JUDGMENT OF THE COURT (First Chamber)

21 January 2010 *

In Case C-398/08 P,

APPEAL pursuant to Article 56 of the Statute of the Court of Justice, brought on 12 September 2008,

Audi AG, established in Ingolstadt (Germany), represented by S.O. Gillert and F. Schiwek, Rechtsanwälte,

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 (First Chamber),

composed of A. Tizzano, President of Chamber, acting for the President of the First Chamber, E. Levits, A. Borg Barthet, M. Ilešič (Rapporteur) and J.-J. Kasel, Judges,

Advocate General: Y. Bot,
Registrar: K. Malacek, Administrator,

having regard to the written procedure and further to the hearing on 24 September 2009,

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

gives the following

Judgment

1 By its appeal, Audi AG ('Audi') claims that the Court should set aside the judgment of 9 July 2008 in Case T-70/06 *Audi* v *OHIM (Vorsprung durch Technik)* ('the judgment under appeal'), by which the Court of First Instance of the European Communities (now 'the General Court') dismissed Audi's 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 16 December 2005 (Case R 237/2005-2) ('the contested decision'), which confirmed, in part, the examiner's decision refusing registration of the

word mark Vorsprung durch Technik in respect of some of the goods and services concerned.

Legal context

2 Article 7 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 (OJ 1994 L 349, p. 83) ('Regulation No 40/94'), provides:

'1. The following shall not be registered:

…

(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;

…

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

…'

3 Article 63 of Regulation No 40/94, entitled 'Actions before the Court of Justice', provides:

'1. Actions may be brought before the Court of Justice against decisions of the Boards of Appeal on appeals.

2. The action may be brought on grounds of lack of competence, infringement of an essential procedural requirement, infringement of the Treaty, of this Regulation or of any rule of law relating to their application or misuse of power.

…'

Factual background

4 On 30 January 2003, Audi applied to OHIM under Regulation No 40/94 for registration of the word mark Vorsprung durch Technik as a Community trade mark. The goods and services in respect of which registration of the mark was sought are in Classes 9, 12, 14, 16, 18, 25, 28, 35 to 43 and 45 under the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 July 1957, as revised and amended, and correspond, for each of those classes, to the following description:

— Class 9: 'Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus';

— Class 12: 'Vehicles; apparatus for locomotion by land, air or water';

— Class 14: 'Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments';

— Class 16: 'Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery;

adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks';

— Class 18: 'Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery';

— Class 25: 'Clothing, footwear, headgear';

— Class 28: 'Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees';

— Class 35: 'Advertising; business management; business administration; office functions';

— Class 36: 'Insurance; financial affairs; monetary affairs; real estate affairs';

— Class 37: 'Building construction; repair; installation services';

— Class 38: ‘Telecommunications’;

— Class 39: ‘Transport; packaging and storage of goods; travel arrangement’;

— Class 40: ‘Treatment of materials’;

— Class 41: ‘Education; providing of training; entertainment; sporting and cultural activities’;

— Class 42: ‘Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services’;

— Class 43: ‘Services for providing food and drink; temporary accommodation’;

— Class 45: ‘Personal and social services rendered by others to meet the needs of individuals; security services for the protection of property and individuals’.

5 In his notice of grounds for refusal of 7 January 2004, the examiner considered that the expression ‘Vorsprung durch Technik’ (meaning, inter alia, advance or advantage

through technology) constituted, for a number of the goods and services in Classes 9, 12, 14, 25, 28, 37 to 40 and 42 relating to technology, an objective message which is perceived as descriptive advertising by the relevant consumer. Accordingly, the mark applied for is devoid of any distinctive character in respect of those goods and services. However, as regards the goods in Class 12, the examiner stated that registration of the mark could be accepted on account of the distinctive character which the mark had acquired in respect of motor vehicles and their components. In that regard, he referred to the Community word mark Vorsprung durch Technik, which had been registered on 27 April 2001 under No 621086 for those goods in Class 12.

6 By letter of 24 February 2004, Audi challenged the grounds set out by the examiner in that notice claiming, inter alia, that Community trade mark No 621086 had been registered not on account of distinctive character acquired through use, but on account of its inherently distinctive character. In a second notice of grounds for refusal, dated 30 June 2004, the examiner explained that, because of an oversight, Audi had not been informed, at the time of the examination of the application for registration of that mark, that the mark had been registered solely on account of its acquired distinctive character. However, as that application dated from 1997, Audi would from now on be required to provide proof of the distinctive character acquired by the mark applied for in respect of all the goods and services covered, including those in Class 12.

7 By decision of 12 January 2005, the examiner refused, in part, the application for registration of the mark — in respect of some of the goods and services in Classes 9, 12, 14, 25, 28, 37 to 40 and 42 — on the same grounds as those set out in the notice of grounds for refusal of 7 January 2004. In that new refusal decision, he also stated that no evidence had been provided, in respect of the goods in Class 12, that distinctive character had been acquired.

8 By the contested decision, the Second Board of Appeal upheld Audi's appeal in respect of the goods in Class 12, on the ground that the earlier decision concerning registration of trade mark No 621086 was proof that the mark applied for had acquired distinctive

character for vehicles and apparatus for locomotion by land. As to the remainder, in particular in relation to those other goods and services to which the examiner had raised objections, the appeal was rejected.

9 In that regard, the Board of Appeal considered that the distinction drawn by the examiner between goods and services relating to technology was dubious. On that point, it explained that '[n]early all the goods and services relate, even if only remotely, to technology. Technology even plays an important role in the clothing sector. A manufacturer of such goods whose technology is advanced has a great advantage as compared with competing businesses. The slogan "Vorsprung durch Technik" conveys an objective message to the effect that technological superiority enables better goods and services to be manufactured and supplied. A combination of words which does no more than convey that banal objective message is, in principle, devoid of distinctive character. Given that, apart from the goods in Class 12, the applicant has provided no evidence that the slogan "Vorsprung durch Technik" has become a trade mark in the minds of the public, the application must be refused in so far as it relates to goods and services in other classes'.

The judgment under appeal

10 By the judgment under appeal, the General Court dismissed the action brought by Audi on 28 February 2006 against the contested decision. The General Court thus rejected the two pleas in law raised by the applicant, alleging infringement of Article 7(1)(b) of Regulation No 40/94 and breach of the rights of the defence.

11 The first part of the first plea, by which Audi claimed that the contested decision contained no findings regarding the public to be taken into account, or of the perception by that public of the mark applied for, was rejected in paragraphs 30 to 33 of the judgment under appeal.

12 After recalling the case-law according to which the distinctive character of a mark must be assessed, inter alia, in the light of the relevant public's perception of the mark in relation to the goods and services in respect of which its registration is sought, the General Court held, in paragraph 30 of the judgment under appeal, that, although the contested decision does not actually contain a 'differentiated assessment' for all the goods and services in all the classes covered by Audi's application for registration, it nevertheless contains an analysis of the relevant public's perception of that mark in relation to the goods and services which it covers, as required by that case-law.

13 In that regard, the General Court stated, in paragraph 31 of the judgment under appeal, that it could be inferred from the contested decision that the Board of Appeal found, in essence, that the public is generally concerned with the technology of the goods and services covered by the trade mark application, and that that public perceives the expression 'Vorsprung durch Technik' as a slogan containing an objective laudatory message.

14 In that context, the General Court held, in particular — in paragraph 32 of the judgment under appeal — that that case-law does not require an exhaustive analysis of all the goods and services in all of the classes covered by the application, since the examiner or the Board of Appeal may maintain that the relevant public will have the same perception of the mark applied for in relation to all of those goods and services. According to the General Court, it cannot be denied that the Board of Appeal carried out that analysis, concluding that the public's perception was the same for all the classes of goods and services covered by the mark, especially since the Board of Appeal criticised the distinction — which it considered to be erroneous — drawn by the examiner between the classes.

15 Lastly, in paragraph 33 of the judgment under appeal, the General Court ruled out Audi's argument that it was impossible, in the circumstances of the case, to imagine the public having a single point of view, given the different nature of the goods and services covered by the trade mark application, since the level of technical sophistication of those goods and services differed greatly. The General Court pointed out, in that regard, that the Board of Appeal expressly accepted, in the contested decision, the different levels of technical sophistication depending on the goods and services, taking the view

that they were all related, 'even if only remotely', to technology. However, according to the General Court, the Board of Appeal considered, in essence, that the German expression 'Vorsprung durch Technik' is generally perceived as objective and laudatory despite the varying levels of technical sophistication.

16 By the second part of the first plea, it is alleged that the mark applied for does not constitute an objectively descriptive message. Rather, it triggers a thinking process, it is imaginative, and it is easily remembered; and, accordingly, it enables a connection to be made between the goods and services covered by the mark and their commercial origin. That part of the plea was rejected in paragraphs 34 to 48 of the judgment under appeal.

17 The General Court stated first, in paragraphs 34 and 35 of the judgment under appeal, that it is clear from the case-file and, in particular, from a document appended by OHIM to its response — in which Audi explains the expression 'Vorsprung durch Technik' to the English-speaking public — that the mark applied for represents for Audi a laudatory or advertising slogan. The General Court went on to state, in paragraph 36 of that judgment, that in accordance with its own case-law and the line of authority established by the Court of Justice in Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 40, registration of a mark cannot be precluded as such by reason of that laudatory or advertising use.

18 Referring to paragraph 27 of the judgment under appeal, in which it had set out its case-law to the effect that, even where a sign such as an advertising slogan fulfils functions other than that of a trade mark in the traditional sense of the term, it is distinctive only if it can be immediately perceived as an indication of the commercial origin of the goods or services in question, the General Court lastly pointed out, in paragraph 37 of the judgment under appeal, that it was necessary to determine whether that was the situation in the case before it or whether, on the contrary, the mark is a banal objective message which would be perceived by the relevant public as laudatory.

19 In that regard, the General Court held, in paragraphs 41 and 42 of the judgment under appeal that, while the mark Vorsprung durch Technik can have a number of meanings,

or constitute a play on words, or be perceived as imaginative, surprising and unexpected and, in that way, be easily remembered, this nevertheless does not mean that it is distinctive. According to the General Court, those various elements would make that mark distinctive only if the mark were perceived immediately by the relevant public as an indication of the commercial origin of the goods and services which it covers. In the case before it, the relevant public, as defined by the Board of Appeal, would — as would all of the types of public concerned by the goods and services covered by that mark — in practice perceive that mark, first and foremost, as a promotional formula.

20 The General Court held, in paragraphs 43 to 45 of the judgment under appeal, first, that, because of the broad range of meanings attributable to the notion of 'Technik' in German, the reference to that notion is not, for all the goods and services covered, such as to confer distinctive character on the mark applied for. Secondly, the German word 'Vorsprung' (meaning, inter alia, 'advance' or 'advantage') linked with the preposition 'durch' (meaning, inter alia, 'through') is, for the public relevant to the trade mark application and, in particular, for the German-speaking public, primarily laudatory in nature. Thirdly, although it is necessary, for the purposes of assessing whether a compound mark is distinctive, to consider that mark as a whole, it is also necessary to note that the mark is addressed to a wide public and that the majority of undertakings wishing to provide goods and services to that wide public might well, in view of the laudatory character of that expression, use it themselves, regardless of how it ought to be interpreted.

21 The General Court concluded, in paragraph 46 of the judgment under appeal, that the mark Vorsprung durch Technik does not contain elements likely to enable the relevant public to remember the expression easily and immediately as a distinctive mark for the goods and services covered, over and above its obvious promotional meaning.

22 By its second plea, Audi claimed that the Board of Appeal misapplied Article 38(3) and the second sentence of Article 73 of Regulation No 40/94 and, inter alia, breached Audi's rights of defence by not informing it, before adopting the contested decision, that it intended to refuse the trade mark application for all the goods and services specified

in that application, apart from those in Class 12, and thus also for those in respect of which the examiner had allowed registration. That plea was rejected in paragraphs 58 to 64 of the judgment under appeal. In that regard, the General Court held that, contrary to Audi's assertions, the contested decision annuls the examiner's decision of 12 January 2005 only in so far as it concerns the goods in Class 12 and, accordingly, does not contain any other criticism regarding that decision.

Forms of order sought by the parties before the Court of Justice

23 By its appeal, Audi claims that the Court of Justice should set aside the judgment under appeal, annul the contested decision in so far as it rejects, in part, the appeal brought by Audi against the examiner's decision of 12 January 2005, and order OHIM to pay the costs.

24 OHIM contends that the Court should dismiss the appeal and order the appellant to pay the costs.

The appeal

25 In support of its appeal, Audi raises two pleas in law: (i) infringement of Article 7(1)(b) of Regulation No 40/94 and (ii) infringement of Article 63 of that regulation and Article 48(2) of the Rules of Procedure of the General Court.

The first plea in law: infringement of Article 7(1)(b) of Regulation No 40/94

26 The first plea is divided into two parts. By the first part, Audi claims that the General Court did not make sufficient findings regarding the relevant public, while the second part, which it is appropriate to address first, seeks to show that the General Court applied too strict a test in assessing whether the mark applied for had distinctive character.

Arguments of the parties on the second part of the first plea

27 By the second part of its first plea, Audi claims that the General Court erred in setting, as pre-conditions for finding that the mark applied for has distinctive character, requirements more stringent than those normally laid down, solely on the ground that the mark constituted an advertising slogan.

28 By requiring the sign to be perceived 'immediately' as an indication of the commercial origin of the goods or services which it covers, the General Court applied a test which goes beyond the requirements laid down in Article 7(1)(b) of Regulation No 40/94 and those normally held necessary by the General Court in assessing whether a word mark has distinctive character.

29 In the judgment under appeal, according to Audi, the General Court clearly bases its decision on the premise that use of the mark Vorsprung durch Technik as an advertising slogan militates against its having distinctive character and must therefore be offset, to some extent, by the need for that mark to be perceived 'immediately' as an indication of the commercial origin of the goods and services covered. Thus, the General Court accepts that the mark can have a number of meanings, or constitute a

play on words or be perceived as imaginative, surprising or unexpected and, in that way, be easily remembered, but nevertheless refuses to accept that it has distinctive character, on the ground that the relevant public would perceive it, first and foremost, as a promotional formula and not as an indication of commercial origin. By its analysis of that aspect in paragraph 42 of the judgment under appeal, the General Court is simply restating in other terms that the mark Vorsprung durch Technik is an advertising slogan, without explaining, however, in what way it is unlikely to be perceived as an indication of the commercial origin of those goods and services.

30 Audi argues that, by proceeding in that way, the General Court failed to have regard to the fact that advertising slogans do not constitute a special type of mark, but rather a simple word mark to which the general principles established by the case-law for the assessment of distinctive character fall to be applied, a fact confirmed, inter alia, by the Court of Justice in Case C-64/02 P *OHIM* v *Erpo Möbelwerk* [2004] ECR I-10031, paragraph 36. The mere fact that a mark can be regarded as an advertising slogan, or that a sign is laudatory in nature, does not therefore preclude such a mark or sign from having sufficient distinctive character. There is no legal principle according to which a sign which has a positive connotation possesses little or no distinctive character.

31 OHIM contends that the General Court did not impose requirements more stringent than those normally laid down as regards the level of distinctive character required of a mark, nor did it introduce new legal tests to establish distinctive character: rather, it formulated, in accordance with its settled case-law on advertising slogans, an empirical principle according to which signs which have functions other than that of indicating the commercial origin of goods or services are not necessarily perceived by the consumer in the same way as a word sign which is totally independent of the mark. In those cases, it is possible — inevitable, even — that, in the mind of the consumer, the function of indicating origin can be masked by the other function. That was, moreover, confirmed by the Court of Justice, albeit in other terms, in Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble* v *OHIM* [2004] ECR I-5173, paragraph 51, in relation to signs which are confused with an aspect of the goods themselves. Similarly, the General

Court, in using the adverb 'immediately', intended to express the risk that an advertising slogan might be perceived by the consumer solely in its promotional function.

Findings of the Court

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

33 It is clear from settled case-law that, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the goods in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish those goods from those of other undertakings (*Procter & Gamble* v *OHIM*, paragraph 32; *OHIM* v *Erpo Möbelwerk*, paragraph 42; Case C-144/06 P *Henkel* v *OHIM* [2007] ECR I-8109, paragraph 34; and Case C-304/06 P *Eurohypo* v *OHIM* [2008] ECR I-3297, paragraph 66).

34 According to equally settled case-law, that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the relevant public's perception of the mark (*Procter & Gamble* v *OHIM*, paragraph 33; Case C-25/05 P *Storck* v *OHIM* [2006] ECR I-5719, paragraph 25; *Henkel* v *OHIM*, paragraph 35; and *Eurohypo* v *OHIM*, paragraph 67).

35 As regards marks made up of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by those marks, registration of such marks is not excluded as such by virtue of such use (see *Merz & Krell*, paragraph 40, and *OHIM* v *Erpo Möbelwerk*, paragraph 41).

36 As regards the assessment of the distinctive character of such marks, the Court has already held that it is inappropriate to apply to slogans criteria which are stricter than those applicable to other types of sign (*OHIM* v *Erpo Möbelwerk*, paragraphs 32 and 44).

37 However, it is apparent from the case-law that, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see *Proctor & Gamble* v *OHIM*, paragraph 36; *OHIM* v *Erpo Möbelwerk*, paragraph 34; and *Henkel* v *OHIM*, paragraphs 36 and 38).

38 While the Court has not excluded the possibility that that case-law may, in certain circumstances, be relevant to word marks consisting of advertising slogans, it has however stated that difficulties in establishing distinctiveness which may be associated with word marks consisting of advertising slogans because of their very nature — difficulties which it is legitimate to take into account — do not justify laying down specific criteria supplementing or derogating from the criterion of distinctiveness as interpreted in the case-law referred to in paragraphs 33 to 34 of the present judgment (see *OHIM* v *Erpo Möbelwerk*, paragraphs 35 and 36).

39 The Court has therefore held, in particular, that an advertising slogan cannot be required to display 'imaginativeness' or even 'conceptual tension which would create surprise and so make a striking impression' in order to have the minimal level of distinctiveness required under Article 7(1)(b) of Regulation No 40/94 (*OHIM* v *Erpo Möbelwerk*, paragraphs 31 and 32; see also Case C-392/02 P *SAT.1* v *OHIM* [2004] ECR I-8317, paragraph 41).

40 In the present case, the reasoning followed by the General Court derives from an erroneous interpretation of the principles set out in paragraphs 36 to 39 of the present judgment.

41 It must be held that, even though the General Court stated in paragraph 36 of the judgment under appeal that it is clear from the case-law that registration of a mark cannot be excluded because of that mark's laudatory or advertising use, it went on to explain that the reason for its finding that the mark applied for lacks distinctive character was, in essence, the fact that that mark is perceived as a promotional formula: that is to say, its finding was made precisely on the basis of the mark's laudatory or advertising use.

42 Thus, in paragraphs 41 and 42 of the judgment under appeal, the General Court held that, although the mark Vorsprung durch Technik can have a number of meanings, or constitute a play on words, or be perceived as imaginative, surprising and unexpected and, in that way, be easily remembered, this nevertheless does not make it distinctive. It held that those various elements make the mark distinctive only if it is perceived immediately by the relevant public as an indication of the commercial origin of the goods and services covered by that mark. It held that, in the case before it, the relevant public perceives the mark, first and foremost, as a promotional formula.

43 The General Court based that finding on its analysis in paragraphs 43 to 45 of the judgment under appeal. It considered, first, that because of the broad range of meanings attributable to the notion of 'Technik', the reference to that notion is not, for all the goods and services covered, such as to confer distinctive character on the mark applied for. Secondly, the word 'Vorsprung' (meaning, inter alia, 'advance' or 'advantage') linked with the preposition 'durch' (meaning, inter alia, 'through') is, for the public relevant to the trade mark application and, in particular, for the German-speaking public, primarily laudatory in nature. Thirdly, although it is necessary, for the purposes of assessing whether a compound mark is distinctive, to consider that mark as a whole, it is also necessary to note that the mark is addressed to a wide public and that the majority of undertakings wishing to provide goods and services to that wide public might well, in view of the laudatory character of that expression, use it themselves, regardless of how it ought to be interpreted.

44 However, while it is true — as was pointed out in paragraph 33 of the present judgment — that a mark possesses distinctive character only in so far as it serves to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking, it must be held that the mere fact that a mark is perceived by the relevant public as a promotional formula, and that, because of its laudatory nature, it could in principle be used by other undertakings, is not sufficient, in itself, to support the conclusion that that mark is devoid of distinctive character.

45 On that point, it should be noted that the laudatory connotation of a word mark does not mean that it cannot be appropriate for the purposes of guaranteeing to consumers the origin of the goods or services which it covers. Thus, such a mark can be perceived by the relevant public both as a promotional formula and as an indication of the commercial origin of goods or services. It follows that, in so far as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood — perhaps even primarily understood — as a promotional formula has no bearing on its distinctive character.

46 However, by the line of reasoning set out in paragraphs 42 and 43 of the present judgment, the General Court did not substantiate its finding to the effect that the mark applied for will not be perceived by the relevant public as an indication of the commercial origin of the goods and services in question; in essence, rather, it merely highlighted the fact that that mark consists of, and is understood as, a promotional formula.

47 As regards the General Court's finding in paragraph 41 of the judgment under appeal that the mark Vorsprung durch Technik can have a number of meanings, or constitute a play on words or be perceived as imaginative, surprising and unexpected and, in that way, be easily remembered, it should be noted that, although the existence of such characteristics is not a necessary condition for establishing that an advertising slogan has distinctive character, as is apparent from paragraph 39 of the present judgment, the

fact remains that, as a rule, the presence of those characteristics is likely to endow that mark with distinctive character.

48 As for the conclusion of the General Court in paragraph 46 of the judgment under appeal that 'the mark Vorsprung durch Technik does not therefore contain elements which, beyond the obvious promotional message of the mark, could enable the relevant public to commit the expression to memory easily and immediately as a distinctive mark for the goods and services covered', suffice it to state that not only is that finding wholly unsupported by the reasoning which precedes it but, moreover, it is contradicted to a certain extent by the finding made in paragraph 41 of that judgment, as set out in paragraph 47 of the present judgment.

49 It follows that Audi is right to claim that the assessment carried out by the General Court under Article 7(1)(b) of Regulation No 40/94 is vitiated by an error in law. The second part of the first plea raised by Audi in support of its appeal must therefore be upheld and, accordingly, the first plea in law must be upheld without it being necessary to examine the first part of that plea.

50 Furthermore, since the second plea on appeal concerns the alleged unlawfulness of a finding made in the context of that assessment, it is no longer necessary to examine that plea.

51 In those circumstances, the judgment under appeal must be set aside in so far as the General Court held, on the basis of an erroneous assessment, that the Second Board of Appeal had not infringed Article 7(1)(b) of Regulation No 40/94 in adopting the contested decision.

The action before the General Court

52 Under the second sentence of the first paragraph of Article 61 of the Statute of the Court of Justice of the European Union, where the Court of Justice sets aside the judgment of the General Court, it may give final judgment in the matter, where the state of the proceedings so permits. That is the position in the present case.

53 As the Board of Appeal stated in the contested decision, the expression 'Vorsprung durch Technik' is a widely known slogan which Audi has been using for years to promote the sale of its motor vehicles. It was registered in 2001 as a Community trade mark for goods in Class 12 on the basis of proof that that slogan was widely known in German-speaking regions.

54 As regards the goods and services in question, other than those in Class 12, the Board of Appeal based its refusal of registration on the fact that the slogan 'Vorsprung durch Technik' conveys an objective message to the effect that technological superiority enables the manufacture and supply of better goods and services. According to the Board of Appeal, a combination of words which limits itself to that banal objective message is, in principle, devoid of any inherently distinctive character and cannot therefore be registered unless it is shown that the public has come to perceive it as a trade mark.

55 That analysis shows that Article 7(1)(b) of Regulation No 40/94 was misapplied.

56 In that regard, it must be stated that all marks made up of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the

goods or services covered by those marks convey by definition, to a greater or lesser extent, an objective message. It is clear, however, from the case-law set out in paragraphs 35 and 36 of the present judgment that those marks are not, by virtue of that fact alone, devoid of distinctive character.

57 Thus, in so far as those marks are not descriptive for the purposes of Article 7(1)(c) of Regulation No 40/94, they can express an objective message, even a simple one, and still be capable of indicating to the consumer the commercial origin of the goods or services in question. That can be the position, in particular, where those marks are not merely an ordinary advertising message, but possess a certain originality or resonance, requiring at least some interpretation by the relevant public, or setting off a cognitive process in the minds of that public.

58 Even if it were to be supposed that the slogan 'Vorsprung durch Technik' conveys an objective message to the effect that technological superiority enables the manufacture and supply of better goods and services, that fact would not support the conclusion that the mark applied for is devoid of any inherently distinctive character. However simple such a message may be, it cannot be categorised as ordinary to the point of excluding, from the outset and without any further analysis, the possibility that that mark is capable of indicating to the consumer the commercial origin of the goods or services in question.

59 In that context, it should be pointed out that that message does not follow obviously from the slogan in question. As Audi observed, the combination of words 'Vorsprung durch Technik' (meaning, inter alia, advance or advantage through technology) suggests, at first glance, only a causal link and accordingly requires a measure of interpretation on the part of the public. Furthermore, that slogan exhibits a certain originality and resonance which makes it easy to remember. Lastly, inasmuch as it is a widely known slogan which has been used by Audi for many years, it cannot be excluded that the fact that members of the relevant public are used to establishing the link between that slogan and the motor vehicles manufactured by that company also makes it easier for that public to identify the commercial origin of the goods or services covered.

60 It follows from the foregoing considerations that the contested decision must be annulled in so far as, on the basis of Article 7(1)(b) of Regulation No 40/94, the Second Board of Appeal refused in part the application for registration of the mark Vorsprung durch Technik.

Costs

61 Pursuant to the first paragraph of Article 122 of the Rules of Procedure of the Court, where the appeal is well founded and the Court itself gives final judgment in the case, the Court is to make a decision as to costs.

62 Under Article 69(2) of those Rules of Procedure, which apply 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. As Audi applied for costs against OHIM, and OHIM was unsuccessful, OHIM must be ordered to pay the costs of the proceedings at first instance and the appeal proceedings.

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

1. **Sets aside the judgment of 9 July 2008 in Case T-70/06 *Audi* v *OHIM (Vorsprung durch Technik)*,in so far as the Court of First Instance of the European Communities held that the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) had not infringed Article 7(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, as amended by Council**

Regulation (EC) No 3288/94 of 22 December 1994, in adopting its decision of 16 December 2005 (Case R 237/2005-2);

2. Annuls the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 16 December 2005 (Case R 237/2005-2) in so far as, on the basis of Article 7(1)(b) of Regulation No 40/94 as amended by Regulation No 3288/94, that decision refused in part the application for registration of the mark Vorsprung durch Technik;

3. Orders the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) to pay the costs of the proceedings at first instance and the appeal proceedings.

[Signatures]