JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)
3 July 2003 *

In Case T-122/01,

Best Buy Concepts Inc., established in Eden Prairie, Minnesota (United States), represented by S. Rojahn, lawyer,

applicant,

v

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

defendant,

APPLICATION for annulment of the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 21 March 2001 (Case R 44/2000-3) concerning an application for registration of a figurative mark containing the word mark 'best buy' as a Community trade mark,

* Language of the case: German.

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

composed of: N.J. Forwood, President, J. Pirrung and A.W.H. Meij, Judges,

Registrar: D. Christensen, Administrator,

having regard to the written procedure and further to the hearing on 25 February 2003,

gives the following

Judgment

Background to the dispute

1 On 7 May 1999, the applicant filed an application under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, for registration of a Community figurative trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office').

2 The trade mark in respect of which registration was sought is the mark reproduced below with the colours yellow (background) and black (letters, contour, circle):



3 The services in respect of which registration of the mark was sought are in classes 35, 37 and 42 of the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks of 15 June 1957, as revised and amended, and, for each of those classes, correspond to the description:

— 'Business management consultancy, including giving assistance and advice for the establishment and management of retail stores in the field of major household appliances, photographic equipment, telecommunication equipment, video equipment, audio equipment, personal computers and other home office products and entertainment software, including compact discs, pre-recorded audio and video cassettes and computer software, and related merchandise' in class 35;

— 'Installation and maintenance of automotive audio equipment, major household appliances, photographic equipment, video equipment, audio equipment, telecommunication equipment, personal computer and other home office products, and related merchandise' in class 37;

— 'Technical consultancy and advising in the establishment of retail stores in the field of major household appliances, photographic equipment, telecommunication equipment, video equipment, audio equipment, personal computers and other home office products and entertainment software, including compact discs, pre-recorded audio and video cassettes and computer software, and related merchandise' in class 42.

4 By decision of 19 November 1999, the examiner refused the application under Article 38 of Regulation No 40/94 on the ground that the mark applied for was caught by Article 7(1)(b), (c) and (d) of Regulation No 40/94.

5 On 22 December 1999, the applicant filed an appeal at the Office against the examiner's decision in accordance with Article 59 of Regulation No 40/94.

6 By decision of 21 March 2001 ('the contested decision'), the Board of Appeal dismissed the appeal. It found, essentially, that the sign was devoid of any distinctive character, that it was descriptive and, therefore, came within the scope of Article 7(1)(b) and (c) of Regulation No 40/94.

Procedure and forms of order sought

7 By application lodged at the Registry of the Court of First Instance on 4 June 2001, the applicant brought the present action. On 24 August 2001, the Office lodged its response.

8 The applicant claims that the Court should:

— annul the decision of the Board of Appeal;

— order the defendant to pay the costs.

9 The Office contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

10 In its application, the applicant makes two pleas in law, alleging infringement of Article 7(1)(b) and (c), respectively, of Regulation No 40/94.

First plea: infringement of Article 7(1)(b) of Regulation No 40/94

Arguments of the parties

11 The applicant maintains that the public perceives the mark quickly and in its entirety, without dissecting it into its component parts. It submits that the Office has not taken into account the original character of the elements making up the figurative mark and stresses that its application concerns services aimed solely at professionals.

12 The elements making up the mark, particularly the words forming a grammatically incorrect neologism, are unusual for the services in question. In addition, the target public does not usually expect a mark in the form of a price tag for services.

13 The applicant adds that the Office did not take account of the registration of the sign as a trade mark in Germany and France.

14 The Office begins by disagreeing with the applicant's arguments concerning the overall impact of the mark. It submits that the Board of Appeal simply focused on the word aspect of the mark which characterised it and also examined its figurative elements, as part of an overall assessment of the mark.

15 Second, the Office submits that the services specified in the application for a Community trade mark were indeed taken into account by the Board of Appeal,

which found that the semantic content of 'best buy' necessarily conveyed the impression that it characterised the service offered, i.e., that it offered the most advantageous relation between price and value, including for traders who are clients of traders operating in the resale sector.

16 The Office submits, third, that neither the yellow colour nor the hexagonal shape is distinctive in character, since they are generally used in the marketing of goods and services.

17 The Office submits, fourth, that the usual meaning of the word combination 'best buy' is understood immediately by people familiar with the English language and notes that the word 'buy' is commonly used as a noun.

18 Lastly, the Office submits that the national registrations relied on come from countries where English is not the language spoken, where the mark could well be distinctive, without that necessarily being the case throughout the Community.

Findings of the Court

19 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'.

20 As the Court of First Instance has already held, the marks referred to in Article 7(1)(b) of Regulation No 40/94 are, in particular, those which do not enable the relevant public to repeat the experience of a purchase, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition of the goods or services concerned (Case T-79/00 *Rewe-Zentral* v *OHIM (LITE)* [2002] ECR II-705, paragraph 26). Such is the case for *inter alia* signs which are commonly used in connection with the marketing of the goods or services concerned.

21 However, registration of a trade mark which consists of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by that mark is not excluded as such by virtue of such use (see, by analogy, Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 40). A sign which fulfils functions other than that of a trade mark in the traditional sense of the term is only distinctive for the purposes of Article 7(1)(b) of Regulation No 40/94 however if it may be perceived immediately as an indication of the commercial origin of the goods or services in question, so as to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the owner of the mark from those of a different commercial origin.

22 A sign's distinctiveness can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought and, secondly, on the basis of the perception of that sign by the relevant public.

23 In the present case, the Court notes, firstly, that the business management consultancy and technical assistance and advice for the establishment and management of specialised stores coming under classes 35 and 42 are aimed at a professional public, whilst the installation and maintenance services are intended for the general public.

24 The applicant, in an effort to clarify its position in relation to the relevant public, maintained at the hearing that it was necessary to give a narrow interpretation to the list of services placed in class 37 and to limit it to performance of services by professionals for professionals. On this point, the Court notes, firstly, that some of the services at issue, including maintenance of car and home audio equipment, may only be provided to the ultimate consumer. Secondly, such an interpretation is tantamount to restricting the list of goods and services; it may be restricted only in accordance with certain detailed rules, however, and an application to do so must be submitted to the Office (Case T-173/00 *KWS Saat* v *OHIM (shade of orange)* [2002] ECR II-3843, paragraphs 11 and 12). Consequently, this argument cannot be accepted.

25 In addition, it must be pointed out that, in the light of the nature of some of the services in question, the awareness of part of the relevant public will be high, given the relatively high technical level and cost of the services. Their awareness is liable to be relatively low, on the other hand, when it comes to purely promotional indications, which well-informed consumers do not see as decisive (see, to that effect, Case T-130/01 *Sykes Enterprises* v *OHIM (REAL PEOPLE, REAL SOLUTIONS)* [2002] ECR II-5179, paragraph 24).

26 Accordingly, the public should be taken to be normally well-informed and aware for all the services covered. Since the word mark 'best buy' is composed of elements from the English language, the relevant public is the English-speaking public, or even a public which is not English-speaking but has a sufficient grasp of the English language.

27 Second, as regards the assessment of the distinctive character of the mark claimed, it is appropriate, in the case of a complex mark, to examine it in its entirety. That is not incompatible, however, with a prior, separate examination of the different elements which make up the mark.

28 As regards, first, the word mark 'best buy', the Court notes that it is composed of ordinary English words which clearly indicate an advantageous relation between the price of the services covered by the application and their market value.

29 It is, therefore, perceived immediately by the relevant public as a mere promotional formula or a slogan which indicates that the services in question offer the best 'buy' possible in their category or the 'best price-quality ratio', as noted by the Board of Appeal in paragraph 17 of the contested decision.

30 The argument presented by the applicant at the hearing which acknowledged 'the indubitable semantic content' of the word mark in question but maintained that it tells the consumer nothing about the content or the nature of the services offered is irrelevant. For a finding that there is no distinctive character, it is sufficient to note that the semantic content of the word mark, the principal and dominant element of the mark in question, indicates to the consumer a characteristic of the service relating to its market value which, whilst not specific, comes from information designed to promote or advertise which the relevant public will perceive first and foremost as such rather than as an indication of the commercial origin of the services (see, to this effect, *REAL PEOPLE, REAL SOLUTIONS*, paragraphs 29 and 30). In addition, the mere fact that the semantic content of the word mark 'best buy' does not convey any information about the nature of the services concerned is not sufficient to make that sign distinctive.

31 Moreover, the applicant, who merely affirmed that the term 'buy' was imprecise and vague, did not indicate which meaning of the word mark in question might be retained by the relevant public, other than that indicating an advantageous relation between the price and market value of the services. Nor did it state whether the word mark could be used in a manner other than in the context of promotion or marketing. Contrary to what the applicant maintains, the meaning of the word mark at issue may relate as much to a service provided as to the distribution of products or services which that service is intended to promote.

32 Moreover, the fact that the two elements constituting the word mark 'best buy' are juxtaposed does not mean that the mere omission of an article in its structure ('a best buy' or 'the best buy') is sufficient to make it a lexical invention liable to give it a distinctive character or to give it an original character which, in any event, is not a criterion for assessing the distinctiveness of a sign (see, to this effect, Case T-87/00 *Bank für Arbeit und Wirtschaft* v *OHIM (EASYBANK)* [2001] ECR II-1259, paragraph 40).

33 Turning to the perception of the shape and colour of the price tag by the relevant public, the Court notes that, as stated by the Board of Appeal in paragraph 19 of the contested decision, coloured price tags are commonly used in trade for all kinds of goods and services. Consequently, the applicant's argument that such a tag would attract the public's attention is inopportune.

34 As for the element '®', the Court notes that the presence of this type of element alongside other elements is not sufficient to confer distinctive character on a mark viewed in its entirety.

35 Since the mark claimed is composed of the assembly of the elements examined above, it is appropriate to consider whether the mark is distinctive when viewed as a whole.

36 In the light of the points discussed above, it appears that the mark claimed, as a whole, is merely composed of elements which, when examined separately, are devoid of distinctive character for the marketing of the services concerned. Nor is there any interaction between these different elements which might confer a distinctive character on the whole.

37 The shape of a price tag is not liable to affect the meaning of the dominant word elements. Moreover, far from adding a distinctive element, the shape is figurative and tends to reinforce the promotional character of the word elements in the minds of the relevant public.

38 The trade mark applied for is therefore devoid of distinctive character in respect of the categories of goods and services concerned.

39 As regards the prior registrations in Germany and France, the applicant was unable to provide any clarification of their scope at the hearing. The Court notes that those registrations do not concern either a sign wholly identical to the sign at issue here or similar goods or services.

40 In addition, as rightly pointed out by the Office, references to national registrations conferred by Member States which do not have English as their language, where the sign may well be distinctive without necessarily being so throughout the Community, cannot be accepted as relevant in this case.

41 Lastly, it is appropriate to recall that, according to settled case-law, the Community trade mark regime is an autonomous system and that the legality of the decisions of Boards of Appeal must be assessed solely on the basis of Regulation No 40/94 (Case T-32/00 *Messe München* v *OHIM (electronica)* [2000] ECR II-3829, paragraph 47, and Case T-106/00 *Streamserve* v *OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 66).

42 The applicant's arguments based solely on the registrations in Germany and France therefore have no bearing on the issue.

43 In the light of all the foregoing considerations, the mark claimed is devoid of distinctive character in a large part of the Community. The plea alleging infringement of Article 7(1)(b) of Regulation No 40/94 must therefore be rejected.

44 Accordingly, it is unnecessary to consider the plea alleging infringement of Article 7(1)(c) of Regulation No 40/94. In accordance with settled case-law, it is sufficient that one of the absolute grounds of refusal applies for the sign to be ineligible for registration as a Community trade mark (Case T-163/98 *Procter & Gamble* v *OHIM (BABY-DRY)* [1999] ECR II-2383, paragraph 29, and Case T-19/99 *DKV* v *OHIM (COMPANYLINE)* [2000] ECR II-1, paragraph 30).

45 The action must therefore be dismissed.

Costs

46 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 and the Office has asked for costs, the applicant must be ordered to bear its own costs and to pay those of the Office.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

1. Dismisses the application;

2. Orders the applicant to pay the costs.

Forwood Pirrung Meij

Delivered in open court in Luxembourg on 3 July 2003.

H. Jung
Registrar

N. Forwood
President