

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

30 April 2003 *

In Joined Cases T-324/01 and T-110/02,

Axion SA, established in Geneva (Switzerland),
Christian Belce, resident at Veyrier (Switzerland),
represented by C. Eckhartt, lawyer,

applicants,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs)
(OHIM), represented by G. Schneider, acting as Agent,

defendant,

ACTIONS brought against two decisions of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 26 September 2001 (Case R 599/2001-3) and 16 January 2002 (Case

* Language of the case: German.

R 538/2001-3), relating to the registration as Community trade marks of a three-dimensional shape representing a brown cigar (Case T-324/01) and a three-dimensional shape representing a gold ingot (Case T-110/02),

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

composed of: V. Tiili, President, P. Mengozzi and M. Vilaras, Judges,
Registrar: D. Christensen, Administrator,

having regard to the written procedure and further to the hearing on 15 January 2003,

gives the following

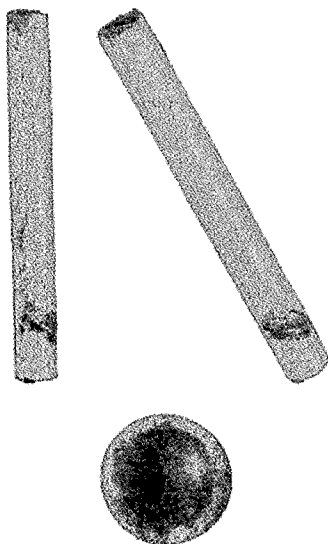
Judgment

Background to the dispute

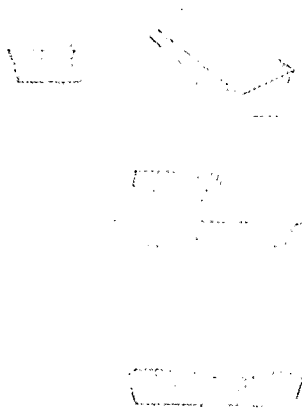
On 20 March and 3 December 1999, the applicants filed two applications for Community trade marks, under numbers 1 565 589 and 1 408 889 respectively,

at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under 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 marks in respect of which registration was sought were, first of all, a three-dimensional shape representing a brown cigar (trade mark application No 1 565 589) and, secondly, a three-dimensional shape representing a gold ingot (trade mark application No 1 408 889). The graphic representations of the three-dimensional marks sought are reproduced below as they appear in the annexes to the trade mark applications:



Trade mark application No 1 565 589



Trade mark application No 1 408 889

- 3 The goods in respect of which registration was sought are within Class 30 (trade mark application No 1 565 589) and Classes 16 and 30 (trade mark application No 1 408 889) of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following descriptions:

‘Chocolate, chocolate goods; pastry and confectionery’ within Class 30;

‘Chocolate, chocolate goods’ within Class 30;

‘Cardboard packaging in the form of a gold ingot for chocolate and chocolate goods’ within Class 16.

- 4 By decisions of 12 April 2001 and 23 March 2001 the examiner refused trade mark applications No 1 565 589 and No 1 408 889 pursuant to Article 38 of Regulation No 40/94 on the ground that the marks claimed were devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94.

- 5 On 12 June 2001 and 22 May 2001 the applicants appealed to OHIM under Article 59 of Regulation No 40/94 against the examiner’s decisions of 12 April 2001 and 23 March 2001.

- 6 By decisions of 26 September 2001 (Case R 599/2001-3) (hereinafter ‘the contested decision in Case T-324/01’) and 16 January 2002 (Case R 538/2001-3) (hereinafter ‘the contested decision in Case T-110/02’), which were served on the applicants on 11 October 2001 and 7 April 2002 respectively, the Third Board of Appeal dismissed the appeals. The Board essentially found that the marks claimed had to be refused registration under Article 7(1)(b) of Regulation No 40/94. It held that shapes comparable to those displayed by the marks sought were widespread in the market for the goods in question and that the marks claimed were not sufficiently different from those shapes in order for them to be considered to possess the minimum requisite degree of distinctiveness, in the absence of any other features, for example, verbal or graphic. In that context, it stated that the average consumer does not engage in close analysis of the shape or colour of the goods concerned but accords them only fleeting attention.

Procedure and forms of order sought

- 7 By applications lodged at the Registry of the Court on 11 December 2001 and 5 April 2002, registered under numbers T-324/01 and T-110/02 respectively, the applicants brought these actions.

- 8 OHIM lodged its responses at the Registry of the Court on 5 April and 5 July 2002.

- 9 By order of the President of the Fourth Chamber of 18 November 2002, Cases T-324/01 and T-110/02 were joined for the purposes of the oral procedure and the judgment, pursuant to Article 50 of the Rules of Procedure of the Court of First Instance.

- 10 Upon hearing the report of the Judge-Rapporteur, the Court of First Instance (Fourth Chamber) decided to open the oral procedure.

- 11 The parties presented oral argument and replied to the Court's questions at the hearing on 15 January 2003.

12 The applicants claim that the Court should:

— in Case T-324/01, annul the decision of 26 September 2001 (Case R 599/2001-3) and order OHIM to pay the costs;

— in Case T-110/02, annul the decision of 16 January 2002 (Case R 538/2001-3) and order OHIM to pay the costs.

13 In Cases T-324/01 and T-110/02, OHIM contends that the Court should:

— dismiss the applications;

— order the applicants to pay the costs.

Law

14 The applicants advance two pleas in law in support of their applications, alleging, first, infringement of Article 7(1)(b) of Regulation No 40/94 and, secondly, infringement of the principle of equal treatment.

First plea: infringement of Article 7(1)(b) of Regulation No 40/94

Arguments of the parties

- 15 The applicants argue, first, relying on paragraph 44 of the judgment of the Court of First Instance in Case T-335/99 *Henkel v OHIM (Rectangular red and white tablet)* [2001] ECR II-2581, that a minimum degree of distinctive character is sufficient in order for a trade mark to be registrable. They also claim that Article 7(1)(b) of Regulation No 40/94 does not distinguish between different categories of trade marks, so that the criteria for assessing the distinctive character of three-dimensional shape of goods marks are no different from those applicable to other categories of trade mark.
- 16 The applicants contend that the Board of Appeal was wrong to find, at paragraph 21 of the contested decision in Case T-110/02, that, in order for a three-dimensional trade mark not to be refused registration under Article 7(1)(b) of Regulation No 40/94, it must exhibit features that are sufficiently unusual and arbitrary, which are different from those that result from the type of goods or their marketing, and from the usual shape of the goods or their packaging. Contrary to the Board of Appeal's view, the Court of first Instance did not establish any such general criteria for assessing the distinctiveness of three-dimensional trade marks in its judgment in Case T-117/00 *Proctor and Gamble v OHIM (Square white and pale green tablet)* [2001] ECR II-2723). The Court's finding, at paragraph 73 of the judgment, that the Board of Appeal had been entitled in that case to apply such criteria does not mean that three-dimensional trade marks must in general exhibit a particular and striking shape by reference to the goods concerned.

- 17 As to the definition of the persons to whom the goods covered by the marks claimed are directed, the applicants state that they comprise end consumers in general. That statement does not, however, in their submission, justify the conclusion reached by the Board of Appeal that the end consumer focuses his attention on the labelling of the product, its packaging and the name or image affixed thereto, rather than on its shape alone. According to the applicants, the average end consumer of simple chocolate and pastry goods may, on the contrary, correctly be deemed also to regard the shape of goods as significant so far as their trade origin is concerned, and to adjust his choice on the basis of the shape of the goods alone.
- 18 Next, as regards the three-dimensional mark shaped like a brown-coloured cigar (Case T-324/01), the applicants claim that this is a very specific, individual and unusual shape that is clearly distinguishable from existing shapes, and that it is not one of the typical variants of the shapes present on the market.
- 19 They submit in that connection that the mark claimed consists of a three-dimensional representation of a round, cylindrical form which, by virtue of the fact that it is brown, bears a strong resemblance, in terms of the overall impression it conveys, to the shape of a cigar. Such a shape is, in the applicants' submission, unknown on the relevant market. The examples of chocolate and pastry goods mentioned by the Board of Appeal are fundamentally different from those covered by the mark claimed, because they only approximate to a cigar shape, and the relevant public knows this. According to the applicants, that applies to the goods identified by the following trade marks: '25 Nefles' (owned by Rifacli); 'Cigarettes Russes' (owned by Delacre); 'Waffeletten' and 'Picadilly' (owned by Bahlsen); and 'Finger' (owned by Cadbury).
- 20 Finally, as regards the three-dimensional gold ingot shape mark (Case T-110/02), the applicants contend that, in the perception of the relevant public, this is a wholly unusual and original shape for chocolate products. The particular shape

of an upside-down gold ingot does not exist on the relevant market, and it therefore possesses the required minimum degree of distinctiveness.

- 21 The applicants argue more particularly that the mark claimed consists of an almost exact representation, in terms of size, of a real gold ingot, except that it is upside down. The shape in question is fundamentally different from the other ingot shapes in the market for chocolate and chocolate products. According to the applicants, protection is only requested in respect of the gold ingot shape in its upside-down form, which differs clearly and consciously from the classic 'block' shape. Furthermore, the applicants claim that the dimensions of the shape (25 cm by 8 cm) go beyond what is usual for the presentation of chocolate products on the market.
- 22 Unlike the Board of Appeal, the applicants do not consider this distinctive feature to be discernible only upon careful and systematic scrutiny. In this context the applicants add that chocolate products and shapes of packaging of this type are sold to end consumers for not less than EUR 8 or 9. Accordingly, the applicants contend, the attention accorded by the relevant public to the shape is substantially greater than in the case of chocolate and pastry products sold at lower prices.
- 23 OHIM contends that the criteria for assessing the distinctiveness of a three-dimensional shape of goods mark are no different from those that apply to other types of trade mark. However, it takes the view that the shape of goods does not communicate information to the public as to the origin of the goods in the same way that word or figurative indications affixed to the goods or their packaging do. In OHIM's view, when it come to goods of everyday consumption, the public does not generally make a connection between the shape of the goods and their origin. It therefore contends that, in order for the shape of goods to be perceived

as an indication of their origin, it must display particular features capable of attracting the public's attention. OHIM claims, referring to paragraph 37 of the Court's judgment in Case T-88/00 *Mag Instrument v OHIM (Torch shape)* [2002] ECR II-467, that this does not occur where the public is accustomed to shapes similar to those at issue here, in a wide variety of designs.

- 24 With regard to the three-dimensional brown-coloured cigar shape, OHIM claims that the Board of Appeal did not make an error of assessment in finding that shapes based on cigar or cigarette shapes were very widespread in the market for the goods in question, and that the mark claimed was not sufficiently different from other shapes in the market for it to be able to find that, in the absence of any other elements, for example verbal or graphic, it possessed the required minimum degree of distinctiveness. OHIM submits in this context that the average consumer does not subject these goods to close analysis, but accords them only fleeting attention.
- 25 As to the three-dimensional shape representing a gold ingot, OHIM contends first of all that the average consumer only pays limited attention to the shape of these goods. It submits that factors such as the price of the product, as to which no particulars are provided in the trade mark application, and which will not be the subject of the registration, cannot be taken into account in assessing a trade mark's distinctiveness.
- 26 Next, OHIM contends that the Board of Appeal did not make an error of assessment in finding that packaging shaped like a gold ingot was very widespread in the market for the goods in question, and that the mark claimed was not sufficiently different from other shapes in the market for it to be able to find that, in the absence of any other elements, for example verbal or graphic, it possessed the required minimum degree of distinctiveness.

- 27 Finally, according to OHIM, that conclusion cannot be invalidated by the applicants' argument that the mark claimed consists of an upside-down gold ingot shape. It states that it is not clearly discernible from the graphic reproduction of the mark as it appears in the trade mark application whether the goods sold under the mark claimed are to be presented to consumers in a particular position.

Findings of the Court

- 28 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.
- 29 It must first of all be borne in mind that, according to the case-law, the trade marks covered by Article 7(1)(b) of Regulation No 40/94 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 (Joined Cases T-79/01 and T-86/01 *Bosch v OHIM (Kit Pro and Kit Super Pro)* [2002] ECR II-4881, paragraph 19). Moreover, the signs referred to in Article 7(1)(b) are incapable of performing the essential function of a trade mark, namely that of identifying the origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition (Case T-79/00 *Rewe Zentral v OHIM (LITE)* [2002] ECR II-705, paragraph 26, and *Kit Pro and Kit Super Pro*, paragraph 19).

- 30 Accordingly, the distinctiveness of a mark may be assessed only, first, in relation to the goods or services for which registration of the sign has been requested and, second, in relation to the perception which the relevant public has of it (*LITE*, paragraph 27, and *Kit Pro and Kit Super Pro*, paragraph 20).
- 31 In this case the Board of Appeal found that the relevant public in relation to products in the categories ‘chocolate, chocolate goods’ and ‘pastry and confectionery’ (Class 30) is composed of end consumers in general (paragraphs 23 and 24 of the contested decision in Case T-324/01 and paragraphs 24 and 25 of the contested decision in Case T-110/02). The applicants do not challenge that finding. As the goods are intended for everyday consumption, that analysis must be held to be correct. Furthermore, that public is deemed to be well informed and reasonably observant and circumspect (Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26, and Case T-359/99 *DKV v OHIM (EuroHealth)* [2001] ECR II-1645, paragraph 27). As for the goods in the categories identified as ‘Cardboard packaging in the form of a gold ingot for chocolate and chocolate goods’ (Class 16), the Board of Appeal pointed out that the relevant public is composed both of chocolate makers and of small- and medium-sized confectioners and bakers (paragraphs 35 and 36 of the contested decision in Case T-110/02). However, that difference is immaterial when it comes to assessing the distinctiveness of the mark claimed in Case T-110/02. Even if, in principle, it is the purchasers of the goods identified by the Board of Appeal and not end consumers in general who acquire those products, they none the less acquire them with a view to subsequent sales of the packaged product to end consumers.
- 32 Second, it must be observed that Article 7(1)(b) of Regulation No 40/94 makes no distinction between different categories of mark. Accordingly, it is not appropriate to apply more stringent criteria when assessing the distinctiveness of three-dimensional marks comprising the shape of the goods themselves, such as those sought in the present case, than in the case of other categories of mark (*Torch shape*, paragraph 32).

- 33 With regard, in this case, first of all to the three-dimensional brown-coloured cigar shape (Case T-324/01), the Board of Appeal found that shapes based on cigar or cigarette shapes are very widespread in the market for the goods in question (paragraph 27 of the contested decision in Case T-324/01). As OHIM has satisfactorily demonstrated in its response, there are, in addition to the cigar-shaped chocolate products cited in the contested decision, other goods on the market with similar shapes, such as the chocolate cigars made by Godiva, Niederegger and Hauser, some of which bear a strong resemblance to a real cigar.
- 34 Furthermore, as the Board of Appeal rightly pointed out at paragraphs 29 and 30 of the contested decision in Case T-324/01, the shape and colour of the mark claimed are not sufficiently different from the shape and colour of other chocolate and pastry products on the market for it to be possible to consider that, in the absence of any other elements, for example verbal or graphic, that mark possesses the required minimum degree of distinctiveness.
- 35 Those findings cannot be called into question by the applicants' argument that there are differences, which it claims to be considerable, between the shape and colour of the mark claimed (round and cylindrical and, by virtue of being brown, similar to a cigar shape) and the shape and colour of the other chocolate and pastry products referred to in the contested decision in Case T-324/01. In that regard, it must be observed that, as OHIM appositely points out, the average consumer does not subject the shape and colour of the products concerned to close analysis, but accords them only fleeting attention. Accordingly, the alleged differences in shape and colour relied on by the applicants in this case are not such as to invalidate the conclusion that the mark claimed is not substantially different from one of the basic shapes of the products concerned which is commonly used in the trade.
- 36 Next, with regard to the three-dimensional gold ingot mark (Case T-110/02), OHIM again rightly notes that the average consumer pays only fleeting attention

to the shape and colour of the products concerned. In that respect, the applicants' argument that consumers pay greater attention owing to the higher price at which these products are sold must be rejected. As is clear from the case-law of the Court of First Instance, for the purposes of assessing the registrability of a sign in respect of a particular category of goods and/or services, whether the applicant for the trade mark in question is contemplating using or is actually using a particular marketing concept is immaterial. The existence of a marketing concept is a factor that is extrinsic to the right conferred by the Community trade mark. Furthermore, since a marketing concept is purely a matter of choice for the undertaking concerned, it is liable to be altered after the Community trade mark has been registered and cannot therefore have any bearing on the assessment of the mark's registrability (Case T-355/00 *DaimlerChrysler v OHIM (TELE AID)* [2002] II-1939). OHIM is therefore right in maintaining that factors such as the price of the product concerned, which will not be the subject of the registration, cannot be taken into consideration in assessing a trade mark's distinctiveness.

37 The Board of Appeal has satisfactorily demonstrated, at paragraphs 28 to 31 of the contested decision in Case T-110/02, that packaging resembling a gold ingot is very widespread in the market for the products in question. As OHIM says in its response, undertakings other than those referred to in the contested decision, such as Feodora, Lebkuchen-Schmidt and Café Tasse, also market competing products in similar shapes and colours.

38 Similarly, at paragraphs 32 and 33 of the contested decision in Case T-110/02, the Board of Appeal appositely noted that the shape and colour of the mark claimed are not sufficiently different from the shape and colour of other products on the market for it to be possible to consider that, in the absence of any other elements, for example verbal or graphic, that mark possesses the required minimum degree of distinctiveness.

39 That conclusion is not invalidated by the applicants' assertion that the mark claimed comprises an upside-down gold ingot of 2.5 cm by 8 cm.

40 First, as OHIM pointed out in its response, in assessing the distinctiveness of a three-dimensional trade mark, a particular spatial positioning of the product need be taken into account only if the product is usually displayed in that position, as is the case, for example, with bottles. In the present case, the chocolate bars are not ordinarily presented with a particular spatial positioning. The fact that there is a design on the largest surface area of the packaging of the products marketed by the applicants in the shape in question is not sufficient to establish a particular spatial positioning for those products. The design in question relates to a certain marketing concept used by the applicant for the mark which is subject to alteration and the existence of which, as pointed out in paragraph 36 above, is of no relevance for the purposes of assessing the registrability of a sign as a trade mark.

41 As regards, secondly, the dimensions of the shape in question, they cannot in themselves be decisive for the purposes of assessing the distinctiveness of that shape, since they concern an aspect of the products concerned that is linked to the quantity of chocolate contained in the packaging. Accordingly, it cannot be considered that the relevant public perceives the shape of the gold ingot, even if viewed in conjunction with the dimensions given by the applicants, as an indication of the trade origin of the products concerned.

42 Finally, in the Community trade mark application form the applicants indicated, by ticking the relevant box, that the mark claimed was a three-dimensional mark. However, the words 'representation of the frustum of a pyramid upside down, with a rectangular base area approximately 2.5 cm × 8 cm and bevelled lateral faces' appear under the heading 'Specification of the other type of trade mark' in the application form. It is clear from the way in which the form is structured and

from the part entitled ‘Representation of the mark’ in the ‘Notes on the application form’ issued by OHIM that ‘other’ marks are those that do not fall within one of the categories explicitly mentioned, which include three-dimensional trade marks. Accordingly, three-dimensional marks are regarded as a type of mark that does not fall within the category ‘other’ marks.

- 43 Accordingly, if the mark were registered, the particulars concerning the spatial positioning and the dimensions of the shape in question would not be registered, and would therefore form part of a mere marketing concept.
- 44 In the light of the foregoing considerations, the Court finds that the marks claimed do not differ substantially from certain basic shapes, commonly used in the trade, of the products concerned but are, rather, a variant of those shapes. That fact is concrete evidence, in the sense contemplated in the case-law cited at paragraph 29 above, justifying the conclusion that they are capable of being commonly used in trade for the presentation of the products covered by the trade mark applications.
- 45 Accordingly the marks claimed, as perceived by an average consumer who is reasonably well informed and reasonably observant and circumspect, are not capable of differentiating the products concerned or of distinguishing them from those of a different trade origin. They are therefore devoid of distinctive character in relation to those products.
- 46 It follows that the plea alleging infringement of Article 7(1)(b) of Regulation No 40/94 must be rejected.

Second plea: infringement of the principle of equal treatment

Arguments of the parties

- 47 The applicants claim that, by refusing the marks sought to be registered, the Board of Appeal infringed the principle of equal treatment.
- 48 In that respect, they rely on the decisions of the Boards of Appeal finding the following three-dimensional trade marks to be registrable: buckle-shaped trade mark, *inter alia*, for categories of goods cited as ‘leather and imitations of leather, and goods made of these materials’ (Case R 272/1999-3); waffle-shaped trade mark, in particular for categories of goods cited as ‘pastry and confectionery’ (Case R 565/1999-1); trade mark consisting of a flower-shaped snack for categories of goods cited as ‘potato products, with or without flavourings; savoury snacks’ (Case R 467/1999-3); trade mark in the form of a three-dimensional flow regulator for the category of goods cited as ‘flow regulators’ (Case R 104/1999-3); and trade mark in the shape of a tablet dispenser for the category of goods cited as ‘anti-diabetic preparations’ (Case R 275/2000-1).
- 49 According to the applicants, those trade marks display neither a measure of originality nor any greater degree of fancifulness than those possessed by the marks claimed.
- 50 OHIM replies, referring to paragraph 66 of the Court’s judgment in Case T-106/00 *Streamserve v OHIM (STREAMSERVE)* [2002] ECR II-723, that this plea is irrelevant as the legality of the decisions of Boards of Appeal must be assessed solely on the basis of Regulation No 40/94, as interpreted by the

Community Courts, and not on the basis of a previous decision-making practice of those boards, which may be unlawful. In addition, OHIM states that the trade marks to which the decisions of the Boards of Appeal cited by the applicants relate are not comparable to the marks claimed.

Findings of the Court

- 51 As the case-law makes clear, decisions concerning registration of a sign as a Community mark which the Boards of Appeal 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 registrability of a sign as a Community trade mark must be assessed solely on the basis of that regulation, as interpreted by the Community Courts, and not on the basis of a previous practice of the Boards of Appeal (see, to that effect, *STREAMSERVE*, paragraph 66, and *Kit Pro and Kit Super Pro*, paragraph 32). The second plea in law must therefore be rejected as being of no consequence.
- 52 In any event, it must be observed that, whilst it is accepted that factual or legal grounds contained in an earlier decision might constitute arguments to support a plea alleging infringement of a provision of Regulation No 40/94 (see, to that effect, *STREAMSERVE*, paragraph 69, and *Kit Pro and Kit Super Pro*, paragraph 33), in this case, the applicants have not claimed that the earlier decisions of the Boards of Appeal relied on by them contain grounds such as to call into question the findings made above in relation to the plea alleging infringement of Article 7(1)(b) of Regulation No 40/94.
- 53 It follows from all of the foregoing that the applications must be dismissed in their entirety.

Costs

54 Under Article 87(2) of the Rules of Procedure of the Court of First Instance the unsuccessful party is to be ordered to pay the costs if they are applied for in the successful party's pleadings. Since the applicants have been unsuccessful, they must be ordered to pay the costs incurred by OHIM, as applied for by it.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber),

hereby:

1. Dismisses the applications;
2. Orders the applicants to pay the costs.

Tiili

Mengozzi

Vilaras

Delivered in open court in Luxembourg on 30 April 2003.

H. Jung

Registrar

V. Tiili

President

II - 1919

