JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber, Extended Composition)

20 March 2002 *

In Case T-356/00,

DaimlerChrysler AG, established in Stuttgart (Germany), represented by S. Völker, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl and D. Schennen, acting as Agents,

defendant,

ACTION brought against the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 12 September 2000 (Case R 477/1999-3) relating to registration of the word 'CARCARD' as a Community trade mark,

* Language of the case: German.

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

composed of: R.M. Moura Ramos, President, V. Tiili, J. Pirrung, P. Mengozzi and A.W.H. Meij, Judges,

Registrar: H. Jung,

having regard to the application lodged at the Registry of the Court on 24 November 2000,

having regard to the response lodged at the Registry of the Court on 15 February 2001,

further to the hearing on 21 November 2001,

gives the following

Judgment

Background to the dispute

1 On 1 April 1996 Mercedes-Benz AG filed an application for a Community word mark at the Office for Harmonisation in the Internal Market (Trade Marks and

Designs) (hereinafter 'the Office') under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

2 The trade mark in respect of which registration was sought was the word 'Carcard'.

3 The goods and services in respect of which registration of the trade mark was sought were in Classes 9, 36, 37, 38, 39 and 42 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 correspond in each case to the following descriptions:

— class 9: 'Machine-readable data carriers equipped with programs and/or data, namely vehicle data and/or customer data and/or repair data and/or service data and/or maintenance data and/or vehicle servicing data and/or contract data and/or security coding, in particular magnetic cards and/or chip cards and/or credit cards; stationary and transportable data processing equipment; programs on data carriers for data and/or text and/or image processing';

— class 36: 'Leasing of motor vehicles with and/or without trailers and processing of payment therefor; leasing of motor vehicles with and/or without roof attachments and processing of payment therefor; leasing of replacement vehicles and processing of payment therefor; insurance brokerage, including legal expenses insurance; arranging and processing of the payment of charges, namely highway tolls, parking charges, telephone charges; arranging and processing of payment for public passenger and goods

transport; financing and sales financing including arrangement thereof; processing of the payment of bills in relation to fuel supplies; processing of payments for services and guarantees; processing of bills in relation to motor vehicles with and/or without trailers; processing of bills in relation to replacement vehicles; issuing of credit cards and/or magnetic cards and/or chip cards; issuing of identification cards for granting access to and/or payment of goods and services such as services and/or guarantee services and/or bonus systems and/or incentives and/or recycling';

— class 37: 'Arranging fuel supplies; arranging of services and guarantees; car maintenance, in particular cleaning, servicing and repair, including the replacement of all parts and accessories necessary to maintain operating ability';

— class 38: 'Arranging of telecommunications services, namely telephones, speech recording services, information services, navigation and location, in particular vehicle location, remote diagnosis, rescue and emergency services, repair services, technical after-sales services; telecommunications services, namely telephones, speech recording services, information services, navigation and location, in particular vehicle location, remote diagnosis, rescue and emergency services, repair services, technical after-sales services';

— class 39: 'Arranging and/or rental of vehicles with and/or without trailers and processing of payment therefor; arranging and/or rental of vehicles with and/or without superstructures and processing of payment therefor; providing and/or rental of replacement vehicles and processing of payment therefor; providing and rental of parking spaces; arranging the transport of persons and goods; arranging services in the field of transport logistics, namely planning passenger and goods transport systems; vehicle towing';

— class 42: 'Database services, namely collecting, processing, filing, sorting, storing, retrieving, issuing, transmitting and updating database entries, in particular customer data, repair data, electronic maintenance manuals, vehicle data, diagnostic data, service data, maintenance data, contract data and security coding; arranging database services, namely customer data, repair data, electronic maintenance manuals, vehicle data, including updating customer data, repair data, maintenance data and vehicle data; rental and/or leasing of data processing equipment; booking and payment processing programming; providing of food and drink; arranging and/or reserving hotel or guesthouse accommodation'.

4 In January 1999, the transfer of the application to the applicant was recorded in the application file pursuant to Articles 17 and 24 of Regulation No 40/94 and Rule 31(8) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1).

5 By decision of 9 June 1999 the examiner refused the application under Article 38 of Regulation No 40/94 on the ground that the word 'CARCARD' was devoid of any distinctive character and descriptive of the goods and services in question within the meaning of Article 7(1)(b) and (c) of Regulation No 40/94.

6 On 6 August 1999 the applicant filed an appeal against the examiner's decision at the Office under Article 59 of Regulation No 40/94.

7 By decision of 12 September 2000 (hereinafter 'the contested decision'), the Third Board of Appeal dismissed the appeal on the ground that the word in question fell within Article 7(1)(b) and (c) of Regulation No 40/94.

Forms of order sought

8 The applicant claims that the Court should:

— annul the contested decision;

— order the Office to pay the costs.

9 The Office contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

10 The applicant relies on two pleas in law, alleging infringement of Article 7(1)(c) and of Article 7(1)(b) of Regulation No 40/94.

Infringement of Article 7(1)(c) of Regulation No 40/94

Arguments of the parties

11 The applicant argues that, for the purposes of the absolute grounds for refusal, a mark must be assessed as a whole and in the form applied for. In this case, however, even broken down into its two constituent parts, the word 'CARCARD' does not, in the applicant's view, constitute a descriptive indication of the goods and services concerned.

12 As regards the component 'car', the applicant argues that whilst this is a common word in English, it is frequently used in the most diverse combinations as part of a trade mark, and that the public is therefore accustomed to trade marks containing this word.

13 Furthermore, it claims that the word 'car' is not directly descriptive of the goods or services concerned, intimating no more than that the goods and services have some sort of connection with vehicles.

14 As regards the component 'card', the applicant states that whilst this, too, is a common word in English, it is frequently used in the most diverse combinations as part of a trade mark, and that the public is therefore accustomed to trade marks containing this word.

15 Similarly it argues that the word 'card' is not directly descriptive of the goods or services concerned in that it suggests no more than a flat rectangular object made of paper or plastic, but what it is for remains unclear.

16 As regards the word 'CARCARD' taken as a whole, the applicant claims that it is a neologism not found in current dictionaries of any Community language, including English, nor does it exist as such either in common parlance or in any technical jargon.

17 Furthermore, the applicant claims that the word 'CARCARD' does not have a clear, specific meaning but simply suggests vague, abstract notions of a flat rectangular object made of paper, cardboard or plastic having some sort of connection with vehicles or means of transport. The applicant explains in this regard that, to the extent that the average circumspect and reasonably well-informed consumer might attribute a specific meaning to the word, he will take it to mean a collector's card bearing a picture of a vehicle.

18 As regards the relationship between the word 'CARCARD' taken as a whole and the goods and services concerned, the applicant submits that, contrary to what is stated at paragraph 23 et seq. of the contested decision, it does not constitute a sufficiently specific descriptive indication of the intended use or quality of such goods or services.

19 The applicant argues that the need to maintain a sign's availability is an inherent limitation on the absolute grounds for refusal. Accordingly, in the applicant's view, even descriptive signs are non-registrable only in so far as their monopolisation stands in the way of the legitimate need of third parties, especially competitors, to be able to use them freely. There is no necessity for 'CARCARD'

to remain available because it does not describe the goods or services concerned, nor is it needed to describe them. According to the applicant, it cannot be regarded as necessary for a sign to remain available merely on the basis that the sign evokes vague associations.

20 The applicant also argues in relation to the registration of 'CARCARD' as a trade mark that it would not be able to prevent use of the constituent elements 'car' or 'card', whether in isolation or in other combinations, since a mark is only protected in the form in which it is applied for.

21 Finally the applicant submits that it would accord with the practice followed by the Boards of Appeal in their decisions for the contested word to be registered. In that connection it relies on decisions of the Boards of Appeal accepting the following word marks for registration: NETMEETING, CareService, Schülerhilfe, GLOBAL CARE, MEGATOURS, SAFETYTECH, STEAM TERMINAL, ProBank, FIXIT, TOP-LOK, helpLine, HYPERLITE, Tensiontech, SAFEJAW, SURESEAL, FOILGUARD, OMNICARE, ZONEMESSAGE, BIDWATCH, Oilgear and TELESCAN.

22 The Office disputes the applicant's arguments and claims that the goods in Class 9 'directly describe the purpose of a "carcard" as a database'. As regards the services in Classes 36 to 39 and 42, the Office contends that they 'describe possible areas of use of a "carcard" as a database for information on vehicles or their owners and as a non-cash means of payment'. In that regard the Office argues that descriptive character must be assessed in the context of the increasing use of credit cards, bankcards, telephone cards and numerous similar magnetic cards that give access to services and facilitate cashless transactions. The Office therefore does not consider the word 'CARCARD' to be vague or purely allusive but to constitute an immediate indication of quality and intended use, albeit without any additional feature rendering it more than just an indication.

Findings of the Court

23 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. Furthermore, Article 7(2) of Regulation No 40/94 provides that 'paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

24 Article 7(1)(c) of Regulation No 40/94 prohibits the signs and indications therein referred to from being reserved to one undertaking alone because they have been registered as trade marks. That provision therefore pursues an aim which is in the public interest, namely that descriptive signs or indications may be freely used by all (see, by analogy, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25).

25 In that context, the signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are those which may serve in normal usage from the point of view of the intended public to designate, either directly or by reference to one of their essential characteristics, the goods or services in respect of which registration is sought (Case C-383/99 P *Procter and Gamble* v *OHIM* [2001] ECR I-6251, paragraph 39). Accordingly, a sign's descriptiveness can only be assessed by reference to the goods or services concerned and to the way in which it is understood by a specific intended public.

26 In this case the Board of Appeal found at paragraph 26 of the contested decision that the goods and services concerned are aimed at the average consumer in general, which the applicant did not deny. Average consumers must be deemed to

be reasonably well-informed and reasonably observant and circumspect (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26, and Case T- 359/99 *DKV* v *OHIM (EuroHealth)* [2001] ECR II-1645, paragraph 27). Moreover, since the sign is composed of English words, the relevant public is English-speaking.

27 As regards the applicant's argument that third parties, and more particularly its competitors, do not need to use the sign at issue to designate the goods and services listed in the application, it must be observed that the Court found at paragraph 35 of the judgment in *Windsurfing Chiemsee* (cited above) that Article 3(1)(c) of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of Member States relating to trade marks (OJ 1989 L 40, p. 1), the wording of which is essentially the same as that of Article 7(1)(c) of Regulation No 40/94, does not depend on there being a real, current or serious need to leave a sign free.

28 Accordingly, as the Office has rightly pointed out, for the purposes of Article 7(1)(c) of Regulation No 40/94 it is necessary only to consider, on the basis of a given meaning of the sign in question, whether, from the point of view of the intended public, there is a sufficiently direct and specific association between the sign and the categories of goods and services in respect of which registration is sought.

29 A preliminary observation is that the word 'CARCARD' is composed of a substantive noun (card) and a qualifying noun (car). There is therefore nothing unusual about the structure of the word. It does not diverge from English word composition rules but rather complies with them.

30 As regards the meaning of the word 'Carcard', it is clear from paragraphs 19 and 22 of the contested decision and from the explanations given by the Office in its reply that the Office considers the word to mean a card for or relating to a car. In that connection the applicant's allegation that the word does not have a clear and specific meaning is irrelevant. Taking account of the goods and services in respect of which registration is sought, the meaning adopted by the Board of Appeal is the right one. It must be observed that, in order to come within Article 7(1)(c) of Regulation No 40/94, it is sufficient that at least one of the possible meanings of a word sign identifies a feature of the goods or services concerned.

31 As to how the word 'CARCARD' and the goods and services are connected, the Board of Appeal found at paragraphs 23 and 24 of the contested decision that 'CARCARD' designates the quality and intended use of those goods and services.

32 As regards first of all the categories of goods listed as 'machine-readable data carriers equipped with programs and/or data, namely vehicle data and/or customer data and/or repair data and/or service data and/or maintenance data and/or vehicle servicing data and/or contract data and/or security coding, in particular magnetic cards and/or chip cards and/or credit cards' within Class 9, the word 'CARCARD' taken as a whole must be considered to be capable of designating both the kind and quality of those goods. The goods actually comprise different kinds of card. Furthermore, the fact that they are linked to a car must be considered to be a quality of the goods that the intended public is liable to take into account when making its decision and accordingly constitutes an essential characteristic. Therefore there is a sufficiently direct and concrete association between the word 'CARCARD' and those goods, from the point of view of the intended public.

33 Similarly, the word 'CARCARD' is also capable of designating the quality of the categories of service listed as 'issuing of credit cards and/or magnetic cards and/or chip cards; issuing of identification cards for granting access to and/or payment of

goods and services such as services and/or guarantee services and/or bonus systems and/or incentives and/or recycling', within Class 36. Those services relate to the marketing of cards. Moreover, whilst they could just as well relate to cards that have nothing to do with cars, so that the word 'CARCARD' is not descriptive of all the services in those categories, it must be observed that the applicant applied for registration of 'CARCARD' in respect of all those services together without distinction. Accordingly, the finding of the Board of Appeal to the effect that the application for registration relates to all these categories of service together must be upheld (see, to that effect, *EuroHealth*, cited above, paragraph 33).

34 Secondly, the question arises whether the word 'CARCARD' is descriptive of the following categories of services:

— 'leasing of motor vehicles with and/or without trailers and processing of payment therefor; leasing of motor vehicles with and/or without roof attachments and processing of payment therefor; leasing of replacement vehicles and processing of payment therefor; insurance brokerage, including legal expenses insurance; arranging and processing of the payment of charges, namely highway tolls, parking charges; arranging and processing of payment for public passenger and goods transport; processing of the payment of bills in relation to fuel supplies; processing of bills in relation to motor vehicles with and/or without trailers; processing of bills in relation to replacement vehicles' within Class 36,

— 'arranging fuel supplies; car maintenance, in particular cleaning, servicing and repair, including the replacement of all parts and accessories necessary to maintain operating ability' within Class 37,

— 'arranging of telecommunication services, namely navigation and location, in particular vehicle location, remote diagnosis, rescue and emergency services,

repair services, technical after-sales services; telecommunications services, namely navigation and location, in particular vehicle location, remote diagnosis, rescue and emergency services, repair services, technical after-sales services' within Class 38,

— 'arranging and/or rental of vehicles with and/or without trailers and processing of payment therefor; arranging and/or rental of vehicles with and/or without superstructures and processing of payment therefor; providing and/or rental of replacement vehicles and processing of payment therefor; providing and rental of parking spaces; arranging the transport of persons and goods; arranging services in the field of transport logistics, namely planning passenger and goods transport systems; vehicle towing' within Class 39,

— 'database services, namely collecting, processing, filing, sorting, storing, retrieving, issuing, transmitting and updating database entries, in particular customer data, repair data, electronic maintenance manuals, vehicle data, diagnostic data, service data, maintenance data, contract data and security coding; arranging database services, namely customer data, repair data, electronic maintenance manuals, vehicle data, including updating customer data, repair data, maintenance data, and vehicle data' within Class 42.

35 The services in the categories listed in the preceding paragraph must be regarded as having a direct connection with the operation and use of a car. The fact that they can be accessed and paid for by means of a card that is linked to a car is thus an aspect of those services that the intended public is liable to take into account when making its decision.

36 In addition, the categories of service listed at paragraph 34 could undoubtedly also include services unconnected with the operation or use of a car and/or provided in circumstances not involving the use of a card, so that the word 'CARCARD' is not descriptive of all the services falling within those categories. In that regard it must be observed that the applicant has requested registration of the word 'CARCARD' for all those services without distinction. Accordingly, the finding of the Board of Appeal to the effect that the application for registration relates to all those categories of services taken together must be upheld (see, to that effect, *EuroHealth*, cited above, paragraph 33).

37 Accordingly, from the point of view of the intended public, there is a sufficiently direct and specific association between the word 'CARCARD' and the services in the categories listed in paragraph 34, above.

38 As regards the applicant's argument relating to findings of registrability by the Boards of Appeal in regard to other trade marks, it is correct that the factual or legal grounds of an earlier decision may be used as arguments in support of a plea of infringement of a provision of Regulation No 40/94. None the less the Court finds that in this case the applicant has not advanced any grounds from decisions in other trade mark cases capable of calling into question the findings made above. Furthermore, the Office rightly points out that none of the trade marks to which the decisions relied on by the applicant relate has anything in common with the word 'Carcard'.

39 It follows that the word 'CARCARD' may, from the point of view of the intended public, serve to designate the essential characteristics of the goods and services in the categories listed in paragraphs 32 to 34 above, within the meaning of Article 7(1)(c) of Regulation No 40/94.

40 Thirdly, the word 'CARCARD' does not appear to be capable of serving to designate any quality of those goods falling within the categories listed as 'stationary and transportable data processing equipment; programs on data carriers for data and/or text and/or image processing' within Class 9. Furthermore, even if, here again, the goods might be used in a way that involves a card linked to a car, that is not sufficient to infer that 'CARCARD' may serve to designate the intended use of the goods. Such use of the goods constitutes at most one of many possible areas of use thereof, but not a technical function. Nor, finally, can the word 'CARCARD' be said to serve to designate any other essential characteristic of these goods.

41 Fourthly, it is necessary to examine whether 'CARCARD' is descriptive in relation to the following categories of service:

— 'arranging and processing of the payment of charges, namely telephone charges; financing and sales financing including arrangement thereof; processing of payments for services and guarantees' within Class 36,

— 'arranging of services and guarantees' within Class 37,

— 'arranging of telecommunications services, namely telephones, speech recording services, information services; telecommunications services, namely telephones, speech recording services, information services' within Class 38,

— 'rental and leasing of data processing equipment; booking and payment processing programming; providing of food and drink; arranging and/or reserving hotel or guesthouse accommodation' within Class 42.

42 Those services do not appear to have any immediate connection with the operation or use of a car. Thus, even if the fact that they can be accessed and paid for using a card is a quality that the relevant class of persons might take into account when making a decision, the fact that the card is linked to a car cannot be regarded as an additional factor in that decision. The descriptiveness of a sign composed of various elements must be assessed in the light of each component, not just one of them. Viewed in the light of all its components and taken as a whole, the word 'CARCARD' cannot therefore serve to designate any quality of those services.

43 As regards more particularly the categories of services identified as 'processing of payments for services and guarantees' and 'arranging of services and guarantees', they undoubtedly could also cover services connected with the operation and use of a car and provided in circumstances involving use of a card. But, assuming that to be so, even if the word 'CARCARD' were descriptive of part of the services in those categories, it would in any event be only a negligible part, given the range of those categories of service. Accordingly, the criterion laid down in paragraph 36 above cannot apply to such a situation.

44 Nor, furthermore, does the word 'CARCARD' appear to be capable of designating the intended use or any other essential characteristic of the services within the categories referred to in paragraph 41 above.

45 In that regard the Board of Appeal held in paragraph 24 of the contested decision that the services within Classes 38 and 42, such as telecommunications and the providing of food and drink, are clearly ancillary compared to those which do have an immediate connection with the operation and use of a car. In the same vein, the Office argued in its response and at the hearing that it is apparent from the applicant's statements that it markets or intends to market the services listed in paragraph 41 above as part of a complex system. Within that system, which will involve use of the goods falling within the categories listed in paragraph 40 above, the card, which will be offered to purchasers of vehicles manufactured by it, will give access to a range of services including, as well as the services listed in paragraph 41 above, those listed in paragraph 34. The Office concludes from that that the descriptiveness of the word 'CARCARD' must be assessed, in respect of all the categories of goods and services listed in the application for registration, by reference to the way in which the applicant intends to market or is marketing them.

46 However, contrary to what the Office argues, the Court finds that a sign's descriptiveness must be assessed individually by reference to each of the categories of goods or service listed in the application for registration. For the purposes of assessing a sign's descriptiveness in respect of a particular category of goods or service, whether the applicant for the trade mark in question is contemplating using or is actually using a particular marketing concept involving goods and services in other categories in addition to the goods and services within that category is immaterial. Whether or not there is a marketing concept is of no consequence to the right conferred by the Community trade mark. Furthermore, since a marketing concept is purely a matter of choice for the undertaking concerned, it may change after a sign has been registered as a Community trade mark and it cannot therefore have any bearing on the assessment of the sign's registrability.

47 It follows that the word 'CARCARD' cannot serve, for the purposes of Article 7(1)(c) of Regulation No 40/94, to designate one of the essential characteristics of the goods and services falling within the categories listed in paragraphs 40 and 41 above from the point of view of the intended public.

48 It follows from all of the foregoing that the allegation of infringement of Article 7(1)(c) of Regulation No 40/94 must be upheld as regards the categories of goods and services listed in paragraphs 40 and 41 above and dismissed as regards the other categories of goods and services listed in paragraphs 32 to 34 above.

Infringement of Article 7(1)(b) of Regulation No 40/94

Arguments of the parties

49 The applicant claims that the words 'devoid of any distinctive character' in Article 7(1)(b) of Regulation No 40/94 imply that any degree of distinctiveness, however slight, suffices to justify registration of a sign as a trade mark and that one must not take too strict an approach when assessing distinctiveness.

50 The applicant claims that, as a neologism without any clear meaning, the word 'CARCARD' has a creative aspect to it as well as a minimum degree of fantasy, giving it the minimum level of distinctiveness required. The applicant argues in this respect that the assonance between the components 'car' and 'card', which produces the unusual and memorable phonetic repetition of the syllable 'car' when the word is pronounced, also confers originality and fantasy.

51 The applicant further argues that since the word 'CARCARD' is currently only used, if at all, to describe a collector's card bearing a picture of a vehicle, the transposition of that word to a different context will be regarded by the relevant persons as unusual and fanciful.

52 In addition, the applicant relies on findings of registrability made by the Boards of Appeal in relation to other trade marks (see paragraph 21, above).

53 The Office contends that since the word 'CARCARD' is composed only of descriptive indications of the goods and services concerned, to the exclusion of any other ingredient liable to render the word as a whole capable of distinguishing the applicant's goods from those of other undertakings, it is devoid of any distinctive character. In that regard the Office argues that the intended consumers understand the word not as a reference to a particular undertaking but simply as a general reference to a car card (or a card for a car), which has certain properties that give access to certain services.

Findings of the Court

54 Article 7(1)(b) of Regulation No 40/94 provides that 'trade marks which are devoid of any distinctive character' are not to be registered. In addition Article 7(2) of Regulation No 40/94 provides that 'paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

55 Furthermore, a sign's distinctiveness can be assessed only by reference first to the goods and services in respect of which registration is sought and secondly to the understanding which the relevant public has of that sign.

56 In this case, in so far as the contested decision relates to the goods and services in regard to which 'CARCARD' has been held to be descriptive in paragraph 39 of this judgment, it must be recalled that it is settled case-law that for a sign to be ineligible for registration as a Community trade mark, it is sufficient that one of the absolute grounds of refusal should apply (Case T-345/99 *Harbinger* v *OHIM (TRUSTEDLINK)* [2000] ECR II-3525, paragraph 31, Case T-360/99 *Community Concepts* v *OHIM (Investorworld)* [2000] ECR II-3545, paragraph 26, and Case T-24/00 *Sunrider* v *OHIM (VITALITE)* [2001] ECR II-449, paragraph 28). To that extent this plea is therefore invalid.

57 The plea must none the less be considered in so far as the contested decision relates to the categories of goods and services listed in paragraphs 40 and 41 above.

58 According to paragraph 28 of the contested decision, the Board of Appeal considered that the word mark in question was 'devoid of the minimum level of distinctiveness required since the intended public will understand it purely as an indication of the subject-matter of the services or intended purpose of the goods'. The Board of Appeal therefore inferred, in substance, that 'CARCARD' was not distinctive because of its descriptive character. However, the Court has held in paragraph 47, above, that as regards the categories of goods and services listed in paragraphs 40 and 41 above registration of the sign 'CARCARD' cannot be refused on the basis of Article 7(1)(c) of Regulation No 40/94. Consequently, the reasoning of the Board of Appeal in relation to Article 7(1)(b) of Regulation No 40/94 must be rejected, since it is based on that error.

59 In addition it must be observed that there is nothing in the contested decision or the Office's response or the explanations it provided at the hearing to demonstrate that 'CARCARD' is not distinctive for the goods and services in the categories listed in paragraphs 40 and 41 above.

60 The plea of infringement of Article 7(1)(b) of Regulation No 40/94 must accordingly be upheld as regards the categories of goods and services listed in paragraphs 40 and 41 above and dismissed as regards the other categories of goods and services listed in paragraphs 32 to 34 above.

61 It follows from all of the foregoing that the action must be upheld as regards the categories of goods and services referred to in paragraphs 40 and 41 above and dismissed as regards the rest.

Costs

62 Under Article 87(3) of the Rules of Procedure, the Court of First Instance may order that the costs be shared if each party succeeds on some and fails on other heads. In the present case, since the application has been granted only in respect of a limited number of goods and services, the applicant must be ordered to bear its own costs and to pay one half of the Office's costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber, Extended Composition)

hereby:

1. **Annuls the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 12 September 2000 (Case R 477/1999-3) as regards the following categories of goods and services:**

   — **'stationary and transportable data processing equipment; programmes on data carriers for data and/or text and/or image processing' within Class 9;**

   — **'arranging and processing of the payment of charges, namely telephone charges; financing and sales financing including arrangement thereof; processing of payments for services and guarantees' within Class 36;**

— 'arranging of services and guarantees' within Class 37;

— 'arranging of telecommunications services, namely telephones, speech recording services, information services; telecommunications services, namely telephones, speech recording services, information services' within Class 38;

— 'rental and leasing of data processing equipment; booking and payment processing programming; providing of food and drink; arranging and/or reserving hotel or guesthouse accommodation' within Class 42;

2. As to the remainder, dismisses the action;

3. Orders the applicant to pay its own costs and half of the defendant's costs; the defendant is to pay the other half of its own costs.

Moura Ramos Tiili Pirrung

Mengozzi Meij

Delivered in open court in Luxembourg on 20 March 2002.

H. Jung

Registrar

R.M. Moura Ramos

President