

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

7 June 2001 *

In Case T-359/99,

Deutsche Krankenversicherung AG (DKV), established in Cologne (Germany),
represented by S. von Petersdorff-Campen, lawyer, with an address for service in
Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs)
(OHIM), represented by D. Schennen and S. Bonne, acting as Agents, with an
address for service in Luxembourg,

defendant,

ACTION brought against the decision of the First Board of Appeal of the Office
for Harmonisation in the Internal Market (Trade Marks and Designs) of
15 October 1999 (Case R 19/1999-1), concerning the registration of the word
mark ‘EuroHealth’ as a Community trade mark,

* Language of the case: German.

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

composed of: A.W.H. Meij, President, A. Potocki and J. Pirrung, Judges,
Registrar: J. Palacio González, Administrator,

having regard to the application lodged at the Court Registry on 24 December 1999,

having regard to the response lodged at the Court registry on 21 March 2000,

and further to the hearing on 30 November 2000,

gives the following

Judgment

Background to the dispute

- 1 On 26 June 1996, the applicant filed an application for a Community word mark at the Office for Harmonisation in the Internal Market (Trade Marks and

Designs) (hereinafter ‘the Office’) 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 trade mark in respect of which registration was sought was the term ‘EuroHealth’.

3 The services in respect of which registration was sought were in class 36 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: ‘insurance and financial affairs’.

4 By decision of 13 November 1998, the examiner refused the application under Article 38 of Regulation No 40/94, on the ground that the word in question was devoid of distinctive character.

5 On 6 January 1999, the applicant appealed to the Office against the examiner’s decision under Article 59 of Regulation No 40/94.

6 The appeal was dismissed by decision of the First Board of Appeal of 15 October 1999 (hereinafter ‘the contested decision’), which was served on the applicant on 25 October 1999.

7 The Board of Appeal took the view that, although the examiner’s decision was based only on Article 7(1)(b) and (2) of Regulation No 40/94, Article 7(1)(c) of Regulation No 40/94 was also applicable in the present case.

Forms of order sought by the parties

8 The applicant claims that the Court should:

— alter the contested decision and order the Office to publish the word ‘EuroHealth’ in the Community Trade Marks Bulletin as a Community trade mark for the services in Class 36 referred to in the application;

— in the alternative, annul the contested decision.

— order the Office to pay the costs.

9 The Office contends that the Court should:

— dismiss the principal claim as inadmissible;

— order the applicant to pay the costs.

The claim for an order requiring the Office to publish the application for EuroHealth as a Community trade mark

- 10 The applicant asks the Court to issue directions to the Office requiring it to publish the application for the trade mark concerned in the Community Trade Marks Bulletin pursuant to Article 40 of Regulation No 40/94.
- 11 Under Article 63(6) of Regulation No 40/94, the Office is to take the necessary measures to comply with the judgment of the Court of Justice. Accordingly, the Court of First Instance is not entitled to issue directions to the Office. It is for the latter to draw the consequences of the operative part of this judgment and the grounds on which it is based (Case T-163/98 *Procter & Gamble v OHIM* ('BABY-DRY') [1999] ECR II-2383, paragraph 53). The claim is therefore inadmissible in this respect.

The claims that the contested decision should be altered or, in the alternative, annulled, on the ground of infringement of Article 7(1) of Regulation No 40/94

Plea in law alleging infringement of Article 7(1)(c) of Regulation No 40/94

Arguments of the parties

- 12 The applicant claims that the words of which the word 'EuroHealth' consists, as well as that word itself, as such, may give rise to numerous interpretations, requiring none the less some intellectual deductions.

- 13 The applicant then affirms that the requirement of availability, which underlies, in its view, Article 7(1)(c) of Regulation No 40/94, must actually exist. However, the contested decision is based on an abstract assessment of the requirement of availability which makes it more likely that applications for trade marks will be rejected on purely speculative grounds.
- 14 Moreover, according to the applicant, the Office has not taken into account, in the contested decision, Article 12(b) of Regulation No 40/94, which has as its purpose to ensure that a sign, consisting of an abbreviated or altered form of a descriptive indication, may be registered, without those who might use the indication in issue having to fear such usage being challenged by the proprietor of the Community trade mark.
- 15 The applicant further claims that the Office has not taken account of the practice of national trade mark offices of the Member States and, in particular, of the national offices of the English-speaking parts of the Community, namely Ireland and the United Kingdom, which have registered large numbers of trade marks containing the term 'Euro'. At the same time, the Office's search reports show that national offices register as trade marks word marks in which, as in the sign in issue, the element 'Euro' is associated with descriptive indications.
- 16 The Office, for its part, contends that it is sufficient for just one meaning of the word 'EuroHealth' to be descriptive for the target consumer for that sign to be barred from registration. According to the Office, the word 'EuroHealth' only conveys the descriptive meaning already possessed by the two elements of which it is composed.
- 17 So far as concerns the requirement of availability, the Office points out that it is not based on Article 7(1) of Regulation No 40/94 at all. The grounds for refusal in the present case are, rather, based on the fact that the sign in issue does not constitute a mark.

- 18 As regards Article 12(b) of Regulation No 40/94, the Office states that it concerns the extent of the protection afforded by registration of a Community trade mark and is relevant only in the context of actions for infringement.
- 19 So far as concerns the registration of other marks with the prefix ‘Euro’, the Office points out that they do not constitute the subject-matter of the present proceedings and the search reports are not intended to produce information useful to the examination of absolute grounds for refusal.
- 20 Finally, the Office observes that, in the contested decision, the appeal was dismissed on the basis of the meaning of the word ‘EuroHealth’ in English, the First Board of Appeal having thus found that a ground for refusal obtained in the English-speaking parts of the Community.

Findings of the Court

- 21 Under Article 7(1)(c) of Regulation No 40/94, ‘trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service’ are not to be registered.
- 22 The intention of the legislature was therefore that — subject to Article 7(3) of Regulation No 40/94 — such signs should, by virtue of their purely descriptive nature, be considered incapable of distinguishing the services of one undertaking

from those of another. By contrast, signs or indications whose meaning goes beyond the exclusively descriptive character are capable of being registered as Community trade marks.

- 23 Moreover, it is settled case-law that the absolute grounds for refusal set out in Article 7(1)(c) of Regulation No 40/94 can be assessed only in relation to the goods or services in respect of which registration of the sign is applied for (see Case T-135/99 *Taurus-Film v OHIM* ('Cine Action') [2001] ECR II-379, paragraph 25, and Case T-136/99 *Taurus-Film v OHIM* ('Cine Comedy') [2001] ECR II-397, paragraph 25).
- 24 Furthermore, Article 7(2) of Regulation No 40/94 provides that 'paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.
- 25 However, in the present case, the Board of Appeal stated that, in the word 'EuroHealth', the term 'Health' may be generally understood, in the business circles concerned, as designating, as such, a sector or a branch of insurance, namely health insurance. So far as concerns the term 'Euro', the Board of Appeal takes the view that it is equivalent to the adjective 'European'. Moreover, the fact of adding the prefix 'Euro' to the term 'Health' does not add any further feature such as to remove from the sign as a whole its purely descriptive character with regard to health insurance services.
- 26 It must be observed first of all that the Board of Appeal held, rightly, that the word 'EuroHealth' may serve, in the English-speaking areas of the Community, to designate a specific category of insurance services, namely health insurance services which can be offered at the European level. As the Board of Appeal found, in those areas at least, the term 'Health' is purely descriptive of health insurance services and the prefix 'Euro' only indicates the European character of

the services concerned. Moreover, there is nothing to suggest that the combination of the prefix ‘Euro’ with the noun ‘Health’ confers on the word ‘EuroHealth’ an additional element as a result of which it no longer has a purely descriptive character in relation to health insurance services which can be offered at the European level.

- 27 It follows that the word EuroHealth allows the relevant section of the public to establish immediately and without further reflection a definite and direct association with the health insurance services which fall within the category of ‘insurance’ referred to in the application for registration in question. In the present case, the relevant section of the public is deemed to be the average, reasonably well-informed and reasonably observant and circumspect English-speaking consumer of insurance services (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26).
- 28 Moreover, it must be observed that Article 12 of Regulation No 40/94 concerns limits on the right conferred by a Community trade mark on its proprietor, in business. Despite the apparent relationship between Article 7(1)(c) and Article 12(b), the latter provision does not have a decisive bearing on the interpretation of the absolute ground for refusal laid down in Article 7(1)(c) of Regulation No 40/94 (see, to that effect, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 28). Consequently, the scope of Article 12(b) of Regulation No 40/94 does not undermine the analysis, set out above, of the application, in the present case, of Article 7(1)(c) of Regulation No 40/94.
- 29 As to the applicant’s argument that the national trade mark offices of Ireland and the United Kingdom have registered numerous trade marks containing the term ‘Euro’, it must be borne in mind that the purpose of the Community trade mark is, according to the first recital in the preamble to Regulation No 40/94, to enable ‘products and services of undertakings to be distinguished by identical means throughout the entire Community, regardless of frontiers’, and that registrations already made in the Member States are a factor which may only be taken into consideration, without being given decisive weight, for the purposes of registering

a Community trade mark (Case T-122/99 *Procter & Gamble v OHIM* ('Soap bar shape') [2000] ECR II-265, paragraphs 60 and 61, and Case T-32/00 *Messe München v OHIM* ('electronica'), ECR II-3829, paragraphs 45 and 46).

30 Thus, although the Office may take guidance, as necessary, from national practices, it none the less follows from the foregoing that the Board of Appeal was not required to make a decision, in the present case, in accordance with any national practices, as indicated by the applicant.

31 As regards the applicant's argument relating to the Office's search reports, it must be borne in mind that those reports, mentioned in Article 39 of Regulation No 40/94, have as their sole purpose to inform the applicant for a Community trade mark, in a non-exhaustive manner, whether there are any conflicts with regard to relative grounds for refusal. As the Office has rightly stated, those reports are not intended to produce information useful to the examination of absolute grounds for refusal.

32 In those circumstances, it must be concluded that the applicant has not put forward any argument capable of justifying the annulment of the contested decision, in so far as that decision confirmed the refusal to register the word 'EuroHealth' on account of its purely descriptive character so far as concerns health insurance services.

33 Since the applicant sought registration of the sign at issue in respect of all services falling within the category of 'insurance' without distinguishing between them, it is appropriate to confirm the assessment of the Board of Appeal in so far as it relates to those services as a whole.

- 34 So far as concerns financial affairs services, the Board of Appeal held, in the contested decision, that the word ‘EuroHealth’ could be used, ‘in the English-speaking areas of the Community, as a directly descriptive indication of financial services for building up suitable funds to supplement or replace health insurance’.
- 35 In that regard, it is not apparent from the statement of reasons contained in the contested decision that the relevant section of the public would immediately and without further reflection make a definite and direct association between the word ‘EuroHealth’ and financial services.
- 36 In order to arrive at the abovementioned conclusion, the Board of Appeal indicated, in paragraph 19 of the contested decision, that financial services, especially ‘measures for building up funds such as savings and investment plans’, are often proposed as a way of covering risks of sickness and loss of income due to illness. In support of that view, it referred to the ‘trend observed Europe-wide for medical cover to move away from the public sector towards the private sector’. However, that reasoning does not demonstrate that the word ‘EuroHealth’ may serve to designate, in the mind of the average English-speaking consumer, the characteristics typical of certain financial services, but rather gives a thorough analysis of why certain consumers are prompted to use them. Thus, the association established by the Board of Appeal between the semantic content of the sign, that is to say ‘health in Europe’, on the one hand, and the services in question, on the other, is not sufficiently concrete and direct in order to demonstrate that that sign enables the target consumers to identify those services immediately and that it is therefore descriptive of such services.
- 37 Accordingly, the evocation of the services falling within the category of ‘financial affairs’ or of one of their properties, which the sign at issue might convey to the

notice of the relevant section of the public, is at the very most indirect. It follows that the relationship between the word 'EuroHealth' and the financial services concerned, as described by the Board of Appeal in the contested decision, is too indeterminate and vague to be caught by the prohibition laid down in Article 7(1)(c) of Regulation No 40/94.

- 38 It follows from the foregoing considerations that the Board of Appeal was wrong to hold that the word 'EuroHealth' consisted exclusively of signs descriptive of financial affairs and that it is therefore appropriate to annul, to that extent, the contested decision.

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

Arguments of the parties

- 39 The applicant submits that lack of distinctiveness, a ground for refusal provided for in Article 7(1)(b) of Regulation No 40/94, cannot be proved by the fact that the ground for refusal provided for in Article 7(1)(c) of that regulation has been established. The scheme of those provisions precludes an assessment of distinctiveness by means of criteria which only concern descriptiveness.

40 The applicant points out, moreover, that the sign at issue presents the additional elements necessary in order to constitute a distinctive sign, on account, in particular, of the abbreviations of its constitutive elements as well as of the combination of those abbreviations. According to the applicant, the word 'EuroHealth' is an artificially created word which, furthermore, is not listed in any dictionary.

41 The Office maintains, for its part, that the contested decision is based on grounds which have overlapping consequences. According to the Office, a term describing exclusively the type or intended use of goods does not enable them to be distinguished from the goods of other undertakings. The fact that the word 'EuroHealth' is not listed in any dictionary is not decisive, since the principal test is that it should be understood in the commercial circles targeted.

42 The Office submits, finally, so far as concerns the lack of distinctiveness as regards financial services, that, in the contested decision, it is pointed out that some of those services, such as savings plans, are also intended to serve as protection against risks of sickness. Moreover, there has been a measure of interpenetration between the insurance and financial services markets.

Findings of the Court

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

- 44 It must be recalled, next, that it is apparent from Article 7(1) of Regulation No 40/94 that it is sufficient for one of the absolute grounds for refusal to apply for the sign to be ineligible for registration as a Community trade mark (*BABY-DRY*, cited above, paragraph 29).
- 45 Since the Court has found that the Board of Appeal was not wrong in holding that the word 'EuroHealth' was purely descriptive in the English-speaking areas of the Community so far as concerns insurance services, it is appropriate, for the purposes of the present dispute, to rule only on the merits of the absolute ground for refusal based on the fact that the sign in issue is devoid of any distinctive character so far as financial services are concerned.
- 46 Even though the contested decision refers formally to Article 7(1)(b) and (c) of Regulation No 40/94, it is, in actual fact, explained only in relation to subparagraph (c). In paragraph 18 of the contested decision, the lack of distinctiveness of the word 'EuroHealth' is deduced only from its descriptive character. According to the Board of Appeal, because of the descriptive character of the sign in relation to the services referred to in the application for the trade mark, the sign is also devoid of any distinctive character. It follows that the Board of Appeal has not set out the least independent reasoning relating to the application of Article 7(1)(b) of Regulation No 40/94.
- 47 However, it has been found above that the Board of Appeal was wrong to consider that the word 'EuroHealth' was composed exclusively of signs descriptive of the financial services concerned. It follows that it cannot be held that, so far as those services are concerned, this word is thereby incapable of distinguishing the services concerned of one undertaking from those of another.

- 48 Even if it were to be accepted that the elements capable of establishing the two absolute grounds of refusal in issue could overlap with each other to some extent, it is none the less true that each of those grounds has its own sphere of application (see, to that effect, Case T-345/99 *Harbinger Corporation v OHIM* ('TRUST-EDLINK') [2000] ECR II-3525, paragraph 31). However, in the absence of any independent analysis whatever relating to the application of Article 7(1)(b) of Regulation No 40/94 in the contested decision, it is appropriate to annul that decision also for infringement of Article 7(1)(b), so far as financial services are concerned.
- 49 In those circumstances, the contested decision must be annulled rather than altered so that the Office may take the measures necessary to comply with the present judgment, pursuant to Article 63(6) of Regulation No 40/94.
- 50 In light of all the foregoing considerations, the contested decision must be annulled so far as the services falling within the category of 'financial affairs' are concerned and, as to the remainder, the claims for alteration or annulment must be dismissed.

Costs

- 51 Under Article 87(3) of the Rules of Procedure, the Court may rule that each party is to bear its own costs where each party succeeds on some and fails on other heads. In this case, it is appropriate to order the parties to bear their own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber),

hereby:

1. Annuls the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 15 October 1999 (Case R 19/1999-1) in so far as it concerns services falling within the category of ‘financial affairs’;
2. Dismisses the remainder of the appeal;
3. Orders the parties to bear their own costs.

Meij

Potocki

Pirrung

Delivered in open court in Luxembourg on 7 June 2001.

H. Jung

Registrar

A.W.H. Meij

President

II - 1663