JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
27 February 2002 *

In Case T-34/00,

Eurocool Logistik GmbH, established in Linz (Austria), represented by G. Secklehner, lawyer, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by O. Montalto, E. Joly 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 9 December 1999 (Case R 233/1999-1), concerning registration of the term EUROCOOL as a Community trade mark,

* Language of the case: German.

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

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

having regard to the application lodged at the Registry of the Court on 21 February 2000,

having regard to the response lodged at the Registry of the Court on 20 June 2000,

further to the hearing on 14 June 2001,

gives the following

Judgment

Background

1 On 6 June 1996, the applicant filed an application for a Community word mark at the Office for Harmonisation in the Internal Market (Trade Marks and

Designs) (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 trade mark in respect of which registration was sought was the term EUROCOOL.

3 The services in respect of which registration was sought are in classes 39 and 42 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, as regards each class, to the following description:

Class 39: 'storage and keeping of goods, especially chilled and frozen goods; consultancy and provision of information on the storing of goods, especially chilled and frozen goods; storage rental; transport of frozen goods by motor vehicles and lorries; consultancy and provision of information on transport matters for chilled and frozen goods; rental of freezer rooms, freezers and storage devices for chilled and frozen goods.

Class 42: planning of logistic systems especially for the transport and storage of chilled and frozen goods; development of software for the storage, commissioning and transport of chilled and frozen goods.'

4 By letter of 5 November 1998, the examiner informed the applicant that the term EUROCOOL did not appear to him to be registrable, since it was devoid of distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 in relation to the services referred to in the trade mark application.

5 By decision of 11 March 1999, the examiner refused the application under Article 38 of Regulation No 40/94, on the ground stated in the letter of 5 November 1998.

6 On 10 May 1999, the applicant appealed to the Office under Article 59 of Regulation No 40/94 against the examiner's decision.

7 By decision of 9 December 1999 (hereinafter 'the contested decision '), which was notified to the applicant on 15 December 1999, the Board of Appeal upheld the examiner's refusal (paragraph 1 of the operative part of the contested decision), on the ground that the term EUROCOOL was devoid of distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 and that it was purely descriptive within the meaning of Article 7(1)(c) of that regulation. In addition, the case was remitted to the examiner for further prosecution concerning evidence as to whether the trade mark had become distinctive under Article 7(3) of Regulation No 40/94 (paragraph 2 of the operative part of the contested decision).

8 The Board of Appeal found, essentially, that the examiner's decision was well founded, since the term EUROCOOL designated the business of storing and transporting refrigerated goods within Europe. In the Board of Appeal's view, the word combination EUROCOOL, in keeping with the rules of English usage, consisted of a word in everyday usage, 'COOL', which indicated the type of services concerned, and a no less everyday prefix, 'EURO', which denoted the geographical area in which the services were provided.

Forms of order sought by the parties

9 The applicant claims that the Court should:

— annul paragraph 1 of the operative part of the contested decision;

— remit the trade mark application to the Office for registration to proceed;

— in the alternative, partially annul paragraph 1 of the operative part of the contested decision and remit the trade mark application to the Office for registration to proceed in respect of the following services:

Class 39: 'Storage and keeping of frozen goods; storage rental; consultancy and provision of information on the storage of frozen goods; transport of frozen goods by motor vehicles and lorries; consultancy and provision of information on transport matters for frozen goods; rental of freezer rooms, freezers and storage devices for frozen goods';

Class 42: 'Planning of logistic systems for the transport of frozen goods; development of software for the storage, commissioning and transport of frozen goods';

— or, in the further alternative, in respect of the following services:

Class 39: 'Storage of goods; storage rental; consultancy and provision of information on the storage of goods';

Class 42: 'Planning of logistic systems';

— order the Office to pay the entirety of the costs, including the costs of proceedings before the Board of Appeal.

10 The Office contends that the Court should:

— dismiss the applicant's claims;

— order the applicant to pay the costs.

Law

The principal and alternative claims that the case should be remitted to the Office for registration to proceed

11 The applicant is asking the Court to remit the case to the Office and give the Office a direction to proceed with registration.

12 Under Article 63(6) of Regulation No 40/94, the Office is required to take the measures necessary to comply with the judgment of the Community judicature. Accordingly, the Court of First Instance is not entitled to issue directions to the Office. It is for the latter to draw the appropriate inferences from the operative part of this judgment and the grounds on which it is based (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld* v *OHIM* (Giroform) [2001] ECR II-433, paragraph 33). These claims are therefore inadmissible.

The claim for annulment of paragraph 1 of the operative part of the contested decision

13 The applicant puts forward three pleas in law concerning, first, in essence, violation of the rights of defence, second, infringement of Article 7(1)(c) of Regulation No 40/94 and, third, infringement of Article 7(1)(b) of that regulation.

The first plea concerning violation of the rights of defence

— Arguments of the parties

14 The applicant observes that the examiner's decision of 11 March 1999 is founded solely on Article 7(1)(b) of Regulation No 40/94, whereas the contested decision is founded on Article 7(1)(b) and (c) thereof. In the applicant's submission, the examiner ought also to have based his decision on Article 7(1)(c) of Regulation No 40/94. To accept anything else would amount, it submits, to allowing the examiners to put forward at any time new grounds of refusal capable of being 'read between the lines' of any deliberately general statement of reasons.

15 At the hearing, the applicant maintained that, when it alluded to the examiners in its application, it was referring to the examiner and the Board of Appeal and that it intended to complain specifically about the fact that the Board of Appeal had put forward a new absolute ground for refusal, on which the applicant had not been given an opportunity to express a view, given that it was not mentioned in the decision of 11 March 1999. Further, in the pleading setting out its grounds for contesting that decision before the Board of Appeal, the applicant had referred incidentally to Article 7(1)(c) of Regulation No 40/94 as a precaution. The applicant added that, if the examiner had invoked that provision, it could have enlarged on the non-descriptive nature of the term at issue.

16 The Office contends that the applicant's plea alleging that the statement of reasons is flawed is inadmissible, since it concerns the examiner's decision and not that of the Board of Appeal, which is the decision being challenged before the Court.

— Findings of the Court

17 The examiner refused the trade mark application for EUROCOOL on the ground that the term was devoid of distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 in relation to the services applied for. The Board of Appeal held that the term at issue fell within not only the absolute ground for refusal referred to in Article 7(1)(b) of Regulation No 40/94 but also the ground mentioned in Article 7(1)(c) thereof.

18 Looking at the applicant's assertions as a whole, the Court must point out that the applicant is essentially maintaining, first, that the Board of Appeal could have ruled on the absolute ground for refusal referred to in Article 7(1)(c) only if the examiner had done so himself; second, the applicant observes that the Board of Appeal applied of its own motion an absolute ground for refusal, which had not been raised by the examiner and on which the applicant had not first been asked to submit its observations.

19 Consequently, the applicant's plea, which in fact amounts to a complaint that its rights of defence have been violated, is admissible in so far as it relates to the contested decision.

20 In that regard, it should be observed at the outset that the principle of the protection of the rights of defence is laid down in Article 73 of Regulation No 40/94, which provides that decisions of the Office are to be based only on reasons on which the parties have had an opportunity to present their comments.

21 Furthermore, observance of the rights of defence is a general rule of Community law, by virtue of which a person whose interests are appreciably affected by a decision taken by a public authority (as is the case here) must be given the opportunity to make his point of view known (Case 17/74 *Transocean Marine Paint* v *Commission* [1974] ECR 1063, paragraph 15).

22 Lastly, it is clear from the case-law of the Court of First Instance that the Board of Appeal, by failing to accord the applicant an opportunity to express its views on absolute grounds for refusal which it applied of its own motion, violated the applicant's rights of defence (Case T-122/99 *Procter & Gamble* v *OHIM (Soap shape)* [2000] ECR II-265, paragraph 47).

23 In the present case, the examiner's decision is based on a linguistic analysis of each of the components making up the term in question, namely, the abbreviation 'EURO' and the adjective 'COOL'. In the examiner's view, the combination of those two everyday words did not confer anything fanciful or distinctive on the term EUROCOOL. Thus, the examiner's refusal of the trade mark application was based solely on the ground that the term at issue was devoid of distinctive character. It was not based on the ground that the term was descriptive.

24 The contested decision is founded on two absolute grounds for refusal, the absence of distinctive character and the exclusively descriptive nature of the term EUROCOOL. As regards the second ground, the Board of Appeal observes that Article 7(1)(c) of Regulation No 40/94 prohibits the grant to an undertaking of the exclusive right to use in trade a term which merely describes, in everyday language, the quality or purpose of the goods or services for which it is claimed. In addition, it took the view that there was a need for such a sign to remain available for general use, since competitors had a legitimate interest in being able

to use it freely (paragraph 12 of the statement of reasons in the contested decision). Those arguments, which are a basis solely for applying Article 7(1)(c) of Regulation No 40/94, were not mentioned in the examiner's decision.

25 Even if it were to be accepted that the elements capable of establishing the two absolute grounds for refusal referred to in Article 7(1)(b) and (c) of Regulation No 40/94 may overlap with each other to some extent, it is none the less true that each of those grounds has its own sphere of application (see, to that effect, Case T-359/99 *DKV* v *OHIM (EuroHealth)* [2001] ECR II-1645, paragraph 48). The absolute grounds for refusal laid down in Article 7(1)(b) and (c) of Regulation No 40/94 cannot be reduced, with a view to merging them, to the element of absence of distinctiveness, since they are formulated in two distinct provisions.

26 Therefore, the first plea, alleging violation of the rights of defence must be upheld, since the Board of Appeal applied the absolute ground for refusal referred to in Article 7(1)(c) of Regulation No 40/94, in particular on the basis that there is a need for descriptive signs to remain available, and failed to give the applicant an opportunity effectively to submit its comments on that absolute ground for refusal and on the reasoning put forward to substantiate it.

27 Consequently, there is no need for the Court to examine the merits of the second plea, alleging infringement of Article 7(1)(c) of Regulation No 40/94. However, it is necessary to ascertain whether the Board of Appeal was right to regard the term EUROCOOL as devoid of distinctive character.

The third plea, alleging infringement of Article 7(1)(b) of Regulation No 40/94

— Arguments of the parties

28 The applicant maintains that, contrary to the conclusion of the Board of Appeal, the combination of the words 'EURO' and 'COOL' in the term EUROCOOL confer on it various possible meanings as well as distinctive character, since the term must be looked at as a whole and not on the basis of an analysis of each of its components. Furthermore, in the applicant's submission, the mark at issue may be registered because it involves the coining of an imaginative word.

29 The applicant contends that the majority of citizens of the European Union instinctively associate the word 'EURO' with the new common currency and do not perceive it as a geographical term. As to the adjective 'COOL', the applicant argues that it may have several other meanings apart from the one cited in the contested decision. The applicant asserts that the term EUROCOOL is the result of an unusual juxtaposition of two words and that it merely suggests that the services which it offers concern advice and information relating to 'cool commerce with euros' and to logistic systems pertaining to it.

30 In addition, the applicant observes that it appears from the usual practice of the Office to be possible to infer from the expression 'devoid of any distinctive character' in Article 7(1)(b) of Regulation No 40/94 that a minimum of distinctive character suffices and that any assessment of whether a word has such character must be carried out in accordance with that provision, irrespective of whether the word is descriptive.

31 The applicant concludes that even if the term EUROCOOL were to have only limited distinctiveness, it has something innovative, particularly given that it is not to be found in any English or German dictionary.

32 The Office shares the view of the Board of Appeal that the term EUROCOOL will instantly be perceived by the English-speaking public as a commonplace reference to the fact that the services to which it relates are European refrigerated transport, storing, and storage services and, what is more, that the refrigeration complies with standards prescribed by the applicable Community legislation. Such a combination, which is devoid of anything fanciful, merely conveys essential information about the services to which it relates.

33 The Office observes that the term 'EURO' is used, according to the *Collins Cobuild English Dictionary* (1992 edition) to make words which describe or refer to something relating to Europe or the European Union. 'EURO' as a component is thus frequently linked with other terms in order to form a prefix for new words. The Office rejects the applicant's argument that the introduction of the single currency will have altered the meaning of the word 'EURO', since the introduction of the euro has not affected the way in which words starting with the prefix 'EURO' are construed.

34 The Office argues that the word 'COOL', used as an adjective, means 'moderately cold, pleasant and refreshing, in contrast with heat or cold'. That meaning of 'COOL', in the Office's submission, does not escape the professionals in the relevant food industries, who are the intended recipients of the services designated by the term EUROCOOL.

35 Nor, according to the Office, does the juxtaposition of the words 'EURO' and 'COOL' have any distinctive feature, since the two words are properly combined

in accordance with linguistic rules. Furthermore, the term at issue is in no way fanciful. Finally, the Office contends that the fact that the word EUROCOOL is not found in any dictionary or encyclopedia is not sufficient to confer on it the requisite minimum of distinctive character.

— Findings of the Court

36 According to Article 7(1)(b) of Regulation No 40/94, 'trade marks which are devoid of any distinctive character' are not to be registered. In addition, Article 7(2) of Regulation No 40/94 states that 'paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

37 The signs referred to in Article 7(1)(b) of Regulation No 40/94 are signs which are regarded as incapable of performing the essential function of a trade mark, namely that of identifying 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 acquisition.

38 The distinctiveness of a mark must be assessed, first, in relation to the goods or services for which registration of the sign has been requested (see Case T-345/99 *Harbinger* v *OHIM (TRUSTEDLINK)* [2000] ECR II-3525, paragraph 32) and, second, in relation to the perception of the section of the public targeted, which is composed of the consumers of those goods or services.

39 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.

40 In the present case, it must be found, first, that the Board of Appeal did not put forward an adequate analysis of Article 7(1)(b) of Regulation No 40/94.

41 Thus, the Board of Appeal maintains that, according to the *Collins Cobuild English Dictionary* (1995 edition), the prefix 'EURO' is used to form words describing or alluding to matters relating to Europe or the European Union and that the adjective 'COOL' means, according to the *New Shorter Oxford English Dictionary* (1993 edition), 'moderately cold, pleasant and refreshing, in contrast with heat and cold' (paragraphs 14 and 15 of the statement of reasons in the contested decision). The Board of Appeal found that the term EUROCOOL was readily understandable, was clear and unambiguous and hence did not convey any information other than the objective, clear and instantly understandable statement that what was concerned was services relating to the refrigerated transport of products undertaken in Europe and to their preservation by cold storage (paragraph 18 of the statement of reasons in the contested decision).

42 Therefore, the Board of Appeal concluded that the term at issue was devoid of distinctive character because the word combination EUROCOOL, in keeping with the rules of English usage, consisted solely of a word in everyday usage, 'cool', which indicated the type of services concerned, and a no less current prefix, 'euro', which denoted the geographical area in which those services were provided.

43 The fact that the sign at issue is made up of components which may allude to certain features of the services referred to in the application for registration and that the combination of those components complies with linguistic rules is not sufficient to justify application of the absolute ground for refusal laid down by Article 7(1)(b) of Regulation No 40/94, unless it amounts to proof that such a sign, looked at as a whole, would not enable the section of the public targeted to distinguish the applicant's services from those of its competitors.

44 It should next be observed that the Board of Appeal indicated that it did not perceive in the term EUROCOOL the imaginative element mentioned by the applicant (paragraph 18 of the statement of reasons in the contested decision).

45 In that regard, it is clear from the case-law of the Court of First Instance that the absence of distinctive character cannot arise merely from the finding that the sign in question lacks an additional element of imagination (Case T-87/00 *Bank für Arbeit und Wirtschaft* v *OHIM (EASYBANK)* [2001] ECR II-1259, paragraph 38) or a minimum amount of imagination (Case T-135/99 *Taurus-Film* v *OHIM (Cine Action)* [2001] ECR II-379, paragraph 31, and Case T-136/99 *Taurus-Film* v *OHIM (Cine Comedy)* [2001] ECR II-397, paragraph 31). A Community trade mark is not necessarily a work of invention and is founded not on any element of originality or imagination but on its ability to distinguish goods or services on the market from goods or services of the same kind offered by competitors.

46 In the context of the application of the absolute ground for refusal in Article 7(1)(b) of Regulation No 40/94, it must be determined, as stated in paragraph 45, whether the term EUROCOOL, taken as a whole, enables the section of the public targeted to distinguish the services of the person applying for the Community trade mark from services with a different commercial origin.

47 In the present case, the section of the public targeted is deemed to be composed of specialists, who are well informed, observant and circumspect (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26, and the judgment in *EuroHealth*, cited above, paragraph 27). As the Board of Appeal rightly held, the services in question are intended for professionals working in the food industry or the hotel business. Furthermore, pursuant to Article 7(2) of Regulation No 40/94, the relevant section of the public targeted, in relation to which the absolute ground for refusal should be assessed, is English-speaking consumers.

48 In the light of those factors, it should be observed, first, that the term EUROCOOL is composed of the prefix 'EURO' and the adjective 'COOL'. As the Board of Appeal has pointed out, 'EURO' is generally used to refer to Europe or the European Union and 'COOL' can evoke something pleasant and refreshing and thus suggest a particular quality.

49 Second, the term EUROCOOL is one which can be easily and instantly memorised by the section of the public targeted. It follows that the term EUROCOOL, taken as a whole, is inherently capable of being perceived by the targeted public as a distinctive sign.

50 It is also appropriate to point out that the Board of Appeal did not give any indication in the contested decision that the term EUROCOOL, taken as a whole, was a generic or usual name in the food and hotel industry or the sector for services in Class 39 or 42 of the Nice classification (set out at paragraph 3 above) for the purpose of identifying or distinguishing those services.

51 Furthermore, the Board of Appeal has failed to establish that the term at issue, looked at as a whole, would not enable the section of the public targeted to distinguish the applicant's services from those having a different commercial origin.

52 It follows from all the foregoing considerations that the Board of Appeal was wrong in finding that the term EUROCOOL was devoid of distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94.

53 It follows that paragraph 1 of the operative part of the contested decision must be annulled.

Costs

54 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

55 Pursuant to Article 136(2) of the Rules of Procedure, costs necessarily incurred by the parties for the purposes of proceedings before the Board of Appeal are regarded as recoverable costs.

56 Since the Office has been unsuccessful, it must be ordered to pay the costs, including the costs necessarily incurred by the applicant in the proceedings before the Board of Appeal, in accordance with the form of order sought by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber),

hereby:

1. **Annuls paragraph 1 of the operative part of the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 9 December 1999 (Case R 233/1999-1);**

2. **Dismisses the remainder of the application;**

3. **Orders the defendant to pay the costs.**

Mengozzi Tiili Moura Ramos

Delivered in open court in Luxembourg on 27 February 2002.

H. Jung P. Mengozzi

Registrar President