JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)
31 January 2001 *

In Case T-135/99,

Taurus-Film GmbH & Co, established in Unterföhring (Germany), represented by R. Schneider, lawyer, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by D. Schennen and S. Bonne, acting as Agents, with an address for service in Luxembourg,

defendant,

APPLICATION for annulment of the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 19 March 1999 (Case R 98/98-3), concerning the registration of the term Cine Action as a Community trade mark,

* Language of the case: German.

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

composed of: J. Pirrung, President, A. Potocki and A.W.H. Meij, Judges,
Registrar: G. Herzig, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 1 June 1999,

having regard to the reply lodged at the Registry of the Court of First Instance on 16 September 1999,

further to the hearing on 5 July 2000,

gives the following

Judgment

Facts

1 On 10 October 1996, pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, the applicant submitted an application for a Community trade mark with the Deutsches Patentamt (German Patent Office) which reached the Office

for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office') on 24 October 1996.

2 The trade mark in respect of which registration was sought is the term Cine Action.

3 The products and services in respect of which registration was requested fall within Classes 9, 16, 38, 41 and 42 of the Nice Agreement on the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

4 By letter notified on 20 February 1998, the examiner issued objections to the applicant's application. By letter of 26 March 1998, the applicant submitted its observations on those objections.

5 By decision of 7 May 1998, the examiner rejected the application for registration in its entirety, invoking the absolute grounds for refusal laid down in Article 7(1)(b) and (c) of Regulation No 40/94.

6 On 22 June 1998, the applicant lodged an appeal with the Office, pursuant to Article 59 of Regulation No 40/94, against the examiner's decision.

7 The appeal was submitted to the examiner for interlocutory revision pursuant to Article 60 of Regulation No 40/94. It was then referred to the boards of appeal.

8 By decision of 19 March 1999, the Third Board of Appeal ruled on the appeal ('the contested decision'). In that decision, the Board of Appeal held, first, that, in several Community languages (English, Spanish, French, Italian, German), the word Cine signifies 'cinematographic', 'cinema', 'film' or 'cinema film' or 'cinematography'. Moreover, it found that, in German, the word Action, as a word of foreign origin, is currently used in modern colloquial language as an abbreviation for 'action film'. It deduced that 'the combination of the two words Cine and Action — at least in the German-speaking area — produces not merely an indeterminate and vague or ambivalent impression, but serves as a clear and unmistakable indication of a particular category of films, namely action films' (paragraph 27 of the contested decision).

9 The Board of Appeal then examined in respect of each of the five groups of products and services for which the application for registration of the term Cine Action had been lodged whether that registration should be refused on the basis of Article 7(1)(b) and/or (c) of Regulation No 40/94. In the light of that examination, it annulled the examiner's decision of 7 May 1998 in so far as it had refused registration of the term Cine Action for products in Classes 9 and 16 and certain services in Classes 38, 41 and 42. In relation to those products and services, it referred the matter back to the examiner for a fresh ruling. As to the remainder, it dismissed the appeal. Finally, it dismissed the applicant's application for reimbursement of the appeal fee.

10 The contested decision shows that the Board of Appeal confirmed the decision of the examiner in relation to the following services:

Class 38

— Wireless or networked broadcast of radio and television transmissions/programmes; broadcasting of film, television or radio programmes or transmissions; allocation and transfer of rights of access for users of various

communication networks; telecommunications; transmission of sound and images by means of satellites; broadcasting Pay TV including video on demand, including with others being a digital platform; services in the field of telecommunications and information banks, in particular transmission of information stored in databases via telecommunications; transmission of information to others, broadcasting information via wireless or relay networks; on-line services and transmissions, namely transfer of information and messages including E-mail; transmission of information, including sound, image and data.

Class 41

— Production, reproduction, showing and rental of films, videos and other television programmes; production and reproduction of data, speech, text, sound and image recordings of video and/or audio cassettes, tapes and discs (including CD-ROMs and CDIs) and of video games (computer games); demonstration and rental of video and/or audio cassettes, tapes and discs (including CD-ROMs and CDIs) and of video games (computer games); rental of television receiving apparatus and decoders; entertainment; cultural activities; organisation and conducting of shows, quizzes and musical events and conducting competitions in the entertainment field, with a view to their broadcasting either at a subsequent time or live on radio or television; production of television and radio advertising broadcasts including associated prize game broadcasts; organising competitions in the entertainment field; organising concerts, theatre events and variety shows; producing film, television, radio and BTX programmes or transmissions, radio and television entertainment; producing films and videos and other audiovisual programmes of a cultural and entertainment nature, including for children and young people; organising radio and television programmes/broadcasts via wireless or relay networks; recording, storing, processing and reproduction of information, including sound and image.

Class 42

— Allocation, transfer, rental and other exploitation of rights to films, television and video productions and other image and sound programmes; management and exploitation of copyright and industrial property rights for others; exploitation of film and television ancillary rights in the field of merchandising; software design, in particular in the field of multimedia, interactive television and Pay TV; technical consultancy in the field of multimedia, interactive television and Pay TV (in so far as included in Class 42); computer programming, including video and computer games.

Forms of order sought

11 The applicant claims that the Court should:

— annul the contested decision;

— order the Office to permit registration of the term Cine Action as a Community trade mark in respect of the services in Classes 38, 41 and 42 for which registration has been refused;

— order the Office to refund the appeal fee to the applicant;

— order the Office to pay the costs of the dispute, including those relating to the procedure before the Board of Appeal.

12 The Office contends that the Court should:

— dismiss the applicant's second head of claim as inadmissible;

— as to the remainder, dismiss the application as unfounded;

— order the applicant to pay the costs.

13 At the hearing, the applicant withdrew its second head of claim, seeking that the Office be ordered to permit registration of the term Cine Action for certain services. The Court took formal note of the withdrawal.

The claim for annulment

Arguments of the parties

14 The applicant submits that the Board of Appeal misinterpreted the provisions of Article 7(1)(b) and (c) of Regulation No 40/94.

15 As regards the absolute ground for refusal laid down in Article 7(1)(c) of Regulation No 40/94, the applicant states that the Board of Appeal itself observed that that ground may apply only if the descriptive character of the sign concerned, only the overall impression of which should be taken into account, is clear and unequivocal, and that it is not enough for that character to be merely suggested and become perceptible only after reflection.

16 In this case, the term Cine Action is, the applicant submits, devoid of clear semantic content, especially in the German-speaking area which the Board of Appeal more particularly took into account as a basis for its assessment. That term — which does not exist either in German or any other Community language — is not capable in itself of being descriptive, as the public uses only expressions which already exist to describe products and services.

17 As regards the absolute ground for refusal laid down in Article 7(1)(b) of Regulation No 40/94, the applicant argues that the public concerned will perceive Cine Action as an invented term with the power to distinguish between the products and services of one undertaking and those of another, especially as it is used as a trade mark. It emphasises in that respect that the Board of Appeal itself recognised that 'the combination of the two words in the registered trade mark is unusual, and, as composed, constitutes a neologism the use or existence of which cannot be demonstrated anywhere' (paragraph 26 of the contested decision).

18 The Office replies, in relation to the absolute ground for refusal laid down in Article 7(1)(c) of Regulation No 40/94, that it does not matter that a sign does not appear as such in dictionaries. It then observes that a sign needs to be assessed in its entirety, the decisive factor being how the target public understands it in general. If the sign, in relation to the products and services for which registration as a Community trade mark was sought, were to be understood immediately and spontaneously by the public concerned in a particular way, that would be a sign with a descriptive character. If, on the other hand, that sign were understood as an original concept which evokes certain properties of those products and services only indirectly, it would not have that character.

19 As regards the word Cine, the Office refers to dictionaries, daily newspapers and television schedules to demonstrate that in English, French, Italian and German it is spontaneously interpreted as the abbreviated form of 'cinema'. Regarding the word Action, the Office argues that it designates, on the one hand, 'the action' of films and televised broadcasts of all sorts and, also, in particular, a category or genre of films, namely films full of action and tending to be violent. In that sense, the Office maintains that Action is used as much on its own as it is in expressions like 'action films', as is proved by television programmes in German, English, French and Spanish.

20 In the light of the above, an average consumer would immediately and spontaneously understand the combination of Cine and Action as signifying that it was a question — according to the language — of action cinema, action films or the action of a film, without further analysis. Therefore, the Office maintains that the sign in question is descriptive.

21 As for distinctive character, the Office argues that, for the same reasons as those set out above in relation to the descriptive character of the sign, registration of the term Cine Action as a Community trade mark must also be refused on the basis of Article 7(1)(b) of Regulation No 40/94.

Findings of the Court

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

23 Under Article 7(1)(c) of the same regulation, '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.

24 Under Article 4 of Regulation No 40/94, the decisive factor if a sign capable of being represented graphically is to be eligible for registration as a Community trade mark is its capacity to distinguish the goods of one undertaking from those of another.

25 It follows, in particular, that the absolute grounds for refusal set out in Article 7(1)(b) and (c) of Regulation No 40/94 can be assessed only in relation to the goods or services in respect of which registration of the sign is applied for (see Case T-163/98 *Procter & Gamble* v *OHIM* ('*Baby-Dry*') [1999] ECR II-2383, paragraphs 20 and 21).

26 In this case the Board of Appeal was not wrong in holding that the term Cine Action may serve to designate certain characteristics — in particular the type and the quality — of a given category of films, namely action films. As the Board of Appeal has observed, in several Community languages the word Cine signifies 'cinematographic', 'cinema', 'film' or 'cinema film' or 'cinematography'. Therefore, the term Cine Action, formed by the mere juxtaposition of those two words, may serve to designate the product known to the public under the expression 'action film'.

27 As regards, next, the services in respect of which the Board of Appeal, in the contested decision, dismissed the appeal brought before it, it must be acknowledged that the term Cine Action is such as to enable the public concerned to establish immediately and without further reflection a concrete and direct relationship with the majority of the services in question, particularly those which

may concretely and directly concern the product 'action film' or the production or transmission of the latter.

28 However, that is not the case as regards the categories of services which follow and which envisage the supply of other services, particularly technical, legal, management or organisational services:

— allocation and transfer of rights of access for users of various communication networks, falling under Class 38;

— cultural activities; organisation and conducting of shows, quizzes and musical events and conducting competitions in the entertainment field, with a view to their broadcasting either at a subsequent time or live on radio or television; production of television and radio advertising broadcasts including associated prize game broadcasts; organising competitions in the entertainment field; organising concerts, theatre events and variety shows, all falling under Class 41;

— management and exploitation of copyright and industrial property rights for others; technical consultancy in the field of multimedia, interactive television and Pay TV (in so far as included in Class 42); computer programming, including video and computer games, all falling under Class 42.

29 In relation to those services, the term Cine Action does not enable the public concerned to discern immediately and without further reflection the description of one of their characteristics for the purposes of Article 7(1)(c) of Regulation No 40/94. The possible relationship between the term Cine Action and those technical, legal, management or organisational services — assuming that, in particular cases, they were directed towards action films — is too vague and

indeterminate to confer on that term a descriptive character in relation to those services.

30 Next, in order to declare the term Cine Action devoid of distinctive character in relation to the products and services for which it had regarded it as descriptive, the Board of Appeal merely observed that: '... even the combination of the terms used in the application cannot bring that minimum amount of extra imagination capable of conferring a distinctive character upon it'. In the contested decision, the lack of distinctiveness of the sign of which registration is requested has thus been deduced from the fact that it is descriptive and does not display a minimum amount of imagination.

31 However, in respect of the services referred to in paragraph 28 of this judgment, it has been held above that registration of the term Cine Action could not be refused pursuant to Article 7(1)(c) of Regulation No 40/94. In those circumstances, the lack of distinctiveness cannot result from the mere finding, in the contested decision, of the absence of a 'minimum amount of imagination'.

32 It follows that the contested decision must be annulled as regards the services referred to in paragraph 28 above, and that the claim for annulment must be dismissed as to the remainder.

The claim for reimbursement of the appeal fee

33 The applicant submits that the Board of Appeal should have upheld its claim for a refund of the appeal fee pursuant to Rule 51 of Commission Regulation (EC)

No 2868/95 of 13 December 1995 implementing Council Regulation No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1). It refers in that respect to a decision of the Second Board of Appeal, in which the latter had annulled a decision of the examiner, comparable to that of 7 May 1998, for an insufficient statement of reasons and ordered the refund of the appeal fee.

34 The Court notes that Rule 51 of Regulation No 2868/95 is worded as follows:

'The reimbursement of appeal fees shall be ordered in the event of interlocutory revision or where the Board of Appeal deems an appeal to be allowable, if such reimbursement is equitable by reason of a substantial procedural violation. In the event of interlocutory revision, reimbursement shall be ordered by the department whose decision has been impugned, and in other cases by the Board of Appeal.'

35 In this case, having examined the file before the Board of Appeal, the Court finds that the latter was not wrong in holding that the examiner did not fail to comply with essential procedural requirements. Although the reasons stated for the examiner's decision were brief, they enabled the applicant to take cognisance of the reasons for rejecting its application for registration of the term Cine Action as a Community trade mark and to challenge that decision effectively before the Board of Appeal, as the applicant has done.

36 It follows that the claim for reimbursement of the appeal fee must be dismissed.

Costs

37 Under Article 87(3) of the Rules of Procedure, the Court may rule that each party is to bear its own costs where each party succeeds on some and fails on other heads. In this case, it is appropriate to order the parties to bear their own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

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 19 March 1999 (Case R 98/98-3) in so far as it concerns the following services:

— allocation and transfer of rights of access for users of various communication networks, falling under Class 38;

— cultural activities; organisation and conducting of shows, quizzes and musical events and conducting competitions in the entertainment field, with a view to their broadcasting either at a subsequent time or live on

radio or television; production of television and radio advertising broadcasts including associated prize game broadcasts; organising competitions in the entertainment field; organising concerts, theatre events and variety shows, all falling under Class 41;

— management and exploitation of copyright and industrial property rights for others; technical consultancy in the field of multimedia, interactive television and Pay TV (in so far as included in Class 42); computer programming, including video and computer games, all falling under Class 42;

2. Dismisses the appeal as to the remainder;

3. Orders the parties to bear their own costs.

Pirrung Potocki Meij

Delivered in open court in Luxembourg on 31 January 2001.

H. Jung A.W.H. Meij

Registrar President