

Case T-16/02

Audi AG

v

Office for Harmonisation in the Internal Market
(Trade Marks and Designs) (OHIM)

(Community trade mark — Regulation (EC) No 40/94 — Absolute grounds for refusal — Descriptive mark — Distinctive character acquired through use — Word mark TDI — Right to be heard — Scope of the duty to state reasons — Consequences of a breach of the duty to state reasons)

Judgment of the Court of First Instance (Second Chamber), 3 December
2003 II - 5172

Summary of the Judgment

1. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Marks composed exclusively of signs or indications which may serve to designate the characteristics of a product — Word mark 'TDI'*
(Council Regulation No 40/94, Art. 7(1)(c))

2. *Community trade mark — Definition and acquisition of the Community trade mark — Absolute grounds for refusal — Lack of distinctive character — Exception — Acquisition through use — Conditions*
(Council Regulation No 40/94, Art. 7(3))
3. *Community trade mark — Appeals procedure — Appeals before the Community judicature — Legality of decisions of the Boards of Appeal — Challenged by adducing new facts — Condition of admissibility*
(Council Regulation No 40/94, Art. 63(2))
4. *Community trade mark — Decisions of the Office — Compliance with defence rights — Scope of the principle*
(Council Regulation No 40/94, Art. 73)
5. *Community trade mark — Appeals procedure — Appeals against a decision of a department of the Office ruling at first instance and submitted to the Board of Appeal — Continuity in terms of functions between these two authorities — Duties falling on the Board of Appeal — Scope*
(Council Regulation No 40/94, Art. 74(2))
6. *Community trade mark — Appeals procedure — Appeals before the Community judicature — Legal interest in bringing proceedings — Plea concerning the infringement of essential procedural requirements — Circumscribed powers of the Office — No interest in bringing proceedings*
(Council Regulation No 40/94, Art. 63)

1. The word mark TDI may serve to designate, within the meaning of Article 7(1)(c) of Regulation No 40/94 on the Community trademark, the essential characteristics of the goods and services referred to in the application in respect of which registration of the community trademark is sought for vehicles and parts thereof in Class 12 of the Nice Agreement and vehicle

repair and maintenance services in Class 37 of that Agreement. With regard to vehicles and parts, the mark, which is an abbreviation of 'turbo diesel injection' or 'turbo direct injection' designates the quality or type, and with regard to repair and maintenance services, it indicates the intended use, so that from the point of view of the relevant public there is a sufficiently

direct and specific link between the word mark TDI and the characteristics of the goods and services in respect of which registration is sought for the precise provision to apply.

(see paras 31, 34-35, 37, 39)

2. The acquisition of distinctive character by a mark through its use, within the meaning of Article 7(3) of Regulation No 40/94 on the community trademark requires, first, that at least a significant proportion of the relevant public identifies the goods or services as originating from a particular undertaking because of the trade mark. However, the circumstances in which that requirement for acquisition of distinctive character through use may be regarded as satisfied cannot be established solely by reference to general, abstract data such as predetermined percentages.

Second, the distinctive character acquired through use must be demonstrated in the substantial part of the Community where the mark was devoid of any such character under Article 7(1)(b), (c) and (d) of the regulation at issue.

Third, account must be taken in any given case of factors such as the market share held by the mark, the intensity, geographical scope and duration of the use of the mark and the amount invested by the undertaking in promoting the mark. Proof that distinctive character has been acquired may, in particular, be found in statements made by chambers of commerce and industry or other trade and professional associations or in the results of surveys.

Fourth, the mark must have acquired distinctive character through use before the application for registration is filed.

(see paras 51-54)

3. The legality of a decision of a Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) cannot be called into question by submission to the Court of First Instance of facts which, although they occurred before that decision was adopted, were not relied on during the administrative procedure before the Office. It would be otherwise only if it were shown that the

Board of Appeal ought, of its own motion, to have taken account of those facts during the administrative procedure and before giving a ruling on the case.

decision-making act itself. The right to be heard covers all the factual and legal evidence which forms the basis for the decision-making act but not the final position which the administration intends to adopt.

First of all, the legality of a Community measure must be assessed on the basis of the elements of fact and of law existing at the time when the measure was adopted. Secondly, under Article 63(2) of Regulation No 40/94 on the Community trade mark, a decision of the Board of Appeal may be annulled or altered only where it is substantially unlawful or has been given in breach of a procedural requirement. The sole purpose of an action before the Community judicature is thus to review the legality of the decision of the Board of the Appeal and not to reopen the case.

(see paras 71, 75)

(see para. 63)

4. Although, under Article 73 of Regulation No 40/94 on the Community trade mark, decisions of the Office for Harmonisation in the Internal market (Trade Marks and Designs) may be based only on reasons on which the parties concerned have had an opportunity to present their comments and that article relates to both factual and legal reasons and to the evidence, assessment of the facts is a part of the

5. In the context of review by the Boards of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of decisions given by the departments of the Office ruling at first instance, and taking account of the continuity in terms of their functions existing between those departments and the Boards of Appeal, the outcome of the appeal depends on whether a new decision with the same operative part as the decision under appeal may be lawfully adopted at the time of the ruling on the appeal. Thus, even where the decision under appeal is in no way unlawful, the Boards of Appeal may grant the appeal on the basis of new facts relied on by the party which brought the appeal or on the basis of new evidence submitted by that party, subject only to Article 74(2) of Regulation No 40/94 on the Community trade mark.

Accordingly, where a new decision with the same operative part as the decision under appeal may be adopted at the time of the ruling on the appeal, that appeal must, in principle, be dismissed even if the decision under appeal is unlawful on account of a procedural error. That applies even where, as a result of such an error, the legal or factual basis for the first decision is incomplete, because the party concerned was prevented from relying on a legal rule or from introducing new facts or evidence to the proceedings. Such an error may be rectified on appeal since the Board of Appeal is obliged, save where new facts or evidence are submitted in the course of the appeal proceedings, to base its decision on the same legal and factual basis as that on which the department giving the ruling at first instance ought to have based its decision.

there is no division between the procedure before the department ruling at first instance and that before the Board of Appeal.

(see paras 81-82)

6. Applicants disputing a decision of a Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) have no legitimate interest in the annulment of a decision on the ground of a procedural defect where annulment of the decision can only lead to the adoption of another decision identical in substance to the decision annulled.

Thus, save only for the reservation in Article 74(2) of Regulation No 40/94,

(see para. 97)