

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

13 July 2005^{*}

In Case T-242/02,

The Sunrider Corp., established in Torrance, California (United States), represented initially by M. Bra and subsequently by N. Dontas, lawyers, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by O. Waelbroeck and P. Geroukalos, acting as Agents,

defendant,

ACTION brought against the decision of the First Board of Appeal of OHIM of 30 May 2002 (Case R 314/1999-1), concerning an application for registration of the word mark TOP as a Community trade mark,

* Language of the case: Greek.

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

composed of H. Legal, President, P. Mengozzi and I. Wiszniewska-Białecka, Judges,

Registrar: H. Jung,

having regard to the application lodged at the Registry of the Court of First Instance on 14 August 2002,

having regard to the response lodged at the Registry of the Court of First Instance on 20 December 2002,

further to the hearing on 24 November 2004,

gives the following

Judgment

Background to the dispute

- 1 On 21 August 1997, the applicant, a company governed by United States law, filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM).

2 The trade mark in respect of which registration was sought is the word sign TOP. The goods in respect of which registration was sought are in Classes 5 and 29 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 for each class to the following descriptions:

— Class 5: ‘Herbal food capsule or powder; herbal nutritional supplement’;

— Class 29: ‘Herbal nutritional supplement’.

3 The application was filed in Greek, English being indicated as the second language.

4 By letter of 19 March 1998, written in English, the examiner informed the applicant that the trade mark applied for did not appear to be eligible for registration as a Community trade mark, pursuant to Article 7(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

5 The applicant submitted its observations on 19 May 1998. They were in English. In them, the applicant stated *inter alia* that its trade mark had acquired distinctive character due to its worldwide use and that it should therefore be accepted for registration pursuant to Article 7(3) of Regulation No 40/94. It also claimed that the trade mark TOP had already been registered in Canada, Hungary, Ireland, Korea,

Thailand and the United States and that applications for registration had been filed in Hong Kong, Indonesia, Malaysia and the United Kingdom. In support of its claims, it attached copies of a number of certificates of registration and various other documents which were either drawn up in English or accompanied by a translation in that language.

- 6 By fax of 9 April 1999, the examiner notified the applicant of the decision, of the same date, ruling on its application for registration. That decision, rendered in English, stated that the trade mark applied for was ineligible for registration on the ground that it was devoid of distinctive character within the meaning of Article 7(1) (b) of Regulation No 40/94 and that it was descriptive of the goods covered, as referred to in Article 7(1)(c) of that regulation. The decision also stated that the evidence produced by the applicant did not show that the mark in question had become distinctive in accordance with Article 7(3) of Regulation No 40/94.

- 7 On 7 June 1999, the applicant filed a notice of appeal against the decision of 9 April 1999. That notice of appeal was filed in English.

- 8 On 9 August 1999, the applicant filed a document in Greek setting out the grounds of appeal, to which it annexed a version translated into English, stating in its covering letter that the language of the registration procedure was Greek and that the English translation of the document in question was being provided only for ease of reading.

- 9 By letter of 3 April 2000, the rapporteur in that case before the Board of Appeal, Mr K., invited the applicant, first, to comment on the interpretation of the term ‘written communications’ in Article 115(4) of Regulation No 40/94 and to state whether it had been inconvenienced by the use of English during the proceedings before the examiner and, secondly, to submit its observations on the application of Article 7(1)

(b) and (c) of Regulation No 40/94. The applicant was also informed that it was allowed to submit further evidence in support of its claim of acquired distinctiveness through use under Article 7(3) of Regulation No 40/94.

- 10 Under cover of a fax of 1 June 2000 written in English, the applicant submitted to the Board of Appeal new evidence under Article 7(1)(b) and Article 7(3) of Regulation No 40/94 and produced various documents, all in English.

- 11 By letter of 23 May 2001, written in English, Ms M. informed the applicant that she was now responsible for the case as rapporteur and that, on that day, pursuant to Article 11 of Commission Regulation (EC) No 216/96 of 5 February 1996 laying down the rules of procedure of the Boards of Appeal of OHIM (OJ 1996 L 28, p. 11), she had invited the President of OHIM to comment on the interpretation of the expression 'written communications' in Article 115(4) of Regulation No 40/94 and on the consequences which would be entailed for OHIM by the recognition of an obligation, in ex parte proceedings, to notify its decisions in the language in which the trade mark application was filed.

- 12 On 14 February 2002, the Vice-President of OHIM responsible for legal affairs submitted his comments under Article 11 of Regulation No 216/96. Those comments, drawn up in English, were notified to the applicant on 15 February 2002. The applicant was invited to submit its observations on or before 18 April 2002. It did not take up that invitation.

- 13 By decision of the First Board of Appeal of OHIM of 30 May 2002, given in Case R 314/1999-1 ('the contested decision'), the appeal was dismissed.

- 14 In that decision, the Board of Appeal, referring inter alia to the judgment of the Court of First Instance in Case T-120/99 *Kik v OHIM* [2001] ECR II-2235, paragraph 61, held, in the first place, that the right conferred on OHIM by Article 115(4) of Regulation No 40/94 to send written communications to the applicant for a Community trade mark in the second language indicated by the latter had to be interpreted in a restrictive manner and that it did not cover procedural documents of a decisional character (paragraphs 20 to 22 of the contested decision). The Board of Appeal therefore found that, in this case, the examiner had infringed Article 115 (4) of Regulation No 40/94 by notifying the applicant of the decision terminating the procedure for the examination of the trade mark application in English, even though that application had been filed in Greek. The Board of Appeal nevertheless took the view that the use of English had not been prejudicial to the applicant's rights of the defence since the applicant had itself used that language in its correspondence with the examiner and, subsequently, in its appeal.
- 15 In the second place, the Board of Appeal annulled the examiner's decision on the grounds of failure to state reasons and infringement of the rights of the defence in the application of Article 7(1)(b) of Regulation No 40/94, and ordered the reimbursement of the appeal fee to the applicant. Pursuant to Article 62(1) of Regulation No 40/94, the Board of Appeal examined the merits of the applicant's application for registration and rejected it on the grounds of the descriptiveness and lack of distinctive character of the trade mark applied for and in the absence of any evidence that it had become distinctive through use.

Forms of order sought

- 16 The applicant claims that the Court should:
- annul the contested decision with the exception of the part where it grants its claim for annulment of the examiner's decision of 9 April 1999 and orders the reimbursement of the appeal fee;

- order OHIM to reimburse it the costs of translation which it incurred during the proceedings before the examiner and the Board of Appeal;

- in the alternative, order OHIM to compensate it for the damage which it suffered on account of the excessive duration of the proceedings before the Board of Appeal;

- order OHIM, in any event, to pay the costs, including those relating to the proceedings before the Board of Appeal.

17 OHIM contends that the Court should:

- dismiss the action;

- order the applicant to pay the costs.

The claims for annulment

18 The applicant raises primarily, in essence, five pleas in support of its claims for annulment. The first plea alleges infringement of Article 115(4) of Regulation No 40/94. By its second plea, the applicant alleges excessive duration of the proceedings. The third plea alleges infringement of the rights of the defence. The

fourth plea alleges breach of the obligation to state reasons. The fifth plea alleges infringement of Article 7(1)(b) and (c) of Regulation No 40/94.

- 19 In the alternative, the applicant raises a sixth plea, alleging infringement of Article 7 (3) of Regulation No 40/94.

The first plea, alleging infringement of Article 115(4) of Regulation No 40/94

Arguments of the parties

- 20 In the applicant's view, the contested decision is, in the first place, vitiated by an error of law inasmuch as the Board of Appeal held, wrongly, that there was no need to annul the examiner's decision for infringement of Article 115(4) of Regulation No 40/94, on the ground that the use of the English language in that decision, and during the proceedings before the examiner, had not adversely affected its rights of the defence. It claims that the use of the English language was imposed by OHIM, even though the language of proceedings was Greek. This had the consequence of rendering the exercise of its rights of the defence more difficult and of obliging it to have every procedural document translated, causing it to incur additional expenses.
- 21 In the second place, in the applicant's submission, the contested decision is vitiated by an infringement of essential procedural requirements, inasmuch as the Board of Appeal itself continued to address it in English. In particular, the applicant points out that the letter of 3 April 2000, by which the first rapporteur of the case invited it to comment on a number of issues, concerning the scope of Article 115(4) of

Regulation No 40/94 and the application of Article 7(1)(b) and (c) and Article 7(3) of that regulation, was written in English. Similarly, the letter of 23 May 2001, by which the new rapporteur of the case informed it that a request for comments under Article 11 of Regulation No 216/96 had been made to the President of OHIM, and the note of 14 February 2002, adopted by the latter in response to that request, were also written in English.

22 Faced with the consistent use of English by the Board of Appeal in its communications with the applicant, the latter considered that it had to reply in English.

23 Thus, the proceedings continued in a language other than the language of proceedings, in contravention of Article 115(4) of Regulation No 40/94. That provision, in stating that OHIM may send written communications to the applicant in the second language indicated by the latter, refers only to covering letters or communications which do not produce any legal effects vis-à-vis the applicant and do not in any way adversely affect its rights of the defence. That does not apply, in this case, to the letter of 3 April 2000 inviting the applicant to submit its observations on various aspects of the case and to produce further documents, or to the note of 14 February 2002 from the Cabinet of the President of OHIM.

24 OHMI observes, in essence, that the conduct of the applicant, during both the examination stage of its application for registration and the proceedings before the Board of Appeal, amounted to consent on its part to the use of the English language.

25 Not only did the applicant never object to the examiner's corresponding with it in English, but it itself consistently addressed the examiner in that language. It was only

in the letter of 9 August 1999 setting out the grounds of appeal against the examiner's decision that the applicant first complained about the use of the English language in its correspondence with OHIM and demanded the use of Greek. Moreover, even after that date, the applicant continued to address the Board of Appeal in English.

- 26 OHIM further points out that, in paragraph 61 of its judgment in *Kik v OHIM*, the Court of First Instance held that Article 115(4) of Regulation No 40/94 guarantees use of the language in which the trade mark application was filed as the language of proceedings and thus as the language in which procedural documents of a decisional character must be drafted. However, in this case, in OHIM's view, the only document of a decisional character adopted after the applicant first requested the use of the language of proceedings is the contested decision, which was drawn up in Greek.
- 27 Finally, OHIM disputes the applicant's assertion that the exercise of its rights of the defence was impeded by use of the English language. Firstly, the exchange of correspondence between the OHIM authorities and the applicant shows that both the latter, which is an American company, and its representative understand English. Secondly, it is clear from the fact that all the observations submitted by the applicant, as well as most of the documents produced by it before OHIM, were drafted in the English language that use of that language was in fact the most practical option for the applicant.

Findings of the Court

- 28 As a preliminary point, it should be noted that, within the present plea, the applicant raises, in essence, two separate complaints. Firstly, it disputes the reasons which led the Board of Appeal to conclude that, in the light of the circumstances of the case,

the unlawful act committed by the examiner in adopting his decision in English did not entail the annulment of that decision for infringement of the rights of the defence. Secondly, it complains that the Board of Appeal adopted a restrictive interpretation of Article 115(4) of Regulation No 40/94.

29 With regard to the first complaint, it must be pointed out that the Board of Appeal annulled the examiner's decision on grounds other than infringement of the rules governing the language of proceedings and that the Board of Appeal itself examined on the merits the Community trade mark application giving rise to this dispute. In those circumstances, and in view of the fact that the applicant does not claim that annulment of the examiner's decision based on a finding of infringement of Article 115(4) of Regulation No 40/94 should have led the Board of Appeal to refer the case back to the examiner instead of proceeding with its examination on the merits, it must be held that the applicant has no legal interest in seeking a determination by the Court as to whether the Board of Appeal was wrong not to base the annulment of that decision on the abovementioned finding. This complaint is therefore inadmissible.

30 The Court must, however, consider whether the fact that the examiner's decision was notified to the applicant in a language other than the language of proceedings may have affected the applicant's exercise of its right of appeal and its rights of the defence during the proceedings before the Board of Appeal and, consequently, the lawfulness of the contested decision.

31 Regarding the second complaint, it must first of all be recalled that Article 115(4) of Regulation No 40/94, which lays down the rules governing the language of ex parte proceedings before OHIM, states that the language of proceedings is to be the language used for filing the application for a Community trade mark. The same provision confers on OHIM the right to send written communications to the applicant in the second language indicated by the latter if the application for a Community trade mark was filed in a language other than the languages of OHIM.

32 It must then be recalled that, in its judgment delivered on appeal in Case C-361/01 P *Kik v OHIM* [2003] ECR I-8283, the Court of Justice held that it follows from Article 115(4) of Regulation No 40/94 that the option of using the second language indicated in the application for registration for sending written communications to the applicant is an exception to the principle that the language of proceedings be used, and that the term 'written communications' must therefore be interpreted strictly (paragraph 45 of the judgment). It went on to state that, since the proceedings comprise all such acts as must be carried out in processing an application, it follows that the term 'procedural documents' covers, for the purposes of Article 115(4) of Regulation No 40/94, any document that is required or prescribed by the Community legislation for the purposes of processing an application for a Community trade mark or necessary for such processing, be they notifications, requests for correction, clarification or other documents. All such documents must therefore be drawn up by OHIM in the language used for filing the application (paragraph 46 of the judgment). In contrast to procedural documents, 'written communications', as referred to in the second sentence of Article 115(4) of Regulation No 40/94, are any communications which, from their content, cannot be regarded as amounting to procedural documents, such as letters under cover of which OHIM sends procedural documents, or by which it communicates information to applicants (paragraph 47 of the judgment).

33 It is in the light of that interpretation that it is necessary, in this case, to determine whether the contested decision is vitiated by an infringement of Article 115(4) of Regulation No 40/94.

34 In that regard, it is clear, first of all, that the communication from the first rapporteur in the case, Mr K., of 3 April 2000, inviting the applicant to comment on certain points raised by the appeal and to submit further evidence, is unquestionably a 'procedural document' for the purpose of applying Article 115(4) of Regulation No 40/94, as that term is defined by the Court of Justice in paragraph 46 of the judgment in *Kik v OHIM*, cited above.

- 35 In contrast to the communication of 23 May 2001 from Ms M., which merely informed the applicant of the progress of the proceedings and of the steps being taken to process his appeal, the communication of 3 April 2000, which was adopted on the basis of Article 4(2) of Regulation No 216/96, was intended to request further observations from the applicant on the rules governing the language of proceedings and to complete the preparation of the case.
- 36 Given the nature of that communication, it must be held that, by sending it to the applicant in a language other than the language of proceedings, the Board of Appeal failed to have regard to the rules governing languages, which apply, pursuant to Article 115(4) of Regulation No 40/94, to *ex parte* proceedings before OHIM. The proceedings before the Board of Appeal are therefore vitiated by irregularity.
- 37 Secondly, the note of 14 February 2002 contains the comments of the Vice-President of OHIM, requested pursuant to Article 11 of Regulation No 216/96, according to which the Board of Appeal may, on its own initiative or at the written, reasoned request of the President of the Office, invite him to comment in writing or orally on questions of general interest which arise in the course of proceedings pending before it. It must be held that that note, although an internal OHIM document, constitutes a procedural document within the meaning specified by the Court of Justice in paragraph 46 of the judgment in *Kik v OHIM*. In so far as the second sentence of Article 11 of Regulation No 216/96 provides that the parties are to be entitled to submit their observations on the comments requested pursuant to the first sentence of that article, those comments constitute expressions of the views of OHIM, in the light of which the parties' rights of the defence are exercised and which the parties are, therefore, entitled to have made available to them in the language of proceedings.
- 38 It follows that, in this case, by sending the applicant the note of 14 February 2002 in a language other than the language of proceedings, the Board of Appeal repeated the irregularity by which the communication of 3 April 2000 is vitiated.

39 It is necessary, at this stage, to examine whether, in the light of the circumstances of this case, it can be concluded that the irregularities established in paragraphs 36 and 38 above in fact adversely affected the applicant's rights of the defence. It must likewise be determined whether and, if so, to what extent the fact that the examiner's decision was notified to the applicant in a language other than the language of proceedings, even though, clearly, a document of a decisional nature cannot be regarded as a 'written communication' within the meaning specified by the Court of Justice in its judgment in *Kik v OHIM*, may have interfered with the exercise by the applicant of its right of appeal.

40 In that regard, it must be pointed out, firstly, that, in its pleading of 9 August 1999 setting out the grounds of appeal against the examiner's decision, the applicant examined exhaustively the content of the decision appealed against, responding specifically to the various aspects of the reasoning supporting the operative part of that decision. It thus raised against that decision, apart from the complaint alleging infringement of Article 115(4) of Regulation No 40/94, two pleas relating to the infringement of essential procedural requirements, connected, respectively, with the infringement of its right to be heard and with the insufficient and contradictory character of the statement of reasons, as well as two pleas on the merits, seeking to challenge the examiner's assessment regarding the lack of distinctive character of the trade mark applied for and the absence of the conditions for the application of Article 7(3) of Regulation No 40/94, and a further plea, alleging infringement of the principle of non-discrimination.

41 It is apparent from that pleading that the applicant was able to understand fully the reasons for the examiner's decision and, therefore, to reply to them in its appeal. In those circumstances, it cannot be concluded that the fact that the applicant was notified of the examiner's decision in a language other than the language of proceedings in fact adversely affected the exercise of its right of appeal or rendered it more difficult or that that fact interfered in any way whatsoever with the exercise of its rights of the defence during the proceedings before the Board of Appeal.

42 Secondly, as regards the communication of 3 April 2000 from Mr K., the applicant replied to it by fax of 1 June 2000, answering all the points which had been put to it. It challenged both the relevance and the validity of the rapporteur's observations relating to the infringement by the examiner of the rules governing the language of proceedings. It also rejected the approach envisaged by the rapporteur as regards the complaint alleging infringement of its right to be heard and set out the reasons why the trade mark applied for could not be regarded as descriptive. In addition, it availed itself of the opportunity which it had been offered to produce further documents aimed at demonstrating that the trade mark in question had become distinctive through use.

43 Accordingly, it must be stated that the applicant was able both to understand fully the implications of the points raised in the communication of 3 April 2000 and to exercise the right which it had been granted to submit new evidence.

44 Finally, with regard to the note of 14 February 2002 containing the comments requested by the Board of Appeal on the basis of Article 11 of Regulation No 216/96, it should be pointed out that the applicant, having been invited to file observations on that note, refrained from so doing. Irrespective of whether such inaction is attributable to the fact that the note in question had been communicated to the applicant in a language other than the language of proceedings, it must be pointed out that the Board of Appeal did not accept the interpretation advocated by the Cabinet of the President of OHIM. Consequently, even if, due to the language in which that note was written, the applicant was unable to understand fully its content, that fact clearly could under no circumstances have adversely affected its defence.

45 In the light of all the foregoing considerations, it must be concluded that, notwithstanding the procedural irregularities committed by the Board of Appeal, the applicant's rights of the defence were not prejudiced in this case.

46 It follows that the first plea must be rejected.

The second plea, alleging excessive duration of the proceedings before the Board of Appeal

Arguments of the parties

47 The applicant claims that the Board of Appeal infringed Article 6 of the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR), signed at Rome on 4 November 1950, in so far as it provides that cases must be disposed of within a reasonable time. That provision is applicable to the Boards of Appeal of OHIM since they exercise judicial functions and are therefore required to comply with the procedural principles of Community law, including the principle that decisions must be adopted within a reasonable time.

48 The applicant points out that, in this case, the appeal against the examiner's decision refusing registration was filed on 7 June 1999 and that the contested decision was adopted on 30 May 2002 and communicated to the applicant on 24 June 2002, namely more than two years after the appeal was brought. That duration is excessive, it argues, a fortiori since these were ex parte proceedings.

49 In the applicant's view, such a duration must entail the annulment of the contested decision.

50 OHIM disputes the applicability of Article 6 of the ECHR to the Boards of Appeal. Although it is true that Regulation No 40/94 requires the independence of their members to be guaranteed in numerous ways, the Boards of Appeal are merely a final authority of OHIM and partake of its nature as an administrative body responsible for the management of the system of Community trade marks. Thus an appeal to one of those boards is more an internal administrative remedy than a judicial remedy.

Findings of the Court

51 The principle that decisions must be adopted within a reasonable time, set out, as a component of the principle of good administration, in Article 41(1) of the Charter of Fundamental Rights of the European Union, proclaimed at Nice on 7 December 2000 (O) 2000 C 364, p. 1), is mandatory in any Community administrative proceedings (see, to that effect, Joined Cases T-213/95 and T-18/96 *SCK and FNK v Commission* [1997] ECR II-1739, and Case T-228/97 *Irish Sugar v Commission* [1999] ECR II-2969, paragraph 276, as regards proceedings to implement the competition rules; Case T-196/01 *Aristoteleio Panepistimio Thessalonikis v Commission* [2003] ECR II-3987, paragraph 229, relating to a procedure for the cancellation of structural fund assistance; and Case T-197/00 *Onidi v Commission* [2002] ECR-SC I-A-69 and II-325, paragraph 91, and Case T-259/97 *Teixeira Neves v Court of Justice* [2000] ECR-SC I-A-169 and II-773, paragraph 123, concerning disciplinary proceedings against Community officials).

52 That principle must therefore also be applied to proceedings before the various OHIM authorities, including the Boards of Appeal.

53 However, according to settled case-law, infringement of the principle that decisions must be adopted within a reasonable time, assuming it is established, does not justify automatic annulment of the contested decision (*Aristoteleio Panepistimio Thessalonikis v Commission*, cited above, paragraph 233, and the case-law cited).

54 In the circumstances of this case, the second plea, in so far as it is put forward by the applicant in support of its claims for annulment, must be rejected as ineffective.

55 Moreover, in a case such as this, in which an application was made to OHIM for registration of a Community trade mark, the applicant has no legal interest, in the context of an action brought against the decision of a Board of Appeal confirming the rejection of the application for registration, in the annulment by the Court of First Instance of that decision on the sole ground that it was adopted after more than a reasonable period. Such an annulment would merely delay further the adoption by OHIM of a position on the application for registration filed, and that would be to the detriment of the applicant.

The third plea, alleging infringement of Article 73 of Regulation No 40/94

Arguments of the parties

56 In the applicant's view, the Board of Appeal infringed Article 73 of Regulation No 40/94 in so far as, in order to substantiate its assessment as to the lack of distinctiveness of the trade mark applied for, it took into account, in paragraph 45 of the contested decision, the results of a search on the internet which had not previously been communicated to the applicant.

57 OHIM points out that the information mentioned in paragraph 45 of the contested decision played only a supplementary part in the reasoning adopted by the Board of Appeal with regard to the lack of distinctive character of the mark at issue.

Findings of the Court

58 It must be recalled that, under 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.

59 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 (Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 42). Consequently, in the case in which 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*, paragraph 43).

60 In this case, in paragraph 45 of the contested decision, the Board of Appeal points out that 'the claimed goods belong to the category of nutritional and health products, a category in which words such as "top" are commonly used in the English [-speaking] part of the Community to present a list of their "top products" as a quick [search] on the internet reveals'. The address of the internet site at which that search was carried out is then indicated.

- 61 It is common ground that the Board of Appeal did not communicate to the applicant either the content of that internet site or the results of the search mentioned in the abovementioned paragraph of the contested decision.
- 62 In so doing, it infringed the second sentence of Article 73 of Regulation No 40/94.
- 63 Nevertheless, it must be pointed out that, in paragraph 44 of the contested decision, the Board of Appeal found that ‘the term “top” is currently a generic, usual or commonly-used name in the sector of the goods at issue, such as the words “best”, “excellent”, “super”’. In paragraph 46, it found that “top” served only to inform the section of the public targeted about a characteristic of the goods at issue, namely the best nutritional supplements offered’ and concluded that ‘[t]hus the section of the public targeted, faced with the goods and service[s] at issue, will attribute to “top” solely the obvious meaning set out above, without imagining a second meaning of the term as a mark’.
- 64 Those grounds, which are based on reasoning independent of the reference to the results of the internet search mentioned in paragraph 45 of the contested decision, reasoning which, moreover, was already known to the applicant since it had been adopted by the examiner, are sufficient to justify rejection of the present plea.
- 65 The finding contained in paragraph 45 of the contested decision, resulting from research carried out by the Board of Appeal, that words such as ‘top’ are widely used in connection with the goods concerned to present a list of ‘top products’, is made only to support the conclusion that the word ‘top’ is a designation which is customary or widely used in the sectors of the goods at issue and, consequently, is not a necessary part of the statement of grounds for the rejection of the application for registration.

- 66 It follows that the irregularity by which paragraph 45 of the contested decision is vitiated in the light of the second sentence of Article 73 of Regulation No 40/94 is not such as to lead to the annulment of the contested decision (see, to that effect, *KWS Saat v OHIM*, paragraph 50, and Case T-216/02 *Feldturf v OHIM (LOOKS LIKE GRASS... FEELS LIKE GRASS... PLAYS LIKE GRASS)* [2004] ECR II-1023, paragraph 41).
- 67 Accordingly, the third plea put forward by the applicant in support of its claims for annulment cannot be upheld.

The fourth plea, alleging failure to state reasons

Arguments of the parties

- 68 The applicant claims that the statement of reasons for the contested decision contains only vague and unspecific assertions which are not capable of substantiating the findings of the Board of Appeal as to the allegedly descriptive and non-distinctive character of the trade mark applied for.
- 69 As regards, in particular, the part of the statement of reasons which is devoted to the analysis of the distinctive character of the sign at issue, the contested decision merely puts forward factors relevant to an examination under Article 7(1)(c) of Regulation No 40/94 without setting out any independent reasoning as to the application of Article 7(1)(b) of that regulation, contrary to what is required by the

settled case-law of the Court and, in particular, by the judgment in Case T-34/00 *Eurocool Logistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 25, according to which the absolute grounds for refusal provided for in Article 7(1) (b) and (c) of Regulation No 40/94 are independent and each has its own sphere of application.

70 The applicant therefore concludes that the contested decision is vitiated by failure to state reasons.

71 OHIM contends that the present plea should be rejected, maintaining that the statement of reasons for the contested decision enables the applicant to know the reasons for the rejection of its application for registration.

Findings of the Court

72 According to settled case-law, the statement of the reasons on which OHIM's decisions are based, the duty to provide which is laid down in the first sentence of Article 73 of Regulation No 40/94, must enable the applicant, if need be, to take cognisance of the reasons for rejecting the application for registration and to challenge the contested decision effectively (Case T-173/00 *KWS Saat v OHIM (Shade of orange)* [2002] ECR II-3843, paragraphs 54 and 55; see also, to that effect, Case T-135/99 *Taurus-Film v OHIM (Cine Action)* [2001] ECR II-379, paragraph 35, and Case T-136/99 *Taurus-Film v OHIM (Cine Comedy)* [2001] ECR II-397, paragraph 35).

- 73 In the present case, firstly, the Board of Appeal set out in paragraph 38 of the contested decision the reasons which led it to conclude that the trade mark applied for was descriptive in character, namely, essentially the fact that it consists exclusively of a laudatory term which may serve in trade to inform the consumer about the very high quality of the goods concerned.
- 74 Secondly, contrary to what is maintained by the applicant, it is apparent from paragraphs 41 to 50 of the contested decision that it was by way of independent reasoning, based on the finding that the sign in respect of which registration was sought consisted of a general, customary or widely-used designation in relation to the goods in question, that the Board of Appeal reached the conclusion that that sign was devoid of distinctive character.
- 75 It follows that the statement of reasons for the contested decision, although brief, enabled the applicant to know the reasons for the rejection of its application for registration and to prepare effectively its pleas in the present action.
- 76 Accordingly, the fourth plea, alleging infringement of the obligation to state reasons, must be rejected as unfounded.

The fifth plea, alleging infringement of Article 7(1)(b) and (c)

Arguments of the parties

- 77 The applicant points out, in the first place, that the prohibition on registering purely descriptive signs as Community trade marks, laid down in Article 7(1)(c) of

Regulation No 40/94, is intended to prevent the registration of signs which, due to the fact that they correspond to the customary description of the category of goods or services in question, are incapable of identifying the undertaking which markets the goods or services covered by those signs. Consequently, in the applicant's view, only signs likely to be used ordinarily by the consumer to designate directly and specifically the quality or to describe, in the same way, a characteristic of the goods or services covered by the application for registration may be considered to be purely descriptive signs.

- 78 In this case, apart from vague and generic assertions, the Board of Appeal has not demonstrated that the term 'top', of which the trade mark applied for consists, is used or is likely to be used, in one of its various meanings, as an indication of any qualitative characteristic of the goods in question.
- 79 In the second place, as regards the application of Article 7(1)(b) of Regulation No 40/94, the applicant points out, first of all, that the distinctive character of a sign must be assessed by reference to the goods in respect of which registration of that sign was sought.
- 80 It goes on to recall that, according to the case-law of the Court, the lack of distinctive character of a sign for which registration has been sought cannot result from the mere finding that the sign in question lacks originality or any additional element of imagination.
- 81 Thus, any sign, even one consisting of one or more everyday words, which is devoid of any element of originality or creativity, is eligible for registration as a Community trade mark, provided that it is capable of identifying the origin of the goods or services which it is intended to designate.

82 However, neither the examiner nor the Board of Appeal has demonstrated that the term 'top' for which registration is sought is not capable of fulfilling such a function.

83 On the contrary, because it consists of a simple, short word which is easy to remember and to pronounce in all the Community languages, the sign in question is capable of identifying the applicant's goods and of distinguishing them from those of another manufacturer.

84 OHIM observes, first of all, as regards the application of Article 7(1)(c) of Regulation No 40/94, that the trade mark applied for consists exclusively of a word which may serve to describe one of the characteristics of the goods in question. In this respect, OHIM points out that the word 'top' is a laudatory term commonly used in English to describe the good quality of the goods in question, and that there is no perceptible difference between it and terminology used in everyday language, enabling the consumers concerned to regard it as an indication of the commercial origin of the goods concerned.

85 Next, as regards the applicant's complaint based on an alleged infringement of Article 7(1)(b) of Regulation No 40/94, OHIM points out, firstly, that the word 'top' is an ordinary laudatory term in the English language, commonly used as a generic description both in the foodstuffs sector in general and in the specific sector of herbal foods and nutritional supplements and, secondly, that the Board of Appeal was correct to take the view that the relevant public would not perceive the term 'top' as an indication of the commercial origin of the goods in question, but rather as a piece of information about the quality of those goods.

Findings of the Court

- 86 It is necessary to examine first the applicant's second complaint, alleging infringement of Article 7(1)(b) of Regulation No 40/94.
- 87 It must be remembered that, under Article 7(1)(b) of Regulation No 40/94, 'trade marks which are devoid of any distinctive character' are not to be registered.
- 88 Signs devoid of any distinctive character, as referred to in Article 7(1)(b) of Regulation No 40/94, are incapable of performing the essential function of a trade mark, namely that of identifying the commercial origin of the goods or services, thus enabling the consumer who purchases 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-360/00 *Dart Industries v OHIM (UltraPlus)* [2002] ECR II-3867, paragraph 42).
- 89 A sign's distinctiveness can be assessed only by reference, first, to the goods or services in respect of which registration is sought and, second, to the relevant public's perception of that sign (*UltraPlus*, cited above, paragraph 43).
- 90 In the present case, the Board of Appeal inferred the lack of distinctive character of the term 'top' from the finding that it is a laudatory term and from the fact that it is a usual or commonly-used name in connection with the goods concerned (paragraphs

44 and 46 of the contested decision). Moreover, the Board of Appeal took the view that, in so far as they would perceive that term as the expression of a claim by the manufacturer concerning the quality of its goods, consumers would not see it as a sign distinguishing the origin of those goods (paragraph 46 of the contested decision).

91 A first point to be noted is that, in order to establish the distinctive character of a sign, it is not necessary to find that the sign is original or fanciful (see, to that effect, the judgments in *Cine Action*, paragraph 31, *EUROCOOL*, paragraph 45, and *UltraPlus*, paragraph 45).

92 As regards the relevant public, it should be observed, as the Board of Appeal has done without being challenged on this point by the applicant, that herbal foods and nutritional supplements are intended for the general public and thus for consumers whose level of attention has no special feature such as to influence their perception of the sign. The relevant public is therefore average consumers who are reasonably well informed and reasonably observant and circumspect (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26, and Case T-359/99 *DKV v OHIM (EuroHealth)* [2001] ECR II-1645, paragraph 27, and *UltraPlus*, paragraph 46).

93 First of all, the term 'top', which comes from English but is also in current use in other Community languages, belongs to the category of superlatives and can be used as a noun proper or noun adjective. Since the trade mark proposed for registration consists only of that term, the term must therefore be considered, from a grammatical point of view, to function as a noun proper.

- 94 Secondly, in the present case, unlike the term ‘ultraplus’ in the case which gave rise to the *UltraPlus* judgment cited above, the term ‘top’ is used in its usual grammatical structure and cannot be said to be ‘perceptibly different from a lexically correct construction’ within the meaning of the judgment in *UltraPlus*, paragraph 47.
- 95 Furthermore, although it is true that, due to its generic meaning which tends to exalt in an unspecified manner the nature, function, quality or one of the qualities of any product or service, the sign ‘top’ does not enable the consumer to imagine to what type of goods or services it refers, the fact nevertheless remains that, precisely because it is commonly used in everyday language, as well as in trade, as a generic laudatory term, that word sign cannot be regarded as appropriate for the purpose of identifying the commercial origin of the goods which it designates and, therefore, of performing the essential function of a trade mark.
- 96 Finally, although, as the applicant points out, such a sign can be easily and immediately memorised by the relevant public, the fact that it is capable of being used as such by any manufacturer or supplier of services for the purpose of advertising its goods or services means that its use must not be reserved for a single undertaking, even if such exclusivity were to concern only a specific sector, such as that of herbal foods and nutritional supplements and similar products.
- 97 It follows from the foregoing considerations that the Board of Appeal did not commit an error of assessment in concluding that the trade mark proposed for registration was devoid of any distinctive character.
- 98 The second complaint raised in the fifth plea must therefore be rejected as unfounded.

- 99 Since the existence of only one of the absolute grounds for refusal provided for in Article 7(1) of Regulation No 40/94 is sufficient to justify refusal of registration of a trade mark, the fifth plea must be rejected without there being any need to examine the first complaint, alleging misapplication of Article 7(1)(c) of Regulation No 40/94, since that complaint is, in any event, inoperative in this case.

The sixth plea, raised in the alternative, alleging error of assessment in the application of Article 7(3) of Regulation No 40/94

Arguments of the parties

- 100 In the applicant's view, the Board of Appeal assessed incorrectly the items of evidence which the applicant produced to substantiate the acquisition by the trade mark applied for of distinctive character through use in accordance with Article 7(3) of Regulation No 40/94. In particular, it complains that the Board of Appeal examined those various items separately instead of making an aggregate assessment of them. When assessed as a whole, those items demonstrate that the applicant used its trade mark widely before filing its application for registration.

- 101 In OHIM's view, the Board of Appeal was right to consider that the evidence produced by the applicant did not prove acquisition of distinctive character through use.

Findings of the Court

- 102 It is apparent from paragraphs 53 to 55 of the contested decision that the Board of Appeal discounted the relevance as evidence, firstly, of the extracts from the applicant's catalogues, on the ground that it was not possible to determine the date on which they were printed or to what extent they were distributed among the public established in the Community and, secondly, of the applicant's sales figures, since they were not specified in detail and were not certified by an accountant or supported by invoices.
- 103 As regards the extracts from the journal 'Sun spot', published by the applicant, referring to July 1993, January 1995, February 1996, June 1996 and August 1997, the Board of Appeal took the view, in paragraph 56 of the contested decision, that, in the absence of details concerning the circulation figures and geographical areas of distribution of that publication, the latter did not constitute evidence that the trade mark proposed for registration had become distinctive in the relevant part of the Community.
- 104 It must be stated that the applicant does not even attempt to challenge the findings of the Board of Appeal as regards the lack of relevance of the items produced or their evidential value, which was held to be insufficient to justify the application, in this case, of Article 7(3) of Regulation No 40/94.
- 105 It merely accuses the Board of Appeal of carrying out a fragmentary analysis of various items produced and of not assessing them as a whole.

106 Accordingly, it is sufficient to hold that the Board of Appeal did not commit an error of assessment in evaluating separately the relevance and the evidential value of the items produced by the applicant, which were documents and information of various kinds.

107 The sixth plea, put forward in the alternative by the applicant, must therefore be rejected.

108 In the light of all the foregoing considerations, the claims for annulment must be rejected.

The other claims

The claims that OHIM should be ordered to reimburse the costs of translation incurred by the applicant during the proceedings before the examiner and the Board of Appeal

Arguments of the parties

109 The applicant claims that it was obliged to have all the procedural documents translated into English on the ground that the examiner and the Board of Appeal systematically disregarded the language of proceedings. As a result, it incurred expenses which it considers should be borne by OHIM.

110 OHIM disputes the applicant's claims.

Findings of the Court

111 It must be stated that the applicant has not provided in support of its claim any evidence to demonstrate the truth of its claims or to establish the amount of the costs of translation which it claims to have incurred.

112 Accordingly, the claim in question can only be rejected.

The claims in the alternative, seeking compensation for damage suffered on account of the allegedly excessive duration of the proceedings before the Board of Appeal

Arguments of the parties

113 In the alternative, the applicant seeks compensation for the duration of the proceedings before the Board of Appeal, which it considers excessive.

- 114 OHIM points out, firstly, that the applicant has not stated what damage it suffered as a result of a reasonable time having been allegedly exceeded by the Board of Appeal and, secondly, that, given the circumstances of the case, the duration of the proceedings before the Board of Appeal cannot be regarded as excessive.

Findings of the Court

- 115 It is sufficient to note that the applicant has not adduced the slightest evidence that any damage whatsoever was caused by the allegedly excessive duration of the proceedings before the Board of Appeal.
- 116 Accordingly, the applicant's claims seeking compensation for the damage allegedly suffered on account of the excessive duration of the proceedings before the Board of Appeal must be rejected.
- 117 It follows from all the grounds set out above that the action must be dismissed in its entirety.

Costs

- 118 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, 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, as applied for by OHIM.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

- 1. Dismisses the action;**

- 2. Orders the applicant to pay the costs.**

Legal

Mengozzi

Wiszniewska-Białecka

Delivered in open court in Luxembourg on 13 July 2005.

H. Jung

Registrar

H. Legal

President