquies* B(2) of the Paris Convention;

(b) the filing relates to a trade mark referred to in Article 4(1) and (2).

2. The refusal to register must relate to the sign that constitutes the trade mark in its entirety. It may be confined to one or more of the goods for which the mark is intended to be used.

3. The Benelux Office shall inform the applicant without delay and in writing of its intention to refuse registration in whole or in part, shall state the grounds and shall allow him a right to respond within a period of time to be laid down in an implementing regulation.

4. If the objections of the Benelux Office to registration have not been removed within the period granted, registration of the filing shall be refused in whole or in part. The Benelux Office shall notify the applicant without delay and in writing, stating the grounds for refusal and advising of the possibility of review of the decision set out in Article 6b.’

<sup>12</sup> Article 6b of the UBL provides:

‘The applicant may, within two months following notification under Article 6a(4), file at the Cour d’Appel, Brussels, the Gerechtshof at The Hague or the Cour d’Appel, Luxembourg, an application for an order that the filing be registered. The applicant’s address, that of his representative, or the postal address given upon filing shall determine which court has territorial jurisdiction.’

13 Article 13C(1) of the UBL provides:

‘The exclusive right to a trade mark expressed in one of the national or regional languages of the Benelux territory extends automatically to its translation in another of those languages.’

#### **The main proceedings and the questions referred for a preliminary ruling**

- 14 On 2 April 1997, KPN lodged with the BTMO an application for registration of ‘Postkantoor’ (which may be translated as ‘post office’) as a trade mark in respect of certain goods and services falling within Classes 16, 35 to 39, 41 and 42 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’), classes which include paper, advertising, insurance, postage-stamps, construction, telecommunications, transport, education and technical information and advice.
- 15 By letter of 16 June 1997, the BTMO informed KPN that it was provisionally refusing registration on the ground that ‘the Postkantoor sign is exclusively descriptive of the goods and services mentioned in Classes 16, 35, 36, 37, 38, 39, 41 and 42 in relation to a post office’ and that ‘[it] therefore... has no distinctive character as provided for in Article 6a(i)(a) of the Uniform Benelux Law on Trade Marks’.

- 16 By letter of 15 December 1997, KPN raised an objection to the refusal but the latter was definitively confirmed by a letter from the BTMO of 28 January 1998.
- 17 On 30 March 1998 KPN brought proceedings before the *Gerechtshof te 's-Gravenhage*, which held that the answer to certain questions, which concerned the interpretation of the UBL, called for a referral to the Benelux Court of Justice and that other questions, concerning the interpretation of the Directive, should be referred to the Court of Justice of the European Communities.
- 18 It was in those circumstances that the *Gerechtshof te 's-Gravenhage* decided to stay the proceedings and refer the following nine questions to the Court for a preliminary ruling:
- ‘1. Must the Benelux Trade Marks Office, which under the Protocol of 2 December 1992 amending the Uniform Benelux Law on Trade Marks (Trb. 1993, 12) is responsible for the assessment of the absolute grounds for refusal to register a trade mark laid down in Article 3(1) in conjunction with Article 2 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) have regard not only to the sign as it appears in the application for registration but also to all the relevant facts and circumstances known to it, including those of which it was informed by the applicant (for example, the fact that, prior to the application, the applicant already used the sign widely as a trade mark for the relevant products, or the fact that investigation shows that use of the sign for the goods and/or services mentioned in the application will not be of such a nature as to deceive the public)?
  2. Does the reply to the [first] question... also apply to consideration by the Benelux Trade Marks Office of the question whether its objections to

registration of the application have been removed by the applicant, as well as to its decision to refuse registration in whole or in part, as provided for in Article 6a(4) of the UBL?

3. Does the reply to the [first] question... also apply to the judicial review to which Article 6b of the UBL refers?
  
4. In the light of the provisions of Article 6 *quinquies* (B)(2) of the Paris Convention, do the marks which under Article 3(1)(c) of the Directive are not to be registered or, if registered, may be declared invalid, also include marks composed of signs or indications which may serve, in trade, to indicate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of service or other characteristics of the goods or services, even if that configuration is not the (only or most) usual indication used? Does it make any difference in that connection whether there are many or only a few competitors who may have an interest in using such indications (see the judgment of the Benelux Court of Justice of 19 January 1981, NJ 1981, 294, in *P Ferrero & Co S.p.A. v Alfred Ritter Schokoladefabrik GmbH (Kinder)*)?

Is it also relevant that under Article 13C of the UBL the right to a trade mark expressed in one of the national or regional languages of the Benelux area extends automatically to its translation in another of those languages?

5. (a) In the assessment of the question whether a sign consisting of a (new) word made up of components which in themselves have no distinctive character with regard to the goods or services in respect of which the

application is made answers the description given in Article 2 of the Directive (and Article 1 of the UBL) of a mark, must a (new) word of that kind be taken to have in principle a distinctive character?

- (b) If not, must a word of that kind (leaving aside the fact that it may have acquired distinctive character through use, “*inburgering*”) be taken to have in principle no distinctive character, it being otherwise only where, because of other circumstances, the combination is more than the sum of its parts?

Is it relevant in that connection whether the sign is the only or an obvious term for indicating the relevant quality or (combination of) qualities, or whether there are synonyms which may reasonably also be used, or that the word indicates a commercially essential or rather an incidental quality of the product or service?

Is it also relevant that, under Article 13C of the UBL, the right to a trade mark expressed in one of the national or regional languages of the Benelux area extends automatically to its translation in another of those languages?

6. Does the mere fact that a descriptive sign is also lodged for registration as a mark for goods and/or services of which the sign is not descriptive warrant the conclusion that the sign thereby has distinctive character in relation to those goods and/or services (for example, the sign “Postkantoor” for furniture)?

If not, in order to determine whether such a descriptive sign has distinctive character for such goods and/or services, must regard be had to the possibility that, in the light of its descriptive meaning or meanings, (a part of) the public will not perceive that sign as a distinctive sign for (all or some of) those goods or services?

7. In the assessment of the abovementioned questions, is significance to be attached to the fact that, since the Benelux countries have chosen to have applications for registration of trade marks examined by the Benelux Trade Marks Office as a requirement prior to registration, the appraisal policy of the Office under Article 6a of the UBL, according to the common commentary of the Governments, “must be a cautious and restrained one whereby all concerns of commercial life must be taken into account and efforts must be focused on establishing solely which applications are manifestly inadmissible and rectifying or refusing them”? If so, under what rules does it fall to be determined whether an application is “manifestly inadmissible”?

It is assumed that in invalidity proceedings (which may be initiated after registration of a sign) it is not necessary, in addition to reliance on the nullity of the sign lodged as a mark, for the sign to be “manifestly inadmissible.”

8. Is it consistent with the scheme of the Directive and the Paris Convention for a sign to be registered for specific goods or services subject to the limitation that the registration applies only to those goods and services in so far as they do not possess a specific quality or specific qualities (for example, registration of the sign “Postkantoor” for the services of direct-mail campaigns and the issue of postage stamps “provided they are not connected with a post office”)?
9. Is it also material to the answer to be given to the questions whether a corresponding sign for similar goods or services is registered as a trade mark in another Member State?

## The first, second and third questions

- 19 By the first question, the national court asks essentially whether Article 3 of the Directive is to be interpreted as meaning that a trade mark registration authority must have regard, in addition to the mark as filed, to all the relevant facts and circumstances known to it. By the second and third questions, which it is appropriate to examine together, it asks at which stage of the procedure before it should the competent authority have regard to all the relevant facts and circumstances and, where application is made to a court for review, whether the court must also have regard to them.

### *Observations submitted to the Court*

- 20 KPN submits that when the BTMO examines whether a mark should be registered, it must not base its assessment exclusively on the mark but may take into account certain facts which are a matter of common knowledge and information produced by the applicant. However, it must confine itself to the relevant facts and circumstances known to it at the time when the application is filed.
- 21 KPN maintains that the BTMO should apply the same criteria for both the provisional assessment and the final assessment of an application for registration but should nevertheless be able to take into account, at the time of the final assessment, relevant facts which have been drawn to its attention since the provisional assessment.

- 22 Finally, KPN suggests that the court asked to review a decision of the BTMO must examine the same facts as those relied on by the latter.
- 23 The BTMO maintains that it is required to have regard to all the facts and circumstances known to it and which are relevant to the question whether the mark, as filed, is able to fulfil its function of being distinctive with regard to the goods and services in respect of which registration is sought. It cannot therefore take account merely of information provided to it by the applicant or which is common knowledge, bearing in mind that if it wishes to rely on matters which are not known to the applicant it must give the latter the opportunity to comment, in accordance with the principle that the rights of the defence must be observed.
- 24 Furthermore, the obligation to take into account all relevant facts and circumstances applies at every stage of the procedure before it.
- 25 Finally, the BTMO submits, in essence, that a court asked to review one of its decisions must assess the merits of the application on the basis of all the facts and circumstances which were known to the BTMO at the time of the final refusal, and cannot take into account new facts raised for the first time before the court.
- 26 The Commission submits that it is inconceivable that either the mark applied for, or the question whether one of the grounds for refusal set out in Article 3 of the Directive applies to it, should be assessed in the abstract.

- 27 On the one hand, for each trade mark — particularly word marks — the answer to that question is dependent on the meaning of the mark, which in turn is dependent on the use to which the mark is put in economic and social intercourse, in particular as regards the public at which the mark is aimed. On the other hand, protection is never claimed in absolute terms but rather in respect of certain goods or services which must be specified in the application for registration. The ability of the mark to distinguish the goods or services of one undertaking from those of other undertakings must always be assessed in the light of the goods or services in respect of which registration of the mark is sought.
- 28 Finally, although Member States are quite free to lay down procedural rules in the matter of trade marks, compliance with the substantive rules prescribed by the Directive should not be made dependent on the stage of the procedure concerned. Therefore, the obligation to have regard to actual circumstances in the assessment of the application for registration applies both before the competent authority and before the court.

### *The Court's reply*

- 29 As regards the question whether a competent authority must have regard to all the relevant facts and circumstances when examining a trade mark application, it is appropriate to point out, first, that the 12th recital in the preamble to the Directive states that 'all Member States of the Community are bound by the Paris Convention for the Protection of Industrial Property' and that 'it is necessary that the provisions of this Directive are entirely consistent with those of the Paris Convention'.

- 30 Article 6 *quinquies* C(1) of the Paris Convention provides that ‘in determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use.’
- 31 Second, when the competent authority examines a trade mark application and, for that purpose, must determine, *inter alia*, whether or not the mark is devoid of any distinctive character, whether or not it is descriptive of the characteristics of the goods or services concerned and whether or not it has become generic, it cannot carry out the examination in the abstract.
- 32 In the course of that examination, it is for the competent authority to have regard to the characteristics peculiar to the mark for which registration is sought, including the type of mark (word mark, figurative mark, etc.) and, in the case of a word mark, its meaning, in order to ascertain whether or not any of the grounds for refusal set out in Article 3 of the Directive apply to the mark.
- 33 Moreover, since registration of a mark is always sought in respect of the goods or services described in the application for registration, the question whether or not any of the grounds for refusal set out in Article 3 of the Directive apply to the mark must be assessed specifically by reference to those goods or services.
- 34 A trade mark’s distinctiveness within the meaning of Article 3(1)(b) of the Directive must be assessed, first, by reference to those goods or services and, second, by reference to the perception of the relevant public, which consists of average consumers of the goods or services in question, who are reasonably well informed and reasonably observant and circumspect (see, *inter alia*, Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 41, and Case C-104/01 *Libertel* [2003] ECR I-3793, paragraphs 46 and 75).

- 35 In its assessment, the competent authority has regard to all the relevant facts and circumstances, including, where appropriate, the results of any study submitted by the applicant seeking to establish, for example, that the mark is not devoid of any distinctive character or is not misleading.
- 36 As to the stage of the examination procedure before the competent authority at which account must be taken of all the relevant facts and circumstances and, where national law provides for the possibility of review by a court of a decision of that authority, whether that court must also have regard to the relevant facts and circumstances, the competent authority must have regard to all the relevant facts and circumstances before adopting a final decision on an application to register a trade mark. A court asked to review a decision on an application for a trade mark registration must also have regard to all the relevant facts and circumstances, subject to the limits on the exercise of its powers as defined by the relevant national legislation.
- 37 The answer to the first, second and third questions must therefore be that Article 3 of the Directive is to be interpreted as meaning that a trade mark registration authority must have regard, in addition to the mark as filed, to all the relevant facts and circumstances.

It must have regard to all the relevant facts and circumstances before adopting a final decision on an application to register a trade mark. A court asked to review a decision on an application to register a trade mark must also have regard to all the relevant facts and circumstances, subject to the limits on the exercise of its powers as defined by the relevant national legislation.

## The ninth question

- 38 By the ninth question, which it is appropriate to examine in second place, the referring court asks whether the fact that a trade mark has been registered in a Member State in respect of certain goods or services has any effect on the examination by the trade mark registration authority in another Member State of an application for registration of a similar mark in respect of goods or services which are similar to those in respect of which the first mark was registered.

### *Observations submitted to the Court*

- 39 KPN submits that where a mark is registered in respect of certain goods or services in a Member State the consequence is not that the same or a similar mark will in all circumstances also have to be registered for the same goods and services in other Member States. A particular mark will not necessarily have the same intrinsic distinctive character in every Member State. In each Member State the extent to which the mark in question has distinctive character in the perception of the relevant public in that Member State concerned will have to be determined.
- 40 The BTMO contends that it cannot take into account, for the purposes of its examination of an application for registration of a mark, not only that mark but marks filed in other Member States. In addition, a mark, although originally devoid of distinctive character, may have been registered in another Member State because there it has acquired distinctiveness through use and the applicant has gained recognition of that. Finally, a mark does not acquire distinctive

character because another mark which is equally devoid of distinctive character has been registered in error. Errors of assessment are inevitable but should not have to be replicated on the basis of a misinterpretation of general principles of law such as the protection of a legitimate expectation or legal certainty.

- 41 The Commission submits that where a final registration has been made in a Member State following a review of the grounds for refusal, that may provide some guidance for the competent authorities of other Member States when they carry out a review pursuant to Article 3(1)(b) to (d) of the Directive. However, as regards word marks, such a registration is relevant only if the word concerned is a word in one of the languages of the trade mark law in question. In any event, such a registration is purely indicative and cannot function as a substitute for the assessment which the competent authorities of other Member States must undertake on the basis of the specific circumstances of each case, taking account of the protection of interested parties in those Member States.

*The Court's reply*

- 42 As stated in paragraph 32 of this judgment, it is for the competent authority to have regard to the characteristics peculiar to the mark for which registration is sought in order to ascertain whether or not any of the grounds for refusal set out in Article 3 of the Directive apply. Furthermore, as recalled in paragraph 33 of the present judgment, registration of a mark is always sought in respect of the goods or services described in the application for registration.

- 43 Therefore, the fact that a mark has been registered in one Member State in respect of certain goods and services cannot have any bearing on whether or not any of the grounds for refusal set out in Article 3 of the Directive apply to a similar mark, registration of which is applied for in a second Member State in respect of similar goods or services.
- 44 The answer to the ninth question must therefore be that the fact that a trade mark has been registered in a Member State in respect of certain goods or services has no bearing on the examination by the trade mark registration authority of another Member State of an application for registration of a similar mark in respect of goods or services similar to those in respect of which the first mark was registered.

### **The fourth question**

- 45 By the first part of the fourth question, which it is appropriate to consider in third place, the national court asks whether Article 3(1)(c) of the Directive precludes registration of a mark composed exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services in respect of which registration is sought, when there are more usual indications for designating the same characteristics. It also asks whether the fact that there are many or few competitors who may have an interest in using the signs or indications of which the mark is composed has any bearing on the answer to that question. By the second part of the fourth question, it asks what the consequences are for the application of Article 3(1)(c) of the Directive of a national rule which provides that the exclusive right conferred by registration, by a competent authority in an area in which a number of officially recognised languages coexist, of a mark expressed in one of those languages extends automatically to its translation in the other languages.

*Observations submitted to the Court*

- 46 In KPN's submission, it is not unusual for a duly registered mark to have something allusive or descriptive about it. Such a mark cannot, however, be refused registration even if it immediately brings to mind, for a particular section of the public, characteristics of the goods in respect of which it is registered. Signs which, at the time of filing, are not a customary indication of a particular quality of the goods but are only allusive are not signs of the kind referred to by Article 3(1)(c) of the Directive.
- 47 KPN adds that it is important to know whether competitors have any other options, since the greater the number of other possibilities, the lower the risk will be of a competitor being restricted in its use of an allusive sign as a distinctive sign.
- 48 The BTMO contends that the ground for refusal stated in Article 3(1)(c) of the Directive applies where a mark consists exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services in respect of which registration is sought and that it is irrelevant that there is scope for designating the same characteristics other than by the use of those signs or indications. That analysis is borne out by the judgment in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779.
- 49 The BTMO also contends that the question as to whether many or few competitors wish to use the signs or indications in question is not a determining factor when Article 3(1)(c) of the Directive is applied.

- 50 Finally, under Benelux trade mark law, Benelux territory is one and indivisible, so that if a sign is descriptive in one only of the Benelux States or in one only of the Benelux languages or is devoid of distinctive character there for another reason, its registration as a mark must be refused throughout the Benelux territory.
- 51 Relying on *Windsurfing Chiemsee*, the Commission maintains that the purpose of the prohibition on descriptive marks set out in Article 3(1)(c) of the Directive is to ensure that signs which are descriptive of the characteristics of the goods may be freely used by all. In that regard, it is not necessary for there to be an actual or definite risk of a monopoly being created for such marks to be prohibited. Furthermore, whether signs or indications capable of being used to describe the characteristics of the goods have synonyms has no bearing on the issue.
- 52 Finally, the Commission submits that it is also immaterial whether few or many competitors may be affected by any monopoly created as a result of registration of a mark consisting exclusively of such signs or indications.

*The Court's reply*

- 53 So far as the first part of the question is concerned, it is appropriate to recall that, under Article 3(1)(c) of the Directive, marks consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services in respect of which registration is sought are not to be registered.

- 54 As the Court has already held (*Windsurfing Chiemsee*, paragraph 25, *Linde*, paragraph 73, and *Libertel*, paragraph 52), Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that such signs or indications may be freely used by all. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.
- 55 That public interest requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods. Therefore, marks consisting exclusively of such signs or indications are not eligible for registration unless Article 3(3) of the Directive applies.
- 56 In those circumstances, the competent authority must, under Article 3(1)(c) of the Directive, determine whether a trade mark for which registration is sought currently represents, in the mind of the relevant class of persons, a description of the characteristics of the goods or services concerned or whether it is reasonable to assume that that might be the case in the future (see to that effect *Windsurfing Chiemsee*, paragraph 31). If, at the end of that assessment, the competent authority reaches the conclusion that that is the case, it must refuse, on the basis of that provision, to register the mark.
- 57 It is irrelevant whether there are other, more usual, signs or indications for designating the same characteristics of the goods or services referred to in the application for registration than those of which the mark concerned consists. Although Article 3(1)(c) of the Directive provides that, if the ground for refusal set out there is to apply, the mark must consist ‘exclusively’ of signs or indications which may serve to designate characteristics of the goods or services concerned, it does not require that those signs or indications should be the only way of designating such characteristics.

- 58 Similarly, whether the number of competitors who may have an interest in using the signs or indications of which the mark consists is large or small is not decisive. Any operator at present offering, as well as any operator who might in the future offer, goods or services which compete with those in respect of which registration is sought must be able freely to use the signs or indications which may serve to describe characteristics of its goods or services.
- 59 So far as the second part of the fourth question is concerned, where, as in the case before the national court, the applicable national law provides that the exclusive right, conferred where a competent authority in an area in which a number of officially recognised languages coexist registers a word mark expressed in one of those languages, extends automatically to its translation in the other languages, such a provision in fact allows a number of different marks to be registered.
- 60 Therefore, the authority must ascertain as regards each of those translations whether the mark does not consist exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services in respect of which registration is sought.
- 61 The answer to the fourth question must therefore be that Article 3(1)(c) of the Directive precludes registration of a trade mark which consists exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services in respect of which registration is sought, and that is the case even when there are more usual signs or indications for designating the same characteristics and regardless of the number of competitors who may have an interest in using the signs or indications of which the mark consists.

Where the applicable national law provides that the exclusive right conferred by registration, by a competent authority in an area in which a number of officially recognised languages coexist, of a word mark expressed in one of those languages extends automatically to its translation in the other languages, the authority must ascertain as regards each of those translations whether the mark actually consists exclusively of signs or indications which may serve, in trade, to designate characteristics of those goods or services.

### The sixth question

- 62 By the first part of the sixth question, which it is appropriate to examine in fourth place, the national court asks, essentially, whether Article 3(1) of the Directive must be interpreted as meaning that a trade mark which is descriptive, for the purposes of subparagraph (c) of that provision, of the characteristics of certain goods or services, but not of those of other goods or services, must be regarded as necessarily having distinctive character in relation to those other goods or services for the purposes of subparagraph (b) of the provision. If that is not the case, the national court asks, by the second part of the question, if, for the purpose of determining whether such a mark is devoid of any distinctive character in relation to certain goods or services of which it is not descriptive, account must be taken of the possibility that the public will not perceive that mark as distinctive for those goods or services because it is descriptive of characteristics of other goods or services.

### *Observations submitted to the Court*

- 63 KPN submits, first, that if by ‘descriptive sign’ the national court means a word in everyday language, then where such a word is filed as a mark for goods or

services of which it is not descriptive, the conditions set out in Articles 1 and 3 of the Directive are fulfilled as regards the mark's distinctive character. Second, the distinctive character of a mark must be assessed in relation to the goods or services in respect of which the application has been filed and not in relation to goods or services which might have some connection with the goods or services in respect of which registration of the mark is sought.

- 64 In the BTMO's submission, a mark like 'Postkantoor' may serve inter alia to indicate the intended purpose of the goods or services, for example furniture intended to be used in a post office. In those circumstances, the fact that the mark may be perceived by the relevant public as an indication relating to one characteristic of the goods or services concerned, notably their intended purpose, renders the mark ineligible for registration under Article 3(1)(c) of the Directive.
- 65 However, even if the public were not to perceive 'Postkantoor' for particular goods or services as an indication under Article 3(1)(c) of the Directive, it would remain incapable of serving as a mark by virtue of that provision. The provision is concerned not so much with the way in which the mark is currently perceived by the relevant public as with whether it may serve in trade to designate the characteristics or circumstances to which it alludes. In addition, it is appropriate to have regard to the perception which it may reasonably be assumed the relevant sectors of the public will have of the mark in the future.
- 66 The Commission submits, first, that whether a mark has distinctive character is dependent both on the goods or services for which protection is sought and on the perception which the average consumer, reasonably well informed and reasonably observant and circumspect, has of those goods or services. Second, the grounds for refusal set out in paragraphs (b) and (c) of Article 3(1) of the Directive must be assessed separately, in spite of the overlapping which may appear in practice. In those circumstances, the fact that a mark is not exclusively

descriptive of those goods or services is not sufficient to conclude that it has distinctive character in respect of those goods or services.

*The Court's reply*

<sup>67</sup> As regards the first part of the question, it is clear from Article 3(1) of the Directive that each of the grounds for refusal listed in that provision is independent of the others and calls for a separate examination (see, *inter alia*, *Linde*, paragraph 67). That is true in particular of the grounds for refusal listed in paragraphs (b), (c) and (d) of Article 3(1), although there is a clear overlap between the scope of the respective provisions (see to that effect Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraphs 35 and 36).

<sup>68</sup> Furthermore, according to the Court's case-law, the various grounds for refusing registration set out in Article 3 of the Directive must be interpreted in the light of the public interest underlying each of them (see in particular Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 77, *Linde*, paragraph 71, and *Libertel*, paragraph 51).

<sup>69</sup> It follows that the fact that a mark does not fall within one of those grounds does not mean that it cannot fall within another (see to that effect *Linde*, paragraph 68).

- 70 In particular, it is thus not open to the competent authority to conclude that a mark is not devoid of any distinctive character in relation to certain goods or services purely on the ground that it is not descriptive of them.
- 71 Second, as has been observed in paragraph 34 of this judgment, whether a mark has distinctive character for the purposes of Article 3(1)(b) of the Directive must be assessed by reference to the goods or services described in the application for registration.
- 72 Further, under Article 13 of the Directive ‘where grounds for refusal of registration... exist in respect of only some of the goods or services for which that trade mark has been applied for..., refusal of registration... shall cover those goods or services only’.
- 73 It follows that, where registration of a mark is sought in respect of various goods or services, the competent authority must check, in relation to each of the goods or services claimed, that none of the grounds for refusal listed in Article 3(1) of the Directive applies to the mark and may reach different conclusions depending upon the goods or services in question.
- 74 Therefore, it is not open to the competent authority to conclude that a mark is not devoid of any distinctive character in relation to certain goods or services purely on the ground that it is descriptive of the characteristics of other goods or services, even where registration is sought in respect of those goods or services as a whole.

- 75 As regards the second part of the question, whether a mark has distinctive character must be assessed, as has been observed in paragraph 34 of this judgment, first, by reference to the goods or services in respect of which registration of the mark has been sought, and, second, by reference to the way in which it is perceived by the relevant public, which consists of average consumers of those goods or services, reasonably well informed and reasonably observant and circumspect.
- 76 It follows that if, on completion of the examination of a trade mark application, the competent authority finds, in the light of all the relevant facts and circumstances, that the average consumer of certain goods or services, reasonably well informed and reasonably attentive, perceives a mark as devoid of any distinctive character with regard to those goods or services, it must refuse to register the mark for those goods or services pursuant to Article 3(1)(b) of the Directive.
- 77 However, it is of no relevance that the average consumer of other goods or services, reasonably well informed and reasonably observant, perceives the same mark as descriptive of the characteristics of those other goods or services for the purposes of Article 3(1)(c) of the Directive.
- 78 It does not follow from either Article 3 of the Directive or from any other provisions thereof that the fact that a mark is descriptive of certain goods or services is a ground for refusing to register that mark for other goods or services. As is stated in the seventh recital in the preamble to the Directive, grounds for refusal concerning the trade mark itself are listed exhaustively.
- 79 The answer to the sixth question must therefore be that Article 3(1) of the Directive must be interpreted as meaning that a mark which is descriptive of the characteristics of certain goods or services but not of those of other goods or

services for the purposes of Article 3(1)(c) of the Directive cannot be regarded as necessarily having distinctive character in relation to those other goods or services for the purposes of subparagraph (b) of the provision.

It is of no relevance that a mark is descriptive of the characteristics of certain goods or services under Article 3(1)(c) of the Directive when it comes to assessing whether the same mark has distinctive character in relation to other goods or services for the purposes of Article 3(1)(b) of the Directive.

### The fifth question

80 As a preliminary point, it is appropriate to observe, first, that the purpose of Article 2 of the Directive is to define the types of signs of which a trade mark may consist (Case C-273/00 *Sieckmann* [2002] ECR I-11737, paragraph 43), irrespective of the goods or services for which protection might be sought (see to that effect *Sieckmann*, paragraphs 43 to 55, *Libertel*, paragraphs 22 to 42, and Case C-283/01 *Shield Mark* [2003] ECR I-14313, paragraphs 34 to 41). It provides that a trade mark may consist inter alia of 'words' and 'letters', provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

81 In view of that provision, there is no reason to find that a word like 'Postkantoor' is not, in respect of certain goods or services, capable of fulfilling the essential function of a trade mark, which is to guarantee the identity of the origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others

which have another origin (see, in particular, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28, *Merz & Krell*, paragraph 22, and *Libertel*, paragraph 62). Accordingly, an interpretation of Article 2 of the Directive appears not to be useful for the purposes of deciding the present case.

82 It follows, however, from the wording of the fifth question that the national court is in fact asking whether a mark for which registration is sought in respect of certain goods or services falls within any ground of refusal. Thus, the question must be taken to mean that the national court is seeking an interpretation of Article 3(1) of the Directive.

83 Second, as is clear from paragraph 15 of the present judgment, in the main proceedings the BTMO relied on the ground that the Postkantoor sign ‘is exclusively descriptive of the goods and services [in question] in relation to a post office’ in order to conclude that ‘Postkantoor’ was not distinctive.

84 Thus, the national court’s assumption that ‘Postkantoor’ may be devoid of distinctive character arises from the finding that the mark is descriptive of characteristics of the goods and services concerned, given that it is composed exclusively of elements which are themselves descriptive of those characteristics.

85 In that regard, and as has been pointed out in paragraph 67 of this judgment, although each of the grounds for refusal listed in Article 3(1) of the Directive is independent of the others and calls for separate examination, there is a clear overlap between the scope of each of the grounds for refusal set out in subparagraphs (b), (c) and (d) of that provision respectively.

- 86 In particular, a word mark which is descriptive of characteristics of goods or services for the purposes of Article 3(1)(c) of the Directive is, on that account, necessarily devoid of any distinctive character with regard to the same goods or services within the meaning of Article 3(1)(b) of the Directive. A mark may none the less be devoid of any distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive.
- 87 Therefore, in order to give a useful answer to the national court, the fifth question (which it is appropriate to examine in fifth place) must be construed as asking in essence whether Article 3(1)(c) of the Directive is to be interpreted as meaning 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, may be regarded as not itself descriptive of the characteristics of those goods or services and, if so, in what circumstances. In that respect, it asks if it is of any importance whether there are synonyms for the word or that the characteristics of the goods or services capable of being described by the word are commercially essential or merely ancillary.

*Observations submitted to the Court*

- 88 KPN claims that when the components of a mark are devoid of any distinctive character in relation to the goods or services for which registration is sought, the mark will more often than not also be devoid of any such character. However, if the components of the mark are not devoid of all distinctive character but merely allude to the goods or services concerned, so that they could theoretically be used in trade to allude to certain of their qualities, the mark could none the less be distinctive in relation to those goods or services.

- 89 In the BTMO's submission, each mark, whether or not it is composite, must satisfy the conditions laid down by Articles 2 and 3(1)(b) to (d) of the Directive. A new combination of words, each of which is devoid of distinctive character, will not be distinctive merely because it is new.
- 90 The BTMO contends that, most frequently, the issue is whether a combination of words, each of which is merely descriptive of characteristics of the goods concerned, nevertheless manages to acquire sufficient distinctiveness for the mark consisting of that combination of words not to be descriptive for the purpose of Article 3(1)(c) of the Directive. In that connection, if the combination is merely the sum of two components which, being descriptive, are not distinctive, the combination, although new in the strict sense, will usually not be regarded as distinctive.
- 91 Finally, the fact that there are synonyms for a mark which is by definition descriptive is not a key factor in any decision about the mark's validity.
- 92 The Commission submits that a mark composed of elements, each of which is devoid of distinctive character in relation to the goods or services referred to in the application, is also, as a general rule, except where distinctiveness has been acquired through use, itself devoid of any distinctive character, unless related circumstances, such as a graphic or semantic alteration of the combination of those elements, give the mark an additional attribute such as to render it capable, as a whole, of distinguishing the goods or services of one undertaking from those of other undertakings. Such an assessment should, however, always be based on the specific circumstances of each case.

*The Court's reply*

- 93 Article 3(1)(c) of the Directive provides that marks consisting 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, are not to be registered.
- 94 As has been pointed out in paragraph 68 of this judgment, the various grounds for refusing registration set out in Article 3 of the Directive must be interpreted in the light of the public interest underlying each of them.
- 95 It follows from paragraphs 54 and 55 of the present judgment that Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications descriptive of the characteristics of the goods or services in respect of which registration is applied for may be freely used by all. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.
- 96 If a mark, such as that at issue in the main proceedings, which consists of a word produced by a combination of elements, is to be regarded as descriptive for the purpose of Article 3(1)(c) of the Directive, it is not sufficient that each of its components may be found to be descriptive. The word itself must be found to be so.
- 97 It is not necessary that the signs and indications composing the mark that are referred to in Article 3(1)(c) of the Directive actually be in use at the time of the application for registration in a way that is descriptive of goods or services such

as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provision itself indicates, that those signs and indications could be used for such purposes. A word must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned (see to that effect, in relation to the identical provisions of Article 7(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), Case C-191/01 P *OHIM v Wrigley* [2003] ECR I-12447, paragraph 32).

98 As a general rule, a mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics for the purposes of Article 3(1)(c) of the Directive. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.

99 However, such a combination may not be descriptive within the meaning of Article 3(1)(c) of the Directive, provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as much as to be read, that condition must be satisfied as regards both the aural and the visual impression produced by the mark.

100 Thus, a mark consisting of a word composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of those characteristics for the purposes of Article 3(1)(c) of the Directive, 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 components. In the second case, it is necessary to ascertain whether a word which has acquired its own meaning is not itself descriptive for the purpose of the same provision.

- 101 Furthermore, for the reason given in paragraph 57 of this judgment, it is irrelevant for the purposes of determining whether the ground for refusal set out in Article 3(1)(c) of the Directive applies to such a mark whether or not there are synonyms permitting the same characteristics of the goods or services to be designated.
- 102 It is also irrelevant whether the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary. The wording of Article 3(1)(c) of the Directive does not draw any distinction by reference to the characteristics which may be designated by the signs or indications of which the mark consists. In fact, in the light of the public interest underlying the provision, any undertaking must be able freely to use such signs and indications to describe any characteristic whatsoever of its own goods, irrespective of how significant the characteristic may be commercially.
- 103 Finally, the Court has already responded, in paragraphs 59 and 60 of this judgment, to the question concerning the effect on the interpretation of Article 3(1)(c) of the Directive of a national provision such as Article 13C(1) of the UBL.
- 104 The answer to the fifth question must therefore be that Article 3(1)(c) of the Directive must be interpreted as meaning 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 for the purposes of that provision, 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 components. In the latter case, it is necessary to ascertain whether a word which has acquired its own meaning is not itself descriptive for the purposes of the same provision.

For the purposes of determining whether Article 3(1)(c) of the Directive applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services mentioned in the application for registration or that the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary.

### **The eighth question**

- <sup>105</sup> By the eighth question, to be examined in sixth place, the national court asks essentially whether the Directive or the Paris Convention prevents a trade mark registration authority from registering a mark for certain goods or services subject to the condition that they do not possess a particular characteristic.

- 106 The national court explains in that regard that the question seeks to ascertain whether ‘Postkantoor’ could be registered, for example, for services such as direct-mail campaigns or the issue of postage stamps ‘provided they are not connected with a post office’.

*Observations submitted to the Court*

- 107 KPN submits that the question is not regulated by the Directive and thus does not fall within the Court’s jurisdiction. In the alternative, it maintains that such limitations are permissible and that exclusions may be accepted or even required when the application is filed.

- 108 The BTMO contends that under the Directive, although procedural issues are a matter for the Member States, the conditions for obtaining and continuing to hold a trade mark are, in general, identical in all of them. Those conditions include the obligation to draw up the registration in accordance with internationally accepted standards, in particular the classification provided for in the Nice Agreement.

- 109 Under the Nice Agreement there is no provision for registration of the absence of a particular characteristic which cannot be objectively defined as a sub-category of a list of goods or services.

- 110 The Commission argues, first, that the Court has no jurisdiction to adjudicate on the compatibility of a provision of national law with the Paris Convention. Second, relying on Regulation No 40/94, it submits that Article 3(1)(c) of the Directive does not prevent marks which are descriptive of certain goods or

services from being refused in relation to some of the goods or services listed in the application for registration, a practice which is also followed by the Office for Harmonisation in the Internal Market Trade Marks and Designs (OHIM).

*The Court's reply*

- 111 The Nice Agreement divides goods and services into classes in order to facilitate the registration of trade marks. Each class brings together various goods or services.
- 112 Although an undertaking may apply for registration of a mark in respect of all the goods or services falling within such a class, nothing in the Directive prohibits it from seeking registration solely in respect of only some of those goods or services.
- 113 Likewise, when registration of a mark is sought in respect of an entire class within the Nice Agreement, the competent authority may, pursuant to Article 13 of the Directive, register the mark only in respect of some of the goods or services belonging to that class, if, for example, the mark is devoid of any distinctive character in relation to other goods or services mentioned in the application.
- 114 By contrast, where registration is applied for in respect of particular goods or services, it cannot be permitted that the competent authority registers the mark only in so far as the goods or services concerned do not possess a particular characteristic.

- 115 Such a practice would lead to legal uncertainty as to the extent of the protection afforded by the mark. Third parties — particularly competitors — would not, as a general rule, be aware that for given goods or services the protection conferred by the mark did not extend to those products or services having a particular characteristic, and they might thus be led to refrain from using the signs or indications of which the mark consists and which are descriptive of that characteristic for the purpose of describing their own goods.
- 116 Since the Directive precludes such a practice, there is no need to examine the request for an interpretation of the Paris Convention.
- 117 In those circumstances, the answer to the eighth question must be that the Directive prevents a trade mark registration authority from registering a mark for certain goods or services on condition that they do not possess a particular characteristic.

### **The seventh question**

- 118 By the seventh question, which must be considered last, the national court asks whether the practice of a trade mark registration authority which concentrates solely on refusing to register ‘manifestly inadmissible’ marks is precluded by Article 3 of the Directive.

*Observations submitted to the Court*

119 In KPN's submission, by providing in Article 3(1) that marks can either not be registered or can be declared invalid once registered, the Directive expressly allows the Member States to register marks liable subsequently to be declared invalid. It follows that the Member States are free to provide that, at the stage of registration, only 'manifestly inadmissible' marks are to be refused. It is also open to them to determine which marks are to be regarded as 'manifestly inadmissible' and which are not to be regarded as such. Putting this test into practice may entail registering a mark even where there is reasonable doubt as to whether it has sufficient distinctive character. However, in invalidity proceedings in respect of a registered mark, the criteria set out in Articles 1 to 3 of the Directive must be strictly adhered to.

120 The BTMO and the Commission argue, by contrast, that since the Directive entered into force the Benelux States are no longer able to rely either on their governments' common commentary or on the earlier case-law of the Benelux Court of Justice, which is rendered inoperative by the Directive, but must rely on the wording, the purpose and the scope of Article 3 of the Directive. That provision does not draw any distinction between 'inadmissible' applications and 'manifestly inadmissible' applications.

*The Court's reply*

121 It is clear from the last paragraph of point I.6 of the preamble to the Protocol of 2 December 1992 amending the UBL that 'the appraisal policy of the [BTMO]... must be a cautious and restrained one, which takes account of all commercial

concerns and is focused on rectifying or refusing manifestly inadmissible applications' and that 'the examination must remain within the boundaries laid down in Benelux case-law, in particular that of the Benelux Court of Justice'.

- 122 In that regard, it is appropriate to observe that although the third recital in the preamble to the Directive states that the full-scale approximation of the trade mark laws of the Member States does not appear necessary at present, the seventh recital makes clear that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all the Member States and that, to that end, the grounds for refusal of registration concerning the trade mark itself are listed exhaustively in the Directive.
- 123 In addition, the scheme of the Directive is founded on review prior to registration, even though it also makes provision for *ex post facto* review. The examination of the grounds for refusal listed in Article 3 of the Directive in particular, which takes place when registration is applied for, must be thorough and full in order to ensure that trade marks are not improperly registered (see to that effect *Libertel*, paragraph 59).
- 124 Therefore, the competent authority within a Member State must refuse to register any mark caught by one of the grounds for refusal laid down by the Directive, in particular in Article 3.
- 125 Article 3 does not distinguish between marks which cannot be registered and those which 'manifestly' cannot be registered. Consequently, the competent authority cannot register marks caught by one of the grounds for refusal listed in that article on the ground that the marks are not 'manifestly inadmissible'.

- 126 The answer to the seventh question must therefore be that the practice of a trade mark registration authority which concentrates solely on refusing to register ‘manifestly inadmissible’ marks is incompatible with Article 3 of the Directive.

### Costs

- 127 The costs incurred by the Commission of the European Communities, which has submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT (Sixth Chamber),

in answer to the questions referred to it by the *Gerechtshof te 's-Gravenhage* by judgment of 3 June 1999, hereby rules:

1. Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be

interpreted as meaning that a trade mark registration authority must have regard, in addition to the mark as filed, to all the relevant facts and circumstances.

It must have regard to all the relevant facts and circumstances before adopting a final decision on an application to register a trade mark. A court asked to review a decision on an application to register a trade mark must also have regard to all the relevant facts and circumstances, subject to the limits on the exercise of its powers as defined by the relevant national legislation.

2. The fact that a trade mark has been registered in a Member State in respect of certain goods or services has no bearing on the examination by the trade mark registration authority of another Member State of an application for registration of a similar mark in respect of goods or services similar to those in respect of which the first mark was registered.
  
3. Article 3(1)(c) of Directive 89/104 precludes registration of a trade mark which consists exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services in respect of which registration is sought, and that is the case even when there are more usual signs or indications for designating the same characteristics and regardless of the number of competitors who may have an interest in using the signs or indications of which the mark consists.

Where the applicable national law provides that the exclusive right conferred by registration, by a competent authority in an area in which a number of officially recognised languages coexist, of a word mark expressed in one of

those languages extends automatically to its translation in the other languages, the authority must ascertain as regards each of those translations whether the mark actually consists exclusively of signs or indications which may serve, in trade, to designate characteristics of those goods or services.

4. Article 3(1) of Directive 89/104 must be interpreted as meaning that a mark which is descriptive of the characteristics of certain goods or services but not of those of other goods or services for the purposes of Article 3(1)(c) of Directive 89/104 cannot be regarded as necessarily having distinctive character in relation to those other goods or services for the purposes of subparagraph (b) of the provision.

It is of no relevance that a mark is descriptive of the characteristics of certain goods or services under Article 3(1)(c) of Directive 89/104 when it comes to assessing whether the same mark has distinctive character in relation to other goods or services for the purposes of Article 3(1)(b) of the Directive.

5. Article 3(1)(c) of Directive 89/104 must be interpreted as meaning 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 for the purposes of that provision, 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 components. In the latter case, it is necessary to ascertain whether a

word which has acquired its own meaning is not itself descriptive for the purposes of the same provision.

For the purposes of determining whether Article 3(1)(c) of Directive 89/104 applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services mentioned in the application for registration or that the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary.

6. Directive 89/104 prevents a trade mark registration authority from registering a mark for certain goods or services on condition that they do not possess a particular characteristic.
  
7. The practice of a trade mark registration authority which concentrates solely on refusing to register 'manifestly inadmissible' marks is incompatible with Article 3 of Directive 89/104.

Skouris

Gulmann

Cunha Rodrigues

Schintgen

Macken

Delivered in open court in Luxembourg on 12 February 2004.

R. Grass

Registrar

V. Skouris

President

