# JUDGMENT OF THE COURT (Second Chamber)

15 February 2007 *

In Case C-239/05,

REFERENCE for a preliminary ruling under Article 234 EC from the Hof van beroep te Brussel (Belgium), made by decision of 30 May 2005, received at the Court on 3 June 2005, in the proceedings

**BVBA Management, Training en Consultancy**

v

**Benelux-Merkenbureau,**

THE COURT (Second Chamber),

composed of C.W.A. Timmermans, President of the Chamber, R. Schintgen, P. Kūris (Rapporteur), G. Arestis and L. Bay Larsen, Judges,

* Language of the case: Dutch.

Advocate General: E. Sharpston,
Registrar: R. Grass,

having regard to the written procedure,

after considering the observations submitted on behalf of:

— Benelux-Merkenbureau, by L. de Gryse and B. Dauwe, advocaten,

— the German Government, by M. Lumma, acting as Agent,

— the Commission of the European Communities, by N. Rasmussen and H. van Vliet, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 6 July 2006,

gives the following

## Judgment

1 The reference for a preliminary ruling concerns the interpretation of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) ('the Directive').

2 This reference has been made in proceedings between BVBA Management, Training en Consultancy ('MT&C') and the Benelux Merkenbureau (Benelux Trademark Office) ('the BMB') concerning the latter's refusal to register as a trade mark the word mark 'The Kitchen Company' applied for by MT&C for a variety of goods and services.

## Legal context

### *Community legislation*

3 According to the first recital in the preamble thereto, the purpose of the Directive is to approximate the trade mark laws of Member States in order to remove the existing disparities which may impede the free movement of goods and the freedom to provide services and may distort competition within the common market.

4 However, as is apparent from the third recital, the Directive is not intended to achieve full-scale approximation of the trade-mark laws of the Member States and confines itself to approximating those national provisions of law which most directly affect the functioning of the internal market.

5 The fifth recital in the preamble to the Directive provides that the Member States remain free to fix the provisions of procedure concerning the registration of trade marks and that they can, inter alia, determine the form of the registration procedure.

6 The seventh recital in the preamble to the Directive states that attainment of the objectives at which the approximation of the trade mark laws of the Member States is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States and that grounds for refusal to register or for invalidity concerning the trade mark itself, for example, the absence of any distinctive character, are to be listed in an exhaustive manner.

7 Article 3 of the Directive, headed 'Grounds for refusal or invalidity', provides:

'1. The following shall not be registered or if registered shall be liable to be declared invalid:

...

(b) trade marks which are devoid of any distinctive character;

(c) 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;

...

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.

...'

8 Article 13 of the Directive, headed 'Grounds for refusal or revocation or invalidity relating to only some of the goods or services', provides:

'Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.'

*National legislation*

9 The Uniform Benelux Law on Trade Marks was amended, with effect from 1 January 1996, by the Protocol of 2 December 1992 amending that Law (*Moniteur Belge*, 12 March 1996, p. 5317, 'the UBL' ), in order to incorporate the Directive into the laws of the three Benelux Member States.

10 Article 1 of the UBL provides:

'The following may be registered as individual marks: names, designs, imprints, stamps, letters, numerals, the shape of goods or their packaging, and any other signs which serve to distinguish the goods of an undertaking.

...'

11 Article 6*bis* of the UBL provides as follows:

'1. The Benelux Trade Mark Office shall refuse registration where it considers that:

(a) the sign filed does not constitute a trade mark within the meaning of Article 1, in particular because it is devoid of any distinctive character, as provided for in Article 6*quinquies*B(2) of the Paris Convention;

...

2. The refusal to register must relate to the sign that constitutes the trade mark in its entirety. It may be confined to one or more of the goods for which the mark is intended to be used.

3. The Benelux Office shall inform the applicant without delay and in writing of its intention to refuse registration in whole or in part, shall state the grounds and shall allow him a right to respond within a period of time to be laid down in the implementing regulation.

4. If the objections of the Benelux Office to registration have not been removed within the period granted, registration of the filing shall be refused in whole or in part. The Benelux Office shall notify the applicant without delay and in writing, stating the grounds for refusal and advising of the possibility of review of the decision set out in Article 6*ter*.

...'

12 Under Article 6*ter* of the UBL:

'The applicant may, within two months following notification under Article 6*bis*[4], file at the Cour d'appel, Brussels, the GerechtsHof at The Hague or the Cour d'appel, Luxembourg, an application for an order that the filing be registered. ...'

13 Lastly, the BMB's procedure for registering trade marks for goods or services follows the classification of goods and services set out in 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 ('the Nice Agreement'), to which the three Benelux States are parties.

## The dispute in the main proceedings and the questions referred for a preliminary ruling

14 On 7 April 2000, MT&C, the applicant in the main proceedings, filed with the BMB an application for registration of the word mark 'The Kitchen Company' as a trade mark for certain goods in Classes 11, 20 and 21 and for services in Classes 37 and 42 of the Nice Agreement.

15 The goods and services for which trade mark protection was sought were set out for each of the classes concerned. With regard to Class 21, the application covered kitchen utensils and household and kitchen equipment made of glass, porcelain, non-precious metals, plastic and earthenware.

16 On 24 April 2001, the BMB notified MT&C that it was provisionally refusing registration on the ground that the word mark 'The Kitchen Company' lacked distinctive character within the meaning of Article 6*bis*(1)(a) of the UBL and, on 25 February 2002, it gave notice of its definitive refusal.

17 It is apparent from the order for reference that the BMB did not formulate separate conclusions in respect of each of the individual goods and services for which protection was sought but decided, in respect of the protection sought as a whole, that the sign applied for lacked any distinctive character.

18 MT&C challenged that refusal before the Hof van beroep te Brussel (the Court of Appeal, Brussels) (Belgium), seeking annulment of the contested decision and an order that the BMB register its application for, primarily, all of the classes sought or, in the alternative, for the classes in respect of which the Hof van beroep should consider that the mark applied for had a distinctive character.

19 The Hof van beroep te Brussel upheld the BMB's decision that the word mark 'The Kitchen Company' lacks any distinctive character in respect of all of the goods and services specified in the application for registration, with the exception of certain goods in Class 21.

20 In that regard, the Hof van beroep te Brussel states that, of the goods in Class 21, only kitchen utensils have any distinctive character on the basis of their nature and intended purpose. As regards the other goods, that court states that the word combination 'The Kitchen Company' does not, in the perception of the average consumer, on the basis of spontaneous linguistic reflex, refer to the intended use of the goods. Consequently, and contrary to the opinion of the BMB, the Hof van beroep takes the view that, since the mark is not descriptive and no other ground for refusal to register was raised by the BMB or discussed before it, the mark is indeed distinctive with regard to those goods.

21 However, referring to the judgment of the Benelux Court of Justice of 15 December 2003 in Case A 2002/2 *BMB* v *Vlaamse Toeristenbond,* the BMB maintained before the Hof van beroep court that that court could not consider MT&C's subsidiary application since the latter did not seek registration only of certain goods either in its initial application or in the objection it lodged with the BMB and that the Hof van beroep could not examine applications which went beyond the decision of the BMB or which had not been made before that body.

22 The Hof van beroep te Brussel considers, in particular, that it follows from the judgement of the Court in Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619 that the competent authority must examine the application for registration in respect of each of the goods and services for which protection is sought and that it may, in respect of each of them, reach divergent conclusions. The Hof van beroep considers that it should logically follow that, in such a case, that authority must state those conclusions in the provisional decision refusing registration and, where appropriate, in the final decision as well.

23 The Hof van beroep also takes the view that the relevant facts and circumstances may change between the moment when the competent authority reaches a decision and the moment at which the court reviewing that decision reaches a determination on the appeal.

24 The Hof van beroep te Brussel considers that, within a legislative framework such as that laid down by Articles 6*bis* and 6*ter* of the UBL, a practice on the part of the competent authority of deciding, as in the case in the main proceedings, in respect of the protection sought as a whole, that the sign applied for lacks any distinctive character, without formulating separate conclusions in respect of each of the products or services individually, may preclude the court reviewing such a decision from taking account of all the relevant facts and circumstances. The fact that no ground of refusal is provided in respect of one product but may be given for other products specified in the application for registration may be a relevant fact in the assessment of that application. However, if the decision does not set out definitive conclusions for each product or service individually, the court reviewing that decision cannot exercise its powers fully where national legislation prescribes that that court may adjudicate only in respect of matters which were before the competent authority and which come within its decision.

25 In those circumstances, the Hof van beroep te Brussel decided to stay the proceedings and to refer the following questions to the Court for a preliminary ruling:

'(1) Is the trade mark authority required, after its examination of all relevant facts and circumstances concerning an absolute ground of refusal, to state in its provisional and in its definitive decision on the application [for registration of a trade mark] its conclusion in regard to each of the goods and services separately in respect of which trade mark protection is sought?

(2) May the relevant facts and circumstances to be taken into account by the adjudicating authority in the event of an appeal against the decision of the trade mark authority be different as a result of a lapse of time between the two [ ] decisions [ ] or must the adjudicating authority only take account of such facts and circumstances as were available at the moment when the trade mark authority made its decision?

(3) Does the interpretation by the Court ... in [*Koninklijke KPN Nederland*] preclude national legislation in regard to the competence of the adjudicating authority from being construed as meaning that that authority is prevented from taking account of any alteration in the relevant facts and circumstances or from ruling on the distinctive character of the mark for each of the goods and services [individually]?'

**The questions referred for a preliminary ruling**

*Question 1*

26 By its first question, the Hof van beroep asks, in essence, whether the Directive must be interpreted as meaning that, when refusing registration of a trade mark, the competent authority is required to state in its decision its conclusion separately for each of the individual goods and services specified in the application for registration, regardless of the manner in which that application was formulated.

Observations submitted to the Court

27 In the opinion of the BMB, the fact that the question whether there is a ground for refusal must be assessed by reference to the goods or services for which trade mark registration is sought does not always require it to state separately, for each of the goods or services described in the application, the reason for which registration is or is not to be refused.

28 The German Government, by contrast, submits that the competent authority must, as a general rule, state separately in its decision the conclusion arrived at for each of the individual goods and services for which trade mark protection is sought. That authority is not obliged, however, to state that conclusion specifically in respect of each of those goods or services in so far as some of those goods or services may be considered collectively in the same manner for the purposes of determining whether they may be protected.

29 According to the Commission of the European Communities, the competent authority must state reasons for its decision refusing registration of a trade mark in respect of all the goods and service for which such registration is sought. It may, however, use only general reasoning if it considers that such reasoning is valid for all of the goods and services concerned.

Findings of the Court

30 It should be noted at the outset that the examination of the grounds for refusal listed in Article 3 of the Directive in particular, which takes place when registration is applied for, must be thorough and full in order to ensure that trademarks are not improperly registered (*Koninklijke KPN Nederland*, paragraph 123 and the case-law cited).

31 Moreover, the Court has ruled that, since registration of a mark is always sought in respect of the goods or services described in the application for registration, the question whether or not any of the grounds for refusal set out in Article 3 of the Directive apply to the mark must be assessed specifically by reference to those goods or services (*Koninklijke KPN Nederland*, paragraph 33).

32 The Court has also held that, where registration of a mark is sought in respect of various goods or services, the competent authority must check, in relation to each of those goods or services, that none of the grounds for refusal listed in Article 3(1) of the Directive applies to the mark and may reach different conclusions depending upon the goods or services in question (*Koninklijke KPN Nederland*, paragraph 73).

33 Moreover, Article 13 of the Directive provides that, where grounds for refusal of registration of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for, refusal of registration is to cover those goods or services only.

34 It follows, firstly, that an examination of the grounds for refusal listed in Article 3 of the Directive must be carried out in relation to each of the goods and services for which trade mark registration is sought and, secondly, that the decision of the competent authority refusing registration of a trade mark must, in principle, state reasons in respect of each of those goods or services.

35 That conclusion cannot be any different where an application to the competent authority for a range of goods or services does not contain a subsidiary application for registration of the mark concerned for specific classes of goods or services or for goods and services considered separately.

36 The duty upon the competent authority to state reasons for refusing to register a trade mark in relation to each of the goods or services for which such registration is sought also arises from the essential requirement for any decision of a national authority refusing the benefit of a right conferred by Community law to be subject to judicial review which is designed to secure effective protection for that right and which, accordingly, must cover the legality of the reasons for the decision (see, to that effect, Case 222/86 *Heylens and Others* [1987] ECR 4097, paragraphs 14 and 15).

37 However, where the same ground of refusal is given for a category or group of goods or services, the competent authority may use only general reasoning for all of the goods and services concerned.

38 In the light of the foregoing, the answer to the first question must be that the Directive must be interpreted as meaning that, when refusing registration of a trade mark, the competent authority is required to state in its decision its conclusion for each of the individual goods and services specified in the application for registration, regardless of the manner in which that application was formulated. However, where the same ground of refusal is given for a category or group of goods or services, the competent authority may use only general reasoning for all of the goods or services concerned.

*The second part of the third question*

39 By the second part of the third question, which it is appropriate to examine next, the Hof van beroep asks, in essence, whether the Directive must be interpreted as precluding national legislation which prevents the court reviewing the decision of

the competent authority from ruling on the distinctive character of the mark for each of the goods and services considered separately.

Observations submitted to the Court

40 The BMB submits that, to the extent to which the question concerns the competence of the adjudicating authority to rule on the distinctive character of the mark 'for each of the goods and services [individually]', it overlaps with the first question and should receive the same answer. Moreover, to the extent to which it suggests there may be a conflict between the judgment in *Koninklijke KPN Nederland* and the interpretation of 'national legislation in regard to the competence of the adjudicating authority [in the event of an appeal against the decision of the national authority]', the second part of the third question has no factual basis. Indeed, it is apparent from that judgment that the limits of national courts' competence are laid down by rules of domestic law.

41 The German Government maintains, on the contrary, that national rules may not limit the scope of judicial review to assess the distinctive character of a mark for each of the goods and services separately. The Directive, as interpreted by the Court in *Koninklijke KPN Nederland*, gives the competent authorities mandatory guidelines for their decisions. According to the German Government, courts which, under national rules, may review only the lawfulness of those decisions may and must also rule in relation to those goods and services, that is, they must rule on each class separately. That Government adds, however, that the competent authority is not required to give separate indications for each product or service when it is possible to reach a general conclusion for goods and services in respect of which the same assessment may be carried out as to whether the sign can be protected.

42 So far as the Commission is concerned, the Directive does not preclude national legislation governing the jurisdiction of the court reviewing the decision of the competent authority from being interpreted as meaning that, if the applicant for the trade mark has not made a subsidiary application for registration for goods and services in respect of which that authority has raised no ground of refusal, that legislation prevents that court from ordering that authority to register the trade mark in respect of only some of the goods or services. According to the Commission, the UBL satisfies the Directive, in particular Articles 3 and 13 thereof, which gives the Member States extensive freedom in regulating domestic trade mark procedure.

Findings of the Court

43 By way of a preliminary point, as is apparent from the third recital in the preamble thereto, the Directive is not intended to bring about full-scale approximation of the trade mark laws of the Member States but confines itself to approximating those national provisions of law which most directly affect the functioning of the internal market.

44 Moreover, as set out in the fifth recital, the Directive gives the Member States extensive freedom to fix the provisions of procedure concerning, inter alia, the registration of trade marks, in particular with regard to the form of the registration procedure.

45 According to settled case-law, in the absence of Community legislation governing a particular aspect of a matter falling within the scope of Community law, it is for the domestic legal system of each Member State to lay down the detailed procedural rules governing court actions for safeguarding rights which individuals derive from

Community law; such rules must not be less favourable than those governing similar domestic actions (principle of equivalence) and must not render virtually impossible or excessively difficult the exercise of rights conferred by Community law (principle of effectiveness) (see, to that effect, Case C-472/99 *Clean Car Autoservice* [2001] ECR I-9687, paragraph 28 and the case-law cited).

46 With regard to national legislation, such as that at issue in the main proceedings, which prevents the court which is reviewing the decision of the competent authority from ruling on the distinctive character of the mark separately for each of the individual goods and services specified in the application for registration of that mark, where neither that application nor the decision of that authority relates to categories of goods or services or goods or services considered separately, such a limitation on the court's powers cannot be regarded as being contrary to the principle of effectiveness, especially since the party concerned may, following a decision that is wholly or partially unfavourable to that party, make a fresh application for registration of the mark. It is for the referring court, however, to determine whether those principles of equivalence and effectiveness have been observed.

47 It also follows from the Court's case-law that a court asked to review a decision on an application to register a trade mark must also have regard to all the relevant facts and circumstances, subject to the limits on the exercise of its powers as defined by the relevant national legislation (see, to that effect, *Koninklijke KPN Nederland,* paragraph 36).

48 In the light of the foregoing, the answer to the second part of the third question must be that the Directive must be interpreted as meaning that it does not preclude national legislation which prevents the court reviewing the decision of the competent authority from ruling on the distinctive character of the mark separately

for each of the individual goods and services specified in the trade mark application, where neither that decision nor that application related to categories of goods or services or goods or services considered separately.

*The second question and the first part of the third question*

49 By its second question and the first part of its third question, which it is appropriate to consider together, the Hof van beroep asks essentially whether the Directive is to be interpreted as precluding national legislation which prevents the court reviewing the decision of the competent authority from taking account of facts and circumstances which arose after that decision had been taken.

Admissibility

50 In its observations, the BMB raises as its principal argument an objection of inadmissibility in relation to these questions.

51 Those questions, it argues, are based on the notion that the 'relevant facts and circumstances' to be taken into account were different on account of the lapse of time between the date at which the BMB reached its decision and the date at which the court reviewing that decision reached its determination. However, there is nothing in the order for reference to suggest that there was in fact any such change. Those questions are therefore purely theoretical or hypothetical and are, accordingly, inadmissible.

52 It must be borne in mind in this regard that, in accordance with settled case-law, in the context of the cooperation between the Court and the national courts provided for in Article 234 EC, it is solely for the national court before which a dispute has been brought, and which must assume responsibility for the subsequent judicial decision, to determine in the light of the particular circumstances of the case both the need for a preliminary ruling in order to enable it to deliver judgment and the relevance of the questions which it submits to the Court. However, the Court has no jurisdiction to give a preliminary ruling on a question submitted by a national court where it is quite obvious, inter alia, that the interpretation of Community law sought by that court bears no relation to the actual facts of the main action or its purpose or where the problem is hypothetical (see, to that effect, Case C-350/03 *Schulte* [2005] ECR I-9215, paragraph 43 and the case-law cited).

53 That is not the case with regard to the present questions. The Hof van beroep states that, where it is required to rule in an appeal brought against a decision of the competent authority, national legislation may, in the circumstances of the case in the main proceedings, prevent it from taking account of all the relevant facts and circumstances. It suggests that a relevant fact in the assessment of an application for registration may be that no ground of refusal is available in respect of some of the products included in that application but is available for other products.

54 In those circumstances, the second question and the first part of the third question are evidently not theoretical or hypothetical and are therefore admissible.

Observations submitted to the Court

55 The BMB submits that Article 3 of the Directive can provide no answer to the second question.

56 Relying on *Koninklijke KPN Nederland* and on the second sentence of Article 3(3) of the Directive, the German Government submits that it is for the Member States to determine the extent to which facts and circumstances which arise or become apparent only after the competent authority has reached its decision on the application to register a trade mark may be taken into account.

57 The Commission shares that view and adds that rules of national law which prevent a court from declaring a decision taken by the competent authority to be unlawful on the basis of facts and circumstances subsequent to that decision must comply with the principles of equivalence and effectiveness.

Findings of the Court

58 The Court has already held, firstly, that the competent authority must have regard to all the relevant facts and circumstances before adopting a final decision on an application to register a trade mark and, secondly, that a court asked to review such a decision must also have regard to all the relevant facts and circumstances, subject to the limits on the exercise of its powers as defined by the relevant national legislation (see, to that effect, *Koninklijke KPN Nederland,* paragraph 36).

59 In such proceedings, as the Commission has rightly observed, the national courts must rule on the lawfulness of a given decision of the competent authority. That decision could have been taken only on the basis of the facts and circumstances of which it was possible for that authority to be aware at the time when it reached that decision.

60 It must therefore be concluded that a national legal order may prevent the court reviewing a decision of the competent authority from taking account of facts and circumstances subsequent to that decision in order to determine whether that decision was lawful.

61 In the light of the foregoing, the answer to the second question and the first part of the third question must be that the Directive is to be interpreted as meaning that it does not preclude national legislation which prevents the court reviewing a decision of the competent authority from taking account of facts and circumstances which arose after that decision had been taken.

**Costs**

62 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Second Chamber) hereby rules:

**First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that:**

— **when refusing registration of a trade mark, the competent authority is required to state in its decision its conclusion for each of the individual goods and services specified in the application for registration, regardless of the manner in which that application was formulated. However, where the same ground of refusal is given for a category or group of goods or services, the competent authority may use only general reasoning for all of the goods or services concerned;**

— **it does not preclude national legislation which prevents the court reviewing the decision of the competent authority from ruling on the distinctive character of the mark separately for each of the individual goods and services specified in the trade mark application, where neither that decision nor that application related to categories of goods or services or goods or services considered separately;**

— **it does not preclude national legislation which prevents the court reviewing a decision of the competent authority from taking account of facts and circumstances which arose after that decision had been taken.**

[Signatures]