JUDGMENT OF THE COURT (Eighth Chamber)

4 October 2007 *

In Case C-144/06 P,

Appeal under Article 56 of the Statute of the Court of Justice, brought on 17 March 2006,

Henkel KGaA, established in Düsseldorf (Germany), represented by C. Osterrieth, Rechtsanwalt,

appellant,

the other party to the proceedings being:

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

defendant at first instance,

* Language of the case: German.

THE COURT (Eighth Chamber),

composed of E. Juhász (Rapporteur), President of the Chamber, J. Malenovský and T. von Danwitz, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,
Registrar: B. Fülöp, Administrator,

having regard to the written procedure and further to the hearing on 24 May 2007,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

Judgment

1 By its appeal, Henkel KGaA ('Henkel') seeks to have set aside the judgment of the Court of First Instance of the European Communities of 17 January 2006 in Case T-398/04 *Henkel* v *OHIM,* not published in the ECR ('the judgment under appeal'), dismissing its action for annulment of the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM') of 4 August 2004 ('the decision in dispute') refusing registration of a mark.

Legal context

2 Article 7(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) states:

'The following shall not be registered:

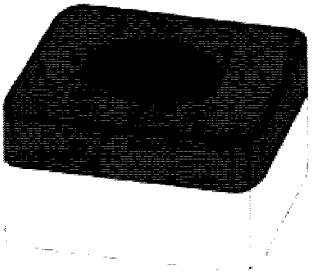
...

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

Background to the dispute

3 On 28 September 1998, Henkel filed an application with OHIM for registration pursuant to Regulation No 40/94.

4 The Community trade mark applied for is the figurative mark depicted below ('the mark applied for'):



5 The goods in respect of which registration has been sought fall within Classes 1, 3 and 21 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 and — as regards products falling within Class 3 — correspond, in particular, to the following description: 'dishwashing preparations and rinsing agents for laundry use'.

6 Henkel claims a right of priority on the basis of an application for registration filed in Germany on 18 June 1998, which concerned a mark identical to the mark applied for.

7 Following the decision of 1 October 1999, by which the examiner rejected the application for registration pursuant to Article 7(1)(b) and (d) of Regulation No 40/94, Henkel on 19 November 1999 filed a notice of appeal with OHIM under Articles 57 to 59 of Regulation No 40/94 against that decision.

8 By the decision in dispute, the Second Board of Appeal of OHIM dismissed that appeal. It essentially found that the mark applied for was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, in relation to all the products for which registration was sought.

The proceedings before the Court of First Instance and the judgment under appeal

9 On 8 October 2004, Henkel brought an action before the Court of First Instance for annulment of the decision in dispute. In support of its action, Henkel raised two pleas in law. The Court of First Instance dismissed those pleas in law and, accordingly, the action.

10 According to the first plea in law, alleging infringement of Article 7(1)(b) of Regulation No 40/94, OHIM erred in its application of the criteria for assessing whether the mark applied for has distinctive character.

11 First of all, Henkel alleged that OHIM had failed to examine whether the mark applied for had distinctive character on the date the application for registration was filed, and that it had failed to determine the usual shape of goods marketed on that date. Further, according to Henkel, OHIM had no authority to claim that the different colours of the sign corresponded to different active ingredients, because that choice of colours and colour combinations remains at the company's discretion.

12 Henkel also observed that OHIM did not take into account the order of the Bundespatentgericht (Federal Patent Court) finding that the mark in respect of which an application had been filed with the Deutsches Patent- und Markenamt (German Patent and Trade Mark Office) was not devoid of distinctive character in relation to washing machine and dishwashing products.

13 Finally, Henkel recalled that OHIM had allowed registration of several signs that are comparable to the mark applied for.

14 By contrast, OHIM contended before the Court of First Instance that the consumer does not perceive the sign at issue as an indication of commercial origin of the product, but only as a representation of the product. As regards the decision of the Bundespatentgericht, OHIM contended that it was duly taken into account, but that it did not bind OHIM. In respect of practice in previous decisions, OHIM recalled that the Community judicature is obliged to rule independently on the application placed before it and is, in particular, in no way bound by previous unlawful decisions. In addition, the cases Henkel referred to were not comparable to the present case.

15 The Court of First Instance held that Henkel had restricted its plea to 'dishwashing preparations and rinsing agents for laundry use', and that those products were staple consumer goods in respect of which the consumer's degree of attention at the time of purchase is not high. As regards the distinctive character of the mark applied for, the Court of First Instance observed — after having recalled the legal principles laid down by the case-law in this area — that an assessment of such a distinctive character cannot result in different outcomes for a three-dimensional mark consisting of the design of the product itself, and for a figurative mark consisting of a faithful representation of the same product.

16 The Court of First Instance — having pointed out that, in order to asses the distinctive character of the mark applied for, the overall impression given by that representation must be analysed, which is not incompatible with a successive analysis of the various elements of which it is made up (Case C-251/95 *Sabel* [1997] ECR I-6191, paragraph 23, and Case C-329/02 P *SAT.1* v *OHIM* [2004] ECR I-8317, paragraph 35) — carried out an analysis of the various elements of the mark, followed by an assessment of the mark as a whole. Following the latter, the Court of First Instance ruled that the mark applied for does not enable the product concerned to be distinguished from those of other undertakings.

17 The Court of First Instance added that that assessment could be called in question neither by the fact that, at the time the application for registration was filed, Henkel was the only company marketing products in the shape represented by the mark applied for, nor by previous registrations. As regards the national registration, the Court of First Instance emphasised that it can be taken into consideration, but that it does not bind OHIM, since the Community trade mark regime is an autonomous regime, comprising a set of rules and pursuing objectives which are peculiar to it, which applies independently of any national system, and that the registrability of a sign as a Community trade mark is to be assessed on the basis of the relevant Community legislation alone.

18 As regards OHIM's registration decisions, the Court of First Instance recalled that even if factual or legal grounds contained in an earlier decision might constitute arguments to support a plea alleging infringement of a provision of Regulation No 40/94, the fact remains that the legality of the decisions of the Boards of Appeal must be assessed solely on the basis of that regulation, as interpreted by the Community judicature, and not on the basis of previous decision-making practice. Moreover, according to the Court of First Instance, the trade marks that Henkel referred to were not entirely comparable to the one at issue, either because the products concerned were not the same, or because the marks concerned included elements other than basic geometric forms.

19 The second plea in law alleged that there had been a misuse of discretion and an infringement of the principle of equal treatment. Henkel submitted that OHIM — by refusing registration of the mark applied for whilst registering comparable marks — had misused its discretion and infringed the principle of equal treatment. In addition, Henkel submitted that, if it tolerated such a situation without receiving compensation in the form of registration of its own trade mark, it would suffer discrimination contrary to the principle of the free movement of goods under Article 28 EC. Henkel also added that the harmonisation objective pursued by Regulation No 40/94 — which is apparent from the first and third recitals in its preamble — cannot be achieved unless the unified substantive law is interpreted uniformly.

20 OHIM contended that, since taking a decision concerning registration represents the exercise of circumscribed powers, the legality of a decision cannot be challenged on the basis of OHIM's previous practice, regardless of whether that practice is lawful or not.

21 The Court of First Instance recalled that the decisions concerning registration of a sign as a Community trade mark which the Boards of Appeal of OHIM are led to take under Regulation No 40/94 are adopted in the exercise of circumscribed powers and are not a matter of discretion (C-37/03 P *BioID* v *OHIM* [2005] ECR I-7975, paragraph 47). The Court of First Instance held that Henkel's second plea in law did not in actual fact relate to misuse of discretion that might have been conferred on OHIM, but to the fact that OHIM had allowed registration of comparable signs as trade marks, while refusing the application for registration of the mark at issue. According to the Court of First Instance, this plea in law was therefore indissociable from some of the arguments that Henkel had put forward in support of the first plea in law and was, consequently, irrelevant.

Forms of order sought by the parties

22 By its appeal, Henkel claims that the Court should:

— annul the judgment under appeal;

— annul the decision in dispute;

— order OHIM to pay the costs.

23 OHIM contends that the Court should:

— dismiss the appeal;

— order Henkel to pay the costs.

The appeal

Arguments of the parties

24 In support of its appeal, Henkel raises a single ground of appeal alleging infringement of Article 7(1)(b) of Regulation No 40/94, taking the form of an assessment, erroneous in law and in fact, of the requirement that the mark applied for be distinctive. Henkel submits that the Court should provide a legally correct assessment of the issues of law raised by the facts of this case, since the Court of First Instance did not correctly apply the legal concept of 'trade marks devoid of any distinctive character'.

25 According to Henkel, the Court of First Instance was wrong to hold that the mark applied for was not sufficiently distinctive within the meaning of Article 7(1)(b) of Regulation No 40/94. Pursuant to that provision, only a minimum degree of distinctive character is required (Case C-383/99 P *Procter & Gamble* v *OHIM* [2001] ECR I-6251, paragraph 40). Therefore, it is only necessary to examine whether the mark applied for serves to identify the product in respect of which registration is applied for as originating from a particular undertaking, and, consequently, to distinguish that product from products of other undertakings (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 46).

26 Henkel submits that, on the market relevant to the present case, each producer uses different colouring in order to distinguish its products from those of its competitors. For that reason, a replica of the product always features prominently on the front of the packaging, and this actual depiction of the product indeed indicates to the public which company manufactured it.

27 Henkel takes the view that the Court of First Instance erred in its premiss that the level of attention paid by the average consumer to the appearance of the product is not high when that product is normally sold in packaging that also carries verbal information on the composition and the intended use of the product in question. Henkel alleges that it is equally false to state that the products are low-cost products for everyday use which consumers purchase without a high level of attention and without an in-depth examination of the product. According to Henkel, the public extracts a large amount of information from the figurative mark in dispute, well in excess of the information normally necessary to determine the origin of the product.

28 Furthermore, Henkel submits in its reply that the Court of First Instance distorted the facts when it held that the mark in issue was one of the most obvious variations on the design of the product. According to Henkel, the sign in issue does not have what could be considered to be its 'likely shape', with its individual layers clearly distinguished from one another by their colouring, which has been arranged entirely at will, and the unusual use of a dark colour and an oval shape for detergents.

29 OHIM considers the appeal to be inadmissible. It contends that Henkel does not specify which error in law the Court of First Instance allegedly made and that the complaints relate to the outcome of an analysis of the perception of consumers. According to OHIM, that process is concerned with findings of fact and is not part of the legal characterisation. The assessment of facts and evidence does not, save where the facts and evidence have been distorted or falsified, constitute a point of law which is subject, as such, to review by the Court of Justice on appeal.

30 OHIM contends that the various problems raised (notably whether it has become standard practice on the market for the shape and the colour of tablets to provide an indication of origin, whether the public derives from the direct representation of a product information concerning its commercial origin, or whether it is possible to judge from experience that the level of attention paid by the average consumer to the appearance of a product is not high when the product in question is sold in packaging that also carries verbal information on the composition and the intended use of the product) constitute questions of fact. Moreover, OHIM contends that the Court of First Instance neither distorted the facts nor left out individual characteristics of the mark (in particular the third colour of the product).

31 Finally, OHIM submits that, in accordance with Article 42 of the Rules of Procedure of the Court of Justice, complaints that Henkel raised in its reply cannot be examined, since they were not submitted in due time. In any event, those complaints have no merit.

Findings of the Court

32 In the first place, Henkel complains that the Court of First Instance erred in law in its assessment of the requirement that the mark applied for be distinctive.

33 Under Article 7(1)(b) of Regulation No 40/94, trade marks which are devoid of any distinctive character may not be registered.

34 According to consistent case-law, for a trade mark to possess distinctive character within the meaning of that article, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble* v *OHIM* [2004] ECR I-5173, paragraph 32, and Case C-64/02 P *OHIM* v *Erpo Möbelwerk* [2004] ECR I-10031, paragraph 42).

35 That distinctive character must be assessed, first, by reference to the products or services in respect of which registration has been applied for and, second, by reference to the perception of the relevant public (see Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble* v *OHIM*, paragraph 33, and Case C-25/05 P *Storck* v *OHIM* [2006] ECR I-5719, paragraph 25).

36 According to equally consistent case-law, the criteria for assessing the distinctive character of three-dimensional trade marks consisting of the appearance of the product itself are no different from those applicable to other categories of trade mark. However, when those criteria are applied, account must be taken of the fact that the perception of the average consumer is not necessarily the same in relation to a three-dimensional mark consisting of the appearance of the product itself as it is in relation to a word or figurative mark consisting of a sign which is independent of the appearance of the products it denotes. Average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark (Case C-136/02 P *Mag Instrument* v *OHIM* [2004] ECR I-9165, paragraph 30, and *Storck* v *OHIM*, paragraphs 26 and 27).

37 In those circumstances, only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 (Case C-173/04 P *Deutsche SiSi-Werke* v *OHIM* [2006] ECR I-551, paragraph 31, and *Storck* v *OHIM*, paragraph 28).

38 That case-law, which was developed in relation to three-dimensional trade marks consisting of the appearance of the product itself, also applies where, as in the present case, the trade mark applied for is a figurative mark consisting of the two-dimensional representation of that product. In such a case, the mark likewise does not consist of a sign unrelated to the appearance of the products it covers (*Storck* v *OHIM*, paragraph 29).

39 It must be recalled that, in order to assess whether or not a trade mark has any distinctive character, the overall impression given by it must be considered. That does not mean, however, that there is no need, first of all, to carry out a successive examination of the different presentational features used by this mark. It may be useful, in the course of the overall assessment, to examine each of the constituent features of the trade mark (see, in this respect, Case C-286/04 P *Eurocermex* v *OHIM* [2005] ECR I-5797, paragraphs 22 and 23, and the case-law cited there).

40 It is apparent from the judgment under appeal that the Court of First Instance correctly identified, and applied to the situation in this case, the criteria established by the case-law.

41 The Court of First Instance was fully entitled, first, to review the different elements of the appearance of which the mark applied for is a representation, including the shape and the colours of the tablet, and subsequently to analyse the overall impression given by the mark, in order to assess whether or not that mark fulfils its function of indicating origin.

42 Having undertaken, in paragraphs 32 to 35 of the judgment under appeal, an examination, in turn, of the rectangular shape of the mark applied for, its two coloured layers and its oval blue centre situated in the middle of the upper red face of the tablet, the Court of First Instance held that those elements did not suffice to confer a distinctive character on the mark.

43 As regards the assessment of the elements taken as a whole, the Court of First Instance held, in paragraph 39 of the judgment under appeal, that 'the overall impression given by the sign in issue is limited to a representation of a washing-machine or dishwashing product in the shape of a tablet grouping together several active chemical agents in a decorative and attractive manner in two coloured layers of red and white, with the red layer featuring an oval blue centre. Since the consumer is not accustomed to finding an indication of the commercial origin of a product in its shape and colours ..., since the presence of two layers and the addition of an oval centre in a different colour is one of the most obvious solutions for the

design of a washing-machine or dishwashing product in the form of a tablet ... and since, as basic colours normally used in the sector concerned, the colours chosen are not of a kind to attract the consumers' attention ..., the overall impression given by the sign will not indicate to the targeted public that the actual depiction of the product reveals its commercial origin. Therefore, the mark applied for does not enable the average consumer of such goods, who is reasonably well informed and reasonably observant and circumspect, to distinguish the product concerned from those of other undertakings without conducting an analytical or comparative examination and without paying particular attention ...'.

44 It thus appears, first, that the Court of First Instance based its assessment as to whether the mark applied for has distinctive character on the overall impression which is conveyed by the shape and the arrangement of the colours of that mark, and, second, that it established that that mark does not make it possible to distinguish the product from those of competitors in the sector in question.

45 It follows that, in holding that the trade mark applied for was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, the Court of First Instance did not commit an error of law in relation to either that provision or the relevant case-law of the Court of Justice.

46 Therefore, this complaint must be dismissed as unfounded.

47 In the second place, as regards the complaint relating to the actual application by the Court of First Instance of the criteria flowing from Article 7(1)(b) of Regulation No 40/94, and the case-law cited, it should be pointed out that this involves findings of a factual nature.

48 In particular, establishing whether or not the mark 'departs significantly', within the meaning of paragraph 37 of this judgment, amounts to an appraisal of fact.

49 The Court of First Instance has exclusive jurisdiction to make findings of fact, save where a substantive inaccuracy in its findings is attributable to the documents submitted to it, and to appraise those facts. That appraisal thus does not, save where the clear sense of the evidence produced before it has been distorted, constitute a point of law which is subject, as such, to review by the Court of Justice on appeal (see, in this respect, Case C-104/00 P *DKV* v *OHIM* [2002] ECR I-7561, paragraph 22, and Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089, paragraph 41).

50 In this respect, it must be pointed out that Henkel alleged that the Court of First Instance had distorted the clear sense of the facts or the evidence for the first time only in its reply. Consequently, in the light of Article 42(2) of the Rules of Procedure, which applies to appeal proceedings pursuant to Article 118 of those Rules, distortion of the facts cannot, in the present case, be admitted as a plea in law.

51 It must be added that the findings, in the judgment under appeal, relating to the characteristics of the relevant public and to consumers' degree of attention, perception or attitude also represent appraisals of fact.

52 In those circumstances, the complaint alleging that the Court of First Instance was in error as to the facts in its assessment of the requirement that the mark applied for be distinctive must be regarded as inadmissible.

53 Finally, Henkel complains that the Court of First Instance did not rule on the question whether the relevant date for the assessment of the distinctive character is the date on which the application for registration of the mark was filed, or the date of the judgment. Henkel claims that it constantly drew attention to the fact that it was the first company to present and market cleaning products in tablet form in the shape at issue. On the date on which the application for registration of the mark was filed, the public allegedly did not have the slightest difficulty in associating the actual product 'dishwashing preparations and rinsing agents for laundry use in tablet form' with its manufacturer Henkel.

54 It is appropriate to point out that the Court of Fist Instance addressed that complaint in paragraphs 41 and 42 of the judgment under appeal by stating that the inability of the mark applied for to indicate the product's origin, *a priori* and irrespective of the use made of it within the meaning of Article 7(3) of Regulation No 40/94, is not affected by how many similar tablets are already being marketed and that, under such circumstances, there is no need to take a view on the question as to the relevant moment to assess the distinctive character of the mark applied for.

55 It must be noted that Henkel does not substantiate its complaint with any detailed reasons to show that the Court of First Instance's ruling on this question was wrong. Consequently, this complaint must be rejected.

56 Therefore, since Henkel's ground of appeal is partly unfounded and partly inadmissible, the appeal must be dismissed.

Costs

57 Under Article 69(2) of the Rules of Procedure, which applies to appeal proceedings by virtue of Article 118 thereof, 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 Henkel has been unsuccessful, the latter must be ordered to pay the costs.

On those grounds, the Court (Eighth Chamber) hereby:

1. Dismisses the appeal.

2. Orders Henkel KGaA to pay the costs.

[Signatures]