

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

10 November 2004<sup>\*</sup>

In Case T-402/02,

**August Storck KG**, established in Berlin (Germany), represented by H. Wrage-Molkenthin, T. Reher, A. Heise and I. Rohr, lawyers, with an address for service in Luxembourg,

applicant,

v

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

defendant,

**ACTION** for annulment of the decision of the Second Board of Appeal of OHIM of 18 October 2002 (Case R 0256/2001-2) refusing registration of a trade mark representing a twisted wrapper (shape of a sweet wrapper),

<sup>\*</sup> Language of the case: German.

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

composed of: H. Legal, President, V. Tiili and M. Vilaras, Judges,  
Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Registry of the Court on 27 December 2002,

having regard to the defence lodged at the Registry of the Court on 22 April 2003,

further to the hearing on 16 June 2004,

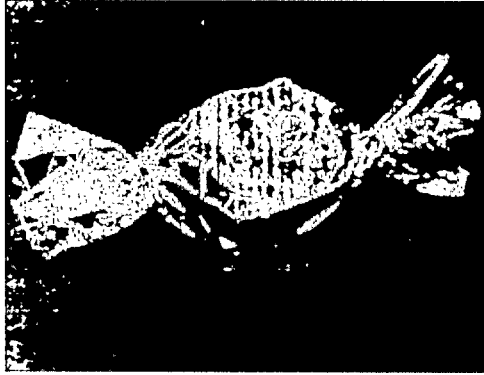
gives the following

## **Judgment**

### **Background to the dispute**

- 1 On 30 March 1998 the applicant filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

- 2 The mark in respect of which registration was sought is the representation in perspective of a twisted wrapper (shape of a sweet wrapper) reproduced below:



- 3 The applicant described its mark as figurative and claimed the colour 'light brown (caramel)'.
- 4 The goods in respect of which registration of the trade mark was sought are in Class 30 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 amended, and correspond to the following description: 'Sweets'.
- 5 By a notice of 3 August 1998, the examiner informed the applicant that its mark was not suitable for registration by virtue of Article 7(1)(b) of Regulation No 40/94.

- 6 Under cover of a letter of 5 October 1998, the applicant submitted its observations on the examiner's objections. After describing the mark applied for as three-dimensional, the applicant stated that the special feature of the shape of wrapper in question lay in its golden colour which gave it the minimum degree of distinctive character required. In any event, the mark applied for became distinctive in respect of 'caramels' in consequence of the use which was made of it.
- 7 By a decision of 19 January 2001, after stating that the application concerned a figurative mark, the examiner refused it on the ground that the mark applied for was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 and that the mark had not become distinctive in consequence of the use made of it in respect of caramels, within the meaning of Article 7(3) of that regulation.
- 8 On 13 March 2001 the applicant filed an appeal against the examiner's decision at OHIM under Article 59 of Regulation No 40/94. In that appeal, the applicant sought annulment of the examiner's decision in its entirety. In the written statement setting out the grounds of the appeal, dated 18 May 2001, the applicant repeated its assertion that the mark applied for was a three-dimensional mark, stating that it combined three different colours, namely transparent yellow, bright gold and white. In the alternative, it stated that the list of goods covered by the mark applied for should be limited to 'caramel sweets' alone if the registration of the mark were refused for lack of inherent distinctive character and lack of distinctive character in consequence of use in respect of 'sweets'.
- 9 By decision of 18 October 2002 ('the contested decision'), which was notified to the applicant on 31 October 2002, the Second Board of Appeal of OHIM dismissed the appeal on the ground that the mark applied for was not distinctive within the meaning of Article 7(1)(b) of Regulation No 40/94 and could not be registered under Article 7(3) of that regulation.

- 10 The Board of Appeal essentially found that the mark applied for, whether figurative or three-dimensional, should be refused registration under Article 7(1)(b) of Regulation No 40/94. In particular as regards the colour of wrapper in question, the Board of Appeal, after pointing out that the colour claimed in the trade mark application was 'light brown (caramel)', stated that it was not able to discern, on the basis of the graphic representation of the mark applied for, the three colours referred to by the applicant in its written statement setting out the grounds of the appeal. On that representation, the colour appeared rather as gold or containing a golden hue, the use of which is usual and frequent in trade in respect of sweet wrappers. Moreover, it found that the evidence adduced by the applicant did not prove that the mark applied for had become distinctive in consequence of the use made of that mark in respect of sweets in general or caramels in particular.

### **Procedure and forms of order sought**

- 11 By letter lodged at the Registry of the Court on 26 May 2003, the applicant applied, pursuant to Article 135(2) of the Rules of Procedure of the Court of First Instance, for permission to lodge a reply. The President of the Fourth Chamber of the Court of First Instance refused to grant that permission.

- 12 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

13 OHIM contends that the Court should:

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

### **Subject-matter of the dispute**

#### *Arguments of the parties*

14 The applicant raises once more the issue of the description of the mark applied for, referring to it as both a figurative mark and a three-dimensional mark.

15 As for the colour claimed, the applicant asserts that, contrary to the Board of Appeal's finding at paragraph 16 of the contested decision, it follows from the graphic representation of the mark applied for that it comprises three colours. The centre of the mark is gold, whilst the twisted ends are both white and transparent yellow. Through the contrast between the transparent film and the opaque film, the mark gives the impression of being three-coloured.

- 16 Lastly, whilst challenging the contested decision as a whole, the applicant criticises the Board of Appeal for wrongly refusing to accept that the mark applied for was registrable and also for rejecting the application for a trade mark in respect of 'caramel sweets' alone, following the applicant's restriction, in its written statement setting out the grounds of the appeal to the Board of Appeal of OHIM, of the list of goods covered by the trade mark application if the registration of the mark were to be refused on the ground of lack of inherent distinctive character in respect of sweets. It claims that registration of the mark in respect of 'caramel sweets' cannot in any event be refused under Article 7(3) of Regulation No 40/94.
- 17 OHIM points out that the mark applied for is a figurative mark and notes that it was described as such in the application for registration.
- 18 As regards the colour of the mark applied for, OHIM notes first that the applicant's claim, in its application, had been in respect of the colour 'light brown (caramel)'. It refers then to the findings of the Board of Appeal at paragraphs 16 and 17 of the contested decision which state, first, that the colour on the graphic reproduction of the mark applied for appears to be gold or containing a golden hue rather than 'light brown (caramel)' and that the three colours of that reproduction (transparent yellow, bright gold and white) are impossible to make out. The reproduction of a figurative mark is more precise than any other description and takes precedence over any divergent descriptions which may be made of it. In so far as the Board of Appeal clearly based its decision on the graphic reproduction of the mark applied for, it matters little that the colour is described as containing a 'golden hue', as the Board of Appeal did, or as three-coloured as the applicant suggests.
- 19 As for the restriction of the list of goods to 'caramel sweets' alone, which the applicant sought in the alternative in the written statement setting out the grounds

of appeal to the Board of Appeal, OHIM refers to paragraph 28 of the contested decision and submits that the separation of the market for sweets from that for caramels has no bearing on the present case, either for the purposes of Article 7(1)(b) of Regulation No 40/94 or for the purposes of Article 7(3) of that regulation.

### *Findings of the Court*

20 Given the opposing arguments of the parties in respect of certain aspects of the application for registration of the mark in question, it is necessary to examine in turn the category of mark applied for, the colour claimed and the goods covered by that mark.

The category of mark applied for

21 It is clear from the application form for the trade mark completed by the applicant that registration was sought in respect of a figurative mark. However, before the examiner and the Board of Appeal, the applicant described the mark as three-dimensional. The Board of Appeal, at paragraph 23 of the contested decision, considered that for the purposes of assessing whether the mark applied for has an inherently distinctive character it does not matter whether it is a figurative or three-dimensional mark. According to the Board of Appeal, '... the first case concerns the usual configuration of a sweet wrapper and the second case concerns the graphic representation of a sweet wrapped in a normal sweet wrapper ...'. Before the Court the applicant again raised the issue of the nature of the mark applied for (see paragraph 14 above).



- 22 In those circumstances, and in so far as the applicant has not in any event made a request to amend its application pursuant to Article 44 of Regulation No 40/94 and Rule 13 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1), the mark applied for should be regarded as a figurative mark (see, to that effect, Case T-30/00 *Henkel v OHIM (Image of a detergent product)* [2001] ECR II-2663) constituted by the representation of a twisted wrapper (shape of a sweet wrapper) in respect of the goods covered by the trade mark application.

#### The colour claimed

- 23 Article 4 of Regulation No 40/94 states that 'a Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'
- 24 Under Rule 3(1) of Regulation No 2868/95, if the applicant does not wish to claim any special graphic feature or colour, the mark is to be reproduced in normal script, as for example, by typing the letters, numerals and punctuation marks in the application. Rule 3(2) provides that, in cases other than those referred to in paragraph 1, the mark is to be reproduced on a sheet of paper separate from the sheet on which the text of the application appears. Lastly, Rule 3(5) provides that where registration in colour is applied for, the application is to contain an indication to that effect. The colours making up the mark are also to be indicated. The reproduction under paragraph 2 is to consist of the colour reproduction of the mark.

- 25 Furthermore, the Court of Justice has held that a graphic representation within the meaning of the abovementioned provisions must enable the sign to be represented visually, particularly by means of images, lines or characters, so that it can be precisely identified. In order to fulfil its function, the graphic representation within the meaning of Article 4 of Regulation No 40/94 must be clear, precise, self-contained, easily accessible, intelligible, durable and objective (see, by analogy, Case C-273/00 *Sieckmann* [2002] ECR I-11737, paragraphs 46 to 55, and Case C-104/01 *Libertel* [2003] ECR I-3793, paragraphs 28 and 29).
- 26 It has also been held that a mere sample of a colour does not in itself satisfy the requirements set out in the preceding paragraph since it may be altered over time. On the other hand, a sample of a colour, combined with a description in words of that colour, may constitute a graphic representation within the meaning of Article 4 of Regulation No 40/94, provided that the description is clear, precise, self-contained, easily accessible, intelligible, and objective. If that combination does not satisfy the conditions laid down in order for it to constitute a graphic representation because, *inter alia*, it lacks precision or durability, that deficiency may, depending on the facts, be remedied by adding a colour designation from an internationally recognised identification code. Such codes are deemed to be precise and stable (*Libertel*, paragraphs 31 to 38).
- 27 In the present case, in the part of the form reserved for the statement of the colour of the mark applied for, the applicant stated that the colour claimed was light brown (caramel). On the basis of the reproduction of the mark applied for, the examiner considered that it was gold in colour and that gold wrappers, whether of a gold hue or reddish, bluish or greenish gold, are very commonly used, particularly in the confectionary sector. Before the Board of Appeal, the applicant referred to three colours: transparent yellow, bright gold and white. After noting that the applicant had initially claimed the colour 'light brown (caramel)', the Board of Appeal considered that, on the basis of the graphic reproduction of the mark, the colour appeared instead to be gold or as containing a gold hue, since the three colours of the mark claimed by the applicant could not be detected. The Board of Appeal

added that it was not unusual to find sweet wrappers of that colour and that the fact that the applicant's sweets were wrapped in cellophane paper in which a gold plastic strip was inserted was irrelevant. In its view, the result was the same, namely that the sweets appeared to be wrapped in a gold wrapper which was not uncommon for sweet wrappers (paragraphs 14, 16 and 17 of the contested decision).

- 28 The Court finds that, in the light of the absence of a clear and precise description of the colour of the mark applied for by the applicant, the inconsistency of the different descriptions between themselves and with the colour appearing in the graphic representation of the mark, the lack of any reference to internationally recognised identification codes and the lack of any request to amend the application so as to clarify the description of the colours claimed pursuant to Article 44(2) of Regulation No 40/94, the Board of Appeal was entitled to base its assessment on the dominant colour of the graphic reproduction of the mark in question, which is gold. Furthermore, in reply to a question from the Court, the applicant admitted at the hearing that the mark applied for was made up of a cellophane paper in the shape of a sweet wrapper, which was predominantly gold in colour.

The goods covered by the mark applied for

- 29 It is clear from Articles 57 to 61 of Regulation No 40/94 that the decisions of examiners are open to appeal to the Board of Appeal and that any party to proceedings adversely affected by a decision of the examiner may appeal. Under Rule 48(1) of Regulation No 2868/95, the notice of appeal must contain certain information including 'a statement identifying the decision which is contested and the extent to which amendment or cancellation of the decision is requested'.

- 30 In the present case, it is not in dispute that the examiner rejected the application to register the mark as a figurative mark for all the goods covered by that application, namely 'sweets' falling within Class 30. In its appeal of 13 March 2001 to the Board of Appeal, the applicant sought the annulment of the examiner's decision in its entirety. However, in its written statement of 18 May 2001 setting out the grounds of appeal, the applicant stated, in the alternative, that 'the list of goods in respect of which registration was sought should be restricted to "caramel sweets" if the registration of the mark were to be refused because the mark was not sufficiently distinctive, either inherently or acquired by usage, in respect of "sweets" ...'.
- 31 The Board of Appeal held, at paragraph 8 of the contested decision, that the appeal sought, primarily, the annulment of the examiner's decision on the ground that the mark applied for is distinctive within the meaning of Article 7(1)(b) of Regulation No 40/94 and, in the alternative, registration of the mark specifically for 'caramels' on the basis that it has become distinctive in consequence of the use which has been made of it. After examining the grounds of the appeal, the Board of Appeal dismissed the appeal in its entirety as unfounded.
- 32 In its application to the Court, the applicant, whilst challenging the contested decision as a whole, criticises the Board of Appeal for refusing registration of the mark applied for solely in respect of 'caramel sweets' under Article 7(3) of Regulation No 40/94, following the restriction of the list of goods covered by the mark under the alternative claim before the Board of Appeal.
- 33 It should be noted in this connection that under Article 44(1) of Regulation No 40/94, the applicant may at any time withdraw his Community trade mark application or restrict the list of goods or services contained therein. Thus, the power to restrict the list of goods or services is vested solely in the applicant for the Community trade mark who may, at any time, apply to OHIM for that purpose. In

that context, the withdrawal, in whole or part, of an application for a Community trade mark or the restriction of the list of goods or services it contains must be made expressly and unconditionally (see, to that effect, Case T-219/00 *Ellos v OHIM (ELLOS)* [2002] ECR II-753, paragraphs 60 and 61).

34 In the present case, it was only in the alternative that the applicant suggested the restriction of the list of goods covered by the application for the mark to 'caramel sweets', that is, only if the Board of Appeal were to reject that application for 'sweets'. The applicant did not therefore restrict the list of goods expressly and unconditionally. Accordingly, the limitation in question cannot be taken into consideration (see, to that effect, *ELLOS*, paragraph 62).

35 Furthermore, according to the case-law, in order to be taken into consideration, a restriction of the list of goods or services specified in a Community trade mark application must be made in accordance with certain detailed rules, on application for amendment of the application filed, in accordance with Article 44 of Regulation No 40/94 and Rule 13 of Regulation No 2868/95 (Case T-173/00 *KWS Saat v OHIM (Shade of orange)* [2002] ECR II-3843, paragraphs 11 and 12, Case T-194/01 *Unilever v OHIM (Ovoid tablet)* [2003] ECR II-383, paragraph 13, and Case T-286/02 *Oriental Kitchen v OHIM — Mou Dybfrost (KIAP MOU)* [2003] ECR II-4953, paragraph 30).

36 However, those rules have not been complied with in the present case since the applicant only restricted the goods in question in its written statement of 18 May 2001, in the alternative, without submitting a request to amend the application to that effect pursuant to those provisions (see, to that effect, *Shade of orange*, paragraph 12).

37 In any event it is clear from paragraph 28 of the contested decision that the Board of Appeal examined the applicant's proposal, in the alternative, to restrict the list of goods to 'caramels' and considered that it had no bearing on the assessment of the inherent distinctive character of the mark applied for or whether that mark had become distinctive through use. According to the Board of Appeal, whether in respect of sweets or caramels, its findings that the mark applied for was not registrable on two absolute grounds of refusal are no less valid.

38 On the basis of the foregoing considerations, the present action must be interpreted as seeking the annulment of the contested decision for infringement of Article 7(1)(b) of Regulation No 40/94 in respect of all goods covered by the mark applied for (namely 'sweets') and for infringement of Article 7(3) of that regulation in respect of those goods and, in particular, caramel sweets.

## Merits

39 In support of its action, the applicant advances four pleas in law alleging infringement, respectively, of Article 7(1)(b), Article 7(3), the first sentence of Article 74(1) and Article 73 of Regulation No 40/94.

*The first plea in law, alleging infringement of Article 7(1)(b) of Regulation No 40/94*

### Arguments of the parties

40 The applicant submits that the mark applied for possesses the minimum degree of distinctive character required under Article 7(1)(b) of Regulation No 40/94.

- 41 First, there is no need for the Board of Appeal's requirement in paragraph 12 of the contested decision that the mark be 'striking' or particularly 'remarkable'. The Board of Appeal erred in accepting that the configuration of the mark applied for is common, that it is not distinguishable in any significant way from usual forms and that the colour of the wrapper in question is very widespread in trade. No examples were given in the contested decision to support those assertions. By contrast, the combination of shape and colour of the sign applied for is unique on the market and cannot be described as 'usual'. Furthermore, given the intensive marketing of the applicant's 'Werther's Original' (Werther's Echte) caramel sweet, the mark applied for is firmly fixed in the mind of consumers as obviously a caramel sweet wrapper.
- 42 Next, the applicant submits that the market for sweets in general and that for caramel sweets in particular is characterised by a wide range of shapes and colours. The specific configuration of the mark applied for is particularly easy to recall and is the result of a deliberate choice so as to provide a reference point for the consumer. The three colours of the mark applied for, which, according to the applicant, the Board of Appeal incomprehensibly claims not to be able to make out, are apparent merely from looking at the sign in question. Its centre is gold, whilst its ends, which are twisted, are white and transparent yellow. The contrast between the transparent sheet and the opaque sheet gives the mark the appearance of being three-coloured and makes its configuration unusual.
- 43 Finally, apart from paragraph 28 of the contested decision, the Board of Appeal did not address the question of the specificity of the 'caramel sweets' sector, in which the wrappers differ from those of the market for sweets in general, and even though the applicant proposed in the alternative to the Board of Appeal to restrict the list of goods covered by the trade mark application to caramels.

44 OHIM joins issue with the applicant's arguments and submits that the mark applied for is devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94. Both the shape of the wrapper and the gold colour observable on the graphic representation of the mark applied for are common on the market. Accordingly the alleged peculiarities of the mark put forward by the applicant are not likely to be noticed and remembered by the consumer concerned as an indication of the commercial origin of the goods.

45 Those considerations are valid both for the market for sweets in general and the market for caramels in particular. Consequently, as the Board of Appeal found at paragraph 28 of the contested decision, the separation of those two markets is irrelevant for the purposes of assessing the distinctive character of the mark in question.

### Findings of the Court

46 Under Article 7(1)(b) of Regulation No 40/94, 'trade marks which are devoid of any distinctive character' are not to be registered. Moreover, 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'.

47 It must first of all be borne in mind that, according to the case-law, the trade marks covered by Article 7(1)(b) of Regulation No 40/94 are in particular those which, from the point of view of the relevant public, are commonly used, in trade, for the presentation of the goods or services concerned or in connection with which there exist, at the very least, specific indicia from which it may be concluded that they are capable of being used in that manner. Moreover, the signs referred to in Article 7(1)(b) are incapable of performing the essential function of a trade mark, namely



that of identifying the origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition (Case T-122/01 *Best Buy Concepts v OHIM (BEST BUY)* [2003] ECR II-2235, paragraph 20, and Case T-305/02 *Nestlé Waters France v OHIM (Shape of a bottle)* [2003] ECR II-5207, paragraph 28).

48 Accordingly, the distinctiveness of a mark may be assessed only, first, in relation to the goods or services for which registration of the sign has been requested and, second, in relation to the perception which the relevant public has of it (*BEST BUY*, paragraph 22, and *Shape of a bottle*, paragraph 29).

49 As regards the first of the above assessments, it should be borne in mind that the sign claimed consists of the appearance of the wrapper of the goods in question, namely the representation of a twisted wrapper (shape of a sweet wrapper) serving as packaging for sweets, and not the shape of the sweet itself (*Shape of a bottle*, paragraph 30).

50 As regards the relevant public, sweets are everyday consumer goods intended for general consumption in all Community countries. Therefore, in any assessment of the distinctiveness of the mark applied for, account must be taken of the presumed expectations of an average consumer who is reasonably well informed and reasonably observant and circumspect (*Shape of a bottle*, paragraph 33).

51 It should also be observed that the way in which the relevant public perceives trade marks is influenced by its level of attention, which is likely to vary according to the category of goods or services in question (*Ovoid tablet*, paragraph 42, and *Shape of a bottle*, paragraph 34).

- 52 It is apparent from the contested decision, in particular from paragraphs 12, 13, 18 and 19 thereof, that the Board of Appeal's examination of the mark applied for was consistent with the foregoing considerations.
- 53 Second, it must be observed that Article 7(1)(b) of Regulation No 40/94 makes no distinction between different categories of mark. Accordingly, it is not appropriate to apply more stringent criteria when assessing the distinctiveness of figurative marks made up of the faithful representation of the good itself, or, as in the present case, the shape of the packaging of that good, than in the case of other categories of mark (see, to that effect, *Ovoid tablet*, paragraph 44, and *Shape of a bottle*, paragraph 35).
- 54 In those circumstances, in order to ascertain whether the combination of the shape and colour of the packaging at issue may be perceived by members of the public as an indication of origin, the overall impression produced by that combination must be analysed. That is not incompatible with an examination of each of the product's individual features in turn (Case T-337/99 *Henkel v OHIM (Red and white round tablet)* [2001] ECR II-2597, paragraph 49, and *Ovoid tablet*, paragraph 54).
- 55 It must be found that the Board of Appeal did not err in law in finding that 'the configuration of the mark in question (twisted wrapper, light brown or gold coloured) did not fundamentally stand out against the other usual presentations in the trade' (paragraph 14 of the contested decision).
- 56 The Board of Appeal rightly found at paragraph 15 of the contested decision that the shape of the wrapper in question was 'a normal and traditional shape for a sweet wrapper' and that 'a large number of sweets so wrapped could be found on the market'. The same applies in respect of the colour of the wrapper in question,

namely light brown (caramel), or, as is apparent from the graphic representation of the mark applied for, gold or of a golden hue. Those colours are not unusual in themselves, and neither is it rare to see them used for sweet wrappers, as the Board of Appeal rightly pointed out at paragraph 16 of the contested decision. Thus, the Board of Appeal was entitled to find, at paragraph 18 of the contested decision, that, in the present case, the average consumer perceives the mark not as being, in itself, an indication of the commercial origin of the product, but as a sweet wrapper, neither more nor less, and that those findings in respect of the lack of inherent distinctive character of the mark applied for remain valid even if the goods covered by it were to be 'caramels' alone (see paragraph 28 of the contested decision).

57 Accordingly, the characteristics of the combination of shape and colour of the mark applied for are not sufficiently different from those of the basic shapes commonly used for wrappers for sweets or caramels and therefore they are not likely to be remembered by the relevant public as indicators of commercial origin. The twisted wrapper (shape of a sweet wrapper), in light brown or gold, is not substantially different from the wrappers of the goods in question (sweets, caramels), which are commonly used in trade, thus coming naturally to mind as a typical wrapper shape for those goods.

58 The reference in paragraphs 14 to 17 and 28 of the contested decision, to the usual practice in trade for sweets and caramels, without specific examples of that practice being given, does not undermine the assessment of the Board of Appeal as to the lack of inherent distinctive character of the mark applied for. In finding that the combination of shape and colour of the mark applied for was not unusual in trade, the Board of Appeal based its analysis essentially on facts arising from practical experience generally acquired from the marketing of general consumer goods, such as sweets or caramels, which are likely to be known by anyone and are in particular known by the consumers of those goods (see, by analogy, Case T-185/02 *Ruiz-*

*Picasso and Others v OHIM — DaimlerChrysler (PICARO)* [2004] ECR II-1739, paragraph 29).

- 59 Third, it should be stressed that, contrary to the applicant's allegations, the cost of producing the wrapper shape in question does not constitute one of the relevant criteria for assessing the distinctive character of the mark, within the meaning of Article 7(1)(b) of Regulation No 40/94. A shape devoid of distinctive character, such as the wrapper in the present case, cannot acquire such character on account of the cost of its production.
- 60 Fourth, the Board of Appeal was entitled to refer, at paragraphs 19 and 20 of the contested decision, to the risk of monopolisation of the wrapper in question for sweets, since its findings confirmed the lack of distinctive character of that wrapper for those goods in reflecting the general interest underlying the absolute ground for refusal founded on Article 7(1)(b) of Regulation No 40/94.
- 61 Lastly, the applicant's allegation that the wrapper shape in question is firmly fixed in the mind of consumers as a mark because of the intensive marketing of the 'Werther's Original' caramel sweet in that wrapper shape must also be rejected. Even if it were proven, such marketing could only be taken into account for the purposes of assessing whether or not the mark applied for had become distinctive in consequence of the use made of it; it could not be taken into account for assessing the inherent distinctive character of the mark.
- 62 It follows from all the foregoing considerations that the mark applied for, as it is perceived by the average consumer who is reasonably well informed and reasonably observant and circumspect, does not enable the goods in question to be identified and distinguished from those of a different commercial origin. Therefore, it is devoid of distinctive character with respect to those goods.

- 63 It follows that the first plea in law alleging infringement of Article 7(1)(b) of Regulation No 40/94 must be rejected as unfounded.

*The second plea in law, alleging infringement of Article 7(3) of Regulation No 40/94*

#### Arguments of the parties

- 64 The applicant submits that the mark applied for must be registered on the ground that, particularly for caramel sweets, it has become distinctive in consequence of the use which has been made of it.
- 65 In order to establish use and trade acceptance of the mark, the Board of Appeal should have examined the situation of the relevant market and the specific history of the wrappers in general. Given the history, the market situation, the actual distribution figures for the product and the results of surveys carried out, it appears that there is in fact trade acceptance of the mark applied for. The Board of Appeal failed to have regard to the fact that consumers can perceive the wrapper separately from the other marks appearing on it and regard it as an indication of origin.
- 66 The applicant submits in this connection that it deliberately uses the mark applied for as a recognition factor for its 'Werther's Original' sweet, which has been well known for decades, so that in its advertising the mark applied for is always shown in large format and very clearly highlighted. Moreover, the consumer perceives the colours and shapes before being able to make out clearly any writing. That is particularly so in the present case, since, because of the choice of colours, the

writing on the wrapper barely stands out from the colour of the mark applied for. Therefore only the consumer's visual perception is relevant, as the Bundesgerichtshof (Federal Court of Justice) (Germany) accepted in its judgment of 5 April 2001, but which the Board of Appeal did not take into account.

- 67 According to the applicant, the sales figures submitted to the Board of Appeal suffice to prove use of the mark applied for. It was not necessary to produce comparative figures to determine the market share, in particular because the sales figures were corroborated by the results of surveys carried out in different Member States. Those surveys show a high degree of product awareness (between 59.4% and 85% in the various Member States of the European Union). The acceptance of a mark through use should be assessed on the basis of the extent to which it is recognised and not its position on the market in relation to rival products.
- 68 Lastly, the applicant states that it is ready to provide further information, to cite witnesses and to adduce expert evidence in order to demonstrate use of the mark applied for, if the Court considers it relevant to do so.
- 69 OHIM, referring to the criteria for the assessment as to whether a mark has become distinctive through use, as set out in the case-law, submits, first, that whilst it is true that sweet wrappers may serve as an indication of origin, as a result of the use which has been made of them, nevertheless, in the present case, the necessary conditions in that regard have not been met.
- 70 According to OHIM, the examiner and the Board of Appeal were entitled to find that the evidence submitted by the applicant did not suffice to show that the mark applied for had become distinctive in consequence of the use which had been made of it.

- 71 First, the sales figures put forward by the applicant do not suffice since they do not show the total volume of the market for the goods to be taken into consideration or an estimate of the sales of rival companies. In the case of mass goods such as those in the present case, the determining factor is the market share and not the sales figures alone, which are insufficient to show that the mark is known.
- 72 Second, the advertising expenses of DEM 27 729 000 incurred by the applicant in 1998 and between DEM 10 000 000 and approximately DEM 17 500 000 incurred from 1994 to 1997 in several Member States of the European Union are not probative either. From the table produced by the applicant in support of that allegation, it is not possible to determine what the expenses were incurred for, namely whether for the 'Werther's Original' sign, for the shape of the sweet, for its wrapper or for any other purpose. Moreover, those indications are of little use in the absence of evidence as to the volume of advertising in respect of the market for the goods in question.
- 73 Lastly, the polls carried out in the seven Member States of the European Union and in Norway refer to the signs 'WERTHER'S', 'Werther's Original' or 'W.O.' and contain no reference to the wrapper in question. Accordingly, no evidence has been adduced to show that the applicant has succeeded in making the public aware of the wrapper in question. Moreover, use has to be shown in all Member States or regions of the Community in which the ground of refusal exists. The documents submitted by the applicant do not refer to sizeable markets such as France and Italy. Furthermore, it is not sufficient to prove use of a certain product shape in order for Article 7(3) of Regulation No 40/94 to apply but it is necessary above all to show that the circumstances of that use are such that the shape in question has the character of a mark (Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 65).

74 Second, OHIM considers that the restriction of the list of goods in question to caramels alone, advanced in the alternative by the applicant before the Board of Appeal, can have no bearing on the assessment whether the mark applied for has become distinctive through use.

75 Lastly, the applicant's offer to adduce further evidence to show use of the mark cannot be accepted. The purpose of actions before the Court is to obtain a review of the legality of decisions of OHIM's Boards of Appeal as referred to in Article 63 of Regulation No 40/94, and evidence adduced before the Court for the first time should therefore be rejected without an assessment of its probative value (Case T-237/01 *Alcon v OHIM — Dr. Robert Winzer Pharma (BSS)* [2003] ECR II-411, paragraphs 61 and 62). Accordingly, *a fortiori*, the Court cannot ask the applicant to adduce fresh evidence.

### Findings of the Court

76 Under Article 7(3) of Regulation No 40/94, the absolute grounds for refusal laid down in Article 7(1)(b) to (d) of that regulation do not preclude registration of a mark if, in relation to the goods or services for which registration is requested, it has become distinctive in consequence of the use which has been made of it. In the circumstances referred to in Article 7(3) of Regulation No 40/94, the fact that the sign which constitutes the mark in question is actually perceived by the relevant section of the public as an indication of the commercial origin of a product or service is the result of the economic effort made by the trade mark applicant. That fact justifies putting aside the public-interest considerations underlying Article 7(1)(b) to (d), which require that the marks referred to in those provisions may be freely used by all in order to avoid conceding an unjustified competitive advantage to a single trader (see to that effect, Case T-323/00 *SAT.1 v OHIM (SAT.2)* [2002] ECR II-2839, paragraph 36, and Case T-399/02 *Eurocermex v OHIM (Shape of a beer bottle)* [2004] ECR II-1391, paragraph 41).



- 77 First, it is clear from the case-law that the acquisition of distinctiveness through use of a mark requires that at least a significant proportion of the relevant section of the public identifies the products or services as originating from a particular undertaking because of the mark. However, the circumstances in which the condition as to the acquisition of distinctiveness through use may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data, such as specific percentages (see, by analogy, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 52, *Philips*, paragraphs 61 and 62, and *Shape of a beer bottle*, paragraph 42).
- 78 Second, in order to have the registration of a mark accepted under Article 7(3) of Regulation No 40/94, the distinctive character acquired in consequence of the use of that mark must be demonstrated in the 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, and *Shape of a beer bottle*, paragraphs 43 and 47).
- 79 Third, in assessing, in a particular case, whether a mark has become distinctive through use, account must be taken of factors such as, inter alia, 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 7(3) of Regulation No 40/94 is satisfied (*Windsurfing Chiemsee*, paragraphs 51 and 52; *Philips*, paragraphs 60 and 61, and *Shape of a beer bottle*, paragraph 44).

- 80 Fourth, the distinctiveness of a mark, including distinctiveness acquired through use, must also be assessed 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).
- 81 It is in the light of those considerations that it is necessary to examine whether, in the present case, the Board of Appeal erred in law in rejecting the applicant's argument alleging that the mark applied for should have been registered for the goods in question and, in particular, for caramels, under Article 7(3) of Regulation No 40/94.
- 82 First, in relation to the applicant's arguments based on the sales figures for the products concerned in the Community from 1994 to 1998, the Board of Appeal was entitled to find that they were not such as to demonstrate that in the present case the mark applied for had become distinctive in consequence of the use which had been made of it.
- 83 In paragraph 25 of the contested decision, the Board of Appeal found to the appropriate legal standard that the figures in question did not enable it to assess the share of the relevant market held by the applicant in respect of the mark applied for. In spite of the information as to the number of units and the tonnes of sweets sold in the wrapper in question shown by those figures, 'a realistic assessment of [the applicant's] market strength is impossible in the absence of data on the total volume of the relevant product market or assessments of the sales of competitors with which the applicant's figures could be compared'. In those circumstances, the Board of Appeal was entitled to conclude, in the same paragraph of the contested decision, that, even if the figures referred to above did allow an assessment to be made of the applicant's share of the relevant market in respect of the mark applied for, they would not necessarily prove that it was the 'twisted gold wrapper that the consumers

concerned perceived as the indication of origin'. That assessment is confirmed by the fact that, whilst it is true that the sales figures in question prove that the caramel sweet 'Werther's Original' was sold by the applicant on the relevant market, they do not however prove that the wrapper shape in question was used as a mark to describe the product concerned.

84 Next, the Board of Appeal was also entitled to consider that the advertising costs incurred by the applicant raised the same problems as the sales figures referred to above. Thus, at paragraph 26 of the contested decision, the Board of Appeal pointed out that the information put forward by the applicant concerning those costs were of little use in so far as 'there was no evidence as to the volume of advertising in the product market'. Moreover, as OHIM rightly points out, it is not possible, in the light of the table produced by the applicant concerning the advertising costs in question, to determine on what basis those costs were incurred, namely for the 'Werther's Original' sign, for the product shape, for its wrapper or for any other purpose. Accordingly, that advertising material cannot constitute evidence of the use of the mark as applied for nor evidence that the relevant section of the public perceives that mark as indicating the commercial origin of the products in question (*Shape of a bottle*, paragraph 51).

85 Furthermore, as the Board of Appeal found in the same paragraph of the contested decision, the costs in question were not very high 'in a large number of Member States of the European Union', adding 'that those figures [were] completely missing for certain Member States'. Those costs did not cover all the Member States of the European Union in any year of the reference period (1994-1998).

86 It should be noted in that regard that the contested decision contains no finding as to the part of the Community in which the mark applied for is devoid of any distinctive character. However, in the case of marks other than word marks, such as that under consideration in this case, it must be assumed that the assessment of their

distinctiveness will be the same throughout the Community, unless there are specific indicia to the contrary. As the documents before the Court in this case do not show this to be the case, it must be held that there is an absolute ground for refusal under Article 7(1)(b) of Regulation No 40/94 in relation to the mark applied for throughout the Community. That mark must therefore have become distinctive through use throughout the Community in order to be registrable under Article 7(3) of that regulation (*Shape of a beer bottle*, paragraph 47; see, also, *OPTIONS*, paragraph 27).

87 In those circumstances, the advertising costs referred to above cannot in any event constitute proof that, in the whole Community and for the period 1994-1998, the relevant public or at least a substantial part of it perceived the mark applied for as indicative of the commercial origin of the goods in question.

88 Lastly, as regards the results of the surveys submitted to the Board of Appeal as evidence of the acceptance of the 'WERTHER'S', 'Werther's Original' or 'W.O.' signs for the caramel sweets marketed by the applicant, the Board of Appeal rightly found at paragraph 27 of the contested decision that the surveys in question carried out in various Member States of the European Union 'contain no evidence as to the distinctiveness of the gold twisted wrapper' but 'relate solely to awareness of the name "Werther's Original"'. It should also be added that those surveys were not carried out in all Member States of the Community and that therefore they cannot in any event constitute evidence of acceptance of the sign in question as a trade mark throughout the Community (see paragraphs 78 and 86 above).

89 It follows from the foregoing considerations that the applicant has not shown that the mark applied for has become distinctive throughout the Community in consequence of the use which has been made of it, within the meaning of Article 7(3) of Regulation No 40/94, either in respect of caramel sweets or sweets in general.

- 90 It follows that the second plea in law must also be rejected as unfounded and there is no need to order the measures of inquiry sought by the applicant.

*The third plea in law, alleging infringement of the first sentence of Article 74(1) of Regulation No 40/94*

#### Arguments of the parties

- 91 The applicant alleges an infringement by the Board of Appeal of the first sentence of Article 74(1) of Regulation No 40/94 under which OHIM is required to examine the facts of its own motion. There is no indication of the basis for the Board of Appeal's findings of fact set out in paragraphs 14 to 16 and 28 of the contested decision in relation to the allegation that the configuration of the mark in question was usual. Furthermore, the applicant considers that OHIM ought to have carried out an additional investigation of proof of acceptance of the mark applied for.
- 92 OHIM submits that, as is apparent from paragraphs 14 to 16 of the contested decision, practical experience shows that the shape and colour of the wrapper in question are usual. Furthermore, a separation of the market for sweets in general from that for caramels is irrelevant, both from the point of view of Article 7(1)(b) of Regulation No 40/94 and from that of Article 7(3) of that regulation.
- 93 It adds that it is not bound to examine facts showing that the mark claimed has become distinctive through use for the purposes of Article 7(3) of Regulation No 40/94 unless the applicant has pleaded them. Neither is it required to carry out

further examination of its own motion as to the acceptance of the wrapper shape in question (Case T-247/01 *eCopy v OHIM (ECOPY)* [2002] ECR II-5301, paragraphs 47 and 48).

## Findings of the Court

- 94 The applicant alleges that the Board of Appeal infringed the first sentence of Article 74(1) of Regulation No 40/94, which states that ‘in proceedings before it [OHIM] shall examine the facts of its own motion’. First, the Board of Appeal did not substantiate its findings set out in paragraphs 14 to 16 and 28 of the contested decision as to the ‘usual’ character of the mark applied for. Second, the Board of Appeal should have carried out further investigation of proof of use of the mark applied for.
- 95 The first complaint should be rejected as unfounded on the basis of the considerations set out when assessing the first plea in law, and in particular, in paragraphs 55 to 58 above.
- 96 As regards the second complaint, it should be noted that, according to the case-law on Article 7(3) of Regulation No 40/94, although there is no rule stipulating that the examination by OHIM (that is, by the examiner or the Board of Appeal, as the case may be) must be limited to the facts pleaded by the parties, unlike the rule stated at the end of Article 74(1) of the regulation with regard to the relative grounds for refusal, none the less, if the applicant for a mark does not plead distinctiveness acquired through use, OHIM is in practical terms unable to take account of the fact that the mark claimed may have become distinctive. Accordingly it must be held that, under the maxim *ultra posse nemo obligatur* (no one is obliged to do the

impossible), and notwithstanding the rule in the first sentence of Article 74(1) of Regulation No 40/94 whereby OHIM 'shall examine the facts of its own motion', OHIM is not bound to examine facts showing that the mark claimed has become distinctive through use within the meaning of Article 7(3) of Regulation No 40/94 unless the applicant has pleaded them (*ECOPY*, paragraph 47).

- 97 In the present case, it is not in dispute that the applicant adduced before OHIM evidence intended to show that the mark applied for has become distinctive in consequence of the use which has been made of it and on which the Board of Appeal based its assessment. In those circumstances, OHIM was under no further duty, and in particular it was under no duty to investigate the case further in that regard in order to compensate for the lack of probative force of the evidence supplied by the applicant. It follows that the second complaint must be rejected as unfounded and also the third plea in law in its entirety.

*The fourth plea in law, alleging infringement of Article 73 of Regulation No 40/94 and of the right to be heard*

#### Arguments of the parties

- 98 The applicant submits that it was not given the necessary opportunity to present its comments, contrary to the requirement under Article 73 of Regulation No 40/94. It considers that the Board of Appeal did not take into consideration all documents that it had adduced for the purposes of establishing that the mark applied for had become distinctive in consequence of the use which has been made of it. The offer made by the applicant in its letter of 5 October 1998 (cited at paragraph 6 above) to adduce further evidence, if required, in particular as regards the extent of the use of the mark, was not taken into account either. The applicant offers to provide further evidence to demonstrate acceptance of the mark, if the Court should consider it relevant.

99 OHIM replies that it is apparent from the contested decision that the Board of Appeal considered all the evidence submitted by the applicant (surveys, turnover figures, and advertising costs) and that it rightly found that they failed to demonstrate that the mark applied for had become distinctive in consequence of the use which had been made of it. Furthermore, OHIM was not required to accept the applicant's offer. Lastly, the applicant's offer to adduce fresh evidence before the Court should be rejected.

### Findings of the Court

100 Article 73 of Regulation No 40/94 states that 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.

101 First, the applicant's argument alleging that the Board of Appeal failed to take into consideration all the documents produced in order to prove use of the mark applied for should be rejected as founded on a false premiss. It is apparent from paragraphs 24 to 29 of the contested decision that all that evidence was examined by the Board of Appeal, but that it was not considered sufficient to show that the mark applied for had become distinctive through use. Furthermore, since the applicant itself had produced the documents in question, it could clearly make a finding on them, and on their relevance.

102 The applicant's second complaint cannot be upheld either.

103 It is common ground between the parties that the applicant provided the examiner with a list setting out the sales volumes for the 'Werther's Original' caramel sweet, expressed in tonnes for the years 1993 to 1997, in various Member States of the European Union (see paragraph 4 of the contested decision). The examiner found



that 'the applicant's turnover did not enable it to be inferred that the consumer recognised the sweets from their wrapper and associated them with a single undertaking' and that 'in the absence of comparable turnover figures for competitors or information on the market as a whole, it [was] impossible to assess the turnover figures' (see the second indent of paragraph 5 of the contested decision).

104 However, before the Board of Appeal the applicant adduced no evidence comparing its market share and that of its competitors. By contrast, it produced similar tables on sales figures for that sweet in the 1994-1998 period and other evidence (surveys, advertising costs) which, in its view, demonstrate acceptance of the mark.

105 In those circumstances it cannot be claimed that the departments of OHIM, and in particular, the Board of Appeal, based their decision on grounds on which the applicant had not been given an opportunity to present its comments. That complaint must therefore be rejected.

106 Lastly, the applicant's offer to provide the Court, if necessary, with further evidence to show acceptance of the mark applied for must also be rejected. It suffices to point out in this connection that, pursuant to the case-law, evidence that was not produced as part of the administrative procedure before OHIM cannot be used to contest the validity of the contested decision of the Board of Appeal (see *Shape of a beer bottle*, paragraph 52, and the case-law cited).

107 Accordingly, the fourth plea in law must also be rejected.

108 In the light of all the foregoing considerations, the present action must be dismissed.

## Costs

<sup>109</sup> 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, it must be ordered to pay the costs in accordance with the form of order sought by the defendant.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

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

Legal

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Delivered in open court in Luxembourg on 10 November 2004.

H. Jung

H. Legal

Registrar

President