JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
12 January 2000 *

In Case T-19/99,

DKV Deutsche Krankenversicherung AG, a company incorporated under German law, established in Cologne, Germany, represented by Stephan von Petersdorff-Campen, Rechtsanswalt, Mannheim and Karlsruhe, with an address for service in Luxembourg at the Chambers of Marc Loesch, 11 Rue Goethe,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by Alexander von Mühlendahl, Vice-President responsible for Legal Affairs, and Detlef Schennen, Head of the Legislation and International Legal Affairs Service, acting as Agents, with an address for service in Luxembourg at the office of Carlos Gómez de la Cruz, of the Commission's Legal Service, Wagner Centre, Kirchberg,

defendant,

* Language of the case: German.

ACTION brought against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 18 November 1998 (Case R 72/1998-1), which was notified to the applicant on 19 November 1998,

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

composed of: R.M. Moura Ramos, President, V. Tiili and P. Mengozzi, Judges,

Registrar: A. Mair, Administrator,

having regard to the application lodged at the Registry of the Court on 21 January 1999,

having regard to the response lodged at the Registry of the Court on 8 April 1999,

having regard to the measures of organisation of procedure of 15 June 1999,

and following the hearing on 9 July 1999,

gives the following

Judgment

1 By letter of 23 July 1996 the applicant filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (hereinafter 'the Office'). That application was received by the Office on 24 July 1996.

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

3 The services in respect of which registration was sought were 'insurance and financial affairs' in class 36 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.

4 By decision of 17 April 1998 the examiner refused the application for registration under Article 38 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, for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83, hereinafter 'Regulation No 40/94').

5 On 13 May 1998 the applicant appealed to the Office against the examiner's decision under Article 59 of Regulation No 40/94. The written statement setting out the grounds of appeal was filed on 3 June 1998.

6 The appeal was submitted to the examiner for interlocutory revision under Article 60 of Regulation No 40/94.

7 On 2 July 1998 the appeal was remitted to the Boards of Appeal.

8 The appeal was dismissed by decision of the First Board of Appeal of 18 November 1998 (hereinafter 'the contested decision') which was served on the applicant on 19 November 1998.

Forms of order sought by the parties

9 The applicant claims that the Court should:

— alter the contested decision by ordering the Office to register 'Companyline' as a Community trade mark for services in class 36 (insurance and financial affairs) with a statement by the applicant that it disclaims any exclusive right in the words 'company' and 'line';

— in the alternative, annul the contested decision.

10 The Office contends that the Court should:

— dismiss the principal claim as inadmissible;

— dismiss the remainder of the application;

— order the applicant to pay the costs.

11 In the context of the measure of organisation of procedure of 15 June 1999, the applicant stated that it was amending its principal claim and requested the Court to alter the contested decision by ordering the Office to publish the sign 'Companyline' in the Community Trade Marks Bulletin as a Community trade mark for services in class 36 (insurance and financial affairs), with a statement by the applicant that it disclaimed any exclusive right in the words 'company' and 'line'. The applicant also requested that the defendant be ordered to pay the costs.

12 At the hearing the applicant withdrew its principal claim and the Court has taken formal notice thereof.

Claim for annulment

13 The applicant relies, essentially, on three pleas in law in support of its appeal: first, infringement of Article 7(1)(b) of Regulation No 40/94; second, infringement of Article 7(1)(c) of the Regulation interpreted in the light of Article 12(b); and third, misuse of powers.

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

Arguments of the parties

14 The applicant submits that, by finding the word 'Companyline' to be incapable of distinguishing the 'insurance and financial affairs' services designated by it from those of other undertakings, the Board of Appeal erred in law and fact because it failed to draw a distinction between a feature which is 'devoid of any distinctive character' and the minimum degree of distinctive character.

15 The words 'devoid of any distinctive character' in Article 7(1)(b) of Regulation No 40/94 make it clear, in the applicant's submission, that the minimum degree of distinctive character is sufficient to preclude that ground for refusal.

16 Furthermore, the sign must always be examined as a whole and not by separating it into its component parts. The sign for which registration was applied, 'Companyline', is made up of two words, namely 'company' and 'line'. The only relevant factor for the purpose of assessing distinctive character is the overall impression produced by that sign.

17 It is also clear from the grounds of the contested decision that 'Companyline' is not a term used in the 'insurance and financial affairs' services sector. It was, therefore, coined specially by the applicant for that sector and, even for an English-speaking audience, it has only vague semantic connotations.

18 Next, the scheme of Regulation No 40/94 is such that it is not permissible to examine the question of distinctive character within the meaning of Article 7(1)(b) by reference to criteria which are relevant solely to a sign's descriptive character for the purposes of Article 7(1)(c).

19 The applicant further submits that assessment of a mark's distinctive character cannot be confined to the English-speaking world. The Office also failed to take into account the fact that there are registered trade marks containing the words 'company' and 'line' in many Member States of the Community and thus failed in its duty to harmonise Community trade-mark law.

20 The Office argues that a sign which, as envisaged in Article 7(1)(b), is devoid of any distinctive character cannot by its very nature constitute a trade mark because the public would not regard it as a mark (unless it has become distinctive in consequence of the use which has been made of it). It cannot therefore fulfil its function as a sign associating goods or services with the undertaking which manufactured or marketed them.

21 The Office accepts that a minimum degree of distinctive character is sufficient to have the effect of rendering that ground for refusal inapplicable but argues that such a minimum degree is not present in this case.

22 The Office points out that under Article 7(2) of Regulation No 40/94 it is sufficient, in order for the grounds for refusal to register a mark in Article 7 to apply, that those grounds obtain in only part of the Community.

Findings of the Court

23 Under Article 4 of Regulation No 40/94, the decisive factor for a sign capable of being represented graphically to be eligible for registration as a Community trade mark is its capacity to distinguish the goods of one undertaking from those of another (see Case T-163/98 *Procter & Gamble* v *OHIM* [1999] ECR II-2383, paragraph 20).

24 One of the implications of this is that distinctive character can be assessed only in relation to the goods or services in respect of which application for registration of the sign is made.

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

26 In this case, the sign is composed exclusively of the words 'company' and 'line', both of which are customary in English-speaking countries. The word 'company' suggests that what is in point are goods or services intended for companies or firms. The word 'line' has various meanings. In the insurance and financial services sector it denotes, amongst other things, a branch of insurance or a line or group of products. They are thus generic words which simply denote a line of

goods or services for undertakings. Coupling them together without any graphic or semantic modification does not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing the applicant's services from those of other undertakings. The fact that the word 'Companyline' as such does not appear in dictionaries — whether as one word or otherwise — does not in any way alter that finding.

27 Consequently, the sign 'Companyline' is devoid of any distinctive character.

28 As to the applicant's argument that the Office failed to perform its duty to harmonise Community trade-mark law, it should be pointed out that Article 7(2) of Regulation No 40/94 provides that, in order for the grounds for refusal to register set out in Article 7 to apply, it is sufficient that those grounds obtain in only part of the Community. The refusal to register in this case was therefore justified because the word 'Companyline' is not eligible for protection in the English-speaking world.

29 It follows that the Board of Appeal was right in confirming that, on the basis of Article 7(1)(b) of Regulation 40/94, the word 'Companyline' is not capable of constituting a Community trade mark.

30 As is clear from Article 7(1) of Regulation No 40/94, for a sign to be ineligible for registration as a Community trade mark, it is sufficient that one of the absolute grounds for refusal applies (see *Procter & Gamble* v *OHIM*, cited above, paragraph 29).

31 It is accordingly not necessary to rule on the second plea, alleging infringement of Article 7(1)(c) of Regulation No 40/94.

Misuse of powers

32 The applicant claims that the contested decision resulted from a misuse of powers. At the hearing, it submitted that the defendant applied far more stringent criteria in the Companyline case than is its usual practice.

33 Be that as it may, the Court finds that there is no specific and objective evidence to suggest that the contested decision was adopted exclusively or at least to a decisive degree in pursuit of objectives other than those advanced. This plea must therefore be dismissed.

34 It follows that the action must be dismissed as unfounded.

Costs

35 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they were applied for in the successful party's pleadings. Since the applicant has been unsuccessful, it must be ordered to pay the defendant's costs, as applied for by that party.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

1. **Dismisses the action;**

2. **Orders the applicant to pay the costs.**

Moura Ramos Tiili Mengozzi

Delivered in open court in Luxembourg on 12 January 2000.

H. Jung V. Tiili

Registrar President