

JUDGMENT OF THE COURT OF FIRST INSTANCE (Third Chamber)

7 February 2007*

In Case T-317/05,

Kustom Musical Amplification, Inc., established in Cincinnati, Ohio (United States), represented by M. Edenborough, Barrister, and T. Bamford, Solicitor,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant,

ACTION brought against the decision of the Second Board of Appeal of OHIM of 7 June 2005 (Case R 1035/2004-2) concerning an application for registration of a three-dimensional mark in the shape of a guitar as a Community trade mark,

* Language of the case: English.

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

composed of M. Jaeger, President, V. Tiili and O. Czúcz, Judges,
Registrar: C. Kristensen, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance
on 16 August 2005,

having regard to the response lodged at the Court Registry on 11 November 2005,

further to the hearing on 10 July 2006,

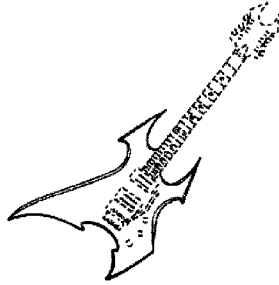
gives the following

Judgment

Background to the dispute

- ¹ On 28 May 2003 the applicant filed an application for a Community Trade Mark with the Office for Harmonization 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, concerning a three-dimensional mark in the form of the body of a guitar, reproduced below:



- 2 The trade mark applied for represents the body of the 'BEAST' guitar model from the applicant's BC Rich product line.

- 3 The application for registration states the following:

'The mark comprises the fanciful design of a guitar body. The neck, headstock, frets, pickups and other pictured guitar parts are shown in broken lines and form no part of the trade mark.'

- 4 The products for which registration was sought fall within Class 15 of the Nice Agreement on 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: 'Stringed instruments, namely guitars'.

- 5 By decision of 7 September 2004, the examiner rejected the application for registration on the ground that the trade mark sought was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 ('the examiner's decision').

- 6 On 4 November 2004 the applicant brought an appeal before OHIM against the examiner's decision.

- 7 The appeal was dismissed by decision of the Second Board of Appeal of 7 June 2005 ('the contested decision'). The Board of Appeal essentially considered that the average guitar player is used to seeing a large number of models of electric guitars with a variety of extravagant shapes and, in particular, numerous shapes of 'pointy' guitars, so that he will not see an indication of origin in a shape which is not significantly different from that of other electric guitars, but will perceive the shape in question as ornamentation.

Forms of order sought

- 8 In its application, the applicant claims that the Court of First Instance should:

— declare the action admissible;

- annul the contested decision or, in the alternative, annul it partially by limiting the list of goods in the application for registration to ‘stringed instruments, namely professional, electric guitars’ in Class 15 of the Nice Agreement;

 - remit the application for registration to OHIM to allow it to proceed with the publication formalities;

 - order OHIM to pay the costs, including those which it incurred in connection with the proceedings before the Board of Appeal and the examiner.
- 9 At the hearing, the applicant amended its alternative claim for partial annulment, stating that it sought to restrict the list of goods to ‘Stringed instruments, namely electric guitars’. In addition, it withdrew its application for an order that OHIM bear the costs incurred during the proceedings before the examiner.
- 10 OHIM claims that the Court of First Instance should:
- reject as inadmissible the applicant’s heads of claim: (i) that the Court should order OHIM to publish the Community Trade Mark application; (ii) that the

Court should partially annul the contested decision on the basis of the new list of goods; (iii) that the Court should order OHIM to bear the costs incurred by the applicant in connection with the proceedings before the examiner;

- if the Court of First Instance considers that the application encompasses an alleged infringement of Article 7(3) of Regulation No 40/94, declare that ‘plea’ inadmissible;

- dismiss the application as unfounded as to the remainder or for all heads of claim if the Court finds them to be admissible;

- order the applicant to pay the costs.

Admissibility

- 11 As regards the third head of claim, seeking an order that OHIM publish the Community Trade Mark application, the applicant explained at the hearing that it was not asking for the mark applied for to be published, but for the Court of First Instance to order OHIM to re-examine the mark applied for in the light of the judgment of the Court.

- 12 Under Article 63(6) of Regulation No 40/94, OHIM is required to take the measures necessary to comply with judgments 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 and grounds of judgments of the Community judicature (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld v OHIM (Giroform)* [2001] ECR II-433, paragraph 33; Case T-34/00 *Eurocool Logistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 12; Case T-164/03 *Ampafrance v OHIM — Johnson & Johnson (monBeBé)* [2005] ECR II-1401, paragraph 24; and Case T-202/04 *Madaus v OHIM — Optima Healthcare (ECHINAID)* [2006] ECR II-1115, paragraph 14).

- 13 The applicant's third head of claim is therefore inadmissible.
- 14 The admissibility of the alternative claim, which forms part of the second head of claim, will be examined only if the principal claim is rejected.

Substance

- 15 The applicant puts forward a single plea in law, subdivided essentially into two parts, alleging, first, a failure to state adequate reasons and infringement of the right to be heard and, second, infringement of Article 7(1)(b) of Regulation No 40/94.

Arguments of the parties

- 16 The applicant criticises OHIM for making extensive reference in the examiner's decision and the contested decision to internet pages, without disclosing the precise content of those pages in the form of a hard copy.
- 17 In that regard, the applicant notes that two of the websites cited by the examiner were not available when it sought to access them. It submits that communicating only references to websites does not furnish proof of the original website material in question but merely the examiner's account of what that website contained.
- 18 As regards the references to the five websites which the applicant successfully accessed, it maintains that there is no guarantee that the material contained there was the same as the material upon which the examiner based his conclusions, since the internet pages are regularly updated.
- 19 The applicant maintains that the explanation provided by the Board of Appeal concerning the inaccessibility and the possible change in the material contained on those internet pages, namely that 'the examiner made clear reference to websites which are not ephemeral, but are those of well-established guitar manufacturers', does not remove the uncertainty as to the information which was available at the time the internet pages were accessed by the examiner, since it is to be assumed that an internet page will be changed from time to time, irrespective of the reputation of the company which is responsible for its content.
- 20 The applicant argues that it is unacceptable for the Board of Appeal to make reference to, and rely upon, documents upon which it did not have an opportunity to comment and which have not been produced, and so do not form part of the proceedings.

- 21 OHIM submits, as regards the applicant's claim that its right to be heard was infringed, that even if that were so, such an infringement would not justify annulling the contested decision if that decision was in fact correct (Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 60, and Case T-242/02 *Sunrider v OHIM (TOP)* [2005] ECR II-2793, paragraph 65).
- 22 OHIM adds that, since the applicant carries on business in the sector concerned, it should know the guitar shapes referred to by the Board of Appeal. Besides, the existence of a wide variety of guitar shapes, including 'pointy guitars', is well known, as a matter which can be established from generally accessible sources (Case T-185/02 *Ruiz-Picasso and Others v OHIM — DaimlerChrysler (PICARO)* [2004] ECR II-1739, paragraph 29). The Board of Appeal's reference to a variety of guitar shapes therefore did not prejudice the applicant's rights of defence.
- 23 In addition, it was possible to corroborate the Board's finding that the sign applied for is one among many 'pointy' shapes of guitars on the market using the documentary evidence provided by the applicant in its letter of 13 August 2004.

Findings of the Court

- 24 It should be pointed out, at the outset, that, pursuant to the second sentence of Article 73 of Regulation No 40/94, decisions of OHIM are to be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.

- 25 In accordance with that provision, a Board of Appeal of OHIM may base its decision only on matters of fact or of law on which the parties have been able to set out their views. Consequently, in a case where the Board of Appeal assembles of its own motion facts intended to serve as a basis for its decision, it is under an obligation to notify the parties of those facts in order that the parties may submit their views thereon (*KWS Saat v OHIM*, cited in paragraph 21 above, paragraphs 42 and 43, and *TOP*, cited in paragraph 21 above, paragraph 59).
- 26 The general principle of protection of the right to defend oneself is enshrined in the law of Community trade marks by that provision (Case T-320/03 *Citicorp v OHIM (LIVE RICHLI)* [2005] ECR II-3411, paragraph 21). According to that general principle of Community law, a person whose interests are appreciably affected by a decision taken by a public authority must be given the opportunity to make his point of view known (Case 17/74 *Transocean Marine Paint v Commission* [1974] ECR 1063, paragraph 15; *EUROCOOL*, cited in paragraph 12 above, paragraph 21; and *LIVE RICHLI*, paragraph 22).
- 27 The right to be heard extends to all the factual and legal material which forms the basis of the decision, but not to the final position which the authority intends to adopt (Case T-16/02 *Audi v OHIM (TDI)* [2003] ECR II-5167, paragraph 75).
- 28 As regards the present case, first, OHIM sent internet links, without providing the applicant with hard copies of their content, in two letters dated 23 February 2004 and 13 May 2004 respectively, informing the applicant, pursuant to Rule 11(1) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1), that the shape applied for was not eligible

for registration (hereinafter ‘the first notice of grounds for refusal’ and ‘the second notice of grounds for refusal’ respectively). Second, the Board of Appeal sent, also without providing the applicant with hard copies, 20 internet links, of which one address was identical to that cited in the second notice of grounds for refusal.

- 29 In the first notice of grounds for refusal the examiner considered that the shape applied for was common within a category of instruments colloquially referred to as ‘pointy guitars’ and, therefore, did not constitute an indication of origin. He added that ‘a brief search of the internet [had] shown that a large number of major guitar manufacturers all produce[d] similar shape guitars’. In that regard, the examiner mentions the applicant’s website and also two internet pages belonging to other manufacturers. He concludes from that that ‘in light of the evidence found, the mark is considered to be devoid of any distinctive character’.
- 30 In the second notice of grounds for refusal the examiner states that ‘[the] internet findings submitted to the applicant have formed the basis for [OHIM’s] rejection of the mark’. He then makes reference to links to five internet pages of guitar manufacturers and concludes that those findings ‘indicate that ... shapes very similar to that applied for are being used by third parties in the relevant sector’.
- 31 In his decision the examiner rectified his position as regards the role and the importance of items of evidence consisting of the internet links which constitute the internet research mentioned in the notices of grounds for refusal. He states:

‘Internet references ... can never form the sole basis for an objection raised. Having considered all the facts of the case, [OHIM] has decided that acceptance of the mark

applied for would contravene Article 7(1)(b) [of Regulation No 40/94] and has provided reasons for doing so. These reasons are supported by some internet references found by [OHIM], but do not rely solely on them.’

32 The Court notes, however, that the examiner’s decision does not mention any new evidence constituting the factual basis of the analysis and replacing the internet research sent to the applicant in the form of those links.

33 In paragraph 20 of the contested decision the Board of Appeal states the following:

‘The shapes of guitars actually offered in the market are practically unlimited ... Firstly, ... it appears that this [pointy] style is commonly found in various other [shapes of] electric guitars in the actual market place (commonly named “pointy guitars”) ... Secondly, ... it appears that heavy metal or hard rock electric guitars, are commonly offered in a great variety of forms ... and extravagant design details’. The Board of Appeal then gives ‘some examples from the sites cited by the examiner’ and lists seven internet links.

34 According to paragraph 21 of the contested decision, ‘the websites cited by the examiner revealed an assortment of guitar models with a great variety of ... pointy design ... more or less similar to the one applied for, marketed by various guitar manufacturers’. In order ‘to give only some examples from the websites cited by the examiner’, the contested decision specifies eight internet links.

35 In paragraph 22 of the contested decision, the Board of Appeal adds that ‘the websites already quoted by the examiner feature several models of “pointy guitars” ... very similar, if not identical, to the shape applied for’ and mentions another five internet links.

36 The applicant’s first ground for complaint relating to the right to be heard concerns the seven internet links belonging to the other guitar manufacturers which were sent, before the adoption of the contested decision, in the notices of grounds for refusal. In that context, the applicant criticises the fact that no hard copies were provided of the pages to which those links led at the time when they were taken into account by the examiner and the Board of Appeal. By its second ground for complaint relating to the right to be heard, which concerns the 19 links which were transmitted for the first time in the contested decision, the applicant complains not only that no hard copies were provided, but also that the Board of Appeal took those internet links into account, even though they were facts on which it was not able to define its position before the adoption of the contested decision.

37 As regards the applicant’s first ground for complaint, which it already raised in the proceedings before the Board of Appeal, namely that it was unable to consult several of the links provided by the examiner due to their inaccessibility and, even if the links were accessible, the applicant was not certain of finding the guitar shapes on which the examiner had based his decision, the Board of Appeal states the following in paragraph 39 of the contested decision:

‘It is true that when reference is made to ephemeral web pages, a hard copy thereof should be available for the applicant [for a Community trade mark], upon request. However, in the present case, ... the examiner made clear reference to websites which are not ephemeral, but are those of well-established guitar manufacturers.’

38 At the hearing, OHIM stated that the content of the internet links in question had changed in the meantime and that certain internet pages, to which those links led, had disappeared. It also stated that it was not in possession of any hard copies which it could provide the Court with.

39 It follows that the arguments put forward by OHIM in paragraph 39 of the contested decision in no way deal with the applicant's first ground for complaint relating to the right to be heard.

40 As regards OHIM's argument that the applicant, being a professional in the sector at issue, must have been aware of the guitar shapes referred to by the examiner and the Board of Appeal, it should be pointed out that OHIM admitted at the hearing that the only means of identifying the guitar shapes to which the examiner and the Board of Appeal referred would have been to open the links at issue.

41 However, it is clear that this means of identifying the shape in question is ineffective if the link at issue is inaccessible and it does not preclude the possibility that the given link could lead, at a later date, to a guitar other than that taken into account by the examiner or by the Board of Appeal.

42 In relation to certain accessible links which lead to several guitar shapes, OHIM affirmed, at the hearing, that identification of the specific shape taken into account by the Board of Appeal was possible only by getting into contact with the rapporteur of the Board of Appeal.

43 Therefore, as regards the applicant's first ground for complaint relating to the right to be heard, the Court finds that the mere communication of the internet links in the two notices of grounds for refusal, without the provision of hard copies of the pages to which those links led, did not enable the applicant to identify, before the adoption of the contested decision, the guitar shapes taken into consideration by the Board of Appeal.

44 As regards the applicant's second ground for complaint, it must also be pointed out that the applicant could not, even theoretically, have accessed the 19 links before the adoption of the contested decision, since those links were first sent to the applicant only in the contested decision (see paragraphs 33 to 35 above).

45 Consequently, it must be concluded that the Board of Appeal took into account, at the time of the adoption of the contested decision, facts which were not communicated to the applicant prior to the adoption of that decision.

46 In so doing, the Board of Appeal infringed the second sentence of Article 73 of Regulation No 40/94.

47 Therefore, it is necessary to examine whether that infringement of the right to be heard concerns the facts which constitute the basis of the contested decision.

48 In that regard, OHIM submits that the conclusion that the application should be rejected was based on an independent analysis of the internet research at issue. In that regard, it submits that the existence of a wide variety of guitar shapes, including

‘pointy guitars’, is well known and that the conclusion that the sign applied for is one of numerous ‘pointy’ shapes on the market is supported by the documentary evidence supplied by the applicant. At the hearing, OHIM explained that paragraphs 15, 24, 25 and 29 of the contested decision, on which the rejection decision is based, are not related to the internet research carried out by the examiner and the Board of Appeal.

49 The paragraphs mentioned above make, essentially, two claims: first, many different types of guitar shapes exist on the market, which thus prevents consumers from regarding the shape of guitars as an indication of origin. Second, the shape applied for does not differ significantly from other shapes of heavy-metal guitars on the market, and, therefore, does not enable consumers to regard it as an identification of origin.

50 It must be noted, in that regard, that OHIM merely claims that it is well known that there is a large variety of guitar shapes on the market and that, in its view, the fact that the shape applied for belongs to the category of pointy guitars is apparent from the documents supplied by the applicant during the administrative proceedings. By contrast, it in no way alleges that its claim as to the similarity between the shape applied for and the other guitar shapes on the market is a well-known fact.

51 In that regard, the Court considers that the assessment of the similarity between the shape applied for and other existing shapes necessarily calls for an examination which compares the shape applied for with each of the other specific models which could resemble it. Therefore, the identification of other models serving as reference points for the assessment of that similarity is, in that regard, an indispensable element of the analysis of the Board of Appeal. OHIM does not dispute that the

internet references in the notices of grounds for refusal and in the contested decision were meant to identify the specific models of other guitar manufacturers taken into account by the examiner and the Board of Appeal.

- 52 In addition, the examiner expressly stated in the second notice of grounds for refusal that ‘the internet findings submitted to the applicant formed the basis for OHIM’s rejection of the mark’.
- 53 It must also be pointed out that paragraphs 24, 25 and 29 of the contested decision follow paragraphs 20 to 22, which evoke the various models which the examiner and the Board of Appeal took into account, and reproduce the factual conclusions arrived at in paragraphs 20 to 23 of the examination of the models presented on the internet sites at issue, in particular the finding that the shape applied for is similar, and even identical, to the other shapes on the market.
- 54 Therefore, the Court considers that the internet research at issue neither confirms nor is superfluous to the analysis carried out by the Board of Appeal, but constitutes its starting point.
- 55 Consequently, the Court finds that the conclusion in the contested decision that the mark applied for should be rejected is based on facts which were not communicated to the applicant prior to the adoption of that decision. Therefore, the infringement of the applicant’s right to be heard vitiates the very conclusion reached in the contested decision.

- 56 For the sake of completeness, it should be noted that, under the first sentence of Article 73 of Regulation No 40/94, decisions of OHIM are to state the reasons on which they are based. That duty has the same scope as that enshrined in Article 253 EC (Joined Cases T-124/02 and T-156/02 *Sunrider v OHIM — Vitakraft-Werke Wührmann and Friesland Brands (VITATASTE and METABALANCE 44)* [2004] ECR II-1149, paragraph 72).
- 57 In that regard, it is settled case-law that the duty to give reasons for a decision has two purposes: to allow interested parties to know the reasons for the measure so as to enable them to defend their rights and to enable the Community judicature to exercise its power to review the legality of the decision (see, in particular, Case C-350/88 *Delacre and Others v Commission* [1990] ECR I-395, paragraph 15; Case T-188/98 *Kuijer v Council* [2000] ECR II-1959, paragraph 36; and Case T-388/00 *Institut für Lernsysteme v OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 59). Whether a statement of reasons satisfies those requirements is a question to be assessed with reference not only to its wording but also to its context and the whole body of legal rules governing the matter in question (Case C-122/94 *Commission v Council* [1996] ECR I-881, paragraph 29, and *VITATASTE and METABALANCE 44*, cited in paragraph 56 above, paragraph 73).
- 58 As regards the present case, it must be pointed out that OHIM admitted at the hearing that several of the internet links which were sent to the applicant in the two notices of grounds for refusal, and in the contested decision, have become inaccessible, that their content has changed in the meantime, and that, in the cases of links leading to several guitar shapes, only by consulting the rapporteur of the Board of Appeal was it possible to identify the shape which was taken into account by the Board. It must also be pointed out that, during the investigation of the case, the Court was able to access only two of the seven links leading to the internet sites of the other guitar manufacturers referred to in the two notices of grounds for refusal and only eight of the nineteen links which were cited for the first time in the contested decision.

- 59 In that regard, the Court finds that the sending of the points of fact constituting the basis of a decision of the Board of Appeal, in the form of internet links which are inaccessible at the time of the Court's investigation of the case, or in the form of accessible links whose content has changed or might have changed since the examination by the examiner or the Board of Appeal, does not constitute a sufficient statement of reasons for the purposes of the case-law cited in paragraph 57 above, since it does not enable the Court to review the validity of the contested decision.
- 60 In the light of the foregoing, it must be found that the contested decision infringes Article 73 of Regulation No 40/94 by failing to comply with the duty to state the reasons on which decisions are based and by violating the right to be heard, both of which are laid down in that article, and that that infringement affects the principal basis of the contested decision rejecting the mark applied for.
- 61 Therefore, the first part of the applicant's single plea must be upheld and the contested decision must be annulled, there being no need to examine the applicant's other arguments.

Costs

- 62 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 OHIM has been unsuccessful, in that the contested decision has been annulled, it must be ordered to pay the applicant's costs, as applied for by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Third Chamber)

hereby:

- 1. Annuls the decision of the Second Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) of 7 June 2005 (Case R 1035/2004-2);**
- 2. Orders OHIM to bear its own costs and to pay those incurred by the applicant.**

Jaeger

Tiili

Czúcz

Delivered in open court in Luxembourg on 7 February 2007.

E. Coulon

M. Jaeger

Registrar

President