JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
6 March 2003 *

In Case T-128/01,

DaimlerChrysler Corporation, established in Auburn Hills, Michigan (United States), represented by T. Cohen Jehoram, lawyer, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl and O. Waelbroeck, acting as Agents,

defendant,

ACTION brought against the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 21 March 2001 (Case R 309/1999-2),

* Language of the case: English.

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

composed of: M. Vilaras, President, V. Tiili and P. Mengozzi, Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the written procedure and further to the hearing on 23 October 2002,

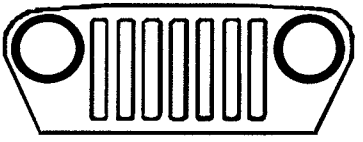
gives the following

Judgment

Background to the dispute

1 On 29 April 1997 the applicant filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

2 The mark in respect of which registration was sought is the figurative sign reproduced below:



3 The goods in respect of which registration was applied for are within Class 12 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, and correspond to the following description: 'Vehicles; apparatus for locomotion by land, air or water; parts thereof'.

4 By a notice of 7 July 1998 the examiner at OHIM informed the applicant that the sign in question was not, in his view, registrable because it was devoid of distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 with regard to some of the goods claimed in the trade mark application, namely 'vehicles; apparatus for locomotion by land; parts thereof'.

5 Under cover of a letter of 5 January 1999, the applicant submitted a number of documents, including a statement by an expert, Mr F.E. Hoadley, of 26 June 1998 on the history of grilles and, in particular, the grille depicted in the mark claimed, with a view to demonstrating that it was both unique and had a reputation.

6 By a decision of 7 April 1999, the examiner at OHIM partially refused the application under Article 38 of Regulation No 40/94, on the ground that the mark sought was devoid of any distinctive character with regard to 'vehicles; apparatus for locomotion by land; parts thereof'. He did, however, consider the

mark registrable for 'apparatus for locomotion by air or water; parts thereof'. He further found that the applicant had not demonstrated that the sign had acquired distinctive character through use for the purposes of Article 7(3) of Regulation No 40/94.

7 On 4 June 1999 the applicant filed an appeal against the examiner's decision at OHIM under Article 59 of Regulation No 40/94.

8 By a decision of 21 March 2001 (hereinafter 'the contested decision'), which was notified to the applicant on 26 March 2001, the Second Board of Appeal dismissed the appeal.

9 The Board of Appeal essentially found that the examiner's decision was well founded, having regard to the fact that the sign representing the front grille of a vehicle was prima facie devoid of distinctive character under Article 7(1)(b) of Regulation No 40/94, and that the evidence produced by the applicant did not demonstrate that the sign had acquired distinctive character through use within the meaning of Article 7(3) of that regulation.

Procedure and forms of order sought

10 By an application lodged at the Registry of the Court on 6 June 2001 the applicant brought this action.

11 OHIM filed its response on 17 September 2001.

12 At the Court's request by way of measures of organisation of procedure, OHIM, on 14 October 2002, replied to questions put by the Court and produced the documents annexed by the applicant to its observations of 5 January 1999.

13 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to accord a date of registration in respect of the Community trade mark application;

— order OHIM to pay the costs.

14 OHIM contends that the Court should:

— declare inadmissible the applicant's application for an order requiring OHIM to accord a date of registration in respect of the Community trade mark application;

— dismiss the remainder of the application;

— order the applicant to pay the costs.

15 At the hearing the applicant withdrew its second head of claim requesting that OHIM be ordered to accord a date of registration in respect of the Community trade mark application. The Court formally recorded the withdrawal in the minutes of the hearing.

Law

Admissibility of the evidence submitted for the first time before the Court of First Instance

16 The applicant appended to the application evidence that was not placed before the Board of Appeal and, in particular, a market survey carried out in the Netherlands on the recognition of grilles. The applicant also offered to produce market surveys carried out in other Member States if the Court considered them relevant.

17 OHIM considers that no regard may be had to the evidence produced for the first time before the Court of First Instance.

18 The Court of First Instance observes that the purpose of the action before it is to review the legality of a decision of the Boards of Appeal of OHIM within the meaning of Article 63 of Regulation No 40/94. It is therefore not the Court's function to re-evaluate the factual circumstances in the light of evidence adduced for the first time before it. To admit such evidence is contrary to Article 135(4) of the Rules of Procedure of the Court of First Instance, which prohibits the parties

from changing the subject-matter of the proceedings before the Board of Appeal. Accordingly the evidence produced for the first time before the Court of First Instance is inadmissible, as is the evidence which the applicant offered to adduce.

Substance

19 The applicant essentially advances two pleas in law. By the first it alleges infringement of Article 7(1)(b) of Regulation No 40/94 and, by the second, infringement of Article 7(3) of Regulation No 40/94.

First plea: infringement of Article 7(1)(b) of Regulation No 40/94

— Arguments of the parties

20 The applicant submits that a grille may be registered as a Community trade mark pursuant to Article 4 of Regulation No 40/94, as is confirmed by the registration as Community trade marks by OHIM of nine grille designs for motor vehicles in Class 12 of the Nice Classification.

21 The applicant also claims that the Board of Appeal's view that the public is not accustomed to perceiving a grille as a badge indicating the origin of the goods results in far harsher criteria being applied than those imposed by Regulation No 40/94. Since the Board of Appeal acknowledged that 'the grille device is not

exactly commonplace', the mark claimed should be acknowledged to possess the minimum degree of distinctive character needed.

22 The applicant states that the design of the mark claimed is non-functional, as was confirmed by a statement from an expert witness, Frederik E. Hoadley, produced before OHIM.

23 Furthermore the applicant considers that the Board of Appeal failed to appreciate the originality, uniqueness, unusual nature, and thus distinctiveness, of the grille reproduced in the trade mark application, which is not used for any other land vehicle.

24 The applicant states that the target consumer is the average purchaser of land vehicles who buys such products once he is well informed. In that connection the applicant takes the view that the consumer's choice is dictated by the technical aspects as well as the appearance of the vehicle, of which the grille is an essential element.

25 Finally, the Board of Appeal was wrong, in the applicant's view, to find, at paragraph 15 of the contested decision, that the public is not accustomed to perceiving the mark claimed as a badge indicating the origin of the product.

26 OHIM maintains that the Board of Appeal was right to find, upholding the examiner, that the sign is prima facie devoid of distinctive character for the goods in question because, in its view, it consists exclusively of normal and simple geometric elements commonly used to represent headlights and bars as part of a grille.

27 OHIM submits that the sign in question is within the limits of what the average consumer is accustomed to seeing as a grille on a land vehicle and that it does not therefore have an arbitrary or fanciful character. As a consequence, the sign will primarily be perceived as part of a motor vehicle and not as a badge of origin.

28 Furthermore, OHIM maintains that the alleged non-functional character of the grille is not in itself sufficient to conclude that the sign is devoid of distinctive character.

29 With regard to the nine registrations of motor vehicle grille designs as Community trade marks, OHIM argued in its replies of 14 October 2002, and in its submissions at the hearing, that the grilles covered by those registrations are unusual because they are composed of two symmetrical frames.

— Findings of the Court

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

31 Signs falling within Article 7(1)(b) of Regulation No 40/94 are deemed not to be capable of exercising the essential function of a trade mark, which is to identify the commercial origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience, if it proves to be positive, or to avoid it, if

it proves to be negative, on the occasion of a subsequent purchase (Case T-79/00 *Rewe-Zentral* v *OHIM (LITE)* [2002] ECR II-705, paragraph 26).

32 A mark's distinctiveness must be assessed by reference to the goods or services for which registration of the sign is sought and the perception of the target public, which comprises consumers of those goods or services.

33 Finally, it is clear from the wording of Article 7(1)(b) of Regulation No 40/94 that a minimum degree of distinctive character is sufficient to render inapplicable the ground for refusal set out in that article (Case T-34/00 *Eurocool Logistik* v *OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 39).

34 The target public in this case is deemed to be composed of the average, reasonably well-informed, reasonably observant and circumspect consumer (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26, and Case T-359/99 *DKV* v *OHIM (EuroHealth)* [2001] ECR II-1645, paragraph 27). The kind of goods in question (vehicles; apparatus for locomotion by land; parts thereof) are intended for general consumption throughout the European Union.

35 With regard, first of all, to the applicant's argument relating to the registrability of a grille in the light of the definition of a Community trade mark in Article 4 of Regulation No 40/94, it must be borne in mind that there is no class of marks having a distinctive character by their nature or by the use made of them which is not capable of distinguishing the goods or services of one undertaking from those of other undertakings (see, to that effect, Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 39).

36 In addition, as to actual distinctiveness, it cannot be immediately denied that a graphic representation of a grille, even one faithful to reality, has distinctive character (see, to that effect, Case T-30/00 *Henkel* v *OHIM (Image of a detergent product)* [2001] ECR II-2663, paragraphs 44 and 45).

37 However, with regard to the evidence produced by the applicant as to the registration by OHIM of nine Community trade marks for images of grilles for motor vehicles, even if OHIM's administrative practice does not provide any clear indications as to the criteria it employs when assessing the absolute grounds for refusal with regard to vehicle grille marks, it must be borne in mind that the legality of the decisions of Boards of Appeal must in any case be assessed solely on the basis of Regulation No 40/94, as interpreted by the Community judicature, and not on the basis of previous decision-making practice (Case T-106/00 *Streamserve* v *OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 79). Accordingly the applicant's argument relating to the registration by OHIM of nine motor vehicle grilles as Community trade marks is irrelevant.

38 Secondly, with the regard to the applicant's argument that the test applied by the Board of Appeal in this case is incorrect and much harsher than the conditions in Regulation No 40/94, it must be recalled that Article 7(1)(b) of Regulation No 40/94 does not distinguish between different categories of trade marks, and the criteria for assessing the distinctive character of figurative marks consisting of the representation of the product itself or one of its components must not therefore differ from those applicable to other categories of trade marks (see, to that effect, *Image of a detergent product*, cited above, paragraph 48).

39 Thirdly, with regard to the applicant's contention that the Board of Appeal was wrong to take the view that the public is not accustomed to seeing the mark in question as a badge indicating the origin of the goods (paragraph 15 of the

contested decision), it must be borne in mind that, when assessing the distinctiveness of a trade mark, consideration must be given to all the relevant factors in the specific circumstances of the case. It cannot be ruled out that these might include the fact that the public's perception of the mark claimed might be influenced by the nature of the sign and of the goods covered by that mark.

40 In that regard, it must be observed that vehicles and apparatus for locomotion by land are large goods for which it may be appropriate to use not only a word mark but also figurative or three-dimensional marks so as to enable the target public to identify the goods visually.

41 It must be observed, as Mr F.E. Hoadley's expert statement makes clear, that grilles no longer have a purely technical function, and that this has been the case for some considerable time and was the case when the mark claimed was applied for, which is the material time for the purposes of determining whether there are any absolute grounds for refusal. Furthermore, unlike other parts of motor vehicles, grille shapes tend to be retained and are used in other models made by the same manufacturer.

42 Grilles have become an essential part of the look of vehicles and a means of differentiating between existing models on the market made by the various manufacturers. They are therefore one of the features that are inherently helpful in visually identifying a model or range, or even all vehicles made by the same vehicle manufacturer, as compared to other models.

43 That conclusion cannot be invalidated by Mr F.E. Hoadley's observation that a grille may also serve to ventilate the vehicle engine and to provide a certain degree of stability to the front part. The fact that a sign serves several purposes at once has no bearing on its distinctiveness (see, to that effect, Case T-36/01 *Glaverbel* v

OHIM (Design applied to a sheet of glass) [2002] ECR II-3887, paragraph 24), particularly if the distinguishing function outweighs the other functions.

44 The Board of Appeal found with regard to the sign in question that consumers are accustomed to seeing grilles for land vehicles incorporating identical or similar features to those displayed by that sign. However it took the view that 'the grille device is not exactly commonplace' (paragraph 15 of the contested decision).

45 The applicant argues that the mark claimed is manifestly different from the grille designs of any other land vehicle. OHIM responds that the sign in question is within the limits of what the average consumer is accustomed to seeing as a grille on a land vehicle and that it does not therefore have an arbitrary or fanciful character.

46 In that connection the Court observes that the sign in question comprises a representation of the front part of a car having an irregular shape and with seven wide vertical openings in the centre and a circle representing the headlights of the vehicle on each side at the top. At the time when the application was filed, this shape was an unusual grille design, conveying the impression of an old-fashioned grille, in a simple configuration, which cannot be regarded as altogether commonplace in the circumstances at the time when the application was filed.

47 Consequently the sign in question cannot be regarded as the image that naturally comes to mind as the typical representation of a contemporary grille. OHIM's finding that the sign in question is composed of features commonly used to represent a grille cannot therefore be upheld.

48 In those circumstances the sign in question must be considered to be capable of leaving an impression on the memory of the target public as an indication of commercial origin and thus of distinguishing and setting apart motor vehicles bearing that grille from those of other undertakings.

49 Accordingly the sign in question must be considered to have the minimum degree of distinctiveness necessary to escape the absolute ground for refusal in Article 7(1)(b) of Regulation No 40/94. That conclusion is also reinforced by the Board of Appeal's finding, referred to at paragraph 44 herein, that 'the grille device is not exactly commonplace'.

50 It follows from all of the foregoing considerations that the Board of Appeal was wrong to consider that mark claimed was devoid of any distinctive character.

51 Accordingly the contested decision must be annulled and there is no need to consider the substance of the applicant's second plea in law.

Costs

52 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. Since OHIM has been unsuccessful, and the applicant has applied for costs, it must be ordered to pay the costs incurred by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber),

hereby:

1. Annuls the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 21 March 2001 (Case R 309/1999-2);

2. Orders the defendant to pay the costs.

Vilaras Tiili Mengozzi

Delivered in open court in Luxembourg on 6 March 2003.

H. Jung
Registrar

M. Vilaras
President