ORDER OF THE COURT (Fourth Chamber)
5 February 2004 *

In Case C-326/01 P,

Telefon & Buch VerlagsgmbH, represented by H.G. Zeiner, Rechtsanwalt, with an address for service in Luxembourg,

appellant,

APPEAL against the judgment of the Court of First Instance of the European Communities (Fourth Chamber) of 14 June 2001 in Joined Cases T-357/99 and T-358/99 *Telefon & Buch* v *OHIM (Universaltelefonbuch and Universalkommunikationsverzeichnis)*[2001] ECR II-1705 by which the Court of First Instance dismissed the actions brought against two decisions of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 21 October 1999 refusing to register the words 'Universaltelefonbuch' and 'Universalkommunikationsverzeichnis' as Community trade marks (Cases R 351/1999-3 and R 352/1999-3), seeking to have that judgment set aside,

* Language of the case: German.

the other party to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs), represented by E. Joly and S. Bonne, acting as Agents,

defendant at first instance,

THE COURT (Fourth Chamber),

composed of: J.N. Cunha Rodrigues, President of the Chamber, J.-P. Puissochet (Rapporteur) and F. Macken, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,
Registrar: R. Grass,

after hearing the Opinion of the Advocate General,

makes the following

Order

1 By application lodged at the Registry of the Court on 27 August 2001, the company Telefon & Buch VerlagsgmbH ('Telefon & Buch') brought an appeal under Article 49 of the EC Statute of the Court of Justice against the judgment of the Court of First Instance of 14 June 2001 in Joined Cases T-357/99 and T-358/99 *Telefon & Buch* v *OHIM (Universaltelefonbuch and Universalkommunikationsverzeichnis)* [2001] ECR II-1705 ('the judgment under appeal'), seeking annulment of that judgment, by which the Court of First Instance dismissed the actions brought against two decisions of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM') of 21 October 1999 refusing to register the words 'Universaltelefonbuch' and 'Universalkommunikationsverzeichnis' as Community trade marks ('the contested decisions').

Legal background

2 Under Article 4 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1):

'A Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters,

numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

3 Article 7 of Regulation No 40/94 provides:

'1. The following shall not be registered:

(a) signs which do not conform to the requirements of Article 4;

(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 or service;

...

2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.

3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.'

4 Under Article 12 of Regulation No 40/94:

'A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts,

provided he uses them in accordance with honest practices in industrial or commercial matters.'

Facts

5 On 28 January 1997, Telefon & Buch filed with OHIM two applications for registration of the words 'Universaltelefonbuch' and 'Universalkommunikationsverzeichnis' as Community trade marks for goods and services in Classes 9 (recorded memory media for data processing installations and apparatus, in particular tapes, discs and CD-ROMs), 16 (printed matter, reference works, classified directories), 41 (publishing services, in particular the publication of texts, books, magazines and journals) and 42 (editing of written texts) 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.

6 The OHIM examiner rejected those applications by decisions of 23 April 1999, against which Telefon & Buch appealed.

7 By the contested decisions, the Third Board of Appeal of OHIM dismissed the appeals on the ground that, in the German-speaking area of the Community, the words in question were descriptive of the goods and services concerned, within the meaning of Article 7(1)(c) of Regulation No 40/94, and devoid of any distinctive character, within the meaning of Article 7(1)(b) of that regulation.

The judgment under appeal

8 By applications lodged at the Registry of the Court of First Instance on 21 December 1999, the applicant brought two actions for annulment of the contested decisions.

9 In dismissing the actions brought before it, the Court of First Instance first of all stated, in paragraphs 24 and 25 of the judgment under appeal, that the question whether the words 'Universaltelefonbuch' and 'Universalkommunikationsverzeichnis' were descriptive had to be determined by reference to the goods or services in respect of which registration was sought.

10 The Court of First Instance then found, in paragraphs 27 to 30 of the judgment under appeal, that, in German, those words meant universal telephone directory and universal communications directory and that they were formed in accordance with the grammatical rules of the German language and composed of common German words. It held that those words designated the kind of goods and the intended use of the services concerned. It stated, essentially, that the addition of the adjective 'universal' to the words 'Telefonbuch' and 'Kommunikationsverzeichnis' did not alter the fact that the words were descriptive of the goods and services in respect of which registration was sought.

11 In paragraph 31 of the judgment under appeal, the Court concluded from those findings that the words enabled the target public, in this case, the average German-speaking consumer who is reasonably well informed and reasonably circumspect, to establish, immediately and without further reflection, a specific and direct association with those goods and services. The fact that those words are neologisms did not affect that conclusion.

12 Finally, in paragraphs 33 to 35 of the judgment under appeal, the Court of First Instance held that the contested decisions could properly be founded solely on the absolute ground for refusal to register laid down in Article 7(1)(c) of Regulation No 40/94, namely that the words in question are purely descriptive, and that it was therefore unnecessary to rule on the plea alleging infringement of Article 7(1)(b) of Regulation No 40/94.

13 Accordingly, the Court of First Instance dismissed the two actions.

The appeal

14 Telefon & Buch claims that the Court should set aside the judgment under appeal, declare that the words 'Universaltelefonbuch' and 'Universalkommunikationsverzeichnis' satisfy the requirements laid down in Article 4 of Regulation No 40/94 and are not exclusively descriptive within the meaning of Article 7(1)(c) of that regulation, refer the matter back to OHIM so that it may give a fresh ruling on the applications for registration of those word marks in line with the Court's legal assessment, and order OHIM to pay the costs.

15 OHIM contends that the Court should dismiss the appeal and order Telefon & Buch to pay the costs.

16 Under Article 119 of the Rules of Procedure, where the appeal is clearly unfounded, the Court may at any time, acting on a report from the Judge-Rapporteur and after hearing the Advocate General, dismiss the appeal by reasoned order.

Arguments of the parties

17 Telefon & Buch submits that the words in respect of which registration is sought are indisputably neologisms and consist of an unusual juxtapositioning of terms.

They have no definite meaning and do not convey to the average consumer a clear picture of the goods and services designated by them. They are therefore not exclusively descriptive so that the absolute ground for refusal to register laid down in Article 7(1)(c) of Regulation No 40/94 cannot apply to them.

18 That provision precludes only the registration of signs which convey direct and immediate information on the goods or services concerned and not the registration of signs which convey that information only indirectly. Words which are purely descriptive but which give no indication of the goods or services concerned can therefore be registered as trade marks. It is sufficient that a sign has only a very minimal degree of distinctiveness for it to be eligible for registration.

19 As the words in question have never been used, they cannot be subject to the requirement of availability, which underlies the provisions of Article 12 of Regulation No 40/94. Moreover, that article allows third parties to use those signs as descriptive indications, without the proprietor of the mark being able to object to that use.

20 Having regard to the criteria laid down in the judgment in Case C-383/99 P *Procter & Gamble* v *OHIM* [2001] ECR I-6251, the marks at issue in this case cannot be descriptive, especially as the products which they are deemed to describe do not exist on the market. The fact that OHIM is unable to form a precise idea of the goods concerned on the basis of the signs in question shows that those signs are not purely descriptive.

21 OHIM contends that Article 7(1)(c) of Regulation No 40/94 precludes registration of signs or indications which, considered as a whole, the 'European consumer' understands immediately and without further reflection as designating

the goods and services referred to in the application or their characteristics. Where that understanding is not immediate, in particular where the combination of terms of which the mark consists is, on account of its unusual structure, not purely descriptive, the sign or indication may be regarded as distinctive and, accordingly, be registered as a Community trade mark.

22 However, for it to be distinctive, it is not sufficient that the combination thus formed is a neologism because its grammatical structure differs slightly from that of common expressions or that it has several possible meanings. The decisive factor is the way in which the sign is immediately understood and perceived by the public.

23 The words in question, which German-speaking consumers would immediately associate with the goods and services referred to in the application, are purely descriptive. The use of the adjective 'universal' does not evoke any associations. Nor, similarly, are those words rendered distinctive by the fact that they have several meanings, their length or the fact that they are neologisms.

Findings of the Court

24 Under Article 4 of Regulation No 40/94, a Community trade mark may consist of any signs capable of being represented graphically, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

25 Article 7(1)(c) of Regulation No 40/94 provides that 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.

26 Thus, under Regulation No 40/94, signs and indications which may serve, in trade, to designate characteristics of the goods or service in respect of which registration is sought are, by their very nature, deemed unsuitable to fulfil the function performed by trade marks of an indication of origin, but this is without prejudice to the possibility, provided for in Article 7(3) of Regulation No 40/94, that they may become distinctive through use.

27 By prohibiting the registration of such signs and indications as Community trade marks, Article 7(1)(c) of Regulation No 40/94 pursues an aim in the public interest, namely that signs or indications which are descriptive of the characteristics of goods and services in respect of which registration is sought may be freely used by all. That provision therefore precludes such signs or indications from being reserved to a sole undertaking on account of their registration as trade marks (see, inter alia, with respect to the identical provisions of Article 3(1)(c) 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), Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25, and Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 73).

28 In order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those

goods or services. It is sufficient, as the wording of that provision itself indicates, that such signs and indications could be used for such purposes. Thus, under Article 7(1)(c), registration of a word mark must be refused if at least one of its possible meanings designates a characteristic of the goods or services concerned (Case C-191/01 P *OHIM* v *Wrigley* [2003] ECR I-12447, paragraph 32).

29 In the present case, in finding that registration of the two words in question could be refused on the ground laid down in Article 7(1)(c), the Court of First Instance, first of all, rightly pointed out, in paragraph 24 of the judgment under appeal, that the absolute ground for refusal laid down in that provision must be assessed by reference to the goods and services in respect of which registration is sought.

30 It then observed, in paragraph 27 of the judgment under appeal, that, in German, those words meant universal telephone directory and universal communications directory and that they were properly formed in accordance with the grammatical rules of the German language and composed of common German words. In paragraph 28 of the judgment under appeal, it found that, in the present case, the combinations of the words 'Telefonbuch' and 'Kommunikationsverzeichnis' designated the kind of goods and the intended use of the services described in paragraphs 25 and 26 of the judgment under appeal and that they could therefore be regarded as descriptive of those goods and services. In stating such reasons, it followed the interpretation of Article 7(1)(c) of Regulation No 40/94 set out in paragraph 28 of this order.

31 Moreover, in finding, in paragraph 29 of the judgment under appeal, that, for registration of a descriptive sign to be refused on the basis of Article 7(1)(c), it is sufficient that the sign is, in the eyes of the target public, associated with the goods concerned or that it may be reasonably envisaged that such an association will be made in the future and in holding, in paragraph 30 of the judgment under

appeal, that the fact that there is currently no market for universal telephone or communication directories does not alter the descriptive character of the words in question, the Court of First Instance did not fail to give effect to the interpretation, which, as is clear from paragraph 28 of this order, must be given to that provision.

32 In particular, contrary to what Telefon & Buch claims, the Court of First Instance was correct to rely, in paragraph 29 of the judgment under appeal, on *Windsurfing Chiemsee*, cited above, in which the Court of Justice held, with respect to provisions identical to those of Article 7(1)(c) of Regulation No 40/94, that the prohibition on the registration as Community trade marks of signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought pursues an aim which is in the public interest, namely that descriptive signs or indications may be freely used by all (see, to that effect, *OHIM* v *Wrigley*, cited above, paragraph 31).

33 The Court of First Instance therefore acted correctly and committed no error in law in finding on all those grounds, in paragraph 31 of the judgment under appeal, that the target public could immediately and without further reflection establish a specific and direct association between those words and the goods and services covered by the applications for registration and, in paragraph 33 of the judgment under appeal, that those applications were rightly rejected by the contested decisions on the basis of Article 7(1)(c) of Regulation No 40/94.

34 In reaching that conclusion, the Court of First Instance therefore did not rely on the fact that the words in question are exclusively descriptive but on the fact that, in the minds of the target public, they designate or are capable of designating characteristics of the goods and services in respect of which registration is sought. Therefore, contrary to what Telefon & Buch claims, it did not, in any event, find that Article 7(1)(c) of Regulation No 40/94 applies only to signs and indications which are totally devoid of distinctive character.

35 By claiming that the Court of First Instance was mistaken as to the meaning of the words at issue, which it ought to have regarded as indisputable neologisms which have several meanings and do not convey to the average consumer a clear picture of the goods and services to which they refer, Telefon & Buch in fact merely challenges the Court of First Instance's assessment of the facts and does not point to any distortion of the evidence contained in the case-file submitted to that court. However, that assessment is not a point of law which is subject, as such, to review by the Court of Justice on appeal (Case C-104/00 P *DKV* v *OHIM* [2002] ECR I-7561, paragraph 22).

36 Finally, contrary to what Telefon & Buch claims, the Court of First Instance did not expressly find that the words in question could have several meanings. The plea alleging that the Court of First Instance gave contradictory reasons for its judgment in so far as it held that the words were descriptive even though it had found that they could have several meanings must therefore be rejected.

37 In any event, even assuming that the judgment under appeal could be interpreted to the effect that the Court of First Instance did not rule out the possibility that the words could have several meanings, it is clear from paragraph 28 of this order that, for registration of a sign to be refused pursuant to Article 7(1)(c) of Regulation No 40/94, it is sufficient that at least one of the possible meanings of that sign be descriptive.

38 It follows from all of the foregoing that Telefon & Buch's appeal is manifestly unfounded and must therefore be dismissed.

Costs

39 Under Article 69(2) of the Rules of Procedure, which applies to appeal proceedings by virtue of Article 118, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since OHIM has applied for costs and Telefon & Buch has been unsuccessful, the latter must be ordered to pay the costs.

On those grounds,

THE COURT (Fourth Chamber)

hereby orders:

1. The appeal is dismissed.

2. Telefon & Buch shall pay the costs.

Luxembourg, 5 February 2004.

R. Grass — Registrar

J.N. Cunha Rodrigues — President of the Fourth Chamber