

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

14 September 2004^{*}

In Case T-183/03,

Applied Molecular Evolution Inc., established in San Diego, California (United States), represented by A. Deutsch, lawyer, and by M. Weber-Quitau,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by H. Nokkanen and A. Folliard-Monguiral, acting as Agents,

defendant,

ACTION brought against the decision of the Second Board of Appeal of OHIM of 13 March 2003 (Case R 108/2002-2) upholding the refusal to register APPLIED MOLECULAR EVOLUTION as a word mark,

^{*} Language of the case: English.

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

composed of: J. Pirrung, President, A.W.H. Meij and N. J. Forwood, Judges,
Registrar: I. Natsinas, Administrator,

having regard to the application lodged at the Registry of the Court on 26 May 2003,

having regard to the reply lodged at the Registry of the Court on 5 September 2003,

further to the hearing on 13 May 2004,

gives the following

Judgment

Background to the dispute

- ¹ On 31 March 2000, the applicant, formerly known as Ixsys Inc., filed at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) an application for a Community trade mark 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 trade mark for which registration was sought is the sign APPLIED
MOLECULAR EVOLUTION.

3 The services in respect of which registration of the mark was sought are in Class 42
of the Nice Agreement concerning the International Classification of Goods and
Services for the Purpose of the Registration of Marks of 15 June 1957, as revised and
amended, and correspond to the following description: 'Research activities directed
toward the molecular engineering of compounds for use in therapeutics, diagnostics,
agricultural products, enzymes, chemical products, nutritional products, food
additives and industrial applications, including but not limited to, commodity and
speciality chemicals.'

4 By decision of 28 November 2001, the Examiner refused the application under
Article 38 of Regulation No 40/94 on the ground that the mark sought was
descriptive and devoid of any distinctive character.

5 On 28 January 2002, the applicant filed an appeal at OHIM against the Examiner's
decision in accordance with Article 59 of Regulation No 40/94.

6 By decision of 13 March 2003 ('the contested decision'), served on the applicant on
24 March 2003, and corrected as to the applicant's name by decision of 25 August
2003, the Board of Appeal dismissed the appeal on the ground that the mark applied
for was descriptive and devoid of any distinctive character within the meaning of
Article 7(1)(b) and (c) of Regulation No 40/94.

Forms of order sought

7 At the hearing the applicant withdrew its application for an order that OHIM be required to register the mark claimed.

8 The applicant now claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

9 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

10 The Court notes that at the hearing the applicant withdrew its first plea in law to the effect that the contested decision refers to it incorrectly by its former name. The applicant now raises a single plea in law based on an infringement of Article 7(1)(b) and (c) of Regulation No 40/94.

- 11 It must be noted first of all that, under Article 44(1) of the Rules of Procedure of the Court of First Instance, which applies to intellectual property matters by virtue of Article 130(1) and Article 132(1) of those rules, applications must include a brief statement of the grounds relied on. It is settled case-law that although specific points in the text of the application can be supported and completed by references to specific passages in the documents attached, a general reference to other documents cannot compensate for the failure to set out the essential elements of the legal argument which must, under those provisions, appear in the application itself, (Joined Cases T-305/94 to T-307/94, T-313/94 to T-316/94, T-318/94, T-325/94, T-328/94, T-329/94 and T-335/94 *Limburgse Vinyl Maatschappij and Others v Commission* [1999] ECR II-931, paragraph 39, and the case-law cited therein). No account may therefore be taken of the general reference in the application to the submissions lodged by the applicant before OHIM.
- 12 The Court notes as a preliminary point that the contested decision is based equally on lack of distinctiveness and on the descriptiveness of the mark claimed. At the hearing OHIM stated that the contested decision should be read as essentially founded on the descriptiveness of the mark sought. It is indeed appropriate in this case to consider first of all whether the Board of Appeal applied Article 7(1)(c) of Regulation No 40/94 correctly.
- 13 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 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. In addition, Article 7(2) of Regulation No 40/94 states that '[p]aragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

- 14 The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are those which may serve in normal usage from a consumer's point of view to designate, either directly or by reference to one of their essential characteristics, the goods or services in respect of which registration is sought (Case C-383/99 P *Proctor & Gamble v OHIM* [2001] ECR I-6251, paragraph 39). The descriptiveness of a sign cannot therefore be assessed other than by reference first to the goods or services concerned and secondly to the understanding that the relevant public has of it.
- 15 So far as the relevant public is concerned, in this case the Board of Appeal implicitly took the view that it comprises 'the relevant specialist consumer in the field of protein engineering' (paragraph 13 of the contested decision). By its first plea in law advanced in the application and further elucidated at the hearing, the applicant is arguing that the relevant public must be defined more broadly and also include, so far as a small number of persons is concerned, persons who are less highly specialised than those cited by the Board of Appeal, in particular economic operators.
- 16 The Court finds that the relevant public was defined correctly in the contested decision. At any rate, even if the public taken into account were to be less highly specialised than that forming the basis of the contested decision, that would not alter the consequences attaching to the definition of the relevant public in this case, which are that it comprises knowledgeable, particularly well-informed and observant consumers. The intended use of the services in question entails at the very least that this less highly specialised group be aware of the possibilities offered by molecular alteration and its benefits, including industrial benefits. Such persons cannot therefore be regarded as average consumers.
- 17 The Court finds that there is no need to determine whether the whole of the relevant public needs to be conversant in English for professional purposes. In any event under Article 7(2) of Regulation No 40/94 it is sufficient to establish that since the sign in question is English the relevant public comprises knowledgeable English-speaking consumers.

- 18 As regards the descriptiveness of the sign the Board of Appeal found first of all that the term 'molecular evolution' referred to the field of genetic material, including the study of proteins, deoxyribonucleic acid (DNA) and the improvement thereof for commercial purposes (paragraph 9 of the contested decision) and, secondly, that the addition of the word 'applied' related to the application of the services, namely use of the compounds obtained in various products (paragraph 11 of the contested decision).
- 19 By its second plea in law the applicant argues that the term 'evolution' has a variety of meanings and in particular that it implies a process of gradual, random change, not the direct and targeted optimising of molecules associated with the services claimed. It therefore has a contradictory meaning in relation to the services claimed.
- 20 The Court finds first of all that the Board of Appeal did not place reliance on the sense of the word 'evolution' alone but attributed a particular meaning to it taking it together with the adjective 'molecular'. In any event the word 'evolution' is appropriate to describe the partial, willed and immediate alteration of a pre-existing situation. In particular the relevant public, which is well informed, will be in no doubt that it connotes the deliberate alteration of molecules. Secondly, whilst it is true that the word 'evolution' can have a number of meanings, as the applicant argues, it must be recalled that under Article 7(1)(c) of Regulation No 40/94, a sign must be refused registration if at least one of its possible meanings designates a characteristic of the goods or services concerned (Case C-191/01 P *OHIM v Wrigley* [2003] ECR I-12447, paragraph 32).
- 21 By its third plea in law the applicant criticises the Board of Appeal for having determined the words 'molecular evolution' to be descriptive in the sphere of the alteration of genetic material without providing any evidence of that assertion, on the one hand, and for disregarding the fact that the services in question cover a far wider area, on the other.

- 22 The Court notes by way of preliminary observation that the applicant's argument is based on a partial reading of the contested decision. The Board of Appeal did not interpret the words 'molecular evolution' purely as meaning the alteration of genetic material but also referred to 'a number of ... activities' related to genetic material, including 'the process of artificially improving the function of a protein for commercial purposes' (paragraph 9 of the contested decision). The meaning attributed to the words 'molecular evolution' in the contested decision is therefore broader than that claimed by the applicant.
- 23 As regards proof of the correctness of the meaning determined by the Board of Appeal, it must be emphasised that the Board is entitled to supply definitions of particular terms of its own motion without being bound to rely on specific documents, provided that the definition can be regarded as commonly accepted. In this case the definition, although contested by the applicant, was sufficiently commonplace not to have to be substantiated in the contested decision. OHIM was easily able in its reply to corroborate the definition with the simple aid of a dictionary and an encyclopaedia. The relevant public, which is particularly well informed, will therefore be able without special effort to associate the words 'molecular evolution' with the field of genetic material. Under the case-law set out at paragraph 20 above, the fact that the words can have another connotation does not mean that they are not descriptive in relation to the services claimed.
- 24 In that regard the applicant cannot criticise the Board of Appeal for having used information from the applicant's website as the basis for assessing the descriptiveness of the sign in question in relation to the services claimed. The Board of Appeal did not rely on that information in order to appraise the perception of the sign by the relevant public but in order to respond to the applicant's argument that the examiner had misunderstood the nature of the services claimed in the trade mark application. In any event, as the nature of the services is sufficiently clear from the trade mark application itself, it cannot affect the applicant adversely if the nature of those services is confirmed by information gathered elsewhere.

25 Finally since the words ‘molecular evolution’ cover the services claimed at least in part, as is clear from the grounds of appeal submitted to the Board of Appeal, that descriptive meaning is sufficient reason for refusing registration of the mark sought. It is settled law that where the applicant has applied for registration of the sign at issue for all goods in that category without drawing any distinction between them the Board of Appeal is entitled to make an overall assessment of the descriptiveness of the sign comprising the mark in regard to all the goods and services listed in the trade mark application (see, with regard to services, Case T-358/00 *DaimlerChrysler v OHIM (TRUCKCARD)* [2002] ECR II-1993 paragraphs 34, 37 and 44; with regard to goods, Case T-106/00 *Streamserve v OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 46). Moreover, in the present case, the overall definition of the services referred to in the trademark application made it impossible for the Board of Appeal to distinguish the services referred to according to whether they directly concerned alterations of genetic material or did not. The fact that certain of the services referred to may concern activities not involving genetic alteration cannot entail that the mark applied for be registered for all the services referred to, although the sign at issue directly describes certain other services referred to. Such registration would run counter to the absolute ground of refusal in Article 7(1)(c) of Regulation No 40/94.

26 By its last plea in law the applicant claims that in the overall assessment of the sign in question the word ‘applied’ renders the meaning of the mark as a whole even less clear.

27 The Court finds that this plea must be rejected. The Board of Appeal rightly held that the word ‘applied’ meant ‘put to practical use; having or concerned with practical application’ (paragraph 10 of the contested decision). In the scientific and industrial worlds this adjective expresses the intention that theoretical research should find practical application. The adjective therefore further reinforces the descriptiveness of the sign in question by setting out the purpose, particularly the industrial and commercial purpose, of the services relating to molecular engineering.

- 28 As the sign as a whole is composed of a combination of words that conforms to English syntax, the association of those words cannot diminish their descriptiveness with regard to the services covered. On the contrary, their association strengthens the meaning of each of these words. The Board of Appeal was therefore right to conclude that the sign APPLIED MOLECULAR EVOLUTION is descriptive of the services claimed in the trade mark application, which is to say molecular engineering of compounds for use in a variety of products.
- 29 In so far as it is sufficient that one of the absolute grounds for refusal listed in Article 7(1) of Regulation No 40/94 obtains in order for the sign not to be registrable as a Community trade mark, there is no need to determine whether, as the Board of Appeal found and as is contested by the applicant, the mark in question is also devoid of distinctive character.
- 30 In the light of all the foregoing the application must be dismissed.

Costs

- 31 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 applicant has been unsuccessful and OHIM has applied for costs, it must be ordered to pay the costs.

On those grounds

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

- 1. Dismisses the application;**
- 2. Orders the applicant to pay the costs.**

Pirrung

Meij

Forwood

Delivered in open Court in Luxembourg on 14 September 2004.

H. Jung

J. Pirrung

Registrar

President