JUDGMENT OF THE COURT OF FIRST INSTANCE (Fifth Chamber)

3 June 2009 *

In Case T-189/07,

Frosch Touristik GmbH, established in Munich (Germany), represented by H. Lauf and T. Raab, lawyers,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by B. Schmidt, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of OHIM being

* Language of the case: German.

DSR touristik GmbH, established in Karlsruhe (Germany),

ACTION brought against the decision of the Fourth Board of Appeal of OHIM of 22 March 2007 (Case R 1084/2004-4), relating to invalidity proceedings between DSR touristik GmbH and Frosch Touristik GmbH,

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

composed of M. Vilaras, President, M. Prek (Rapporteur) and V.M. Ciucă, Judges,

Registrar: T. Weiler, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 4 June 2007,

having regard to the response lodged at the Registry of the Court on 17 September 2007,

further to the hearing on 15 January 2009,

gives the following

Judgment

Background to the dispute

1 On 1 April 1996, the applicant, Frosch Touristik GmbH, filed an application for a Community trade mark at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) 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 (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).

2 The mark for which registration was sought is the word sign FLUGBÖRSE.

3 The goods and services in respect of which registration was sought are in Classes 16, 39 and 42 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of Registration of Marks of 15 June 1957, as revised and amended, and correspond, for each of those classes, to the following description:

— Class 16: 'Printed matter, particularly prospectus, catalogues, brochures and books relating to travel and tourism';

— Class 39: 'Travel agency; promotion and organisation of travels; transportation of persons';

— Class 42: 'Services for providing food and drink; temporary accommodation; hotels, hostels, restaurants, agency for holiday homes (letting)'.

4 On 29 October 1998, the applicant was granted registration of the Community trade mark FLUGBÖRSE in respect of all the goods and services referred to in the application.

5 On 8 April 2003, DSR touristik GmbH applied for a declaration that the registration was invalid pursuant to Article 51(1)(a) of Regulation No 40/94 (now Article 52(1)(a) of Regulation No 207/2009) inasmuch as it was covered by the absolute grounds for refusal laid down in Article 7(1)(b) and (c) of that regulation (now Article 7(1)(b) and (c) of Regulation No 207/2009). It also claimed that, should the mark at issue not be found to be descriptive of the goods and services bearing it, it should nevertheless be declared invalid under Article 51(1)(a) of Regulation No 40/94 read together with Article 7(1)(g) of that regulation (now Article 7(1)(g) of Regulation No 207/2009), inasmuch as it is misleading.

6 On 7 April 2004, DSR touristik also applied, in the alternative, for a declaration that the rights of the proprietor of the Community trade mark be revoked in accordance with Article 50(1)(b) of Regulation No 40/94 (now Article 51(1)(b) of Regulation No 207/2009), on the ground that the mark at issue had become a common name in the trade.

7 On 9 November 2004, the Cancellation Division declared the mark at issue invalid for all the goods and services bearing it, except for the services 'providing food and drink' and 'restaurants' in Class 42.

8 By decision of 22 March 2007 ('the contested decision'), the Fourth Board of Appeal of OHIM dismissed the action brought by the applicant against the Cancellation Division's decision.

9 The Board of Appeal stated, in essence, as follows:

— in order to be registered, a Community trade mark must meet the conditions in Article 7 of Regulation No 40/94 not only on the date of filing of the application, but also throughout the registration procedure. It therefore concluded that the assessment of the application for invalidity must be made in the light of the market conditions as they were on the date of registration of the mark on 29 October 1998;

— the mark at issue was formed in accordance with the grammatical rules of the German language to create a new word, and did not have a meaning different from that of the sum of the components of which it was comprised. For the average German-speaking consumer at the date of registration, the word 'Flugbörse' would be understood as a synonym of 'Flugdatenbank' (flight database), or of 'intelligente Suchmaschine' (intelligent search engine);

— the fact that a German court held, in 1995, that the word 'Flugbörse' had retained a vestige of imaginativeness was not decisive, since the German language is in constant evolution;

— on the date of its registration, the trade mark FLUGBÖRSE was, in the German-speaking part of the Community, purely descriptive of the goods and services in question;

— the mark at issue had not acquired a distinctive character by reason of its use and therefore Article 51(2) of Regulation No 40/94 (now Article 52(2) of Regulation No 207/2009) did not apply in the case.

Forms of order sought

10 The applicant claims that the Court should:

— annul the contested decision in its entirety and refer the matter back to OHIM for a fresh decision;

— order OHIM to pay the costs.

11 OHIM claims that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

12 In support of its action, the applicant raises three pleas in law alleging infringement of, first, Article 51(1)(a) of Regulation No 40/94, secondly, Article 7(1)(c) of Regulation No 40/94 and, thirdly, Article 51(2) of that regulation.

13 As regards the first plea, it should be borne in mind that Article 51(1)(a) of Regulation No 40/94 provides that a Community trade mark is to be declared invalid where it has been registered in breach of the provisions of Article 7 of that regulation.

14 In essence, the applicant criticises the Board of Appeal for having infringed that provision by taking the date of registration of the Community trade mark, 29 October 1998, in order to assess the possible divergence between that mark and Article 7 of Regulation No 40/94. According to the applicant, the only relevant date for that assessment is the date of filing of the application for the trade mark, that is to say, in this case, 1 April 1996. It refers, in that regard, to the order of the Court of Justice in Case C-192/03 P *Alcon* v *OHIM* [2004] ECR I-8993.

15 OHIM takes the view that the Board of Appeal was right to ascertain whether the Community trade mark was descriptive within the meaning of Article 7(1)(c) of Regulation No 40/94 on the day of its registration and that therefore the Board of Appeal did not infringe Article 51(1)(a) of Regulation No 40/94. It contends, in essence, that, for a mark to be validly registered, while it is necessary that all the necessary

conditions are met at the time of the application for registration, it is also necessary that those conditions continue to be met up until registration of the mark.

16 It should be noted that it is apparent from the contested decision, and in particular from paragraphs 38 to 46 thereof, that the Board of Appeal took exclusively as its basis the market conditions as they were on the date of registration of the Community trade mark, 29 October 1998, in finding that the mark at issue was descriptive of the goods and services bearing it within the meaning of Article 7(1)(c) of Regulation No 40/94.

17 Therefore, the examination of the present plea involves ascertaining whether, in the context of an application for invalidity based on Article 51(1)(a) of Regulation No 40/94, the material date for the purposes of assessing the compatibility of the Community trade mark at issue with the provisions of Article 7 of that regulation is exclusively the date of filing of the application for registration, as the applicant claims, or on the other hand, whether it must continue to be registrable until registered, as OHIM contends.

18 In the context of the case which gave rise to the order in *Alcon* v *OHIM*, cited in paragraph 14, in examining a ground of appeal in which it was alleged that the Court of First Instance had erred in law by not taking as the relevant date the date of filing of the application for registration of the mark at issue for the purposes of assessing whether that mark had become customary and had, therefore, to be declared invalid under Article 51(1)(a) of Regulation No 40/94, the Court of Justice held that the date of filing of the application for registration was the material date for that examination. Furthermore, the Court of Justice also held that the Court of First Instance could, without inconsistency in its reasoning or error of law, have taken account of material which, although subsequent to the date of filing of the application, enabled conclusions to be drawn on the situation as it had been on that date (order in *Alcon* v *OHIM*, cited in paragraph 14, paragraphs 40 and 41).

19 It follows that the applicant was right to claim that the only date relevant for the purposes of the assessment of an application for a declaration of invalidity under Article 51(1)(a) of Regulation No 40/94 is the date of filing of the application for the mark at issue. The fact that the case-law allows material subsequent to that date to be taken into account, far from weakening that interpretation of Article 51(1)(a) of Regulation No 40/94, reinforces it, since it is only possible to take such material into account if it relates to the situation on the date of filing of the trade mark application.

20 Moreover, that interpretation of Article 51(1)(a) of Regulation No 40/94 is the only interpretation which avoids a situation in which the probability of the mark losing its registrability increases with the length of the registration procedure. The interpretation suggested by OHIM in the present case would amount, conversely, to making the registration of the mark dependent, in part, on a contingency, namely the length of the registration procedure. In that regard, it should be noted that that consideration, relating to the length of the registration procedure, is one of the reasons why Article 7(3) of Regulation No 40/94 (now Article 7(3) of Regulation No 207/2009) has been interpreted as requiring that the acquisition of distinctive character through use take place before the filing of the trade mark application (Case T-247/01 *eCopy* v *OHIM (ECOPY)* [2002] ECR II-5301, paragraphs 36 and 39).

21 As regards OHIM's various arguments, they are not such as to cast doubt on that conclusion.

22 First, in so far as OHIM's line of argument is to be understood as meaning that it is clear from the actual wording of Articles 7(1) and 51(1)(a) of Regulation No 40/94 that the date of registration is also relevant, that is a misinterpretation of those provisions.

23 By using the wording 'shall be refused registration' in Article 7(1) of Regulation No 40/94, and the trade mark 'has been registered' in Article 51(1)(a) of Regulation No 40/94, the Community legislature sets out the circumstances in which a mark must

be refused registration or declared invalid and not the material date for the examination of absolute grounds for refusal or absolute grounds for invalidity.

24 Second, OHIM refers to Article 41(1) of Regulation No 40/94 (now Article 40(1) of Regulation No 207/2009). That provision states that '[f]ollowing the publication of the Community trade mark application, any natural or legal person and any group … may submit to [OHIM] written observations, explaining on which grounds under Article 7, in particular, the trade mark shall not be registered ex officio'. That provision also states that '[t]hey shall not be parties to the proceedings before [OHIM]'. OHIM contends, in essence, that where a mark which has already been examined, found to be registrable and published, must, at the request of a third party, be re-examined and can be refused registration ex officio, it is entitled to take into account the fact that the mark has lost its registrable character since the date on which the application was filed.

25 That argument must also be rejected.

26 Under Article 41(1) of Regulation No 40/94, OHIM must consider whether there are grounds to reopen the examination procedure to check whether the absolute ground of refusal put forward precluded registration of the mark claimed (Case T-224/01 *Durferrit* v *OHIM — Kolene (NU-TRIDE)* [2003] ECR II-1589, paragraph 73). In the course of such a re-examination, as in the initial examination, the examiner may take account of material subsequent to the date of filing of the application for registration only where that material enables conclusions to be drawn on the situation as it was on that date (see paragraphs 19 and 20 above).

27 Third, OHIM claims that, in the course of the examination of absolute grounds for refusal, developments subsequent to the date of filing the application must also be taken

into account, even if only potential, and refers to Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, first indent of paragraph 37).

28 In that regard, it must be pointed out that it is true that, according to settled case-law, in the context of applying Article 7(1)(c) of Regulation No 40/94, it must be determined whether a descriptive sign is currently associated in the mind of the relevant class of persons with the category of goods concerned, or whether it is reasonable to assume that such an association may be established in the future (see Joined Cases T-357/99 and T-358/99 *Telefon & Buch* v *OHIM* (*UNIVERSALTELEFONBUCH and UNIVERSALKOMMUNIKATIONSVERZEICHNIS*) [2001] ECR II-1705, paragraph 29 and the case-law cited). That question is, however, separate from that of determining the date on which the examination of the compatibility of the mark with Article 7(1)(c) of Regulation No 40/94 must be carried out, or, in the case of invalidity proceedings, verified. The fact that the examination of the compatibility with Article 7(1)(c) of Regulation No 40/94 must be carried out by taking the date of filing of the application for registration does not preclude an evaluation of the future descriptive character of the mark, provided that that evaluation is based on material relevant to the situation on that date.

29 It is clear from the foregoing that the Board of Appeal was wrong to take as its basis market conditions as they were on the date of registration of the mark at issue, 29 October 1998, to assess whether that mark was descriptive of the goods and services covered by it so as to justify a declaration of invalidity.

30 It follows that the Board of Appeal erred in law in interpreting of Article 51(1)(a) of Regulation No 40/94. Therefore, the plea alleging infringement of that provision must be upheld and it is not necessary for the Court to rule on the other pleas raised by the applicant.

Costs

31 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. As OHIM has been unsuccessful, it must be ordered to pay the applicant's costs in accordance with the form of order sought by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Fifth Chamber)

hereby:

1. **Annuls the decision of the Fourth Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) of 22 March 2007 (Case R 1084/2004-4);**

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

Vilaras Prek Ciucă

Delivered in open court in Luxembourg on 3 June 2009.

[Signatures]