JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

13 June 2007 *

In Case T-441/05,

IVG Immobilien AG, established in Bonn (Germany), represented by A. Okonek and U. Karpenstein, lawyers,

applicant,

v

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

defendant,

ACTION against the Decision of the Fourth Board of Appeal of OHIM of 1 September 2005 (Case R 559/2004-4), concerning an application for registration of the figurative sign I as a Community trade mark,

* Language of the case: German.

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

composed of H. Legal, President, I. Wiszniewska-Białecka and E. Moavero Milanesi, Judges,

Registrar: K. Andová, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 16 December 2005,

having regard to the response lodged at the Court Registry on 8 March 2006,

further to the hearing on 11 January 2007,

gives the following

Judgment

Background to the dispute

1 On 5 November 2002, the applicant filed an application for a Community trade mark with 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.

2 The trade mark for which registration was sought is the figurative mark coloured royal blue, reproduced below:



3 The services in respect of which registration was sought are in Classes 35, 36, 37, 39, 42 and 43 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 of those classes, to the following description:

Class 35: 'Cost price analysis; business management and commercial advice, inter alia company management and administration advice; valuation in commercial matters';

Class 36: 'Financial analysis; banking affairs; debt recovery; secured loans; consultation on financial matters; financial development; guarantees; recovery of rent and farm rent; property management; land and property management; property valuations; property rental; investment of capital; rental of agricultural premises; brokering services, asset placing, asset management';

Class 37: 'Building demolition; asphalting; information on construction matters; construction work management; construction; drilling; irrigation installations; factory construction; port construction, jetty construction';

Class 39: 'Delivery of goods; chartering; warehousing of goods; rental of garages; rental of warehousing containers; transport';

Class 42: 'Services of an architect, advice on construction';

Class 43: 'Rental of temporary buildings'.

4 By decision of 14 June 2004, the examiner refused registration of the claimed mark, on the ground that it was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 in relation to all the services covered by the application for registration.

5 The examiner noted in that regard that, since they have no specific and striking graphic design, ordinary and simple signs, such as single letters, cardinal numbers and basic geometric forms, were not distinctive. He went on to hold that the claimed mark had of itself no individual feature which could confer on it a function beyond that of representation of a normal letter.

6 The applicant lodged an appeal against that decision before OHIM on 5 July 2004 on the basis of Articles 57 to 62 of Regulation No 40/94. In support of its action, the applicant claimed that the form of the claimed mark differed from the standard capital letter 'i' in the *Times New Roman* character font, given its colour and the fineness and length of the transversal horizontal strokes at its head and base.

7 That appeal was dismissed by decision of the Fourth Board of Appeal of OHIM of 1 September 2005 ('the contested decision'), notified to the applicant on 19 October 2005.

8 The Board of Appeal held, inter alia, as follows:

'...

9 Signs which are distinctive within the meaning of Article 7(1)(b) of Regulation No 40/94 are those which, in relation to the goods or services in respect of which registration is sought, appear capable of distinguishing, in the eyes of the target consumers, the goods or services of one undertaking from those of another undertaking (see Case T-337/99 *Henkel* v *OHIM (Round red and white tablet)* [2001] ECR II-2597, paragraphs 42 and 43). The distinctive character of a mark must therefore be assessed in relation to the goods or services in respect of which registration is sought and in relation to the perception of the relevant consumers. In that respect, Article 7(1) of Regulation No 40/94 makes no distinction between different types of signs. It may indeed appear that the perception of the relevant public is not necessarily the same for each of the categories of marks and that, accordingly, it may prove more difficult to establish the distinctive character of trade marks in certain categories than that of those in other categories. That finding cannot, however, justify the assumption that such marks are a priori devoid of any distinctive character or can acquire such character only through use [see, with regard to Article 3(1)(b) of Directive 89/104, Case C-404/02 *Nichols* [2004] ..., paragraphs 23, 24, 27, et seq.].

10 The claimed mark is formed by the capital letter "I" or the number one in Roman numerals, in the *Times New Roman* character font, which is commonly

used in printed texts. The applicant does point out that the transversal strokes at the head and base of the claimed mark are slightly thinner and wider than in the standard *Times New Roman* character font. Those slight differences are not, however, perceptible to the consumer who is reasonably observant and, accordingly, are irrelevant for the purposes of assessing the appropriateness of the mark claimed for the purposes of registration. Nor does the blue colour have the effect of making the sign I suitable for registration. In the majority of cases, texts are, it is true, printed in black on a white background. However, blue colouring cannot of itself confer on the letter or Roman numeral a component which is decisive for the purposes of assessing their distinctive character since, at a time when colour printers are widespread, characters and texts are also frequently reproduced in a colour other than black. Dark blue appears particularly appropriate in this case, since dark colours have the advantage of giving a better contrast to the generally pale backgrounds to texts, which they thus make easier to read. All the same, the reproduction of a character in a standard basic colour has, first and foremost, a decorative function, but it does not give any indication of origin.

11 In the light of all the services for which registration is sought, the claimed mark therefore appears ordinary and devoid of any significance. In the absence of other indications of a link between the claimed mark and a particular undertaking, the relevant public will therefore not detect in the coloured character the identification of the commercial origin of the services in Classes 35, 36, 37, 39, 42 and 43. A sign without any expressive value cannot usefully convey a perceptible indication of the commercial origin of the services designated.

...'

Forms of order sought

9 The applicant submits that the Court should:

— annul the contested decision and direct OHIM to register the claimed mark for all the services designated;

— order OHIM to pay the costs.

10 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

Admissibility of the applicant's first head of claim

11 OHIM contends that the applicant's first head of claim should be declared inadmissible in so far as it requests the Court to issue directions to register the trade mark applied for in respect of all the services listed in the trade mark application.

12 Pursuant to settled case-law, where an action is brought before the Community Courts against a decision of an OHIM Board of Appeal, OHIM is required by Article 233 EC and by Article 63(6) of Regulation No 40/94 to take the measures necessary to comply with any judgment of the Community Courts annulling the decision.

13 Accordingly, the Court is not entitled to issue directions to OHIM. On the contrary, it is for OHIM to draw the appropriate inferences from the operative part and grounds of the Court's judgment (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld* v *OHIM (Giroform)* [2001] ECR II-433, paragraph 33).

14 The applicant's first head of claim must therefore be rejected as inadmissible in so far as it requests the Court to issue directions to register the trade mark applied for in respect of all the services listed in the trade mark application.

The single plea of the action, alleging breach of Article 7(1)(b) of Regulation No 40/94

Arguments of the parties

15 The applicant submits that by holding that the claimed mark is ordinary and devoid of meaning and by taking the view that it would not permit the relevant professional consumers to identify the commercial origin of the services covered, the Board of Appeal wrongly applied stricter criteria with regard to the distinctiveness of letters, in breach of Article 7(1)(b) of Regulation No 40/94.

16 The essential function of a trade mark is to guarantee the identity of the origin of the designated product or service to the consumer or end user (Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28).

17 It is therefore necessary to determine, in the context of an a priori examination and without reference to any actual use of the sign, whether the claimed mark will enable the targeted public to distinguish the marked goods or services from those of other undertakings when they come to make a choice in purchasing those goods or services (Case T-87/00 *Bank für Arbeit und Wirtschaft* v *OHIM (EASYBANK)* [2001] ECR II-1259, paragraph 40, and Case T-88/00 *Mag Instrument* v *OHIM (Torch shape)* [2002] ECR II-467, paragraph 34).

18 Article 7(1)(b) of Regulation No 40/94 makes no distinction between different categories of sign. Thus OHIM could not reject from the outset single letters by reference to its guidelines on examination without assessing the actual circumstances of the case.

19 It appears that the Court has accepted that single letters may have for the relevant public, because of their specific graphics, a distinctive character which is striking and, consequently, sufficient. The Court noted the 'dominant element' of the character 'a' formed by a white cursive lower-case letter on a black background. That single sign makes an immediate impression and is remembered (Case T-115/02 *AVEX* v *OHIM — Ahlers (a)* [2004] ECR II-2907, paragraph 20).

20 Accordingly, OHIM's view that the configuration of a character in one of the standard basic colours has, first and foremost, a decorative function without any indication of origin is, in the applicant's view, totally erroneous.

21 The Board of Appeal could not lawfully justify its decision by holding that the claimed mark was ordinary and devoid of meaning or any additional element of imagination. Lack of distinctiveness specifically cannot arise from the mere finding that the claimed mark lacks any additional element of imagination or does not look unusual or striking (*EASYBANK*, cited in paragraph 17 above, paragraph 39 et seq.).

22 OHIM has already accepted that the marks 'a' and 'j', both designating articles of clothing, have a sufficient degree of distinctiveness. There is no reason to treat differently the mark claimed in the present case relating to IVG Immobilien AG.

23 The figurative claimed mark acquires its distinctive character by reason of the use of a particularly intense royal blue and a graphic configuration which differs from the standard *Times New Roman* character font. That graphic configuration also represents the stylised form of a building and is thus linked to the applicant's earlier German figurative mark 'IVG'.

24 It is appropriate to assess the distinctiveness of the mark applied for by reference to the sector of commercial administration and management of property. By its nature, that sector has recourse to trade marks and symbols which are less visible and striking than signs used, for example, in the retail trade. It is therefore appropriate to apply a different criterion of attention to the public targeted by the applicant's activity. For that reason, the colour of the claimed mark is not at all devoid of importance, particularly as the applicant's former company logo was already identified by its royal blue colour.

25 It should therefore be accepted that the sign under consideration has the minimum degree of distinctiveness which is necessary but also sufficient (see, to that effect, *Torch shape*, cited in paragraph 17 above, paragraph 34) for it to be protected.

26 OHIM states that the distinctive character of a trade mark within the meaning of Article 7(1)(b) of Regulation No 40/94 must be assessed by reference, first, to the goods or services in respect of which registration has been applied for and, second, to the perception of the relevant public, that is average consumers who are reasonably well informed and reasonably observant and circumspect (Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089, paragraph 35).

27 The criteria for assessment of the distinctiveness of single letters are not different from those applicable to other word or figurative marks, since Article 7(1) of Regulation No 40/94 does not differentiate between the various forms of marks. The fact that the perception of the target public is not identical for all categories of marks does not justify the a priori exclusion from registration of certain marks.

28 A prognosis should therefore be made of the perception of the sign by consumers. When it had done that, the Board of Appeal reached the conclusion that the target public would not perceive the claimed mark as an indication of the origin of the services designated.

29 It is important to look at the claimed mark as such and independently of other characteristics. When faced with the claimed mark, considered in isolation, consumers perceive only, depending on the material on which it is printed, a stroke, a letter or a Roman numeral intended to give structure to a document or to serve as decoration. As the Board of Appeal commented, that perception is due to the fact that the graphic presentation of the claimed mark does not catch the attention of the target public. The transversal strokes which distinguish the claimed mark from the normal character font are noticeable only after close inspection and the use of the colour blue is not exceptional.

30 The reference to *a*, cited in paragraph 19 above, is irrelevant. That precedent, given in an inter partes case, relates to the question whether an intrinsically non-distinctive element of a mark can dominate the overall impression given by that mark and, consequently, be relied on in support of the existence of a likelihood of confusion. Rather, it would plead in favour of the contested decision being well founded, since the Court clearly presupposed that the letter 'a', by its nature, was not suitable for registration and that the figurative sign drew its distinctiveness only from its graphic presentation (paragraph 21 of that judgment).

31 The decision of the Board of Appeal complies with the practice followed by OHIM in matters of registration. The precedents relied on by the applicant differ from the present case by reason of the more striking graphic configuration of the signs in question.

32 The Board of Appeal found that the figurative mark 'j' was not reproduced in a standard character font and that the addition of a stroke was sufficient to confer a minimum degree of distinctiveness on the letter in question (decision of 10 July 2001, R 480/1999-2). The minimum degree of distinctiveness of the figurative mark 'a' also arises from its graphic presentation (decision of 28 May 1999, R 091/1998-2).

33 Furthermore, in accordance with case-law, decisions to register a sign as a Community trade mark which the Boards of Appeal are called on to take under Regulation No 40/94 are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the lawfulness of those decisions must be assessed solely on the basis of that regulation, as interpreted by the Community judicature, and not on the basis of a previous decision-making practice of the Boards of Appeal.

Findings of the Court

34 Article 4 of Regulation No 40/94, entitled 'Signs of which a Community trade mark may consist', provides:

'A Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

35 Article 7 of Regulation No 40/94, which sets out the absolute grounds for refusal of registration of signs as Community trade marks, states in paragraph 1:

'1. The following shall not be registered:

...

(b) trade marks which are devoid of any distinctive character.'

36 In the present case, the applicant has submitted for Community registration a figurative sign constituted by the graphic reproduction in deep royal blue of the capital letter 'i' or the Roman numeral one which has, at its head and base, two transversal horizontal strokes which are finer and longer than those of the equivalent characters of the standard font *Times New Roman*.

37 Article 4 of Regulation No 40/94 contains a list of examples of signs capable of being represented graphically of which a trade mark may consist, provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings, that is to say of fulfilling the trade mark's function of identifying the origin of those goods or services (see, with regard to Article 2 of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), the normative content of which is essentially identical to that of Article 4 of Regulation No 40/94, Case C-404/02 *Nichols* [2004] ECR I-8499, paragraph 22).

38 While Article 4 of Regulation No 40/94 expressly refers to letters and numerals, the fact that a category of signs is, in general, capable of constituting a trade mark for the purposes of that provision does not, however, mean that those signs necessarily have distinctive character for the purposes of Article 7(1)(b) in relation to a particular product or service (Case T-173/00 *KWS Saat* v *OHIM (Shade of orange)* [2002] ECR II-3843, paragraph 26).

39 Signs that are incapable of identifying specifically the origin of the goods or services designated and 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 acquisition are devoid of any distinctive character (*Shade of orange*, cited in paragraph 38 above, paragraph 27).

40 Moreover, such greater difficulty as might be encountered in the specific assessment of the distinctive character of certain trade marks cannot justify the assumption that they are a priori devoid of any distinctive character or that they can acquire such character only through use, pursuant to Article 7(3) of Regulation No 40/94 (see, with regard to Article 3(3) of Directive 89/104, the normative content of which is essentially identical to that of Article 7(3) of Regulation No 40/94, *Nichols*, cited in paragraph 37 above, paragraph 29).

41 The distinctive character of a trade mark required by Article 7(1)(b) of Regulation No 40/94 must be assessed by reference, first, to the goods or services in respect of which registration is sought and, second, to the perception of the relevant persons, namely the consumers of the goods or services (see, with regard to Article 3(1)(b) of Directive 89/104, the normative content of which is essentially identical to that of Article 7(1)(b) of Regulation No 40/94, Case C-218/01 *Henkel* [2004] ECR I-1725, paragraph 50).

42 It was therefore appropriate in the present case to examine, in the context of a specific examination of the potential capacity of the sign proposed for registration, whether there appeared to be no possibility that that sign may be capable of distinguishing, in the eyes of the public to which it is addressed, the goods or services referred to from those of a different origin (*EASYBANK*, cited in paragraph 17 above, paragraph 40), since a minimum degree of distinctiveness is sufficient to prevent application of the absolute ground for refusal provided for in Article 7(1)(b) of Regulation No 40/94 (*Torch shape*, cited in paragraph 17 above, paragraph 34).

43 In order to carry out such an assessment, OHIM or, where a challenge is brought, the Court of First Instance, must have regard to all the relevant facts and circumstances (Case C-136/02 P *Mag Instrument* v *OHIM* [2004] ECR I-9165, paragraph 48).

44 It must be stated that the Board of Appeal did not carry out such an assessment in the present case.

45 The Court finds, first, that, in paragraph 10 of the contested decision, the Board of Appeal merely took the view that the claimed mark was not capable of indicating the commercial origin of the services designated in that the two transversal strokes of the symbol submitted for registration and its royal blue colour, to which a primarily decorative purpose was attributed, were not sufficient to attract the attention of the normally attentive observer.

46 In order to reach such a conclusion, the Board of Appeal took as its basis the fact that the claimed mark lacked notable specific graphic features in comparison to the standard *Times New Roman* character font. That conclusion is confirmed by the finding of the ordinariness of the sign under examination which the Board of Appeal made in paragraph 11 of the contested decision.

47 By thus focussing the assessment of the distinctive character of the claimed mark from the outset on the configuration of its colour and on the importance of the graphic differences which it allegedly showed in relation to the equivalent symbols of the standard *Times New Roman* character font, the Board of Appeal implicitly but necessarily took the view, in breach of Article 4 of Regulation No 40/94, that a printing symbol forming part of a standardised character font did not of itself have the minimum degree of distinctiveness required by Article 7(1)(b) to be eligible for registration as a Community trade mark.

48 To that extent, moreover, the Board of Appeal deprived of all practical application the principle that Article 7(1)(b) of Regulation No 40/94 makes no distinction between different types of signs with regard to the requirement for distinctiveness, despite the fact that that principle was recalled in paragraph 9 of the contested decision.

49 Furthermore, it is settled case-law that a sign's lack of distinctive character, within the meaning of Article 7(1)(b) of Regulation No 40/94, cannot arise merely from the finding that it does not look unusual or striking (*EASYBANK*, cited in paragraph 17 above, paragraph 39).

50 Registration of a sign as a Community trade mark is not subject to a finding of a specific level of creativity or imaginativeness on the part of the proprietor of the trade mark (Case C-329/02 P *SAT.1* v *OHIM* [2004] ECR I-8317, paragraph 41), but to the ability of the sign to distinguish the goods or services of the applicant for the trade mark from goods or services offered by competitors (Case T-79/00 *Rewe-Zentral* v *OHIM (LITE)* [2002] ECR II-705, paragraph 30).

51 A sign lacking stylised graphic elements can even be more easily and instantly memorised by the relevant public and can enable it to repeat a positive purchasing experience inasmuch as the sign is not already commonly used, as such, for the goods and services in question (Case T-360/00 *Dart Industries* v *OHIM (UltraPlus)* [2002] ECR II-3867, paragraph 48).

52 By deducing, from the absence of notable specific graphic features in comparison to a standard character font, that the claimed mark lacked distinctiveness the Board of Appeal thus incorrectly applied Article 4 and Article 7(1)(b) of Regulation No 40/94.

53 Second, the Court notes that, in paragraph 11 of the contested decision, the Board of Appeal merely added to the foregoing that the sign was devoid of any significance which could make it distinctive.

54 In that regard, the Board of Appeal stated that, in the absence of other indications of a link between the claimed mark and a particular undertaking, the relevant public would not perceive in the sign in question the identification of the commercial origin of the services covered by the Community trade mark application.

55 However, to have the minimum degree of distinctiveness required by Article 7(1)(b) of Regulation No 40/94, the claimed mark must merely appear, a priori, capable of enabling the relevant public to identify the origin of the goods or services covered by the Community trade mark application and to distinguish them from those of other undertakings, without necessarily needing to have a particular meaning, since a totally arbitrary sign can be distinctive.

56 In the present case, the Board of Appeal did not state why the sign's lack of significance precluded identification of the property construction, administration and management services offered by the applicant.

57 It should be noted in that regard that, since it is made up of the letter 'i', the claimed mark is the same as the initial letter of the word 'immobilier', which, in several of the official languages of the Community, designates the sector of activities including the services in question.

58 In those circumstances, the Board of Appeal should, at the very least, have considered the question whether the sign under examination could not evoke, without perhaps describing it for the purposes of Article 7(1)(c) of Regulation No 40/94, the type of services designated.

59 By thus inferring from the claimed mark's lack of significance that it was incapable of identifying the commercial origin of the services in question, the Board of Appeal incorrectly applied Article 7(1)(b) of Regulation No 40/94.

60 The Board of Appeal was therefore incorrect to base its refusal to register the claimed mark on its lack of notable specific graphic features and significance without first examining, by taking into consideration all the relevant factors relating to the specific facts of the case, whether that sign was in fact capable of distinguishing, in the minds of the target public, the services supplied by the trade mark applicant from those of its competitors.

61 In that respect, third, it should be noted that the applicant is an undertaking specialising in property construction, administration and management and that it supplies the services covered by its Community trade mark application to professional or private consumers.

62 In the light of the specific nature and high price of the transactions which they generally involve, in any event those services are aimed at an informed public, whose level of attention is higher than that of the average consumer, who is reasonably well informed and reasonably observant and circumspect, in purchases of everyday consumer goods and services, as the Board of Appeal found.

63 The level of attention of the relevant public is likely to vary according to the category of goods or services proposed and consumers may constitute a very attentive public where, as in the present case, their commitments can be relatively significant and the services supplied relatively technical (Case T-320/03 *Citicorp* v *OHIM (LIVE RICHLY)* [2005] ECR II-3411, paragraphs 70 and 73).

64 The Board of Appeal was therefore incorrect to take as the relevant public the average consumer who is reasonably well informed and reasonably observant and circumspect, without taking into consideration the fact that the consumer's level of

attention, including that of the average consumer, is likely to vary according to the category of goods or services in question (Case C-342/97 *Lloyd* [1999] ECR I-3819, paragraph 26).

65 It follows from all the foregoing that the Board of Appeal incorrectly interpreted and applied Article 7(1)(b) of Regulation No 40/94.

66 The plea must therefore be accepted and the contested decision annulled.

Costs

67 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.

68 Since OHIM has been unsuccessful, it must be ordered to bear its own costs and 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 (Fourth 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 1 September 2005 (Case R 559/2004-4);**

2. **Orders OHIM to bear its own costs and to pay the costs incurred by IVG Immobilien AG.**

Legal Wiszniewska-Białecka Moavero Milanesi

Delivered in open court in Luxembourg on 13 June 2007.

E. Coulon H. Legal

Registrar President