

## Case T-323/00

SAT.1 SatellitenFernsehen GmbH

v

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

(Community trade mark — ‘SAT.2’ — Absolute grounds for refusal —  
Article 7(1)(b) and (c) of Regulation (EC) No 40/94 — Equal treatment)

Judgment of the Court of First Instance (Second Chamber), 2 July 2002 . . . II-2850

### Summary of the Judgment

1. *Community trade mark — Appeals procedure — Appeals before the Community judicature — Possibility for the Court of First Instance to alter the contested decision — Limits*  
(Council Regulation No 40/94, Art. 63(3))

2. *Community trade mark — Appeals procedure — Decision on the appeal — Obligation incumbent on the Board of Appeal — Scope — Consequences in case of failure to fulfil*  
(Council Regulation No 40/94, Art. 62(1))
3. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Marks composed exclusively of signs or indications which may serve to designate the characteristics of a product or a service — Criteria in the case of a compound word mark*  
(Council Regulation No 40/94, Art. 7(1)(c))
4. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Marks composed exclusively of signs or indications which may serve to designate the characteristics of a service — ‘SAT.2’*  
(Council Regulation No 40/94, Art. 7(1)(c))
5. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal set out in Article 7(1)(b) to (e) of Regulation No 40/94 — Aim — Requirement of free availability — Relationship with the exception provided for in Article 7(3) of the regulation*  
(Council Regulation No 40/94, Arts 7(1)(b) to (e) and 3))
6. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Signs devoid of distinctive character — Definition — Appraisal criteria*  
(Council Regulation No 40/94, Art. 7(1)(b))
7. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Signs devoid of distinctive character — Examination in the case of a compound trade mark*  
(Council Regulation No 40/94, Art. 7(1)(b))
8. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Descriptive character and lack of distinctive character of a sign — Relationship between the corresponding provisions*  
(Council Regulation No 40/94, Art. 7(1)(b) and (c))

9. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Marks composed exclusively of signs or indications which may serve to designate the characteristics of a product or a service — Appraisal of the descriptive character of a sign — Account to be taken only of the categories of products and/or services referred to in the application for registration (Council Regulation No 40/94, Art. 7(1)(c))*
10. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Signs devoid of distinctive character — ‘SAT.2’ (Council Regulation No 40/94, Art. 7(1)(b))*
11. *Community trade mark — Decisions of the Office — Registrability of a sign — Examination by the Community judicature — Criteria — Application to a plea alleging breach of the principle of non-discrimination in the Office’s decision-making practice*

1. Although it is true that Article 63(3) of Regulation No 40/94 on the Community trade mark provides for the possibility that the Court may alter decisions of a Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs), that possibility is, in principle, restricted to situations in which the case has reached a stage permitting final judgment. That is not so where the Board of Appeal has failed to rule on the merits of an entire head of claim submitted by the applicant.

on the Community trade mark, ‘[f]ollowing the examination as to the allowability of the appeal, the Board of Appeal shall decide on the appeal’. That obligation must be understood as meaning that the Board of Appeal is required to rule on each of the heads of claim before it in full by upholding it, dismissing it as inadmissible or dismissing it in substance. Where failure to fulfil that obligation may affect the content of the decision being challenged before the Court, such obligation represents an essential procedural requirement breach of which may be raised by the Court of its own motion.

(see para. 18)

(see para. 19)

2. According to the first sentence of Article 62(1) of Regulation No 40/94
3. In order to fall within the scope of Article 7(1)(c) of Regulation No 40/94

on the Community trade mark, a trade mark must consist 'exclusively' of signs or indications which may serve to designate a characteristic of the goods or service concerned. It follows from that requirement that where a word mark consists of several features (a compound mark) account must be taken of the relevant significance of the word mark applied for, on the basis of all of its components, and not merely of the significance of one of them. Furthermore, account must be taken, for the purposes of that appraisal, only of such characteristics of the goods or services concerned as are likely to be taken into account by the relevant public when making its choice. Thus, if a compound word mark is to be considered to be descriptive, it must only designate such characteristics.

In that regard, registration of 'SAT.2' in respect of certain services does not fall within the scope of the abovementioned provision inasmuch as, assuming that its relevant meaning is 'second satellite channel', it may, indeed, serve to designate a characteristic of some of the services concerned which is likely to be taken into account by the relevant public when making its choice, namely the fact that they have to do with satellite broadcasting, but to the extent that it does not designate such a characteristic in so far as it indicates that it involves a second channel.

(see paras 26-27)

- (see para. 26)
5. The absolute grounds for refusal set out in Article 7(1)(b) to (e) of Regulation No 40/94 on the Community trade mark pursue an aim which is in the public interest, which requires that the signs they refer to may be freely used by all. Unlike other intellectual and industrial property rights, the legal protection afforded to trade marks is not intended, in principle, to cover the result of a creative or economic effort of the proprietor of the right but only the sign 'occupied' by him. Accordingly, it is necessary to rule out the creation of an exclusive right over a sign which, in order to avoid conceding an unjustified competitive advantage to a single trader, must be freely available for use by everyone. It is only in the

4. Under Article 7(1)(c) of Regulation 40/94 on the Community trade mark, 'trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the... intended purpose... of the goods or of rendering of the service, or other characteristics of the goods or service' are not to be registered.

event that such a sign, in consequence of the use to which it has been put, is actually perceived by the relevant public as an indication of the trade origin of the goods or service that the economic effort made by the trade mark applicant justifies putting aside the public-interest considerations set out above. Accordingly, in such a case, Article 7(3) of Regulation No 40/94 allows registration of such a sign, as an exception to the general rule enshrined in Article 7(1)(b) to (d).

the goods or services for which registration is sought and, secondly, by reference to the way it is perceived by the relevant public.

(see paras 36-37)

(see para. 36)

6. The trade marks covered by Article 7(1)(b) of Regulation No 40/94 on the Community trade mark are in particular those which, from the point of view of the relevant public, are commonly used, in trade, for the presentation of the goods or services concerned or in connection with which there exists, at the very least, concrete evidence justifying the conclusion that they are capable of being used in that manner. Consequently, the distinctive character of a trade mark can be appraised only, first, by reference to

7. When examining the absolute ground for refusal set out in Article 7(1)(b) of Regulation No 40/94 on the Community trade mark, where what is involved is a compound trade mark, appraisal of its distinctive character calls for it to be considered as a whole. However, that is not incompatible with an examination of each of the trade mark's individual features in turn. A compound trade mark falls within the scope of the abovementioned provision only if all the elements of which it consists are devoid of distinctive character in relation to the goods or services listed in the application for a trade mark.

Conversely, the fact that a compound trade mark consists only of elements devoid of distinctive character generally justifies the conclusion that that trade mark, considered as a whole, is also capable of being commonly used, in trade, for the presentation of the goods or services concerned. The con-

clusion would not apply only if concrete evidence, such as, for example, the way in which the various elements were combined, were to indicate that the compound trade mark was greater than the sum of its parts.

Article 7(1)(c) is only applicable where the trade mark applied for consists ‘exclusively’ of such signs or indications.

(see para. 40)

(see paras 39, 49, 55)

8. A sign which is descriptive of the goods or services listed in the application for a trade mark, within the meaning of Article 7(1)(c) of Regulation No 40/94 on the Community trade mark, is also devoid of any distinctive character in relation to those goods or services, within the meaning of Article 7(1)(b). That interpretation is not incompatible with the rule to the effect that each of the two absolute grounds for refusal in question has its own sphere of application. Thus, an individual sign which, according to the semantic rules of the relevant language, may serve to designate the characteristics of the goods or services concerned likely to be taken into account by the relevant public when making its choice is, thus, likely to be commonly used, in trade, for the presentation of those goods or services and falls, therefore, within the scope of Article 7(1)(b) of Regulation No 40/94. On the other hand,
9. A sign’s descriptiveness, within the meaning of Article 7(1)(c) of Regulation No 40/94 on the Community trade mark, must be assessed individually by reference to each of the categories of goods or services listed in the application for a trade mark. For the purposes of assessing a sign’s descriptiveness in respect of a particular category of goods or services, whether the applicant for the trade mark in question is contemplating using or is actually using a particular marketing concept involving goods and services in other categories in addition to the goods and services within that category is immaterial. First, whether or not there is a marketing concept is of no consequence to the right conferred by the Community trade mark and, secondly, since a marketing concept is purely a matter of choice for the undertaking concerned, it may change after registration as a Community trade mark and it cannot therefore have any

bearing on the assessment of the sign's registrability.

(see para. 45)

10. According to Article 7(1)(b) of Regulation No 40/94 on the Community trade mark, 'trade marks which are devoid of any distinctive character' are not to be registered. In addition, Article 7(2) of Regulation No 40/94 states that 'paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

As regards an application to register SAT.2 as a trade mark in respect of the following services which come within Classes 38, 41 and 42 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks:

— Class 38:

'Wireless or hard-wire networked broadcast of radio and television transmissions/programmes; broad-

casting of film, television, radio, video text and teletext programmes or transmissions; arranging and allocating of user passwords for users of various communication networks; telecommunications; gathering, delivering and transmitting messages, press reports (including using electronic means and/or by computer); transmission of sound and images by means of satellites; broadcasting Pay TV including video on demand, including for others on a digital platform; services relating to telecommunications and a database; providing information to others; dissemination of information via wireless or cable networks; on-line services and transmissions, namely transfer of information and messages including E-mail; operation of networks for the transfer of messages, images, text, speech and data; broadcasting of teleshopping programmes';

— Class 41:

'Production, reproduction, showing and rental of films, videos and other television programmes; production and reproduction of data, speech, text, sound and image recordings on video and/or audio cassettes,

tapes and discs (including CD-ROMs and CD-i's) and of video games (computer games); demonstration and rental of video and/or audio cassettes, tapes and discs (including CD-ROMs and CD-i's) and of video games (computer games); rental of television receiving apparatus and decoders; education, providing of training, entertainment; sporting and cultural activities; organisation and conducting of shows, quizzes and musical events and conducting competitions in the entertainment and sporting field, including for recordings or being live broadcasts on radio or television; production of television and radio advertising broadcasts including associated prize game broadcasts; conducting competitions in the fields of training, teaching, entertainment and sports; distance learning courses; publishing books, periodicals and other printed matter and associated electronic media (including CD-ROMs and CD-i's); conducting concert, theatre and entertainment events and sporting competitions; production of film, television, radio, teletext and videotext programmes or transmissions, radio and television entertainment; production of films and videos and radio and television programmes of a training, teaching and entertaining nature, including such production for children and young people; production, reproduction, showing and rental of sound and image recordings on video and/or audio cassettes, tapes and discs; theatrical performances and orchestra services; recording, transmission, storing, processing and reproduction of sound and images; organising radio and television broadcasts/pro-

grammes; production of teleshoping programmes';

— Class 42:

'Issuing, negotiating, rental and other exploitation of rights to films, television and video productions and other image and sound programmes; copyright and industrial property rights exploitation for others; exploitation of film and television ancillary rights in the field of merchandising; software development, in particular in the fields of multimedia, interactive television and Pay-TV; operation of networks for the transfer of messages, images, text, speech and data; technical consultancy in the field of multimedia, interactive television and Pay TV (included in class 42); computer programming, including video and computer games; arranging and allocating of user passwords for users of various communication networks',

the abovementioned trade mark is devoid of any distinctive character in relation to the categories of services



listed above, with the exception of the following categories:

— ‘Services relating to a database’ within Class 38;

— ‘Production and reproduction of data, speech, text, sound and image recordings on video and/or audio cassettes, tapes and discs (including CD-ROMs and CD-i’s) and of video games (computer games); demonstration and rental of video and/or audio cassettes, tapes and discs (including CD-ROMs and CD-i’s) and of video games (computer games); rental of television receiving apparatus and decoders; education, providing of training, entertainment; sporting and cultural activities; conducting competitions in the fields of training, teaching, entertainment and sports; distance learning courses; publishing books, periodicals and other printed matter and associated electronic media (including CD-ROMs and CD-i’s); conducting concert, theatre and entertainment events and sporting competitions; production of films and videos and radio and television programmes of a training, teaching and entertaining nature, including such

production for children and young people; production, reproduction, showing and rental of sound and image recordings on video and/or audio cassettes, tapes and discs; theatrical performances and orchestra services’ within Class 41;

— ‘Issuing, negotiating, rental and other exploitation of rights to films, television and video productions and other image and sound programmes; copyright and industrial property rights exploitation for others; exploitation of film and television ancillary rights in the field of merchandising; software development, in particular in the fields of multimedia, interactive television and Pay-TV; operation of networks for the transfer of messages, images, text, speech and data; technical consultancy in the field of multimedia, interactive television and Pay-TV (included in class 42); computer programming, including video and computer games; arranging and allocating of user passwords for users of various communication networks’ within Class 42.

As regards those services, the trade mark applied for consists of a combination of elements each of which is at

the very least capable of being commonly used, in trade, for the presentation of such services.

On the other hand, the abovementioned trade mark is not devoid of distinctive character in relation to the services referred to above as exceptions.

Thus, the sign 'SAT' does not designate any characteristic of such services likely to be taken into account by the relevant public when making its choice, nor is there any indication that that sign — despite the absence of distinctive character — is capable of being commonly used, in trade, for the presentation of those services.

(see paras 48, 53-54, 56)

11. Decisions concerning registration of a sign as a Community trade mark which the Boards of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) are called on to take under Regulation No 40/94 are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the registrabil-

ity of a sign as a Community trade mark must be assessed only on the basis of the relevant Community legislation, as interpreted by the Community judicature, and not on the basis of a different approach taken in the past by the Boards of Appeal in their decisions.

With regard to a plea in law submitted before the Community judicature alleging that the Office infringed the principle of non-discrimination by refusing to register a certain sign when it had previously registered a comparable sign, there exist two hypotheses.

If, by accepting in a previous case the registrability of a sign as a Community trade mark, the Board of Appeal correctly applied the relevant provisions of Regulation No 40/94 and in a later, similar, case it adopted a contrary decision, the Community judicature will be required to annul the latter decision for infringement of the relevant provisions of Regulation No 40/94. On this first hypothesis, the plea alleging breach of the principle of non-discrimination must therefore fail. On the other hand, if, by accepting in an earlier case the registrability of a sign as a Community trade mark, the Board of Appeal erred in law and in a later, similar, case it adopted a

contrary decision, the first decision cannot successfully be relied on to support an application for the annulment of the later decision, since observance of the principle of equal treatment must be reconciled with observance of the principle of legality, according to which no person may rely, in support of his claim, on unlawful acts com-

mitted in favour of another. Thus, on this second hypothesis, the plea alleging breach of the principle of non-discrimination must therefore also fail.

(see paras 60-61)