JUDGMENT OF THE COURT (third chamber)

20 October 2011 *

In Joined Cases C-344/10 P and C-345/10 P,

APPEALS under Article 56 of the Statute of the Court of Justice of the European Union, brought on 7 July 2010,

Freixenet SA, established in Sant Sadurní d'Anoia (Spain), represented by F. de Visscher, E. Cornu and D. Moreau, avocats,

applicant,

the other party to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant at first instance,

* Language of the case: French.

THE COURT (Third Chamber),

composed of K. Lenaerts, President of the Chamber, J. Malenovský, R. Silva de Lapuerta, G. Arestis (Rapporteur), and T. von Danwitz, Judges,

Advocate General: E. Sharpston,
Registrar: K. Malacek, Administrator,

having regard to the written procedure and further to the hearing on 18 May 2011,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

Judgment

1 By its appeals, Freixenet SA ('Freixenet') seeks to have set aside the judgments of the General Court of the European Union of the 27 April 2010, in Case T-109/08 *Freixenet* v *OHIM (Frosted white bottle)* ('the judgment in T-109/08'), and in Case T-110/08 *Freixenet* v *OHIM* (*Frosted black matt bottle*) ('the judgment in T-110/08') (together, 'the judgments under appeal'), by which the Court dismissed its actions against, respectively, the decisions of the First Board of Appeal of the Office for Harmonisation

in the Internal Market (Trade Marks and Designs) (OHIM) of 30 October 2007 (case R 97/2001-1) and of 20 November 2007 (case R 104/2001-1), concerning applications for registration of signs representing a frosted white bottle and a frosted black matt bottle as Community trade marks ('the contested decisions').

Legal context

2 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994, L 11, p. 1), repealed by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ L 78, p. 1), entered into force on 13 April 2009. Nevertheless, having regard to the dates of the facts, the present disputes are still governed by Regulation No 40/94.

3 In accordance with Article 7(1)(b) of Regulation No 40/94 trade marks which are devoid of any distinctive character are not to be registered.

4 Pursuant to Article 7(3) of that regulation, the absolute ground for refusal referred to in Article 7(1)(b) does not prevent registration of a mark if that mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.

5 Article 38(3) of the same regulation provides that the application is not to be refused before the applicant has been allowed the opportunity of withdrawing or amending the application or of submitting his observations.

6 Article 73 of Regulation No 40/94 provides:

'Decisions of [OHIM] shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.'

Facts in the main proceedings

7 On 1 April 1996, Freixenet filed two applications for registration of Community trade marks at OHIM concerning the representations at issue. In the applications, Freixenet stated that the marks for which registration was sought were in the category 'other' and consisted of the shape of presentation of a product. In the application giving rise to the judgment in T-109/08 Freixenet claimed the colour 'golden matt' and described the mark as a 'white polished bottle which when filled with sparkling wine takes on a golden matt appearance similar to a frosted bottle'. In the application giving rise to the judgment in T-110/08, Freixenet claimed the colour 'black matt' and described the mark as a 'frosted black matt bottle'. Furthermore, a declaration was annexed to those applications in which Freixenet stated that 'the applicant for the mark [did] not want to obtain restrictive and exclusive protection for the shape of the packaging but for the specific appearance of its surface'.

8 The goods for which registration was sought fall within Class 33 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, namely 'sparkling wines'.

9 By decisions of 29 November 2000 the OHIM examiner dismissed the applications for registration of the marks on the ground that the marks were devoid of distinctive character and that the evidence put forward by Freixenet did not lead to the conclusion that those marks had acquired a distinctive character through the use made of them, within the meaning of Article 7(3) of Regulation No 40/94.

10 By decisions of 11 February 2004 in Cases R 97/2001-4 and R 104/2001-4, the Fourth Board of Appeal of OHIM dismissed the appeals brought by Freixenet against the examiner's decisions.

11 By judgments of 4 October 2006, in Case T-190/04 *Freixenet* v *OHIM* (*Shape of a frosted white bottle*) and Case T-188/04 *Freixenet* v *OHIM* (*Shape of a frosted black matt bottle*), the Court annulled those decisions, holding that the Board of Appeal had infringed Article 73 of Regulation No 40/94 and the principle of the rights of defence.

12 By the decisions of 12 December 2006 the Presidium of the Board of Appeal of OHIM referred those cases to the First Board of Appeal.

13 By letters of 18 June 2007, in consideration of the fact that the Court had criticised the Fourth Board of Appeal of OHIM for having based its decisions on evidence which had not been brought to Freixenet's attention, the First Board of Appeal of OHIM sent to Freixenet the drawings of the bottles mentioned in the decisions of the Fourth Board of Appeal which were annulled by the Court as well as the addresses of internet websites mentioned in the examiner's decisions of 29 November 2000.

14 By letters of 9 August 2007 Freixenet submitted its comments on the abovementioned information.

15 By the contested decisions the First Board of Appeal dismissed the appeal brought before it.

The procedure before the General Court and the judgments under appeal

16 By applications lodged at the General Court Registry on 28 February 2008, Freixenet brought two actions calling on the Court to annul the contested decisions and to decide that the applications for registration of Community marks for the representations at issue satisfied the conditions required for publication in accordance with Article 40 of Regulation No 40/94.

17 In support of those actions, Freixenet put forward three pleas in law alleging infringement of Article 73 of Regulation No 40/94, of Article 7(1)(b) of that regulation and of Article 7(3) of that regulation respectively.

18 By the judgments under appeal the Court rejected those three pleas in law and dismissed the actions in their entirety.

19 In particular, with regard to the first part of the first plea alleging infringement of the obligation to state reasons referred to in the first sentence of Article 73 of Regulation

No 40/94, the Court held, at paragraph 20 of the judgments under appeal, that the Board of Appeal was not required to provide specific references to the documents of the case file when expressly referring to practical experience generally acquired from the marketing of general consumer goods in order to hold that the marks for which registration was sought were devoid of any distinctive character under Article 7(1)(b) of that regulation. Therefore, at paragraph 21 of those judgments, the Court rejected the first part of the first plea.

20 In the context of that same part, the Court also noted, at paragraph 22 of the judgments under appeal, that the Board of Appeal had substantiated its argument that daily experience confirms the idea that the real trade mark for sparkling wine is represented by the label, having noted that 'the illustrations referred to in the decision of the Fourth Board of Appeal, sent to [Freixenet], and those which [Freixenet] itself [found] during its research, constitute[d] the best evidence'. The Court held, at paragraph 23 of those judgments, that all those illustrations confirmed the idea that the real trade mark for sparkling wine is represented by the label and not by the shape of its packaging, and that constituted the reasoning given by the Board of Appeal as the basis for the contested decisions.

21 As regards the second part of the first plea, alleging infringement of the right to be heard referred to in the second sentence of Article 73 of Regulation No 40/94, the General Court noted, at paragraphs 44 of the judgments under appeal, that according to the First Board of Appeal the essential element allowing the relevant consumer to identify the origin of the product is the label affixed to the bottle of sparkling wine rather than the shape of the bottle or its appearance. The Court stated, at paragraph 45 of the judgments, that that assessment represented OHIM's final position and that it did not therefore have to be submitted to Freixenet for observations. According to the Court, that assessment was not based on facts collected of its own motion by the Board of Appeal, but was an extension of the arguments raised by the examiner on 19 November 1998, indicating to Freixenet that the mark for which registration was sought took the standard appearance of a bottle of sparkling wine and was accordingly devoid of any distinctive character under Article 7(1)(b) of that regulation.

22 In the context of the second part of the first plea, the Court also noted, at paragraph 46 of the judgments under appeal, that the inferences from practical experience, namely the importance of the label on a sparkling wine as an element allowing the consumer concerned to establish the origin of the product and the variety of presentations, could be assumed to be known to everyone, in particular, to Freixenet. According to the Court, those inferences were within the category of well known facts, the accuracy of which did not have to be established by OHIM. The Court also noted that the argument put forward by the Board of Appeal in the contested decisions was in the context of the discussions between Freixenet and OHIM concerning the elements to be taken into consideration to establish the distinctive character of the marks for which registration was sought.

23 At paragraph 47 of the judgments under appeal, the Court stated that the idea that the label constitutes the point of reference for the consumer of sparkling wine, which is not based on other elements, such as the colour of the glass of the bottle or its surface appearance, constitutes the central reasoning of OHIM and is merely a finding resulting from practical experience. Considering that Freixenet could not have been unaware of that idea, the Court held that Freixenet was therefore perfectly able to refute the argument put forward by the examiner and then accepted by the First Board of Appeal to establish the absence of any distinctive character of the marks for which registration was sought; it could thus have argued that it was not the label but the packaging of the sparkling wine which was normally taken into consideration by the consumer concerned in choosing that product.

24 Furthermore, finding that Freixenet had indeed had the opportunity to submit its observations on the illustrations of the bottles mentioned in the decisions of the Fourth Board of Appeal, the Court held, at paragraph 48 of those judgments, that Freixenet was not therefore justified in pleading, in that regard, infringement of the second sentence of Article 73 of Regulation No 40/94.

25 The Court found, at paragraph 49 of the judgments under appeal, that Freixenet had been heard in accordance with the second sentence of Article 73 of Regulation No 40/94 since it could have presented its comments on the reasons why OHIM was minded to reject the applications for registration of the marks in so far as they did not have the distinctive character required in that regard. The Court then held, at paragraph 50 of the judgments, that Freixenet was therefore wrong in claiming that the Board of Appeal had failed to comply with that provision by not inviting it to present its observations on well-known facts of which it could not have been unaware and which constituted the final position of OHIM or on the illustrations of the bottles. Therefore, the Court rejected the second part of the first plea.

26 As regards the second plea, alleging infringement of Article 7(1)(b) of Regulation No 40/94, the Court noted in particular, at paragraphs 75 and 74 of the judgments in T-109/08 and T-110/08 respectively, that, in respect of the actual assessment of the distinctive character of the marks for which registration was sought, the Board of Appeal was of the opinion that the colour and matting of the glass of the bottle could not 'function as a trade mark' for sparkling wine. In addition, the Court stated, at paragraphs 76 and 75 of the judgments in T-109/08 and T-110/08 respectively, that, in that context, Freixenet relied on the original character of those marks at 1 April 1996, which was not actually disputed by that Board of Appeal in the contested decisions. According to the Court, such originality would not suffice, however, to establish the distinctive character of those marks for the goods concerned and the relevant public.

27 At paragraphs 79 and 78 of the judgments in T-109/08 and T-110/08 respectively, the Court held that the assessments by the Board of Appeal, not disputed as such by Freixenet and based, on the one hand, on the fact that no bottle was sold without a label or equivalent and, on the other, on the fact that Freixenet itself used the mark FREIXENET on the bottles for which it sought registration as marks, confirmed the idea drawn from practical experience, namely that the colour and matting of the glass

of the bottle could not 'function as a trade mark' for sparkling wine as regards the relevant public.

28 In the context of the second plea, the Court noted, furthermore, at paragraphs 81 and 80 of the judgments in T-109/08 and T-110/08 respectively, that the original aspect of the marks for which registration was sought was not disputed. What was disputed was the fact that the great majority of consumers do not perceive the appearance of the bottles as a useful factor in determining the origin of the sparkling wine in question, but prefer to refer to the label.

29 Furthermore, at paragraphs 82 and 81 of the judgments in T-109/08 and T-110/08 respectively, the Court held that, as regards the argument that none of the illustrations of the bottles of sparkling wine in the contested decisions referred to a bottle marketed at the time registration of the marks was sought, it was sufficient to point out that that argument was ineffective in so far as the Board of Appeal of OHIM had rightly stated, in those decisions, that 'there [was] no history of wine producers having offered wine to the public in bottles without inscription, by solely or principally relying on the formal appearance of the bottle as the indicator of the industrial or commercial origin of the product'. The Court held that, in any event, even if Freixenet was the first to use the packaging for which registration of the marks was sought, the fact remained that the originality of the packaging did not suffice, since the consumer took account of, and regardless of the time, another element when deciding what to purchase, taking account particularly of the large variety of presentations in the shops.

30 Consequently, at paragraphs 85 and 84 of the judgments in T-109/08 and T-110/08 respectively, the Court held that the Board of Appeal had correctly found that the marks for which registration was sought were devoid of any distinctive character and, therefore, it rejected the second plea.

31 In respect of the third plea, alleging infringement of Article 7(3) of Regulation No 40/94, the Court noted in particular, at paragraphs 113 and 108 of the judgments in T-109/08 and T-110/08 respectively, that it could not be disputed that nine of the fifteen Member States that made up the European Community at the time of the filing of the applications for registration were not covered by the market studies submitted by Freixenet.

32 The Court stated further, at paragraphs 122 and 118 of the judgments in T-109/08 and T-110/08 respectively, that since the marks for which registration was sought consisted of the presentation of a product, there was no language barrier to their registration and it was, therefore, in principle, in all parts of the Community where the inherent distinctive character was missing that the acquisition of distinctive character through use had to be established in order for those marks to be registered in accordance with Article 7(3) of Regulation No 40/94.

33 The Court concluded, at paragraphs 123 and 119 of the judgments in T-109/08 and T-110/08 respectively, that, in the absence of sufficiently probative evidence for fourteen of the fifteen Member States concerned, the acquisition of distinctive character through use in Spain could not therefore be considered sufficient to obtain registration of a Community trade mark, which had a unitary character and produced effects in the entire Community. The Court also held that Freixenet could not invoke for that purpose and by analogy Case C-301/07 *PAGO International* [2009] ECR I-9429, which relates to a reference for a preliminary ruling concerning Article 9(1)(c) of Regulation No 40/94 and the question of the protection conferred by reputation to a Community trade mark which has already been registered. Consequently, the Court held that the Board of Appeal correctly found that the evidence furnished by Freixenet was insufficient to demonstrate distinctive character acquired through use of the signs for which registration was sought and, therefore, rejected the third plea.

Forms of order sought and the procedure before the Court of Justice

34 Freixenet claims that the Court should:

— set aside the judgments under appeal;

— grant the form of order sought before the Court, and

— order OHIM to pay the costs.

35 OHIM contends that the Court should:

— dismiss the appeal, and

— order Freixenet to pay the costs.

36 By an order of the President of the Court of 10 November 2010, Cases C-344/10 P and C-345/10 P were joined for the purposes of the oral procedure and the judgment.

The appeals

37 In support of its appeals, Freixenet puts forward three pleas in law, alleging, first, infringement of Articles 38(3) and 73 of Regulation No 40/94, and Article 296 TFEU and Article 6 of the European Convention for the Protection of Human Rights and Fundamental Freedoms, signed in Rome on 4 November 1950, second, infringement of Article 7(1)(b) of Regulation No 40/94 and, third, infringement of Article 7(3) of that regulation. It is appropriate to examine the second plea first.

Arguments of the parties

38 By its second plea, Freixenet claims that the Court infringed Article 7(1)(b) of Regulation No 40/94 by holding, in the judgments under appeal, that the Board of Appeal was not required to put forward specific evidence in support of its refusals to register and could merely affirm a supposedly well-known fact in denying the distinctive character of the marks for which registration was sought, when Freixenet had provided specific and substantiated information showing the original character of the marks at the relevant time, so that they varied significantly from the norm or customs of the sector concerned. Since, according to the case-law, the assessment of distinctive power must be concrete, OHIM is required to respond in concrete terms to the

specific arguments adduced by the applicant for a trade mark and not merely with vague and general denials, as the General Court wrongly accepted in the judgments under appeal.

39 Furthermore, Freixenet stresses that the marks for which registration was sought were substantially different from the norms of the sector on 1 April 1996 and it points out that, in that regard, the original character of those marks was recognised by the Board of Appeal as well as by the General Court at paragraphs 76 and 81 of the judgment in T-109/08 and at paragraphs 75 and 80 of the judgment in T-110/08. It claims that, since, in accordance with case-law, only an ability to distinguish the origin of the goods is sufficient for the ground of refusal referred to in Article 7(1)(b) of Regulation No 40/94 not to apply and given that the marks had minimal distinctive character, which the General Court accepted in qualifying them as original, the latter erred in law, infringing that provision, by denying the distinctive character of the marks even though the protection criterion was met.

40 Freixenet also accuses the Court of having infringed Article 7(1)(b) of Regulation No 40/94 by the importance which it attached to the need to combine a word element with the marks for which registration was sought when it endorsed, at paragraphs 82 and 81 of the judgments in T-109/08 and T-110/08 respectively, the argument of the Board of Appeal that 'there is no history of wine producers having offered wine to the public in bottles without inscription, by solely or principally relying on the formal appearance of the bottle as the indicator of the industrial or commercial origin of the product'. The Court also erroneously presumed that a non verbal sign had no distinctive power when not used in combination with a word element, although neither that regulation nor the case-law makes the registration of a mark constituted by the shape of a product or the presentation of its packaging subject to the presence of inscriptions or word elements.

41 OHIM disputes Freixenet's arguments and claims that the second plea must be rejected as unfounded.

Findings of the Court

42 According to settled case-law, for a trade mark to possess distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 it must serve to identify the goods in respect of which registration is sought as originating from a particular undertaking, and thus to distinguish those goods from those of other undertakings (see, in particular, Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089, paragraph 34; Case C-136/02 P *Mag Instrument* v *OHIM* [2004] ECR I-9165, paragraph 29, and Case C-238/06 P *Develey* v *OHIM* [2007] ECR I-9375, paragraph 79).

43 That distinctive character must be assessed, first, by reference to the goods or services in respect of which registration is sought and, second, by reference to the perception of the relevant public (see, in particular, *Henkel* v *OHIM*, paragraph 35; Case C-25/05 P *Storck* v *OHIM* [2006] ECR I-5719, paragraph 25, and *Develey* v *OHIM*, paragraph 79).

44 In the present case, as the Court noted at paragraphs 69 and 68 of the judgments in T-109/08 and T-110/08 respectively, it is not disputed that the goods at issue, namely sparkling wines, are everyday consumer goods and that the target public is composed of the general public of the fifteen Member States which made up the Community at the time of the filing of the application for registration.

45 It is also settled case-law that, the criteria for assessing the distinctive character of three-dimensional trade marks consisting of the appearance of the product itself are no different from those applicable to other categories of trade mark (see, in particular, *Mag Instrument* v *OHIM*, paragraph 30; Case C-173/04 P *Deutsche SiSi-Werke* v *OHIM* [2006] ECR I-551, paragraph 27; *Storck* v *OHIM*, paragraph 26, and Case C-144/06 P *Henkel* v *OHIM* [2007] ECR I-8109, paragraph 36).

46 However, when those criteria are applied, account must be taken of the fact that the perception of the average consumer is not necessarily the same in relation to a three-dimensional mark consisting of the appearance of the product itself as it is in relation to a word or figurative mark consisting of a sign which is independent of the appearance of the products it designates. Average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctive character in relation to such a three-dimensional mark than in relation to a word or figurative mark (see, in particular, *Mag Instrument* v *OHIM*, paragraph 30; *Deutsche SiSi-Werke* v *OHIM*, paragraph 28, and *Storck* v *OHIM*, paragraph 27).

47 In those circumstances, only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 (see, in particular, *Mag Instrument* v *OHIM*, paragraph 31; *Deutsche SiSi-Werke* v *OHIM*, paragraph 31, and *Storck* v *OHIM*, paragraph 28).

48 That case-law, which was developed in relation to three-dimensional trade marks consisting of the appearance of the product itself or the packaging of goods, such as liquids, which are packaged in trade for reasons linked to the very nature of the product (see *Deutsche SiSi-Werke* v *OHIM*, paragraph 29, and Case C-144/06 P *Henkel* v

OHIM, paragraph 38), also applies where, as in the present case, the trade mark for which registration is sought is an 'other' mark consisting of the specific appearance of the surface of the packaging of a liquid product. In such a case, the mark likewise does not consist of a sign that is independent of the appearance of the necessary packaging of the products it designates (see, to that effect, *Storck* v *OHIM*, paragraph 29).

49 Although the General Court correctly identified, at paragraphs 63 to 67 and 62 to 66 of the judgments in T-109/08 and T-110/08 respectively, the criteria laid down by the case-law, it is apparent from those judgments that the General Court did not follow that case-law in its assessment of the case.

50 Instead of establishing whether the marks for which registration was sought varied significantly from the norm or customs of the sector, the General Court merely stated in a general manner, at paragraphs 79 and 78 of the judgments in T-109/08 and T-110/08 respectively, that since no bottle had been sold without a label or an equivalent, only that word element could determine the origin of the sparkling wine in question, so that the colour and matting of the glass of the bottle could not 'function as a trade mark' for sparkling wine for the relevant public when they were not used in combination with a word element.

51 Such an assessment means that marks consisting of the appearance of the packaging of the product itself that do not contain an inscription or a word element would be excluded automatically from the protection that may be conferred by Regulation No 40/94.

52 It follows that the General Court infringed Article 7(1)(b) of Regulation No 40/94 (see, to that effect, Case C-383/99 P *Procter & Gamble* v *OHIM* [2001] ECR I-6251, paragraph 45).

53 In those circumstances, the second plea put forward by Freixenet must be upheld and the judgments under appeal set aside, without it being necessary to examine the other grounds of the appeals.

The action before the General Court

54 Under the second sentence of the first paragraph of Article 61 of the Statute of the Court of Justice of the European Union, the Court of Justice may, where the decision of the General Court has been set aside, itself give final judgment in the matter, where the state of the proceedings so permits. That is the case here.

55 As regards Freixenet's applications before the General Court, seeking annulment of the contested decisions and based on infringement of Article 7(1)(b) of Regulation No 40/94, they must be upheld for the reasons set out at paragraphs 45 to 52 of this judgment. The Board of Appeal of OHIM made the same error in law as the General Court by finding, at paragraphs 34 and 37 and paragraphs 31 and 34 of the decisions of 30 October and 20 November 2007 respectively, that 'the formal appearance [did] not fulfil the function of the mark but the label does', and by not examining therefore whether the marks for which registration was sought varied so significantly from the norm or customs of the sector that they had distinctive character.

56 In those circumstances, the contested decisions must be annulled, and it is not necessary to examine the other grounds put forward by Freixenet in the context of the appeals before the General Court.

Costs

57 Under Article 122 of the Rules of Procedure, where the appeal is well founded and the Court itself gives final judgment in the case, the Court is to make a decision as to costs. Under Article 69(2) of those rules, which apply to appeals by virtue of Article 118 of that regulation, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since Freixenet has applied for costs to be awarded against OHIM, and since OHIM has been unsuccessful, it must be ordered to pay the costs of the proceedings at first instance and in the appeals.

On those grounds, the Court (Third Chamber) hereby

1. **Sets aside the judgments of the General Court of the European Union of 27 April 2010 in Case T-109/08 *Freixenet* v *OHIM* (*Frosted white bottle*), and in Case T-110/08 *Freixenet* v *OHIM* (*Frosted black matt bottle*);**

2. **Annuls the decisions of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 30 October 2007 (case R 97/2001-1) and of 20 November 2007 (case R 104/2001-1);**

3. **Orders the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) to pay the costs both at first instance and in the appeals.**

[Signatures]