

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

3 October 2001 *

In Case T-140/00,

Zapf Creation AG, established in Rödental (Germany), represented by A. Kockläuner, avocat, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by D. Schennen, A. von Mühlendahl and C. Røhl Sørberg, acting as Agents, with an address for service in Luxembourg,

defendant,

* Language of the case: German.

ACTION brought against the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 21 March 2000 (Case R 348/1999-3) relating to the registration of 'New Born Baby' as a Community trade mark,

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (Fourth Chamber),

composed of: P. Mengozzi, President, V. Tiili and R.M. Moura Ramos, Judges,

Registrar: D. Christensen, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 25 May 2000,

having regard to the response lodged at the Registry of the Court of First Instance on 9 August 2000,

having regard to the documents submitted by the applicant at the hearing of 8 March 2001 with the defendant's consent,

further to that hearing,

gives the following

Judgment

Background to the dispute

- 1 On 6 October 1997, the applicant filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office') pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.
- 2 The trade mark in respect of which registration was sought was 'New Born Baby'.
- 3 Registration was sought for goods in Class 28 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and corresponding to the following description: 'Dolls to play with and accessories for such dolls in the form of playthings'.
- 4 By decision of 6 May 1999, the examiner refused the application under Article 38 of Council Regulation No 40/94 on the ground that the sign 'New Born Baby' was descriptive of the goods in question and devoid of any distinctive character.

- 5 On 22 June 1999, the applicant filed an appeal against the examiner's decision at the Office under Article 59 of Regulation No 40/94.
- 6 By decision of 21 March 2000, the Third Board of Appeal dismissed the appeal (hereinafter 'the contested decision').
- 7 The Board of Appeal essentially held that the examiner properly applied Article 7(1)(b) and (c) of Regulation No 40/94.

Forms of order sought

- 8 The applicant claims that the Court should:

— annul the contested decision;

— order the Office to pay the costs;

- 9 At the hearing, the applicant also claimed in the alternative that the Court should annul the contested decision in so far as it upholds the refusal of the application for registration in respect of goods other than dolls to play with resembling babies up to the age of 28 days.

10 The Office contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

11 The applicant relies on three substantive pleas in law, alleging infringement of Article 7(1)(c) and 7(1)(b) of Regulation No 40/94 and failure to take into account prior national registrations, and on a procedural plea alleging infringement of its rights of defence.

Infringement of Article 7(1)(c) of Regulation No 40/94

Arguments of the parties

12 The applicant claims that registration of a trade mark may be refused under Article 7(1)(c) of Regulation No 40/94 only where there is an absolute need for the sign in question to remain available. It argues that it is only possible to

establish that there is such a need by giving consideration to current or potential use of the sign in question by its competitors.

- 13 The applicant says that its competitors have not been shown to be using the words 'New Born Baby' to designate goods in Class 28 at the moment.
- 14 Nor, the applicant submits, is there any absolute need to keep the sign available for the future. It claims, firstly, that the term is an invention which does not appear in any dictionary and that it is immaterial whether or not it is unusual or remarkable. Second, it points out that its competitors have access to many other terms. Thus, the applicant says, the following terms have been registered, or at least applied for, as trade marks: 'NEW BABY', 'Neo Baby', 'Newborn' and 'Newborns'.
- 15 The Office observes that, under Article 7(1)(c) of Regulation No 40/94, trade marks which consist exclusively of signs or indications which may serve, in trade, to designate, *inter alia*, the kind, quality or intended purpose of the goods are not to be registered.
- 16 As regards the applicant's argument on the question of need to maintain availability, the Office contends that it constitutes neither a ground for refusal in itself nor a limitation inherent in the ground for refusal in Article 7(1)(c) of Regulation No 40/94. Rather, it is necessary to consider in objective terms whether or not the sign in respect of which registration is claimed is descriptive of the goods or services concerned.

- 17 In the present case, the Office argues that the words ‘New Born Baby’ will be clearly understood by an English-speaking person representative of the class of persons targeted (people looking to buy toys) as meaning ‘new-born baby’, whether or not that is tautologous.
- 18 The Office submits that the goods claimed in the trade mark application — namely dolls to play with and accessories for such dolls in the form of playthings — include dolls resembling new-born babies with the bodily functions of an actual baby. Thus, according to the Office, the mark is composed exclusively of indications designating the kind (and qualities) of the goods, that is, dolls to play with and, in the case of the accessories for those dolls, their intended purpose.
- 19 The Office submits that the sign ‘New Born Baby’ is therefore descriptive within the meaning of Article 7(1)(c) of Regulation No 40/94 for all goods claimed in the trade mark application, at any rate in the English-speaking Member States. It concludes from that that it must be refused registration as a Community trade mark under Article 7(2) of Regulation No 40/94.
- 20 Citing the case-law of the Court of First Instance (Case T-19/99 *DKV v OHIM*, ‘*Companyline*’ [2000] ECR II-1, paragraph 26), the Office argues that that finding is in no way altered by the fact that the sign in question, whether or not it is written as one word, does not as such appear in dictionaries.

Findings of the Court

- 21 Article 7(1)(c) of Regulation No 40/94 provides that ‘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' are not to be registered.

- 22 The absolute ground for refusal laid down by Article 7(1)(c) of Regulation No 40/94 must, furthermore, be assessed in relation to the goods or services in respect of which registration is sought.
- 23 Article 7(2) of Regulation No 40/94 also provides that Article 7(1) is to apply 'notwithstanding that the grounds of non-registrability obtain in only part of the Community'.
- 24 As regards dolls, the Board of Appeal confined itself to finding, at paragraphs 19 and 20 of the contested decision, that the words 'New Born Baby' signify a 'new-born baby' and that 'upon encountering the mark claimed, the relevant persons will, without any particular thought, instantly understand from the overall impression conveyed that the... dolls... have a particular characteristic, namely that they look like new-born babies'.
- 25 As to that finding, even if the sign 'New Born Baby' could be regarded as descriptive of that which the dolls represent, this would not be sufficient to prove that the sign in question is descriptive of the dolls themselves.
- 26 A sign which is descriptive of that which a toy represents cannot be considered to be descriptive of the toy itself, other than in so far as the persons targeted, when

making their purchasing decision, conflate the toy and what it represents. But the contested decision makes no finding to that effect. It must also be observed that neither in its response nor in its replies to the questions put by the Court of First Instance at the hearing did the Office contend that the persons targeted, that is to say persons wishing to purchase toys, perceived the goods concerned in that way.

- 27 The Board of Appeal has not therefore shown that the persons targeted will, without further reflection, instantly take the sign 'New Born Baby' to designate a quality or other characteristics of dolls.
- 28 As regards accessories for dolls in the form of playthings, the Board of Appeal found, at paragraph 20 of the contested decision, that 'without any particular thought, the relevant persons will instantly understand that the goods claimed in the application, in this case... accessories for... dolls in the form of playthings... have a particular characteristic, namely that they look like new-born babies'.
- 29 That contention cannot be accepted. Accessories for dolls in the form of playthings do not represent new-born babies but other items, such as miniature clothes or shoes.
- 30 Furthermore, at the end of paragraph 20 of the contested decision the Board of Appeal found that 'As regards the accessories, the application contains a descriptive indication of their intended purpose since they are specifically designed for this type of doll'.
- 31 On that point, the Court finds that accessories for dolls in the form of playthings are not intended for new-born babies. New-born babies are not yet able to play

with dolls, much less handle dolls' accessories. Even if the words 'New Born Baby' were descriptive in relation to dolls and the accessories mentioned above were intended for the dolls, it does not follow that the public targeted perceive a direct and specific link between the sign in question and those accessories. The fact that goods are intended to be accessories for other goods, in relation to which the sign in question is descriptive, is not in itself sufficient to render the sign descriptive in relation to the accessories.

32 Accordingly, the Court finds that the words 'New Born Baby' do not designate either the quality, the intended purpose or any other characteristic of accessories for dolls in the form of playthings.

33 It follows that the plea of infringement of Article 7(1)(c) of Regulation No 40/94 is well founded.

Infringement of Article 7(1)(b) of Regulation No 40/94

Arguments of the parties

34 The applicant observes that, under Article 7(1)(b) of Regulation No 40/94, 'trade marks which are devoid of any distinctive character' are not to be registered. It submits that the use of the word 'devoid' means that, if the sign has distinctive character, even to only a slight degree, this is sufficient to render this ground for refusal inoperative.

- 35 The applicant argues that the sign 'New Born Baby' is an 'unusual coinage' in the nature of a barbarism which the persons targeted will retain easily and is thus apt to differentiate the applicant's goods and distinguish them from goods of other origin.
- 36 The Office contends that the combination of the words 'new', 'born' and 'baby' is composed exclusively of descriptive indications, with no other element that might render the phrase as a whole capable of distinguishing the applicant's goods from those of other undertakings. Thus, in the view of the Office, the word combination is devoid of any distinctive character and so ineligible for registration as a Community trade mark.

Findings of the Court

- 37 Article 7(1)(b) of Regulation No 40/94 provides that 'trade marks which are devoid of any distinctive character' are not to be registered.
- 38 The distinctive character of a sign must be assessed in relation to the goods or services in respect of which registration is claimed.
- 39 In the present case, the Board of Appeal, at paragraph 24 of the contested decision, concluded that the sign in question was not distinctive because it was descriptive and otherwise confined itself to finding that there was 'no fanciful element at all'.
- 40 However, it has been held above that the Board of Appeal was wrong to consider that the sign in question fell within the prohibition laid down by Article 7(1)(c) of

Regulation No 40/94. Accordingly, the reasoning of the Board of Appeal in relation to Article 7(1)(b) of Regulation No 40/94 cannot be upheld since it is based on that error.

- 41 Next, it is clear from the case-law of the Court of First Instance that lack of distinctiveness cannot be found merely because it is found, in the contested decision, that a sign is unimaginative (Case T-135/99 *Taurus-Film v OHIM*, 'CINE ACTION' [2001] ECR II-379, paragraph 31, and Case T-136/99 *Taurus-Film v OHIM*, 'CINE COMEDY' [2001] ECR II-397, paragraph 31).
- 42 The plea of infringement of Article 7(1)(b) of Regulation No 40/94 is therefore well founded.
- 43 It follows from all the foregoing that the contested decision must be annulled and that it is not necessary to rule on the other pleas in law raised by the applicant.

Costs

- 44 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since the Office has been unsuccessful and the applicant has asked for costs to be awarded against it, the Office must be ordered to bear its own costs and to pay those of the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber),

hereby:

1. **Annuls the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 21 March 2000 (Case R 348/1999-3);**
2. **Orders the Office to bear its own costs and to pay those of the applicant.**

Mengozzi

Tiili

Moura Ramos

Delivered in open Court in Luxembourg on 3 October 2001.

H. Jung

Registrar

P. Mengozzi

President