Reports of Cases

JUDGMENT OF THE COURT (Fourth Chamber)

24 May 2012 *

(Appeal — Community trade mark — Absolute ground for refusal — No distinctive character — Three-dimensional sign consisting of the shape of a chocolate rabbit with a red ribbon)

In Case C-98/11 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 28 February 2011,

Chocoladefabriken Lindt & Sprüngli AG, established in Kilchberg (Switzerland), represented by R. Lange, 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,

THE COURT (Fourth Chamber),

composed of J.-C. Bonichot, President of the Chamber, A. Prechal, K. Schiemann (Rapporteur), C. Toader and E. Jarašiūnas, Judges,

Advocate General: V. Trstenjak,

Registrar: L. Hewlett, Principal Administrator,

having regard to the written procedure and further to the hearing on 2 February 2012,

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

gives the following

Judgment

1 By its appeal, Chocoladefabriken Lindt & Sprüngli AG ('Lindt') seeks to have set aside the judgment of the General Court of the European Union of 17 December 2010 in Case T-336/08 *Chocoladefabriken Lindt & Sprüngli* v *OHIM (Shape of a chocolate rabbit with a red ribbon)* ('the judgment under appeal'), by which the Court dismissed its action for annulment of the decision of the Fourth Board of

* Language of the case: German.

Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 11 June 2008 (Case R 1332/2005-4) concerning its application for registration of a three-dimensional sign comprising the shape of a chocolate rabbit with a red ribbon as a Community trade mark.

Legal context

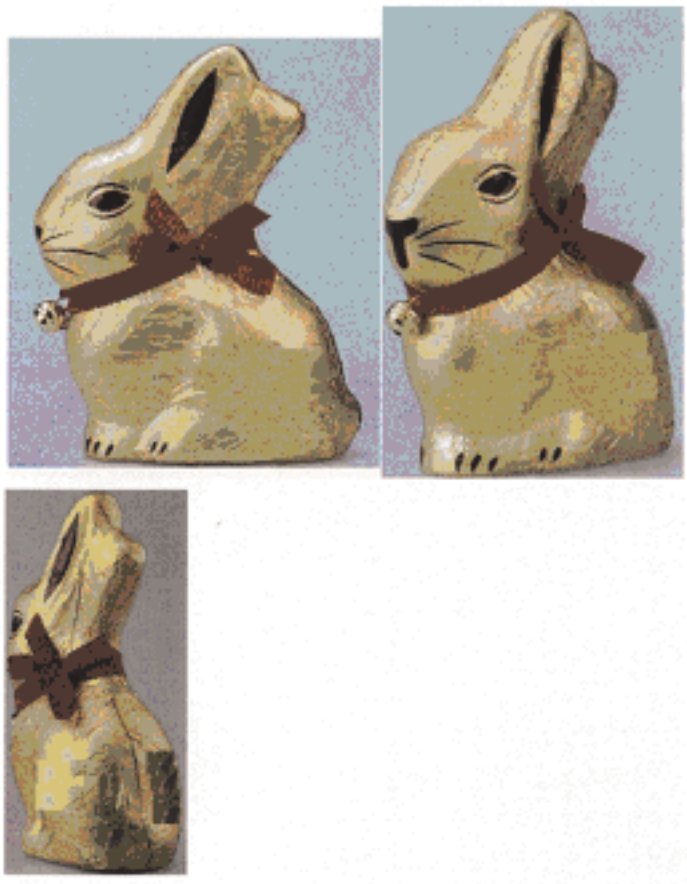
2 These proceedings are governed by the provisions of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

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

4 Under Article 7(3) of Regulation No 40/94, Article 7(1)(b) thereof does not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested through the use which has been made of it.

Background to the dispute

5 On 18 May 2004, Lindt filed an application for registration of a Community trade mark with OHIM pursuant to Regulation No 40/94. The mark for which registration is sought is the three-dimensional sign reproduced below, consisting of the shape of a chocolate rabbit with a red ribbon and which, according to the description in the application, is red, gold and brown:



6 The goods in respect of which registration is sought are in Class 30 of the Nice Agreement of 15 June

1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended, and correspond to the following description: 'Chocolate and chocolate products'.

7 By decision of 14 October 2005, the OHIM examiner rejected the application for registration of a Community trade mark on the basis of Article 7(1)(b) of Regulation No 40/94, finding that the sign at issue is devoid of any distinctive character. Furthermore, the mark for which registration is sought does not acquire distinctive character through use, under Article 7(3) of that regulation, because the evidence relates only to Germany.

8 On 10 November 2005, the appellant filed an appeal with OHIM against the examiner's decision.

9 By decision of 11 June 2008, the Fourth Board of Appeal dismissed the appeal. It found, in essence, that none of the elements which constituted the mark for which registration is sought, namely the shape, the gold foil and the red ribbon with a small bell, considered separately or as a whole, could give it a distinctive character in relation to the goods concerned. Rabbits are one of the typical shapes which chocolate products may take, especially at Easter. Consequently, according to the Board of Appeal, the mark for which registration is sought is devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 throughout the European Union, given that there is no reason to presume that consumers in Germany and Austria perceive the shape at issue differently from consumers in other Member States.

10 Furthermore, according to the Fourth Board of Appeal, the documents submitted by the appellant, since they relate only to Germany, do not lead to the conclusion that the mark for which registration is sought has acquired for the goods at issue distinctive character through use throughout the European Union, in accordance with Article 7(3) of Regulation No 40/94.

The procedure before the General Court and the judgment under appeal

11 By application lodged at the General Court Registry on 18 August 2008, Lindt brought an action against OHIM's decision of 11 June 2008, putting forward two pleas in law, alleging infringement of Article 7(1)(b) of Regulation No 40/94 and infringement of Article 7(3) thereof respectively.

12 As regards the first plea in law, the General Court, having found that the mark for which registration is sought consists of three elements, namely the shape of a sitting rabbit, the gold foil in which the chocolate rabbit is wrapped and the pleated red ribbon to which a small bell is attached, examined each of those elements in terms of their possible distinctive character, before proceeding to a global assessment of that mark.

13 As regards the shape of a sitting or crouching rabbit, the Court approved the findings of the Fourth Board of Appeal in that regard and held, at paragraph 34 of the judgment under appeal, that that shape can be considered to be a typical shape for chocolate rabbits and, therefore, as being devoid of any distinctive character.

14 Concerning the gold foil wrapping, the Court came to the conclusion, at paragraph 38 of the judgment under appeal, that the chocolate rabbit that the appellant sells is not the only one wrapped in gold foil and stated, at paragraph 39 of that judgment, that possible originality is not sufficient to establish distinctive character.

15 As regards the pleated red ribbon, tied to form a bow and carrying a small bell, the Court held, at paragraph 44 of the judgment under appeal, that there was no information in the documents before the Court which could call into question the assessments of the Fourth Board of Appeal, nor those of

the examiner, which found that it is common to decorate chocolate animals or their wrapping with bows, ribbons and bells and that, therefore, small bells and bows are common elements in the case of chocolate animals.

16 Regarding the global assessment of the mark for which registration is sought, the Court found, at paragraph 48 of the judgment under appeal, that the characteristics of the combination of the shape, the colours and the pleated ribbon with a small bell are not sufficiently different from those of the basic shapes commonly used for wrappers of chocolate and chocolate products and, more specifically, chocolate rabbits. Therefore, they are not likely to be remembered by the relevant public as indicators of commercial origin. The gold-coloured wrapping in the shape of a sitting rabbit with a pleated red ribbon and a small bell is not substantially different from the wrappers of the goods at issue which are commonly used in trade, thus coming naturally to mind as a typical form of wrapper for those goods.

17 At paragraph 49 of the judgment under appeal, the Court found that the graphic elements, in particular the eyes, whiskers and paws, do not mean that the sign at issue is capable of protection, as the Fourth Board of Appeal rightly found. They are everyday elements that all shapes of chocolate rabbits normally present and they are not of an artistic level such as the consumer could perceive them as being an indication of the origin of the goods at issue.

18 The Court considered, at paragraph 51 of the judgment under appeal, that the appellant had failed to call into question the accuracy of the facts that were well known or established by OHIM or to prove that the mark for which registration is sought has an inherent distinctive character.

19 The Court therefore concluded, at paragraph 59 of the judgment under appeal, that the Fourth Board of Appeal rightly found that the mark for which registration is sought is devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94. The Court, consequently, rejected the first plea in law.

20 Concerning the second plea in law, the Court rejected, at paragraph 67 of the judgment under appeal, the appellant's argument that, outside Germany, the chocolate Easter bunny is largely unknown and therefore it has an inherent distinctive character in the other Member States. It is common knowledge, according to the Court, that chocolate rabbits, which are often sold at Easter, are not unknown outside Germany.

21 The Court therefore considered, at paragraph 68 of the judgment under appeal, that it must be assumed that, in the absence of concrete evidence to the contrary, the impression created in the mind of the consumer by the mark for which registration is sought, which consists of a three-dimensional sign, is the same in the European Union as a whole and, accordingly, that the mark is devoid of any distinctive character throughout the European Union.

22 At paragraph 69 of the judgment under appeal, the Court considered that it is thus in the European Union as a whole that the mark must have acquired distinctive character through use in order to be registrable under Article 7(3) of Regulation No 40/94.

23 However, the Court noted at paragraph 70 of the judgment under appeal that, even if the appellant demonstrates the distinctive character of the sign at issue acquired through use in the three Member States that it cites, namely Germany, Austria and the United Kingdom, the supporting documents furnished are not capable of proving that that sign had acquired distinctive character in all the Member States at the date of filing of the application for registration of the mark at issue.

24 Accordingly, the Court held, at paragraph 71 of the judgment under appeal, that it was not necessary to examine whether the documents actually demonstrated distinctive character of the sign at issue acquired through use in the three Member States cited by the appellant, as that would not be sufficient to demonstrate the acquisition, by that sign, of distinctive character through use in the European Union as a whole.

25 Consequently, the second plea in law was rejected by the Court.

Forms of order sought

26 By its appeal, Lindt asks the Court of Justice to set aside the judgment under appeal and order OHIM to pay the costs.

27 OHIM asks the Court to dismiss the appeal and order Lindt to pay the costs.

The appeal

28 In support of its appeal, Lindt relies on two pleas in law alleging, first, infringement of Article 7(1)(b) of Regulation No 40/94 and, second, infringement of Article 7(3) of that regulation.

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

Arguments of the parties

29 The appellant criticises the General Court for concluding that the three-dimensional sign at issue was devoid of any distinctive character and for basing its analysis on the assessments of OHIM which were in reality only conjecture.

30 The appellant criticises the General Court for having held, at paragraph 29 of the judgment under appeal, the following:

‘First, as regards the shape of a sitting or crouching rabbit, the Board of Appeal found that it was apparent from the documents before OHIM that rabbits are one of the typical shapes that chocolate and chocolate products may take, particularly at Easter, which is agreed between the parties. The Board of Appeal’s finding extends not only to Germany and Austria but also to other Member States of the European Union.’

31 That assertion by OHIM is merely conjecture which the appellant expressly disputed in its memorandum of 6 June 2007 filed before OHIM. According to the appellant, OHIM and the General Court should have considered that analysis in order to correctly exercise their review in accordance with Regulation No 40/94.

32 It also disputes the conclusion reached by the General Court, at paragraph 38 of the judgment under appeal, that the use of gold foil for chocolate Easter bunnies is usual on the market. The appellant notes that only three other goods wrapped in gold foil were found to exist. However, two of those goods are only present on the market because the appellant authorised them to be. Such a small number of goods cannot lead to a consideration that the characteristic at issue is usual on the market. The assessment of the Court is therefore incorrect in that regard.

33 The appellant notes that according to the case-law of the Court of Justice a mark which departs significantly from the customs of the industry has the requisite distinctive character (Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089). According to the appellant, the General Court incorrectly assumed that the mark for which registration is sought corresponds with the norm or customs of the industry. The Court came to that conclusion by relying on the incorrect assumption that it was irrelevant that those rabbits were on the market only because of agreements with the appellant. The legal assessment of the Court that the shape was normal was based on the existence of three other goods characterised by similar elements. That assessment is not correct legally.

34 Furthermore, the appellant claims that the fact that the mark for which registration is sought has distinctive character is supported by the fact that it is registered in 15 Member States.

35 OHIM disputes the appellant's arguments and notes, first, that an appeal is limited to points of law. However, the present appeal is based mainly on the appellant's contention of a fact which has already been carefully examined and discussed at length during previous proceedings. It is a question of the customary nature of shapes of rabbits and gold foil in the field of chocolate products.

36 OHIM submits that, by alleging that the General Court upheld the decisions in the earlier proceedings without criticising them, the appellant is in reality seeking a new assessment of the facts and the corresponding argument must be rejected as inadmissible. Whether the shapes of rabbits on the market are similar or whether there is, from the point of view of the consumer, a difference between the shape of rabbit at issue and the other shapes of rabbit, so that the shape of rabbit at issue has distinctive character, is a question of assessment of the perception of consumers and therefore a question of assessment of facts.

37 The question of the consumer's perception of the chocolate goods at issue wrapped in gold foil is also a question of assessment of facts which, unless there has been a distortion of the facts, cannot be examined during appeal proceedings. The corresponding argument must also therefore be rejected as inadmissible.

38 In any event, according to OHIM, the facts were not distorted by the General Court.

39 Concerning, in particular, the first plea in law, OHIM notes that only a mark which departs significantly from the norm or customs of the industry 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 Case C-24/05 P *Storck* v *OHIM* [2006] ECR I-5677, paragraph 26).

40 According to OHIM, the General Court was correct, by applying that case-law, to find that the mark for which registration is sought has no distinctive character. The Court did not rely on the decisions in the earlier proceedings, but carefully examined the appellant's arguments and the various documents which were in the file of the Fourth Board of Appeal.

Findings of the Court

41 It must be remembered that, under Article 7(1)(b) of Regulation No 40/94, trade marks which are devoid of any distinctive character are not to be registered. It is settled case-law that the distinctive character of a trade mark, within the meaning of that provision, must be assessed, first, by reference to the goods or services in respect of which registration has been sought and, second, by reference to the perception of them by the relevant public (see, inter alia, *Henkel* v *OHIM*, paragraph 35; Case C-25/05 P *Storck* v *OHIM* [2006] ECR I-5719, paragraph 25; and Case C-238/06 P *Develey* v *OHIM* [2007] ECR I-9375, paragraph 79).

42 Only a mark which departs significantly from the norm or customs of the industry 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 (*Deutsche SiSi-Werke* v *OHIM*, paragraph 31).

43 In this case, it is apparent from paragraphs 12 to 14 of the judgment under appeal that, during the assessment of distinctive character of the mark in respect of which registration has been sought, the General Court correctly identified and followed the criteria established by the relevant case-law in that regard.

44 After having recalled the essential characteristics for determination of distinctive character of a three-dimensional mark consisting of the shape of a product, the General Court undertook a detailed analysis of each of the three elements of the mark for which registration is sought, namely the shape of a sitting rabbit, the gold foil in which the chocolate rabbit is wrapped and the pleated red ribbon to which a small bell is attached, to conclude, at paragraphs 34, 38 and 44 of the judgment under appeal, that each of them is devoid of any distinctive character.

45 The General Court came to the same conclusion as regards the overall impression given by the mark for which registration is sought, confirming, at paragraph 47 of the judgment under appeal, the Fourth Board of Appeal's decision to that effect.

46 At the end of its analysis, the Court therefore concluded, at paragraph 51 of the judgment under appeal, that the appellant had failed to call into question the accuracy of the facts that were well known or established by OHIM or to prove that the mark for which registration is sought has an inherent distinctive character.

47 To arrive at such a conclusion the General Court analysed the arguments of both the appellant and OHIM and therefore it cannot be alleged, contrary to what the appellant claims, that it based its conclusion solely on the assumptions and assertions of OHIM. On the contrary, it must be stated that, before concluding that the mark for which registration is sought is devoid of any distinctive character, the Court carried out an evaluation both of current practices in the industry and the perception of the average consumer based on the criteria established by settled case-law.

48 Furthermore, the appellant criticises the General Court for finding that the shape of a chocolate Easter bunny and the gold wrapping are common phenomena on the market which correspond to the customs of the industry concerned.

49 It must be stated that that argument is effectively requesting that the Court of Justice substitute its own assessment of the facts for that of the General Court. By seeking a new evaluation of the distinctive character of the mark for which registration is sought, the appellant calls into question, without alleging a distortion of the facts, the accuracy of the General Court's findings of a factual nature and goes beyond the scope of a review by the Court of Justice in the context of an appeal.

50 Regarding the appellant's argument that the existence of trade mark registrations in 15 Member States supports the distinctive character of the mark for which registration is sought for the purposes of Regulation No 40/94, it is necessary to note that the General Court did not err in law by finding, in accordance with settled case-law of the Court of Justice, at paragraph 55 of the judgment under appeal, that registrations already made in Member States are only one factor which may be taken into account in connection with the registration of a Community trade mark, the mark for which registration is sought having to be assessed on the basis of the relevant European Union rules, and that it follows that OHIM is under no obligation to follow the assessment of the competent national authorities or to register the mark at issue as a Community trade mark on the basis of those considerations (see, to that effect, *Develey* v *OHIM*, paragraphs 72 and 73).

51 It follows from all the foregoing that the first plea in law must be rejected as inadmissible in part and unfounded in part.

The second plea in law, alleging infringement of Article 7(3) of Regulation No 40/94

Arguments of the parties

52 The appellant criticises the General Court for holding, at paragraph 70 of the judgment under appeal, that, to be eligible for registration by virtue of the use which has been made of it, the mark at issue must have acquired distinctive character through use in all Member States. According to it, that ruling is incorrect for two reasons.

53 First, the General Court disregarded the fact that distinctive character of a mark for which registration is sought must be acquired through use only in the Member States where the mark has no inherent distinctive character. However, the mark for which registration is sought has inherent distinctive character in 15 Member States. In those States there is no need to require the mark at issue to acquire distinctive character through use. Thus, the Court should have come to the conclusion that the mark has inherent distinctive character or distinctive character acquired through use in most of the European Union. At the date of the application for registration of the mark at issue, the European Union comprised 25 Member States representing a total of 465 700 000 people. The mark at issue has inherent distinctive character or distinctive character acquired through use for 351 300 000 people in total, which represents 75.4% of the population of the European Union at that date.

54 Second, the appellant claims that Article 1(2) of Regulation No 40/94 provides that the Community trade mark has a unitary character and that it has equal effect throughout the European Union. Thus, in an assessment of registrability and, specifically, distinctive character, the European Union is to be regarded as a common unitary market. It would be wrong to base the assessment on individual national markets. The question of acquisition by a mark of distinctive character should be based on the entire population without distinction as to national markets. Thus, if a mark has distinctive character as regards a significant part of the total population of the European Union, that must also be sufficient to give the mark protection throughout the European market.

55 OHIM criticises the appellant's arguments since the figures mentioned, the source of which remains uncertain, do not lead to the conclusion that the General Court erred in law.

56 According to OHIM, at paragraph 64 et seq., the General Court correctly applied the case-law according to which, first, the acquisition by a mark of distinctive character through use, under Article 7(3) of Regulation No 40/94, requires that a significant proportion of the relevant public can identify, thanks to the mark at issue, the goods or services originating from a particular undertaking and, second, as regards the territorial scope of the acquisition of distinctive character, a mark can be registered under that provision only if evidence is provided that it has acquired, through the use which has been made of it, distinctive character in the part of the European Union in which it did not, *ab initio*, have such character.

57 In that respect, the General Court also came to the conclusion that there was no need to examine whether the documents submitted by the appellant effectively prove that the mark for which registration is sought has acquired distinctive character through use in the three Member States relied on by the appellant, since they could not be sufficient to prove the acquisition, by that mark, of distinctive character through use throughout the European Union.

58 Therefore, OHIM suggests that the second plea in law should be dismissed as manifestly unfounded.

Findings of the Court

59 It should be noted that, under Article 7(3) of Regulation No 40/94, the absolute ground for refusal to register set out in Article 7(1)(b) of that regulation does not preclude registration of a trade mark if the trade mark has become distinctive in relation to the goods or services for which registration is requested through the use which has been made of it.

60 The Court has already held that a mark can be registered under Article 7(3) of Regulation No 40/94 only if evidence is provided that it has acquired, through the use which has been made of it, distinctive character in the part of the European Union in which it did not, *ab initio*, have such character (see Case C-25/05 P *Storck* v *OHIM*, paragraph 83).

61 It was on the basis of that case-law that the General Court came to the conclusion, at paragraph 69 of the judgment under appeal, that the mark for which registration is sought must have acquired distinctive character through use throughout the European Union. That conclusion is not vitiated by any error of law in so far as, as is apparent from paragraphs 51 and 68 of the judgment under appeal read together, the appellant has failed to establish that the mark has inherent distinctive character and that that was the case throughout the European Union. For that reason, the Court of Justice cannot uphold the appellant's argument, and the statistics furnished in support of its argument, that the mark for which registration is sought has inherent distinctive character in 15 Member States and that, therefore, in those States, the acquisition by it of distinctive character through use does not have to be shown.

62 As for the appellant's argument that since the Community trade mark has a unitary character, the assessment of acquisition by a mark of distinctive character through use cannot be based on individual national markets, it should be noted that, even if it is true, in accordance with the case-law recalled at paragraph 60 of this judgment, that the acquisition by a mark of distinctive character through use must be proved for the part of the European Union in which that mark did not, *ab initio*, have such character, it would be unreasonable to require proof of such acquisition for each individual Member State.

63 However, as regards the present case, the General Court did not err in law because, in any event, the appellant has not sufficiently proved the acquisition, by the mark for which registration is sought, of distinctive character through use throughout the European Union.

64 Therefore, the second plea in law must be rejected as unfounded.

65 In those circumstances, this appeal must be dismissed.

Costs

66 Under Article 69(2) of the Rules of Procedure, which applies to appeal proceedings pursuant to 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 to be awarded against Lindt, and since Lindt has been unsuccessful, it must be ordered to pay the costs.

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

1. Dismisses the appeal;

2. Orders Chocoladefabriken Lindt & Sprüngli AG to pay the costs.

[Signatures]