

JUDGMENT OF THE COURT OF FIRST INSTANCE (Third Chamber)

11 May 2005 *

In Joined Cases T-160/02 to T-162/02,

Naipes Heraclio Fournier, SA, established in Vitoria (Spain), represented by
E. Armijo Chávarri, lawyer,

applicant,

v

**Office for Harmonisation in the Internal Market (Trade Marks and Designs)
(OHIM)**, represented initially by J. Crespo Carrillo, and subsequently by
O. Montalto and I. de Medrano Caballero, acting as Agents,

defendant,

* Language of the case: Spanish.

the other party to the proceedings before the Board of Appeal of OHIM, intervener before the Court of First Instance, being

France Cartes SAS, established in Saint Max (France), represented by C. de Haas, lawyer,

ACTION brought against three decisions of the Second Board of Appeal of OHIM of 28 February 2002 (Cases R 771/2000-2, R 770/2000-2 and R 766/2000-2), relating to invalidity proceedings between Naipes Heraclio Fournier, SA, and France Cartes SAS,

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

composed of M. Jaeger, President, V. Tiili and O. Czúcz, Judges,

Registrar: I. Natsinas, Administrator,

having regard to the applications and reply lodged at the Registry of the Court of First Instance on 17 May 2002 and 16 June 2003 respectively,

having regard to the responses and the rejoinder of OHIM lodged at the Registry of the Court of First Instance on 22 November 2002 and 5 August 2003 respectively,

having regard to the intervener's responses and rejoinder lodged at the Registry of the Court of First Instance on 22 November 2002 and 7 November 2003 respectively,

having regard to the joinder of the present cases for the purposes of the written procedure, the oral procedure and judgment, in accordance with Article 50 of the Rules of Procedure of the Court of First Instance,

further to the hearing on 30 November 2004,

gives the following

Judgment

Background to the dispute

- ¹ On 1st April 1996, the applicant lodged three applications for Community trade marks at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) in accordance with Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

- 2 In Case T-160/02, the mark for which registration was sought is the figurative sign reproduced below which, according to the description contained in the application, is blue, pale blue, yellow and red in colour and represents a 'sword'.



- 3 In Case T-161/02, the mark for which registration was sought is the figurative sign reproduced below which, according to the description contained in the application, is red, yellow, green, ochre, brown, blue and pale blue in colour.



- 4 In Case T-162/02, the mark for which registration was sought is the figurative sign reproduced below which, according to the description contained in the application, is yellow, ochre, white, red, blue and green in colour.



- 5 The goods for which registration was sought fall within Class 16 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: 'playing cards'.
- 6 The marks requested were registered on 15 April 1998.
- 7 It is clear from the file that in 1998 the applicant obtained registration as Community trade marks of 23 figurative marks representing Spanish playing cards or symbols appearing on those cards, including the three marks described above.

- 8 It is also clear from the file that the applicant was the holder of the copyright in the representation on all 48 cards of the Spanish pack of cards until 10 February 2000.
- 9 On 7 April 1999, the intervener applied for those registrations to be declared invalid pursuant to Article 51(1)(a) and (b) of Regulation No 40/94, on the ground, firstly, that the registrations were caught by the absolute grounds for refusal laid down in Article 7(1)(b) to (e)(iii) of that regulation and, secondly, that the applicant was acting in bad faith when it filed the application for the trade mark.
- 10 On 15 June 2000, the Cancellation Division rejected the applications for a declaration that the marks at issue were invalid, on the ground that the registrations were well founded in law, and ordered the intervener to pay the costs.
- 11 On 19 July 2000 the applicant filed three appeals with OHIM pursuant to Articles 57 to 62 of Regulation No 40/94.
- 12 By decisions of 28 February 2002 (Cases R 771/2000-2, R 770/2000-2 and R 766/2000-2) ('the contested decisions'), notified to the applicant on 9 March 2002, the Second Board of Appeal allowed the intervener's appeals and annulled the decisions of the Cancellation Division of 15 June 2000. The Board of Appeal considered that the signs at issue were both devoid of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 and descriptive, in the sense of Article 7(1)(c) of the same regulation, in that they would be seen by the average user of such playing cards as representing characteristics of Spanish playing cards.

Forms of order sought by the parties

13 The applicant claims that the Court should:

- annul the contested decisions;

- order OHIM to pay the costs.

14 OHIM contends that the Court should:

- dismiss the applications;

- order the applicant to pay the costs.

15 The intervener contends that the Court should:

- uphold the contested decisions;

- declare the Community trade marks in question to be invalid;

- order the applicant to pay the costs incurred by the intervener in the cancellation and appeal proceedings.

Admissibility of the form of order sought by and pleas in law of the intervener

- 16 The applicant submits that the form of order sought by the intervener and its pleas in law cannot be taken into account by the Court to the extent that they do not seek the annulment or alteration of the contested decisions. According to the applicant, the Court cannot at the same time uphold the contested decisions and grant the form of order sought by holding that the marks are invalid by reason of grounds for refusal other than those stated in the contested decisions.
- 17 In that regard, the Court notes that, according to Article 134(2) of the Rules of Procedure, interveners are to have the same procedural rights as the main parties. They may support the form of order sought by a main party and they may apply for a form of order and put forward pleas in law independently of those applied for and put forward by the main parties. Pursuant to Article 134(3) thereof, an intervener may, in his response, seek an order annulling or altering the decision of the Board of Appeal on a point not raised in the application and put forward pleas in law not raised in the application.
- 18 The intervener was therefore entitled to apply for a form of order and put forward pleas in law distinct from those applied for and put forward by the main parties. The intervener concluded its response in the following terms: ‘The Court is therefore requested to uphold the [contested decisions] in so far as they annulled the decisions of the First Cancellation Division; to declare that the marks [in question] are invalid and to order the [applicant] to pay the [intervener’s] costs incurred in the cancellation and appeal proceedings.’ According to the applicant, it is not explicit in

the form of order sought by the intervener that the intervener intended that the Court should alter or amend the contested decisions by application of the provisions of Article 7(1)(a), (d) and (e)(iii) of Regulation No 40/94 or, in the alternative, of Article 51(1)(b) of that regulation.

19 It is appropriate to read the form of order sought by the intervener, set out in paragraph 62 of its responses, in conjunction with paragraphs 8 and 9 thereof. According to paragraph 8, 'the Court is requested to uphold the [contested decisions] in that [they held] that the sign[s were] devoid of any distinctive character for designating playing cards throughout the Community on the basis of Article 7(2) and Article 7(1)(b) and (c) of Regulation No 40/94; and to rule that the mark[s are] invalid on the basis of Article 7(1)(a), (d) and (e)(iii) of Regulation No 40/94 or, in the alternative, on the basis of Article 51(1)(b) of Regulation No 40/94'. According to paragraph 9, 'however, the Court is requested to alter the [contested decisions] in that they found the sign[s] to be distinctive in Spain and possibly in Italy'.

20 It is evident from the intervener's written submissions set out in paragraph 19 above that it is merely disputing certain of the grounds given by the Board of Appeal and suggests that the Court accept additional grounds justifying, in its view, a declaration that the marks in question are invalid. None the less, the intervener does not dispute the scope of the contested decisions in which it was held that those marks were invalid. The intervener cannot therefore be regarded as seeking an alteration of the contested decisions pursuant to Article 63 of Regulation No 40/94.

21 Furthermore, the intervener requests, in substance, that the Court direct OHIM to declare the marks in question invalid.

- 22 In this regard, it is appropriate to recall that, under Article 63(6) of Regulation No 40/94, OHIM is required to take the measures necessary to comply with the judgment of the Community judicature. Accordingly, it is not for the Court of First Instance to issue directions to OHIM. It is for the latter to draw the appropriate inferences from the operative part of the Court's judgments (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld v OHIM (Giroform)* [2001] ECR II-433, paragraph 33; Case T-34/00 *EurocoolLogistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 12; and Case T-129/01 *Alejandro v OHIM — Anheuser-Busch (BUDMEN)* [2003] ECR II-2251, paragraph 22). The form of order sought by the intervener asking the Court to direct OHIM to declare the marks in question invalid is therefore inadmissible.
- 23 Finally, the intervener requests that the applicant be ordered to pay the costs of the invalidity and appeal proceedings.
- 24 It should be noted that, under Article 136(2) of the Rules of Procedure, '[c]osts necessarily incurred by the parties for the purposes of the proceedings before the Board of Appeal and costs incurred for the purposes of the production, prescribed by the second subparagraph of Article 131(4), of translations of pleadings or other documents into the language of the case shall be regarded as recoverable costs'. Consequently costs incurred in the invalidity proceedings cannot be regarded as recoverable costs. The intervener's claim that the applicant be ordered to pay the costs must therefore be dismissed as inadmissible as far as the costs incurred in the invalidity proceedings are concerned.

Substance

- 25 In support of its action for annulment, the applicant puts forward two pleas in law, alleging, first, infringement of Article 7(1)(b) and, second, of Article 7(1)(c) of Regulation No 40/94.

26 It is appropriate to begin by examining the second plea in law.

The second plea in law, alleging infringement of Article 7(1)(c) of Regulation No 40/94

Arguments of the parties

27 The applicant submits that the prohibition under Article 7(1)(c) of Regulation No 40/94 applies to indications which are commonly used to designate the main characteristics of a product or service and to indications which are reasonably likely to fulfil that informative function. That prohibition therefore has no aim other than the avoidance of registration as marks of signs or indications which, because of their similarity with means commonly used to designate goods or services or characteristics thereof, cannot fulfil the function of identifying the undertakings marketing them.

28 In the present case, the applicant submits that the Board of Appeal erred in holding that the marks in question are composed exclusively of signs descriptive of characteristics of the goods to which they refer. The applicant considers that the Board of Appeal merely studied the suits swords and clubs of the pack of cards with regard to the provisions of Article 7(1)(b) of Regulation No 40/94.

29 In so doing, according to the applicant, the Board of Appeal failed to formulate separate and independent reasoning on the alleged infringement of Article 7(1)(c) of Regulation No 40/94 by the marks in question.

- 30 Furthermore, the applicant submits that the Board of Appeal extended excessively the scope of application of the prohibition laid down by that provision. The signs representing the knight of clubs and the king of swords are not constituted exclusively of descriptive elements.
- 31 With regard to the knight of clubs, the mark comprises an initial element allegedly descriptive, namely the club carried by the knight, and a second element which in no way corresponds to that definition, namely the design of the knight, which acquires more importance and confers on the mark an unusual and distinctive character going beyond the allegedly descriptive dimension of each element taken in isolation. The same considerations apply to the design of the king of swords, the allegedly descriptive element being the sword carried by the king.
- 32 The Board of Appeal failed, in the applicant's view, to take into consideration the fact that the devices making up the marks in question are not signs serving to identify a particular type of product, such as Spanish playing cards of the suits swords and clubs, but are unusual and particular devices, amongst many others, serving to designate a sword or a card from that pack. The applicant points out that there are hundreds of different representations to identify the 10 or 12 cards of the suits swords or clubs which form part of the Spanish pack of cards comprising 40 or 48 cards. So far as the sword is concerned, the design comprising the mark in question does not correspond to any of the Spanish playing cards as it is an invented device. The documents submitted to OHIM show that there is no rule or restriction as to the form, colour or details characterising the figures on Spanish playing cards.
- 33 The applicant disputes the view of the Board of Appeal that the target public resident outside Spanish or Italian territory will perceive the marks as being one of the suits of Spanish playing cards. It is unlikely that the public resident outside the above territories would know that a Spanish pack of cards has four suits, including

swords and clubs, and would recognise the cards comprising the pack. In any event, it is unlikely that the consumer would recognise the appearance of the club of the knight of clubs or of the sword of the king of swords and make a direct and immediate connection between the sign in question and the different suits of Spanish playing cards.

34 According to the applicant, when a potential user of playing cards is faced with the graphic representations in question, he will not perceive these signs as alluding to one of the suits of Spanish playing cards (in the case of the device representing a small sword) or to one of the cards of the Spanish pack of cards (for the symbols representing the knight of clubs or the king of swords), but will perceive them as being signs associated with a given manufacturer of playing cards.

35 OHIM points out that the Board of Appeal correctly applied Regulation No 40/94 because it in no way considered that the two absolute grounds for refusal laid down in Article 7(1)(b) and (c) respectively of that regulation were interdependent and did not deny that each of those grounds had its own field of application. That does not prevent the Board from reaching, on the basis of the same reasoning, the conclusion that the signs in question fall under those two absolute grounds for refusal.

36 The Board of Appeal therefore correctly considered that the simple, ordinary sword and the simple, ordinary cards bearing the representation of the knight of clubs and the king of swords referred immediately and directly to the goods which those signs were to identify and correctly concluded that the signs were descriptive, since they would be understood by the average consumer as representing characteristics of Spanish playing cards.

37 The intervener submits that the marks in question are composed exclusively of signs describing the characteristics of the goods at issue, namely: a Spanish-style playing

card of the suit swords and the value one; a Spanish-style playing card of the suit clubs and the figure knight; a Spanish-style playing card of the suit swords and the figure king. Those signs could never be perceived as designating another playing card. The target public would therefore immediately be informed of the type of goods (playing cards), of the destination of those goods (part of a pack of cards intended for a game) and of the quality, quantity and value of those goods.

Findings of the Court

- 38 It should be noted 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 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. Moreover, Article 7 (2) of that regulation provides that ‘[p]aragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community’.
- 39 Article 7(1)(c) of Regulation No 40/94 prevents the signs or indications to which it refers from being reserved to one undertaking alone because they have been registered as trade marks. That provision thus pursues an aim that is in the public interest, which requires that such signs and indications may be freely used by all (see, by analogy, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25; Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 73; Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 52; Case C-265/00 *Campina Melkunie* [2004] ECR I-1699, paragraph 35; and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 95).

- 40 The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are thus 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, goods or services such as those in respect of which registration is sought (Case C-383/99 P *Procter & Gamble v OHIM* [2001] ECR I-6251, paragraph 39).
- 41 A mark's descriptiveness must be assessed by reference, first, to the goods or services for which registration of the sign is sought and, second, to the perception of the target public, which comprises consumers of those goods or services (Case T-356/00 *Daimler Chrysler v OHIM (CARCARD)* [2002] ECR II-1963, paragraph 25).
- 42 In the present case it should be noted, firstly, that the goods designated by the marks at issue are playing cards. It is common ground that these are, in particular, what are called Spanish playing cards, in common usage in Spain, although the applicant also claims to use the trade marks at issue for other types of playing cards.
- 43 It is evident from the file that the Spanish pack of playing cards ('la baraja española') is composed of 40 or 48 cards from the ace to the seven or nine, followed by the jack ('sota'), the knight ('caballo') and the king ('rey'). The four suits are coins ('oros'), cups ('copas'), clubs ('bastos') and swords ('espadas').
- 44 It is therefore common ground that two of the three marks in question represent two of the Spanish cards: the knight of clubs (Case T-161/02) and the king of swords (Case T-162/02). With regard to the representation of the sword (Case T-160/02), it does not correspond, as such, to the representation of one of those cards but

consists of an element, in the form of a symbol, which is used to represent the swords suit. It does not represent the value one or 'ace' of the swords suit, contrary to the intervener's submission. It is clear from the file that the card representing the ace of swords is different from the symbol reproduced in paragraph 2 above.

- 45 With regard to the target public, it should be noted that this includes all potential consumers, in particular Spanish consumers, of playing cards. The goods in question are intended for general consumption and not only for professionals or card game enthusiasts, since anyone is likely at some time or another to acquire such goods either regularly or occasionally. The target public is therefore the average reasonably well-informed and circumspect consumer, in particular in Spain.
- 46 It is thus necessary, first, for the purposes of applying Article 7(1)(c) of Regulation No 40/94, to consider whether, from the point of view of the target public, there is a sufficiently direct and specific association between the figurative marks representing the knight of clubs and the king of swords and the categories of goods in respect of which registration was granted (see, to that effect, Case T-355/00 *DaimlerChrysler v OHIM (TELE AID)* [2002] ECR II-1939, paragraph 28).
- 47 In that regard, it should be noted that the designs of the knight of clubs and the king of swords directly conjure up playing cards for the target public, even if a section of that public is not necessarily acquainted with Spanish playing cards. All persons who have played with any type of cards identify in those drawings the representation of a playing card, given that the king and the knight are frequently used symbols on playing cards. That finding is not invalidated by the fact that the section of the public unacquainted with Spanish playing cards is not necessarily capable of making a direct connection between these drawings and the specific suit and value of each of these two cards.

- 48 In any event, in the mind of the Spanish public, the drawings in question directly designate the precise suit and value of two Spanish playing cards. The potential Spanish consumer of playing cards will perceive each of the signs in question as alluding to a specific card.
- 49 In that regard, it should be noted that, as the applicant points out, although there are numerous different representations enabling cards of a certain suit to be identified, every undertaking manufacturing and marketing Spanish playing cards of necessity uses the symbols of the knight and the club to identify the card having the value 11 of clubs or those of the king and the sword to identify the card having the value 12 of swords. The applicant's argument that there is no rule or restriction at all as to the form, suit or details characterising the figures in the Spanish pack of cards cannot therefore be accepted.
- 50 Moreover, although Article 7(1)(c) of Regulation No 40/94 provides that, to be covered by the ground for refusal of registration set out therein, the mark must be composed 'exclusively' of signs or indications which may serve to designate the characteristics of the goods or services concerned, it does not, however, require that those signs or indications should be the only way of designating such characteristics (see, by analogy, *Campina Melkunie*, cited above, paragraph 42, and *Koninklijke KPN Nederland*, cited above, paragraph 57). The possibility of designing a knight, a king, a sword or a club slightly differently therefore does not detract from the fact that the marks in question are descriptive of characteristics of playing cards.
- 51 Accordingly, and in particular for the Spanish public, there is a direct and specific association between the marks in question and playing cards.

- 52 It is appropriate to consider, secondly, whether there is, from the point of view of the target public, a sufficiently direct and specific association between the figurative mark representing the sword and the categories of goods for which registration was granted.
- 53 The potential consumer, the user of playing cards, will — at least in Spain — perceive the sign in question as alluding to one of the suits of the Spanish pack of cards. Accordingly, at least for the Spanish public, there is a direct and specific association between the mark in question and the goods in question, that is to say, playing cards.
- 54 Furthermore, any undertaking manufacturing and marketing Spanish playing cards of necessity uses the symbol of the sword to identify cards of that suit.
- 55 Since the fact that a ground of non-registrability obtains in part of the Community is enough to justify refusal of registration of a mark applied for, it is sufficient that the figurative mark consisting of the representation of a sword is descriptive in Spain.
- 56 Thirdly, contrary to the applicant's submission, registration of the signs in question could have the effect of preventing registration or use of other designs of the suit swords or of playing cards corresponding to the knight of clubs and the king of swords on Spanish playing cards.

57 In those circumstances, it is appropriate to find that the marks in question are descriptive of the characteristics of the goods designated.

58 With regard to the applicant's argument that the Board of Appeal failed to formulate separate and independent reasoning concerning the alleged infringement of Article 7(1)(c) of Regulation No 40/94, it should be noted that each of the grounds for refusal to register listed in Article 7(1) of Regulation No 40/94 is independent of the others and calls for separate examination. Furthermore, the various grounds for refusal must be interpreted in the light of the public interest underlying each of them. The public interest taken into account in the examination of each of those grounds for refusal may or even must reflect different considerations, depending upon which ground for refusal is at issue (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraphs 45 and 46, and Case C-329/02 P *SAT.1 v OHIM* [2004] ECR I-8317, paragraph 25).

59 However, there is a clear overlap between the scope of the grounds for refusal set out in subparagraphs (b) to (d) of Article 7(1) of Regulation No 40/94. In particular, a word mark which is descriptive of characteristics of goods or services for the purposes of Article 7(1)(c) of that regulation is, on that account, necessarily devoid of any distinctive character in relation to those goods or services within the meaning of Article 7(1)(b) thereof. A mark may none the less be devoid of distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive (see, by analogy, *Campina Melkunie*, paragraphs 18 and 19, and *Koninklijke KPN Nederland*, paragraphs 85 and 86).

60 In the present case, the fact that the Board of Appeal considered that the signs at issue were both devoid of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 and descriptive, in the sense of Article 7(1)(c) of the same regulation, in that they would be seen by the average card player as representing characteristics of Spanish playing cards, cannot constitute an infringement of Article 7(1) of Regulation No 40/94. Contrary to the applicant's submissions at the hearing,

the reasoning on which the contested decisions are based is not contrary to the principles laid down in the *SAT.1 v OHIM* judgment, cited above, given that the condition for the application of Article 7(1)(c) of Regulation No 40/94 is fulfilled.

- 61 Consequently the applicant's second plea in law must be rejected.
- 62 In those circumstances and since it is sufficient that one of the absolute grounds for refusal listed in that provision apply for the sign not to be registrable as a Community trade mark (Case C-104/00 P *DKV v OHIM* [2002] ECR I-7561, paragraph 29; *Giroform*, cited above, paragraph 30; and Case T-348/02 *Quick v OHIM (Quick)* [2003] ECR II-5071, paragraph 37), it is no longer necessary to examine the applicant's first plea in law.
- 63 It follows from all the foregoing that the application must be dismissed.

Costs

- 64 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 parties' pleadings. Since the applicant has been unsuccessful and OHIM and the intervener have asked for costs, it must be ordered to pay their costs, except those incurred by the intervener before the Cancellation Division.

On those grounds,

THE COURT OF FIRST INSTANCE (Third Chamber)

hereby:

- 1. Dismisses the applications;**
- 2. Dismisses the intervener's claim that the applicant be ordered to pay the costs as inadmissible in respect of the costs incurred before the Cancellation Division;**
- 3. Orders the applicant to pay the costs of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) and the remainder of the intervener's costs;**
- 4. Dismisses the remainder of the intervener's claims.**

Jaeger

Tiili

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Delivered in open court in Luxembourg on 11 May 2005.

H. Jung

M. Jaeger

Registrar

President