JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)
9 October 2002 *

In Case T-36/01,

Glaverbel, established in Brussels (Belgium), represented by S. Möbus, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. di Carlo and G. Schneider, acting as Agents,

defendant,

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 30 November 2000 (Case R 137/2000-1),

* Language of the case: English.

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

composed of: R.M. Moura Ramos, President, J. Pirrung and A.W.H. Meij, Judges,

Registrar: J. Palacio González, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 19 February 2001,

having regard to the response lodged at the Registry of the Court of First Instance on 7 May 2001,

further to the hearing on 27 February 2002,

gives the following

Judgment

Background to the dispute

1 On 24 April 1998 the applicant filed an application for a Community trade mark for a sign described as 'a design applied to the surface of the goods' at the Office

for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM, hereinafter 'the Office') 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 sign in respect of which registration was sought is, as is apparent from the reproduction supplied with the application, an abstract design for application to the surface of glass products.

3 The goods and services in respect of which registration of the sign was sought are in Classes 11, 19 and 21 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 for each class to the following descriptions:

— 'Sanitary installations; showers, shower cabinets, shower walls, shower enclosures; refrigerator shelves, refrigerator shelves made of glass; parts and fittings for the aforementioned goods' within Class 11;

— 'Non-metallic building materials; building glass; patterned glass; glazing; non-metallic windows and doors; sheets, plates, panels, walls and glass for building, for furnishing and for interior and exterior decoration; glass screens and partitions; parts and fittings for the aforementioned goods' within Class 19; and

— 'Glassware; unworked or semi-worked glass (except glass used in building); patterned glass; sheets and plates of unworked glass or semi-worked glass for use in the manufacture of sanitary installations, showers, shower cabinets, shower walls, shower enclosures, refrigerator shelves, glazing units, building partitions, building screens, doors, cupboard doors and furniture; household or kitchen utensils or containers (not of precious metal or coated therewith); kitchen cutting boards; parts and fittings for the aforementioned goods' within Class 21.

4 By a decision of 24 January 2000, the examiner refused the application for registration under Article 38 of Regulation No 40/94 on the ground that the mark applied for was not distinctive within the meaning of Article 7(1)(b) of Regulation No 40/94 and that the evidence adduced by the applicant did not allow of the conclusion that the sign possessed distinctive character acquired through use within the meaning of Article 7(3) of the Regulation.

5 On 4 February 2000 the applicant filed an appeal against the examiner's decision at the Office under Article 59 of Regulation No 40/94.

6 By a decision of 30 November 2000 (hereinafter 'the contested decision'), which was served on the applicant on 20 December 2000, the First Board of Appeal dismissed the appeal.

7 The Board essentially found that the mark claimed was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 because it would be considered by relevant consumers as one of the possible functional

aspects of a specific type of glass and therefore not capable of indicating the origin of the goods in a distinctive manner. With regard to the claim of acquired distinctiveness it considered, *inter alia*, that such use had not been demonstrated in respect of the entire Community.

Forms of order sought

8 The applicant claims that the Court should:

— annul or alter the decision of the Board of Appeal;

— order the Office to pay the costs.

9 The Office contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

10 The applicant advances three pleas in law in support of its application, alleging infringement of Article 7(1)(b) of Regulation No 40/94, of the right to a hearing and of Article 7(3) of the Regulation.

Plea alleging infringement of Article 7(1)(b) of Regulation No 40/94

Arguments of the parties

11 The applicant argues that all types of trade mark should be treated equally. It points out that the Regulation explicitly accepts that the shape of goods can constitute a trade mark and that the question is not what is common in a particular field but whether the mark applied for is devoid of any distinctive character.

12 It claims that the evidence it submitted on distinctiveness acquired through use shows that consumers are accustomed to and capable of discerning this type of sign as an indication of the trade origin of goods.

13 The applicant submits that the only situation which could provide good grounds for the Board of Appeal's analysis based on the functional appearance of the glass is where the technical process necessarily results in the mark applied for, a

situation which has not been demonstrated in this case. There are a number of alternative ways of rendering a glass sheet opaque other than by using the sign in question. The applicant also disputes that the mark applied for should be seen primarily as a functional feature of the goods.

14 The applicant points out that in this case the mark applied for is not a simple design, such as a circle or a square, but a complex and fanciful pattern. It argues that a consumer can clearly identify the trade origin of a sheet of glass by means of the pattern claimed as a trade mark and can clearly distinguish this particular glass from other manufacturers' glass sheets which do not bear this pattern.

15 The applicant notes that the Benelux Trade Mark Office, which examines applications for registration on substantially the same absolute grounds for refusal as those used by the Office, found the mark to be registrable, and that the Office has registered marks which are less complex and fanciful than the sign applied for here.

16 The Office contends first of all that Article 7(1)(b) of Regulation No 40/94 requires not only sufficient distinctive character, which may result from the appearance of the goods, but also that the sign be capable of fulfilling its function as an indicator of the trade origin of the goods.

17 Secondly, the Office considers that a design applied to glass sheets is devoid of any distinctive character if the design is banal and is merely a type of design that is usual for that kind of product. It also argues that a highly complex or ornamental design cannot be distinctive if it is impossible for the average consumer to commit it to memory.

18 Finally the Office points out that the type of product and the manner of use must be taken into account. To the consumer, the design in this case is functional, both technically and aesthetically speaking. In order to identify the trade origin of the product, the consumer will look at the word or figurative mark or ask the sales person. Further, the sign claimed does not have any extra element to which the consumer's attention is drawn and which is likely to stay in his mind.

Findings of the Court

19 It must first of all be observed that a design applied to the surface of goods is capable of constituting a Community trade mark in so far as it is capable of distinguishing the goods or services of one undertaking from those of another.

20 However, it does not follow from the fact that a particular category of signs is in principle capable of constituting a trade mark that all signs in that category necessarily possess distinctive character, for the purposes of Article 7(1)(b) of Regulation No 40/94, with regard to particular goods.

21 Signs that are devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 are incapable of performing the essential function of a trade mark, which is to identify the origin of the goods or services and so, on the occasion of a subsequent acquisition, enable the consumer who acquired the goods or services designated by the trade mark to make the same choice again if the experience proves to be positive, or to make a different choice if it proves to be negative.

22 A sign's distinctiveness can only be assessed in relation to the goods or services for which registration is claimed and by reference to the perception of the sign amongst the target market.

23 Next, it must be observed that Article 7(1)(b) of Regulation No 40/94 does not draw any distinction between different types of sign. However, the perception amongst the target market is not necessarily the same in the case of a sign composed of a design applied to the surface of goods as it is in the case of a word or figurative mark comprising a sign that bears no relation to the appearance of the goods it identifies. Whilst the public is accustomed to perceiving word or device marks as instantly identifying the trade origin of the goods, the same is not necessarily true where the sign forms part of the appearance of the goods for which it is claimed.

24 Finally, it must be observed that a design applied to the surface of goods may have a number of functions — technical, decorative or indicating the trade origin of the goods. If the target market perceives the sign as an indication of the trade origin of the goods or services, the fact that it serves several purposes at once has no bearing on its distinctiveness.

25 In this case, the glass products in question are of interest both to professionals in the construction field and to the public in general. The target market is therefore the average consumer who is reasonably well-informed and reasonably observant and circumspect (see to that effect Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26).

26 The design entails applying countless tiny strokes to the surface of a plate of glass, no matter what its surface area. Since it is applied over the whole of one of the

product's surfaces, it forms part of the appearance of the product itself. When contemplated as a whole, the design does not exhibit any particular feature to attract a consumer's instant attention as an indication of the trade origin of the product in question. The sign claimed, which replicates the appearance of glass, embodies obvious characteristics of the product, such that it is perceived primarily as a technical means of rendering the glass opaque.

27 The Board of Appeal was correct in its findings, first, that the relevant consumer is not used to regarding designs applied to the surface of plates of glass as an indication of the trade origin of the goods and, second, that the design is not immediately recognisable as an indication of the trade origin of the goods but as a functional component.

28 It must moreover be noted that the fact that the design claimed is complex and fanciful, as was emphasised by the applicant, is not sufficient to establish that it is distinctive. Its complexity and fancifulness are attributable to the ornamental and decorative nature of the design's finish, rather than indicating the trade origin of the goods. In addition, the complexity of the design overall and the fact that it is applied to the external surface of the product do not allow the design's individual details to be committed to memory or the design to be apprehended without the product's inherent qualities being perceived simultaneously. The design claimed is not therefore capable of being easily and instantly recalled by the target market as a distinctive sign.

29 As regards the explanation supplied by the applicant at the hearing to the effect that the design conveys an impression of fur, of a sparkling wave or of a digital imprint, it must be observed that, if the average consumer is able to retain complex signs, he does so only on the basis of individual memorable features which he perceives as indicating the trade origin of the goods. The average consumer is not used to apprehending the mere impression conveyed by a product's appearance as a distinctive sign.

30 In addition, the impression conveyed by the design is not fixed. It may be perceived very differently according to the angle from which the goods are viewed, the brightness of the light and the quality of the glass, and will not therefore enable the applicant's goods to be distinguished from those having another trade origin.

31 It must therefore be concluded that the sign claimed will not enable the consumer to recognise the sign as distinctive when he comes to make a choice on the occasion of a subsequent acquisition of the goods in question.

32 That conclusion is not affected by the applicant's argument that the consumer is able to identify the sign claimed because the goods have been on the market for a long period of time and that specialists cannot but recognise that goods bearing that sign originate from the applicant. That argument is based on a test of distinctive character acquired through use, not the inherent distinctiveness of the design claimed. Furthermore, specialists and members of the building trade or glass industry cannot be regarded as the only persons that make up the target market for the goods in question.

33 It must be added that it does not follow from the fact that glass can be rendered opaque by means of a number of different technical processes and other designs that the consumer will perceive the sign claimed as indicating the trade origin of the goods.

34 Furthermore, with regard to the decision recognising the sign's registrability as a trade mark in the Benelux countries, it is clear from the case-law that the Community trade mark regime is an autonomous system and that it applies

independently of any national system (Case T-32/00 *Messe München* v *OHIM (electronica)* [2000] ECR II-3829, paragraph 47). Accordingly, whether or not a sign is registrable as a Community trade mark must be assessed by reference to the relevant Community legislation only. Thus, neither the Office nor the Community Court are bound by decisions in other Member States finding the same sign to be registrable as a trade mark.

35 Further, as to the applicant's argument based on earlier decisions of the Office to the effect that the shape of goods *per se* can be distinctive, it must be held that the basis for decisions of the Boards of Appeal on the registration of signs as Community trade marks is Regulation No 40/94. The legality of decisions of the Boards of Appeal must therefore be assessed purely by reference to that regulation, as interpreted by the Community Court, not to the practice of the Boards in earlier cases.

36 It follows that the applicant's argument based on earlier decisions, and in particular Decision R 104/1999-3 of the Third Board of Appeal of 28 October 1999 finding shapes *per se* to be distinctive, is of no consequence. Moreover the applicant has neither produced any decisions of the Office on signs identical or analogous to the sign in question nor advanced any substantive arguments derived from such decisions.

37 It follows from the foregoing considerations that the Board of Appeal was correct to find that the sign in question is devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94. This plea must accordingly be dismissed.

Plea alleging infringement of the right to a hearing

Arguments of the parties

38 The applicant observes that the Board of Appeal rejected the examiner's analysis on the acquired distinctiveness of the sign claimed through use. Yet it found, on the basis of new grounds raised of its own motion, that the sign claimed had not acquired distinctive character through use. The applicant argues that, since those objections were raised for the first time by the Board of Appeal and the applicant was only informed of them in the contested decision, it was not able to make submissions on those objections at any stage of the procedure.

39 The Office contends that there was no infringement of the applicant's rights of defence because the Board of Appeal merely evaluated the evidence submitted by the applicant in a different way to the examiner. The applicant was told from the beginning of the procedure that it had to submit evidence of use throughout the whole of the Community.

40 The Office also notes that the examiner and the Board of Appeal came to the conclusion that the evidence submitted was not sufficient to prove acquired distinctiveness through use. It contends that the differences in the evaluation of the evidence by the examiner and the Board do not amount to confronting the applicant with new grounds for refusal.

41 The Office considers that the evidence adduced by the applicant was intelligible and that there was no need to grant the applicant an extension of time to collect further evidence.

42 In addition the Office states that the proceedings before the Board of Appeal were conducted in compliance with Articles 38(3) and 61(2) of Regulation No 40/94. With regard to Article 61(2), it states that no communications, within the meaning of that article, were made by the Board of Appeal or by other parties in this case. Accordingly Article 61(2) does not apply to these proceedings, in which the sole matter at issue is the assessment of the evidence.

Findings of the Court

43 It is common ground in this case that the examiner refused the application for registration after consideration of the applicant's claim that the mark had acquired distinctive character through use in accordance with Article 7(3) of Regulation No 40/94. He concluded that the evidence submitted by the applicant showed that the design claimed was used as a decorative feature, and that the goods were sold under the word mark 'Chinchilla'.

44 In the contested decision the Board of Appeal stated that it did not agree with the examiner's conclusion because it was not based on a specific analysis of the evidence filed. It went on to find that the sign had not acquired distinctiveness through use, observing that the evidence submitted was not sufficient for it to find for the applicant because, first, it emanated from professionals of only three Member States and, second, it revealed low sales figures in five other Member States.

45 Taking the arguments advanced by the applicant as a whole, it must be observed that the applicant is essentially contending that its right to a hearing was violated because it was not given an opportunity, either before the examiner or before the Board of Appeal, to submit argument on the considerations on which the Board of Appeal based its rejection of the claim that the sign claimed had acquired distinctive character through use.

46 It must be observed that, having found that the examiner had made an error of assessment, the Board of Appeal was entitled under Article 62(1) of Regulation No 40/94 either to exercise any power within the examiner's competence or to remit the case to him for further prosecution.

47 It follows that, if it chooses not to remit a case to the examiner, the Board of Appeal enjoys the same powers, and is bound by the same obligations, as the examiner, including the obligation not to refuse an application unless the applicant has first had an opportunity of presenting its observations in accordance with Articles 38(3) and 73 of Regulation No 40/94.

48 In this case, having chosen to exercise the powers vested in the examiner, the Board of Appeal was not entitled to refuse the application for registration, just as the examiner would not have been entitled to refuse it, unless the applicant had first had an opportunity to present its observations on the reasoning relating to the low sales figures for the goods in question in certain Member States and on the limited geographical scope of the statements supplied in this connection, the applicant not having been previously informed of that reasoning.

49 The Office cannot contend that the question whether distinctiveness has been acquired through use may be reduced to a simple finding that evidence is not available for the whole of the Community and that the applicant should have

provided such evidence. The examination conducted by the Board of Appeal could not be reduced to a simple finding that there was no evidence on certain Member States; it should have extended to an assessment of the evidence on other Member States, and the applicant should have been able to submit argument on that issue. Indeed the contested decision states in that connection that evidence of use need not necessarily cover every Member State.

50 It follows that, by not giving the applicant an opportunity to submit effective argument on reasoning introduced for the first time in the contested decision relating to the application of Article 7(3) of Regulation No 40/94, the Board of Appeal failed to observe the applicant's right to a hearing.

51 In those circumstances, the plea alleging infringement of the right to a hearing must be upheld. The decision must therefore be annulled and there is no need for the Court to examine the third plea, alleging infringement of Article 7(3) of Regulation No 40/94.

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 if they have been asked for in the successful party's pleadings. Since the Office has been unsuccessful, it must be ordered to bear its own costs and to pay those incurred by the applicant, in accordance with the form of order sought by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

1. Annuls the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 30 November 2000 (Case R 137/2000-1);

2. Orders the Office to bear its own costs and to pay those incurred by the applicant.

Moura Ramos Pirrung Meij

Delivered in open court in Luxembourg on 9 October 2002.

H. Jung

Registrar

R.M. Moura Ramos

President