

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

5 March 2003 *

In Case T-237/01,

Alcon Inc., formerly Alcon Universal Ltd, established in Hünenberg (Switzerland), represented by H. Porter, Solicitor and C. Morcom QC, with an address for service in Luxembourg,

applicant,

v

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

defendant,

* Language of the case: English.

the intervener before the Court of First Instance being

Dr Robert Winzer Pharma GmbH, established in Olching (Germany), represented by S.N. Schneller, lawyer,

intervener,

ACTION brought against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 13 July 2001 (Case R 273/2000-1),

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

composed of: R.M. Moura Ramos, President, J. Pirrung and A.W.H. Meij, Judges,

Registrar: J. Plingers, Administrator,

having regard to the written procedure and further to the hearing on 20 November 2002,

gives the following

Judgment

Legal Background

1 Article 51 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, provides as follows:

‘1. A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings,

(a) where the Community trade mark has been registered in breach of the provisions of Article 5 or of Article 7;

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.

2. Where the Community trade mark has been registered in breach of the provisions of Article 7(1)(b), (c) or (d), it may nevertheless not be declared invalid

if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

3. Where the ground for invalidity exists in respect of only some of the goods or services for which the Community trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.’

- 2 Article 7(1)(d) of Regulation No 40/94 provides that trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade are to be refused registration.
- 3 Under Article 7(3) of Regulation No 40/94, paragraph 1(b), (c) and (d) is not to apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.

Background to the dispute

- 4 On 1 April 1996 Alcon Pharmaceuticals Ltd filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (hereinafter ‘the Office’) under Regulation No 40/94.
- 5 The trade mark in respect of which registration was sought was the acronym ‘BSS’.

6 The goods in respect of which registration of the trade mark was sought are in Class 5 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 description:

‘Ophthalmic pharmaceutical preparations; sterile solutions for ophthalmic surgery.’

7 The mark was registered on 7 August 1998 and published on 19 October 1998.

8 By a letter of 27 September 1999, Alcon Universal Ltd (hereinafter ‘the applicant’) requested that the Office record the transfer of the Community trade mark in question into its name in the register. On 29 November 1999 the transfer of the mark into the applicant’s name was recorded in the register at the Office.

9 On 7 December 1998 the intervener filed an application for a declaration under Article 51(1) of Regulation No 40/94 that the Community trade mark was invalid. The grounds relied on are those set out in Article 7 of Regulation No 40/94.

10 By decision of 15 December 1999 the Cancellation Division declared the Community trade mark invalid pursuant to Article 51(1)(a) of Regulation No 40/94, on the ground that the mark consisted of a sign which had become customary in the current language within the meaning of Article 7(1)(d) of Regulation No 40/94. Furthermore the Cancellation Division took the view that the applicant had not shown that the sign had acquired distinctive character in consequence of the use made of it within the meaning of Article 7(3) and 51(2) of Regulation No 40/94.

- 11 On 15 February 2000 an appeal was brought before the Office under Article 59 of Regulation No 40/94 against the decision of the Cancellation Division.

- 12 The First Board of Appeal dismissed the appeal by a decision of 13 July 2001 (hereinafter ‘the contested decision’), which was served on the applicant on 18 July 2001.

- 13 The Board of Appeal found that the decision of the Cancellation Division was well founded. It observed that the letters BSS are used both in German and in English to designate in the current language an ophthalmic pharmaceutical preparation. In addition, with regard to Articles 7(3) and 51(2) of Regulation No 40/94, the Board of Appeal found that the evidence adduced by the applicant did not prove that the sign had acquired distinctive character through use.

Procedure and forms of order sought by the parties

- 14 By application lodged at the Registry of the Court on 18 September 2001 the applicant brought this action. The Office lodged its response on 28 January 2002. The intervener lodged its response on 1 February 2002. The applicant lodged a reply on 12 April 2002. The Office lodged a rejoinder on 14 June 2002. The intervener lodged a rejoinder on 1 July 2002.

- 15 By letter of 19 November 2002 the applicant informed the Court of the change to its company name, which took effect on 21 December 2001.

16 The applicant claims that the Court should:

- annul the contested decision;
- order the Office to refuse the application for a declaration that the Community trade mark is invalid;
- make an order for costs.

17 The Office contends that the Court should:

- dismiss the application;
- order the applicant to pay the costs.

18 The intervener contends that the Court should:

- dismiss the application;
- order the applicant to pay the costs.

- 19 At the hearing the applicant withdrew its second head of claim seeking an order that the Office refuse the application for a declaration that the Community trade mark is invalid.

Law

- 20 The applicant in this case raises a single plea in law, alleging infringement of Article 51(1)(a) and of Article 51(2) of Regulation No 40/94.

Arguments of the parties

- 21 The applicant claims that it proved to the Cancellation Division of the Office that it was the first to adopt BSS as a trade mark in 1959 and that it has taken steps to maintain the distinctiveness of the mark and continues to do so.
- 22 In that regard the applicant submits that the Board of Appeal failed to take sufficient account of the steps taken by it to police other parties' usage of the term BSS. The applicant argues, in particular, that it was involved in actions to restrain use of the signs IOCARE BSS by Ciba Vision and PHARMACIA & UPJOHN BSS by Pharmacia & Upjohn. Furthermore the applicant contends that the Board of Appeal wrongly failed to accept that any owner of a trade mark is free to use that trade mark in combination with another mark without affecting its distinctiveness.
- 23 In its reply the applicant produces a number of documents, including copy excerpts from pharmaceutical dictionaries, an updated version of its 'Policing BSS' schedule adduced before the Board of Appeal on 17 April 2000, 18

declarations from medical practitioners in France, Finland, Greece, Belgium and the Netherlands attesting to the distinctive character of the BSS mark, a schedule listing the dates on which products bearing the BSS trade mark were first launched in the various different European countries following their initial launch in the United States and information on the conditions for registration of its BSS word mark in the United Kingdom and in Germany.

- 24 The Office contends that the Board of Appeal was right to confirm the invalidity of the BSS Community mark on the basis of the finding by the Cancellation Division that BSS was a generic term for the goods designated by the mark.
- 25 The Office contends that the Board of Appeal rightly held that, at the time when registration of the Community trade mark was applied for, BSS was used, at least in one part of the European Union, as a descriptive indication for ‘Balanced Salt Solution’ and that it would therefore be impossible to distinguish the products of one undertaking from those of other undertakings on the basis of the sign alone. According to the Office, that is confirmed by the seven excerpts from specialist technical dictionaries and scientific publications in German and English in the ophthalmic field, and by numerous internet sites reviewed by the Board of Appeal in the contested decision.
- 26 The Office submits that the applicant’s claim that it invented the terms ‘Balanced Salt Solution’ and ‘BSS’ is irrelevant to the proceedings.
- 27 In addition, in the Office’s submission, the applicant’s argument that the Board of Appeal did not have sufficient regard to the earlier national registrations of BSS or of signs containing the letters BSS is unfounded, since, according to settled case-law of the Court of First Instance, they are not binding on the Office and, moreover, they do not coincide with the mark at issue here.

- 28 The Office contends that the applicant did not demonstrate that the BSS mark had acquired distinctive character through use either before the Cancellation Division or before the Board of Appeal.
- 29 Finally, in its rejoinder the Office argues that the documents submitted by the applicant in its reply for the first time before the Court of First Instance are inadmissible under Article 48(1) of the Rules of Procedure of the Court because they were produced late and there was no justification for their lateness.
- 30 The intervener submits that the documents produced by the applicant before the Office are not sufficient to maintain the registration of the Community trade mark BSS. It claims that the acronym BSS is used by numerous manufacturers as a generic or descriptive indication for balanced salt solution and that the applicant has not demonstrated that it took steps to prevent the use of the acronym BSS by its competitors. In that regard the intervener contends that the 'Policing BSS' schedule produced by the applicant is irrelevant since it mentions only one dispute relating to the trade mark yet makes no mention of the use in Germany of the terms IOCARE BSS by Ciba Vision or PHARMACIA & UPJOHN BSS by Pharmacia & Upjohn.
- 31 The intervener claims that the applicant's own use of the acronym BSS in combination with other terms raises the question whether such usage is capable of conferring distinctive character on just one of the sign's components.
- 32 In its rejoinder the intervener submits several further documents with a view to demonstrating that the BSS mark is generic and descriptive.

Findings of the Court

- 33 In this action the applicant is contesting a decision of the First Board of Appeal of the Office dismissing its appeal against the decision by the Cancellation Division of the Office finding, following an application brought by the intervener, the Community trade mark BSS registered for ‘Ophthalmic pharmaceutical preparations; sterile solutions for ophthalmic surgery’ to be invalid.
- 34 In that context it must first of all be determined whether the Board of Appeal was right in holding that the Community mark BSS should not have been registered under Article 51(1)(a) of Regulation No 40/94 because there was an absolute ground for refusing it and, if it was, secondly, whether the Board of Appeal was correct in its finding that the mark had not acquired distinctive character through use within the meaning of Articles 7(3) and 51(2) of Regulation No 40/94.
- 35 It must be observed at the outset that the Cancellation Division’s decision is based on the application to the case in point here of Article 7(1)(d) of Regulation No 40/94, which prohibits the registration of trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade. Accordingly, the legality of the contested decision, which confirms the decision of the Cancellation Division, must be reviewed by reference to that same legal basis.
- 36 The first point to be made is that there is no Community case-law on the application of that provision. The Court of Justice has, however, been called upon to interpret Article 3(1)(d) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), the content of which is essentially the same as

Article 7(1)(d) of Regulation No 40/94 (Case C-517/99 *Merz & Krell* [2001] ECR I-6959).

- 37 According to the Court of Justice, Article 3(1)(d) of Directive 89/104 must be interpreted as precluding registration of a trade mark only where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought (*Merz & Krell*, paragraph 31). Accordingly, whether a mark is customary can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought, even though the provision in question does not explicitly refer to those goods or services and, secondly, on the basis of the target public's perception of the sign.
- 38 With regard to the target public, it must be observed that the question whether a sign is customary must be assessed by taking account of the level of attention the average consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect, is likely to pay to the type of goods in question (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26; and Case T-34/00 *Eurocool Logistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 47).
- 39 The Court of Justice further held that, although there is a clear overlap between the scope of Articles 3(1)(c) and 3(1)(d) of Directive 89/104, marks covered by Article 3(1)(d) are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered (*Merz & Krell*, paragraph 35).

- 40 Finally the Court of Justice emphasised that signs or indications constituting a trade mark which have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services covered by that mark are not capable of distinguishing the services of one undertaking from those of other undertakings and do not therefore fulfil the essential function of a trade mark — unless the use which has been made of those signs or indications has enabled them to acquire a distinctive character capable of being recognised under Article 3(3) of Directive 89/104 (*Merz & Krell*, paragraph 37).
- 41 In this case it must be observed that the mark in question had been registered for ‘Ophthalmic pharmaceutical preparations; sterile solutions for ophthalmic surgery’ and that the question whether BSS is customary must accordingly be assessed in relation to those goods.
- 42 In view of the intended use of the goods covered by the mark in question, the targeted public comprises medical specialists, particularly ophthalmologists and ophthalmic surgeons. Moreover, given that doctors and pharmacists in the European Union are familiar with scientific terms in English, which is the technical language in this area, the relevant public must be considered to be made up of ophthalmologists and ophthalmic surgeons throughout the whole of the European Union.
- 43 The evidence submitted by the intervener before the Office as to the customary character of the acronym BSS among ophthalmologic specialists indicates that BSS has become the current generic term for a balanced salt solution. The Court finds that the chemical, medical and pharmaceutical dictionaries and the

scientific articles produced by the intervener demonstrate that the term BSS is regarded by the relevant scientific community as a generic term.

- 44 Thus, it is to be observed that, as the Board of Appeal pointed out at paragraph 17 of the contested decision, the dictionaries produced by the intervener before the Cancellation Division (*Dictionary of Chemistry and Chemical Technology* by Helmut Gross, Elsevier 1989; *Lexicon mediziwissenschaftlicher Abkürzungen* by Dr Rolf Heister, F.K. Schattauer Verlag 1985; *Medical and Pharmaceutical Dictionary* by Werner E. Bunjes, Georg Thieme Verlag 1981; *MASA Medical Acronyms, Symbols & Abbreviations* by Betty Hamilton and Barbara Guidos, Neal Schuman Publishers Inc. 1984 and *Abbreviations* by Ralph De Sola, Elsevier 1986) and the articles submitted to the Board of Appeal, of which it cites those published by Winterlude (1995 edition) and the New England Eye Center (1996 edition), mention the term BSS as a generic designation for balanced salt solution or buffered saline solution.
- 45 Furthermore the 1997, 1998 and 1999 editions of the Rote Liste (German medical vade-mecum) submitted by the intervener to the Cancellation Division, and the 2000 edition submitted to the Board of Appeal, show that companies other than the applicant market ophthalmic products under designations containing the acronym BSS. Thus, to give an example, the 1999 edition mentions usage of the designation 'IOCARE BSS' by Ciba Vision, of the designation 'PHARMACIA & UPJOHN BSS' by Pharmacia & Upjohn, and of the designation 'Serag Ophthal BSS' by Serag-Wiessner.
- 46 Accordingly the Board of Appeal properly found, at paragraph 19 of the contested decision, that the evidence provided by the intervener before the Office was sufficient to show that, in specialist circles, the term BSS had become customary at the time of the applicant's application for registration of the mark

BSS as a generic indication for ‘sterile solutions for ophthalmic surgery’. In addition, it should be noted that the applicant did not produce to the Office any evidence that the mark BSS does not fall within the scope of the absolute ground for refusal set out in Article 7(1)(d) of Regulation No 40/94.

47 With regard to the applicant’s contention that it has demonstrated that it was the first company to adopt the acronym BSS as a trade mark in 1959, the Court finds that this does not prove that the mark in question had not become customary 37 years later by virtue of its use in the intervening period as a generic indication in the ophthalmologic field.

48 A sign which was at one time capable of acting as a trade mark may, by reason of the use thereof by third parties as a customary designation of a product, lose the capacity to perform the essential function of a trade mark, and in particular 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).

49 Second, it is necessary to determine whether the applicant proved to the Office that the BSS mark had acquired distinctive character through use for the goods in respect of which it was registered.

50 According to the case-law of the Court of Justice, in assessing the distinctive character of a mark in respect of which registration has been applied for, the following may, *inter alia*, be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the

mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations. If, on the basis of those factors, the relevant class of persons, or at least a significant proportion thereof, identifies goods as originating from a particular undertaking because of the trade mark, it must be concluded that the requirement for registering the mark laid down in Article 3(3) of the Directive — and by analogy that in Article 7(3) of Regulation No 40/94 — is satisfied (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraphs 51 and 52, and Case C-299/99 *Philips* [2002] ECR I-5475, paragraphs 60 and 61).

- 51 The distinctive character of a mark, including where it is acquired by use, must be assessed, also, in relation to the goods or services in respect of which registration is applied for and in the light of the presumed perception of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect (see, to that effect, *Philips*, paragraphs 59 and 63).
- 52 With regard to the scale of use that is necessary in order to have the registration of a trade mark accepted under Article 7(3) of Regulation No 40/94, the Court of First Instance has held that the distinctive character acquired through the use of that trade mark must be demonstrated in the substantial part of the European Union where it was devoid of any such character under Article 7(1)(b), (c) and (d) of that regulation (Case T-91/99 *Ford Motor v OHIM (OPTIONS)* [2000] ECR II-1925, paragraph 27).
- 53 In this case, it was incumbent upon the applicant to demonstrate to the Office that its trade mark had acquired distinctive character either before the date of filing of the mark on 1 April 1996 or between the date of registration on 7 August 1998 and the application for a declaration of invalidity on 7 December 1998 in the whole, or a substantial part, of the European Union.

- 54 The applicant submits that the Board of Appeal failed to have sufficient regard to the steps it has taken and continues to take in order to preserve the distinctive character of the BSS mark. The Office and the intervener contend that the evidence produced by the applicant before the Office is insufficient to maintain the registration of the mark.
- 55 The question whether a term that is customary in the current language or in the bona fide and established practices of the trade has acquired distinctive character through use depends in particular on whether the mark is perceived by the target public either as a generic name for the product in question or as the distinctive sign of a particular undertaking. Therefore, initiatives by the proprietor are to be taken into consideration in so far as they produce objective results in terms of the perception of the sign amongst the relevant public.
- 56 The documents produced by the applicant before the Cancellation Division and then before the Board of Appeal to show that the BSS mark had acquired distinctive character through use included a ‘Policing BSS’ schedule and agreements entered into by it with third parties showing that there is a programme for monitoring the use of the mark by third parties in, *inter alia*, the United States, Italy, Germany and the United Kingdom. However, the effects of the programme and its results in terms of raising awareness among the relevant public are not known.
- 57 The fact that the applicant took steps to ensure that the distinctiveness of the mark would be maintained is not sufficient to prove that the mark has acquired distinctive character through use for the goods covered by the registration, unless those measures created an awareness among the target public that BSS is a trade mark. In that connection, the Court finds that the ‘Policing BSS’ schedule is indicative of the applicant’s resolve to prevent competitors from using the BSS trade mark but does not show that BSS is perceived by the target public as a trade mark, and thus does not prove that BSS was no longer a customary designation in the ophthalmologic field.

58 Nor, finally, do the applicant's arguments based on the data relating to turnover and sums spent on advertising, or the documents it produced before the Office, in particular the certificates of national trade mark registrations containing the letters BSS and brochures of ALCON BSS and BSS PLUS products, establish the distinctiveness of the BSS mark, any more than those considered above. Moreover, the applicant has not advanced any argument in the application on the probative value of those documents.

59 As to the applicant's argument concerning a trade mark proprietor's right to use his mark in combination with other signs without affecting its distinctiveness, this is irrelevant to consideration of the question whether the BSS mark has acquired distinctive character. The complexity of the formula it uses to identify the products it markets (ALCON BSS, BSS PLUS and ALCON BSS PLUS) might at most indicate that it itself considers that the BSS mark has not acquired a sufficient degree of distinctiveness to be used without any additional element to identify the product.

60 Accordingly, the Board of Appeal was right in considering that the applicant had failed to show that its mark had acquired distinctive character through use within the meaning of Articles 7(3) and 51(2) of Regulation No 40/94.

61 As regards the documents annexed to the application and the reply, and to the intervener's rejoinder, which the Board of Appeal did not examine, regard cannot be had to those documents, submitted as they were for the first time before the Court of First Instance, because the purpose of actions before the Court of First Instance is to obtain review of the legality of decisions of the Boards of Appeal of the Office for the purposes of Article 63 of Regulation No 40/94.

62 In those circumstances, since it is not the Court's function to review the facts in the light of documents adduced for the first time before it, the documents produced by the applicant and the intervener for the first time before the Court must be disregarded, and there is no need to assess their probative value.

63 It follows from all of the foregoing considerations that the Board of Appeal was correct in finding that the BSS trade mark was customary in the current language or in the bona fide and established practices of the trade, and that the applicant had failed to prove to the Office that the mark had acquired distinctive character for the goods for which it was registered following the use which had been made of it.

64 The application must therefore be dismissed.

Costs

65 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since the applicant has been unsuccessful and the Office and the intervener have asked for costs, the applicant must be ordered to pay the costs incurred by them.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

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

Moura Ramos

Pirrung

Meij

Delivered in open court in Luxembourg on 5 March 2003.

H. Jung

R.M. Moura Ramos

Registrar

President