JUDGMENT OF THE COURT (Sixth Chamber)

12 February 2004 *

In Case C-265/00,

REFERENCE to the Court under Article 234 EC by the Benelux-Gerechtshof for a preliminary ruling in the proceedings pending before that court between

Campina Melkunie BV

and

Benelux-Merkenbureau,

on the interpretation of Articles 2 and 3(1) 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),

* Language of the case: Dutch.

THE COURT (Sixth Chamber),

composed of: V. Skouris, acting for the President of the Sixth Chamber, C. Gulmann, J.N. Cunha Rodrigues, R. Schintgen and F. Macken (Rapporteur), Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: H. von Holstein, Deputy Registrar,

after considering the written observations submitted on behalf of:

— Campina Melkunie BV, by T. van Innis and J. Oomens, advocaten,

— the Benelux-Merkenbureau, by L. De Gryse and J.H. Spoor, advocaten,

— the Portuguese Government, by L.I. Fernandes and A.F. do Espírito Santo Robalo, acting as Agents,

— the Commission of the European Communities, by K. Banks and H.M.H. Speyart, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Campina Melkunie BV and of the Benelux-Merkenbureau at the hearing on 15 November 2001,

after hearing the Opinion of the Advocate General at the sitting on 31 January 2002,

gives the following

Judgment

1 By judgment of 26 June 2000, received at the Court of Justice on 29 June 2000, the Benelux-Gerechtshof (Benelux Court of Justice) referred to the Court for a preliminary ruling pursuant to Article 234 EC three questions on the interpretation of Articles 2 and 3(1) 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 Those questions were raised in proceedings between Campina Melkunie BV ('Campina') and the Benelux-Merkenbureau (Benelux Trade Mark Office; 'the BTMO') concerning the latter's refusal to register the sign 'BIOMILD' applied for by Campina.

Legal framework

Community legislation

3 The purpose of the Directive — according to the first recital in its preamble — is to approximate the trade mark laws of the Member States so as to remove the disparities which may impede the free movement of goods and freedom to provide services and may distort competition within the common market.

4 However, as the third recital in its preamble makes clear, the Directive does not aim for full-scale approximation of the trade mark laws of the Member States.

5 The 12th recital in the preamble to the Directive states that all Member States of the Community are bound by the Paris Convention for the Protection of Industrial Property of 20 March 1883, as last revised at Stockholm on 14 July 1967 (United Nations Treaty Series, Vol. 828, No 11851, p. 305) and that it is necessary that the provisions of the Directive be entirely consistent with those of the Paris Convention.

6 Article 2 of the Directive, entitled 'Signs of which a trade mark may consist', provides as follows:

'A trade mark may consist of any sign 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.'

7 Article 3 of the Directive, which lists the grounds for refusal or invalidity, provides at paragraphs (1) and (3):

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

(a) signs which cannot constitute a trade mark;

(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;

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade;

...

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.'

Relevant Benelux legislation

8 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 (*Nederlands Traktatenblad* 1993, No 12, 'the UBL'), in order to incorporate the Directive into the laws of the three Benelux States.

9 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.

However, shapes which result from the nature of the goods themselves, or which affect the substantial value of the goods, or which give rise to a technical result may not be registered as trade marks.'

10 Article 6a 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;

(b) the filing relates to a trade mark referred to in Article 4(1) and (2).

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.'

The main proceedings and the questions referred for a preliminary ruling

11 On 18 March 1996, Campina, which produces milk products, applied to the BTMO for registration of the composite word BIOMILD as a trade mark in respect of goods in Classes 29, 30 and 32 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. Those classes

cover various foodstuffs, including milk products. The product marketed in the Netherlands under that mark is a mild-flavoured yoghurt.

12 By letter of 3 September 1996, the BTMO informed Campina that it was refusing to register the sign on the ground that 'the sign "BIOMILD" conveys solely that the products in Classes 29, 30 and 32 are "biological" and "mild". The sign is thus exclusively descriptive and does not have any distinctive character... that finding is not altered by the fact that the two components are combined'. The BTMO definitively confirmed its refusal by letter of 7 March 1997.

13 On 6 May 1997, Campina brought an action against the refusal before the Gerechtshof te 's-Gravenhage (Regional Court of Appeal, The Hague, Netherlands), which dismissed the action.

14 On 11 November 1997, Campina appealed on a point of law to the Hoge Raad der Nederlanden (Supreme Court of the Netherlands), which, being doubtful about the correct application of the UBL, on 19 June 1998 referred nine questions to the Benelux-Gerechtshof for a preliminary ruling. Taking the view that an interpretation of the Directive was necessary for it to answer three of those questions, the Benelux-Gerechtshof decided to stay the proceedings and refer the following questions to the Court for a preliminary ruling:

'1. Must Articles 2 and 3(1) of the Directive be construed as meaning that, in determining whether a sign consisting of a new word composed of a number of elements has sufficient distinctive character to be capable of serving as a mark for the goods in question, it must be assumed that that question is in principle to be answered in the affirmative even if each of those elements is

itself devoid of any distinctive character for those goods, and that the position will be different only if there are other circumstances, for instance if the new word constitutes an indication, which is obvious and directly comprehensible for any person, of a commercially essential combination of properties which cannot be indicated otherwise than through use of the new word?

2. If Question 1 is answered in the negative: must it then be assumed that a sign consisting of a new word composed of various elements, each of which is itself devoid of any distinctive character for the goods in question within the meaning of Article 3(1) of the Directive, is itself also devoid of any distinctive character, and that the situation may be different only if there are other circumstances which result in the combination of the component parts being greater than the sum of those parts, for instance where the new word indicates a certain creativity?

3. Does it make any difference for the answer to Question 2 whether synonyms exist for each of the component parts of the sign, with the result that competitors of the applicant for registration who wish to make it clear to the public that their products too contain the combination of properties indicated by the new word can reasonably also do so by using those synonyms?'

The questions referred

15 As a preliminary point, it is not in dispute, first, that the questions referred concern whether a mark should be registered. Therefore, they must be taken to mean that the referring court is seeking an interpretation of Article 3(1) of the Directive.

16 Second, as is clear from paragraph 12 of the present judgment, the BTMO relied in the main proceedings on the 'exclusively descriptive' nature of the neologism 'biomild', which 'conveys solely that the products [in question] are "biological" and "mild"', and concluded from that that 'BIOMILD' did not possess distinctive character.

17 Thus, the fact that BIOMILD may lack distinctiveness arises as a result of the finding that it is descriptive of characteristics of the goods concerned, since it is composed exclusively of elements which are themselves descriptive of those characteristics.

18 In that regard, although it is clear from Article 3(1) of the Directive that each of the grounds for refusal listed in that provision is independent of the others and calls for separate examination (see inter alia Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 67), there is a clear overlap between the scope of the grounds for refusal set out in subparagraphs (b), (c) and (d) of Article 3(1) (see, to that effect, Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraphs 35 and 36).

19 In particular, a word mark which is descriptive of characteristics of goods or services for the purposes of Article 3(1)(c) of the Directive is, on that account, necessarily devoid of any distinctive character in relation to those goods or services within the meaning of Article 3(1)(b) of the Directive. A mark may none the less be devoid of distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive.

20 Therefore, if a useful answer is to be given to the referring court, the latter must be taken to be asking in essence, by the questions which it has referred and which it is appropriate to examine together, whether Article 3(1)(c) of the Directive

must be interpreted as meaning that a mark consisting of a neologism composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, may be regarded as not itself descriptive of the characteristics of those goods or services and, if so, in what circumstances. It asks in particular if it is of any importance whether there are synonyms for each of the components of the new word.

Observations submitted to the Court

21 Campina maintains that whether or not the components of a mark are distinctive is not decisive for the purposes of determining whether the mark itself has any distinctive character. A mark is not the same thing as the elements of which it is composed, since it is always more than the sum of its parts and thus enjoys an existence independent of them. It is only when the combination of the characteristics of the goods or services cannot be designated other than by the neologism that it must be concluded that the latter will be perceived as descriptive of the goods or services and that its registration must be refused.

22 In Campina's submission, if there is no likelihood of the relevant public perceiving a word which is necessarily descriptive as other than a description of the qualities of particular goods or services, the word will not be eligible for registration as a mark for those goods or services, and therefore, for that reason alone, will have to remain available to competitors for the purpose of describing the same qualities of identical or similar goods or services. Although a word which is necessarily descriptive must remain available to competitors for the purpose of designating a particular attribute, a word is always more than the sum of its parts.

23 The BTMO contends that the fact that a mark is a neologism is not sufficient to ensure that it enables goods or services to be distinguished. All that matters is whether the word, regardless of whether it is new or not, is apt to identify the goods or services in respect of which its registration as a mark is sought. In that regard, account should be taken of the rule that signs which are descriptive for the purposes of Article 3(1)(c) of the Directive are, by their very nature, incapable of distinguishing the goods or services of an undertaking. If the neologism is composed of elements each of which is itself devoid of any distinctive character in relation to the goods concerned, the combination of those elements satisfies the requirement for distinctive character only in so far as it is itself distinctive. In order to determine whether it is distinctive or descriptive in nature, the competent authority must take account of all the circumstances, including the perception which the average consumer may have of the word.

24 A word composed of elements each of which is devoid of distinctive character can be regarded as sufficiently distinctive only if it possesses an additional characteristic.

25 However, the test for assessing whether a mark is distinctive for the purposes of Article 3(1)(b) of the Directive or descriptive for the purposes of Article 3(1)(c) cannot be based on whether or not synonyms for it exist.

26 The Portuguese Government submits that Article 3(1)(c) of the Directive precludes registration of marks which, even if they purport to be new or fanciful on the ground that they include a combination of two words, ultimately amount to no more than the sum of two terms which, taken in isolation, are not capable of distinguishing the goods or services of one undertaking from those of other undertakings operating in the same area of business.

27 It is only in exceptional cases, in which all the components which are devoid of distinctive character together form a sign showing a degree of creativity and originality, that a mark containing only descriptive terms will be eligible for registration. Such an assessment must necessarily be conducted on a case-by-case basis.

28 As to the existence of synonyms, the Portuguese Government submits that merely because the terms of which a mark consists are not the only terms suitable for describing, in particular, certain attributes or capabilities of a product, that does not mean that they thus comply with the letter and the spirit of Article 3(1)(c) of the Directive. Notwithstanding the existence of synonyms, registration of such a mark cannot be granted if the terms of which the mark consists merely designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service.

29 The Commission submits that a trade mark registration authority must, when it examines an application for registration of a composite word mark in the light of the absolute grounds for refusal set out in Article 3(1)(b) to (d) of the Directive, have regard to all the relevant facts and circumstances of the actual case in order to determine if, in the perception of the parties concerned, the mark distinguishes the goods or services of the undertaking concerned from those of other undertakings.

30 The authority must refer in that regard to the opinion which the average consumer, who is reasonably well informed, attentive and circumspect, has of the goods or services in respect of which protection is sought in the jurisdiction in which registration is sought. The starting point for that examination must always be the actual circumstances of the particular case, so that any general principle may be relied on only in part.

31 The Commission submits that a mark composed of various elements, each of which is devoid of distinctive character in relation to the goods or services concerned, is also, as a general rule, except where distinctiveness has been acquired through use, itself devoid of any distinctive character for the purposes of Article 3(1)(b) of the Directive. It is otherwise only where there are additional factors such as an alteration of the graphic representation or of the meaning of the combination, as a result of which the mark acquires an additional characteristic rendering it even a little capable, as a whole, of making the goods or services of an undertaking distinctive.

32 A mark composed of elements, each of which is descriptive of the goods or services in respect of which registration is sought is itself, as a general rule, except where distinctiveness has been acquired through use, descriptive for the purposes of Article 3(1)(c) of the Directive. It is otherwise only where there are additional factors such as an alteration of the graphic representation or of the meaning of the combination, as a result of which the mark acquires an additional characteristic which renders it other than descriptive.

The Court's reply

33 Article 3(1)(c) of the Directive provides that marks consisting 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 services, are not to be registered.

34 By virtue of the Court's case-law, the various grounds for refusing registration set out in Article 3 of the Directive must be interpreted in the light of the public interest underlying each of them (see, inter alia, Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 77, *Linde*, paragraph 71, and Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 51).

35 The Court has recognised that Article 3(1)(c) of the Directive pursues an aim that is in the public interest, which requires that signs and indications descriptive of the characteristics of goods or services in respect of which registration is sought may be freely used by all. That provision therefore prevents such signs or indications from being reserved to one undertaking alone because they have been registered as trade marks (see Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25, *Linde*, paragraph 73, and *Libertel*, paragraph 52).

36 That public interest requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods. Therefore, marks consisting exclusively of such signs or indications are not eligible for registration unless Article 3(3) of the Directive applies.

37 If a mark, such as that at issue in the main proceedings, which consists of a neologism produced by a combination of elements, is to be regarded as descriptive within the meaning of Article 3(1)(c) of the Directive, it is not sufficient that each of its components may be found to be descriptive. The word itself must be found to be so.

38 It is not necessary that the signs and indications composing the mark that are referred to in Article 3(1)(c) of the Directive 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 those signs and indications could be used for such purposes. A word must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned (see, to that effect in relation to the identical provisions of Article 7(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p.1), Case C-191/01 P *OHIM* v *Wrigley* [2003] ECR I-12447, paragraph 32).

39 As a general rule, the mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics within the meaning of Article 3(1)(c) of the Directive even if the combination creates a neologism. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.

40 However, such a combination may not be descriptive within the meaning of Article 3(1)(c) of the Directive, provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as much as to be read, that condition will have to be satisfied as regards both the aural and the visual impression produced by the mark.

41 Thus, a mark consisting of a neologism composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of those characteristics within the

meaning of Article 3(1)(c) of the Directive, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts.

42 For the purposes of determining whether the ground for refusal set out in Article 3(1)(c) of the Directive applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services referred to in the application for registration. Although Article 3(1)(c) of the Directive provides that, if the ground for refusal set out there is to apply, the mark must consist 'exclusively' of signs or indications which may serve to designate characteristics of the goods or services concerned, it does not require that those signs or indications should be the only way of designating such characteristics.

43 The answer to the questions referred for a preliminary ruling must therefore be that Article 3(1)(c) of the Directive must be interpreted as meaning that a trade mark consisting of a neologism composed of elements each of which is descriptive of characteristics of the goods or services in respect of which registration is sought is itself descriptive of the characteristics of those goods or services for the purposes of that provision, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts.

For the purposes of determining whether the ground for refusal set out in Article 3(1)(c) of the Directive applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services referred to in the application for registration.

Costs

44 The costs incurred by the Portuguese Government and by the Commission, which have submitted observations to the Court, are not recoverable. 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.

On those grounds,

THE COURT (Sixth Chamber),

in answer to the questions referred to it by the Benelux-Gerechtshof by judgment of 26 June 2000, hereby rules:

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 must be interpreted as meaning that a trade mark consisting of a neologism composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of the characteristics of

those goods or services for the purposes of that provision, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts.

For the purposes of determining whether the ground for refusal set out in Article 3(1)(c) of Directive 89/104 applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services referred to in the application for registration.

Skouris Gulmann Cunha Rodrigues

Schintgen Macken

Delivered in open court in Luxembourg on 12 February 2004.

R. Grass V. Skouris

Registrar President