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Judgment of the Court in Case C-329/02 P

SAT.1 SatellitenFernsehen GmbH v *Office for Harmonisation in the Internal Market*

ELEMENTS OF A TRADE MARK EACH OF WHICH IS DEVOID OF ANY DISTINCTIVE CHARACTER MAY, WHEN COMBINED, HAVE SUCH DISTINCTIVE CHARACTER

The frequent use of trade marks consisting of a word and a number in the telecommunications sector shows that that type of combination cannot be considered to be devoid, in principle, of distinctive character.

SAT.1 had applied to the Office for Harmonisation in the Internal Market to register 'SAT.2' as a Community trade mark for certain goods and various services principally in the media and information sector. Since the application was refused by the Office on the ground that that term is devoid of any distinctive character[1], SAT.1 brought an action before the Court of First Instance which upheld its application only in part.

The Court of First Instance held, first, that the term 'SAT.2' was not descriptive of the services concerned within the meaning of Article 7(1)(c) of the Community trade mark regulation. Secondly, it observed that that term was, in view of its constituent elements, devoid of any distinctive character within the meaning of Article 7(1)(b) of that regulation only in respect of part of the services: those having a connection with satellite broadcasting. It is only with regard to those services that the Court of First Instance confirmed the existence of an absolute ground for refusal to register. Accordingly, it annulled the decision of the Office relating to all the other services.

The Court of Justice, in the appeal brought by SAT.1, **sets aside the judgment of the Court of First Instance insofar as it confirmed an absolute ground for refusal to register**.

According to the Court of Justice, the Court of First Instance misinterpreted the ground for

[1] Absolute grounds for refusal to register according to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

refusal to register constituted by absence of any distinctive character. The Court of Justice does not call in question the assessment of the Court of First Instance according to which the various elements of the term 'SAT.2', taken in isolation, are devoid of any distinctive character. It further points out that the Court of First Instance had itself observed, rightly, that it was appropriate, for the purpose of assessing the distinctive character of a compound trade mark, to consider it as a whole. However, the Court of First Instance based its decision on an assessment carried out essentially by means of a separate analysis of each element rather than on such an examination.

The question as to whether a term such as 'SAT.2' has a distinctive character and is registrable as a Community trade mark must be assessed on the basis of its overall perception by the average consumer. Such an overall analysis makes it possible to bring out the distinctive character of a trade mark even when, considered singly, those elements may be devoid thereof. In such an analysis, the possible existence of an element of imaginativeness must, moreover, be taken into account.

Furthermore, the Court of Justice has found that the Court of First Instance committed an error of law in using in its appraisal of distinctive character a public-interest criterion which is relevant only in the assessment as to descriptiveness. The Court recalls that it has already ruled, in relation to the registration of a simple colour as a trade mark, that **the public interest to be taken into consideration when assessing distinctive character** does not require that the signs concerned should be freely available to all; rather, **they require their availability not to be unduly restricted for other operators offering goods or services of the same type as those in respect of which registration is sought.** In this case, the Court clarifies that, in view of the extent of protection conferred on a trade mark by the regulation, the public interest underlying Article 7(1)(b) of the regulation is manifestly indissociable from the essential function of a trade mark, which is to guarantee the origin of the trade marked product or service to the consumer or end-user.

Finally, **the Court of Justice** has itself given final judgment in the matter since the state of the proceedings so permitted and has **annulled the decision of the Office in its entirety.** It held first that, as regards distinctive character, it is sufficient that the trade mark enables the relevant public to identify the origin of the goods or services concerned and to distinguish them from those of other undertakings. Furthermore, it observes that the Office merely stated in its decision that the elements 'SAT' and '2' were in common usage in the media services sector without indicating in what way the term 'SAT.2', taken as a whole, is not capable of distinguishing the services of SAT.1 from those of other undertakings. Moreover, it considers that the frequent use of trademarks consisting of a word and a number in the telecommunications sector shows that that kind of combination cannot be considered to be devoid, in principle, of distinctive character.

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