JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)
5 April 2001 *

In Case T-87/00,

Bank für Arbeit und Wirtschaft AG, established in Vienna (Austria), represented by G. Kucsko, Rechtsanwalt, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl, J.F. Crespo Carrillo and S. Laitinen, acting as Agents, with an address for service in Luxembourg,

defendant,

* Language of the case: German.

APPLICATION for annulment of the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 31 January 2000 (Case R 316/1999-3), refusing registration of the term EASYBANK as a Community trade mark,

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

composed of: A.W.H. Meij, President, A. Potocki and J. Pirrung, Judges,

Registrar: D. Christensen, Administrator

having regard to the application lodged at the Registry of the Court of First Instance on 11 April 2000,

having regard to the reply lodged at the Registry of the Court of First Instance on 6 July 2000,

further to the hearing on 16 January 2001,

gives the following

Judgment

Background to the dispute

1 On 3 October 1996, the applicant filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office') 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 mark in respect of which registration was sought was the term 'EASYBANK'.

3 Registration was initially sought for the services 'Insurance, financial affairs, monetary affairs, banking, banking services, real estate affairs' in Class 36 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.

4 By decision of 13 April 1999, the examiner rejected the application pursuant to Article 38 of Regulation No 40/94.

5 On 8 June 1999, the applicant filed an appeal against the examiner's decision at the Office under Article 59 of Regulation No 40/94.

6 By letter of 10 August 1999, the applicant restricted the list of services covered by its application for a Community trade mark as follows: 'on-line banking services, especially electronic banking services'.

7 The appeal was dismissed by a decision of 31 January 2000 ('the contested decision'). Essentially, the Board of Appeal took the view that the term EASYBANK was descriptive and devoid of distinctive character, and therefore fell within the scope of Article 7(1)(b) and (c) of Regulation No 40/94.

Forms of order sought

8 The applicant claims that the Court should:

— annul the contested decision;

— 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 In support of its action, the applicant makes two pleas in law, alleging infringement of Article 7(1)(c) and (b) of Regulation No 40/94.

The plea alleging infringement of Article 7(1)(c) of Regulation No 40/94

11 The applicant argues that an obstacle to the registration of a trade mark exists only where there is a specific need to keep the sign in question available for the goods in respect of which the application for registration of that trade mark was lodged. In this case, it maintains that there is no specific and certain indication that the term EASYBANK is used or capable of being used as a descriptive indication.

12 The applicant emphasises that Article 7(1)(c) of Regulation No 40/94 concerns only 'exclusively' descriptive indications. Where the descriptive indication is not clear, it does not constitute an obstacle to registration. The term EASYBANK is characterised precisely by the fact that it does not contain any specific indication as to the nature of the banking services provided. It is an evocative word which

awakens associations of agreeable ideas, differing from one person to another: the fact of having banking services nearby, being able to go into a credit establishment with well laid-out premises, being able to carry out transactions by computer, or being received by pleasant employees.

13 Account should also be taken of the nature of the services in question and the attentiveness of consumers in the area concerned. In the area of banking services, consumers are particularly attentive; they take the names of trade marks into particular consideration and make a distinction between the various marks, more than they do in other areas. Moreover, they are used to the fact that in the banking sector use is made not of fantasy names that would tend to denote a lack of seriousness, but of terms drawn from current language.

14 The applicant states, finally, that it does not claim any monopoly over the word 'easy' or the word 'bank'. If, therefore, the disputed sign were to be registered as a Community trade mark, no banking establishment would be prohibited from using those two words.

15 The Office counters the applicant's argument based on the absence of a specific need for availability of the term EASYBANK by arguing that there is nothing in Article 7(1) of Regulation No 40/94 to permit such a requirement being used as a ground for refusing registration of a trade mark, in the same way as its descriptive character or lack of distinctiveness.

16 The Office points out that registration is refused for 'descriptive' signs, that is to say those capable of serving to describe the services concerned. Where, as in this case, a neologism is at issue, reference must be made to the normal and spontaneous understanding of it by an average individual, without extra effort of reflection. The Office emphasises that, if signs judged to be descriptive are refused registration, that is because they are not capable of guaranteeing to the user the original identity of the services concerned and distinguishing them from those of other undertakings.

17 Whilst a trade mark composed exclusively of signs of a descriptive nature must be refused registration, the word 'exclusively' must not, in the Office's submission, be interpreted in such a way that the term constituting the trade mark may have only one meaning; most words have many accepted meanings. In any event, the Office disputes the applicant's argument to the effect that the term EASYBANK may have several meanings.

18 To the Office, the term EASYBANK, which is represented without graphic originality, is nothing more than a simple combination, perfectly ordinary and without ambiguity, of two current English words. It is true that the term 'easy' is not usually employed for banking operations. However, when combined with the word 'bank', it forms a term which is exclusively and immediately descriptive of the services in question, which indicates instantly that the services in question are easily accessible electronic banking services.

19 The Office also maintains that it is precisely because 'banking consumers' are particularly attentive that they will perceive the sign EASYBANK as a perfectly descriptive indication of the nature of the services offered and not of their commercial origin.

Findings of the Court

20 Under Article 4 of Regulation No 40/94, the decisive factor if a sign capable of being represented graphically is to be eligible for registration as a Community trade mark is its capacity to distinguish the services of one undertaking from those of others.

21 It follows that, in particular, the absolute grounds for refusal set out in Article 7(1) of Regulation No 40/94 may be assessed only in relation to the

services for which registration of the sign is applied for (see Case T-163/98 *Procter & Gamble* v *OHIM (Baby-Dry)* [1999] ECR II-2383, paragraphs 20 and 21).

22 Under Article 7(1)(c) of Regulation No 40/94, registration is refused for 'trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time... of rendering of the service, or other characteristics of the [latter].'

23 The intention of the legislature was therefore that — subject to Article 7(3) of Regulation No 40/94 — such signs should, by virtue of their purely descriptive nature, be considered incapable of distinguishing the services of one undertaking from those of another. By contrast, signs or indications whose meaning goes beyond the exclusively descriptive character are capable of being registered as Community trade marks.

24 In this case, it should be noted that the Board of Appeal found in the contested decision that the term EASYBANK is composed of the two words 'easy' and 'bank', taken from current English, and that it is comprehensible at first sight. Even though that compound word is a neologism, that does not, in the Board of Appeal's opinion, prevent it from being neither unusual nor striking (paragraph 18). It notes that the word 'easy' means, *inter alia*, 'easy, without difficulty, simple, comfortable, without anxiety, carefree, convenient' (paragraph 20), and that the word bank means, *inter alia*, 'bank, credit establishment' (paragraph 21).

25 According to the Board of Appeal, the commercial circles targeted by the services for which registration of the trade mark is requested have knowledge of English, are abreast of the possibilities of modern media and are interested in banking services, particularly those of an on-line bank, that is to say banking services via the telephone and the internet. They therefore understand immediately and

without further analysis the meaning of the trade mark in question, namely that the services offered by an on-line bank are easily accessible and convenient. The word 'easy' thus signals to them at first sight the ease and pleasure they will have carrying out banking transactions from home, from their office or between two tasks, as it were without being obliged to make a journey to the bank during opening hours (paragraphs 22 and 23).

26 The Board of Appeal concludes that the clearly descriptive information conveyed by the term in question is immediately obvious as an indication of the kind, quality and destination of the services referred to (paragraphs 25 and 27). It further holds that the purely descriptive character of the term EASYBANK exists in the English-speaking part of the European Union, so that Article 7(2) of Regulation No 40/94 applies (paragraph 22).

27 In thus regarding the term EASYBANK as being exclusively descriptive of the services of an on-line bank, the Board of Appeal misapplied Article 7(1)(c) of Regulation No 40/94.

28 The word 'easy' is a general laudatory term of current language. It arouses associations of ideas, contains an element of subjective assessment and is devoid of all specificity. Combined with 'bank' and relating more particularly to an on-line bank, the word 'easy' is intended to give the potential clientele the agreeable general impression that the on-line bank in question is accessible without difficulty or effort.

29 Whilst it is true that the ease of access thus suggested cannot reasonably serve potential customers other than by enabling them to benefit from the banking services offered, the fact remains that that suggestion expressly applies only to the banking establishment as such. Since it does not make any reference to the details of a specific service or other details of the conduct of banking transactions, it does

not designate either objectively or specifically the kind, quality, quantity, intended purpose, value, or other characteristics of the various banking services capable of being provided.

30 The term in question does not, for example, give information as to how, once access is obtained, transactions such as an application for credit, the cashing of a cheque, an order to invest on the stock exchange, an application to participate in a share issue or a transfer or withdrawal from a personal account will be handled, or, in particular, as to the result, whether positive or negative, of such an on-line transaction for the potential customer.

31 Although the Board of Appeal deduces the descriptive character of the term EASYBANK from the message to the effect that all the services offered by an on-line bank have the common characteristic of being more easily accessible, thanks to the use of electronic tools, than those offered by a normal bank, the link between the meaning of the term EASYBANK on the one hand and the services capable of being provided by an on-line bank on the other, appears to be too vague and indeterminate to confer a descriptive character on that term in relation to those services. Thus, the term in question does not as such enable potential customers to identify immediately and precisely either the specific banking services capable of being provided or, *a fortiori*, one or more of their characteristics.

32 It follows that the term EASYBANK cannot in any event be regarded as having an exclusively descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94.

33 The plea must therefore be accepted.

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

Arguments of the parties

34 According to the applicant, the distinctive character of a sign is to be given a broad interpretation by the Boards of Appeal of the Office, in that a very limited degree of distinctiveness is sufficient. In relation to the disputed mark, the applicant argues that the term EASYBANK is an original combination of two words which cannot be found in any current dictionary. That originality also gives it its distinctive character.

35 The Office replies that the requirement for a trade mark to be distinctive serves to identify the commercial origin of the services in respect of which its registration is applied for. In this case, the term EASYBANK, without any particular additional element, does not allow that function to be fulfilled. The Office points out in that respect that it has agreed to register a figurative trade mark of which EASYBANK is the verbal component.

Findings of the Court

36 Under Article 7(1)(b) of Regulation No 40/94, registration is to be refused to 'trade marks which are devoid of any distinctive character', that character having to be assessed in relation to the services in respect of which registration of the sign is applied for (see paragraph 21 above).

37 In this case, it should be noted, first, that, in the contested decision, the Board of Appeal stated as follows (paragraph 27):

'Whereas the verbal trade mark "EASYBANK" is understood by the public to which it is addressed only as an indication of the kind, quality and intended purpose of the services and not as a trade mark fulfilling a function as an indicator of origin, it is also devoid of the distinctive character required at least to a minimal degree.'

38 Essentially, therefore, the Board of Appeal deduced the incompatibility of the term in question with Article 7(1)(b) of Regulation No 40/94 from the fact that it was incompatible with Article 7(1)(c). However, it has already been held that the term EASYBANK did not fall within the prohibition laid down by that latter provision. Therefore, the substantive reasoning developed by the Board of Appeal in relation to Article 7(1)(b) of Regulation No 40/94 must be set aside, as it is based on the error referred to above.

39 In so far as, in the contested decision (paragraphs 27 and 18), the Board of Appeal further refers to the fact that the term EASYBANK, 'as a combination of current terms and in the absence of particular additional elements conferring upon it a distinctive character... is devoid... of any additional element of imagination' and is 'neither unusual nor striking', it is sufficient to point out that the absence of distinctive character cannot arise merely from the finding that the sign in question lacks an additional element of imagination or does not look unusual or striking.

40 Far from setting up those latter terms as criteria for distinctiveness, Article 7(1)(b) of Regulation No 40/94 requires the examiner and, in appropriate cases, the Board of Appeal, to examine — in the context of an a priori examination apart from any actual use of the sign for the purposes of Article 7(3)

of Regulation No 40/94 — whether there appears to be no possibility that the sign in question may be capable of distinguishing, in the eyes of the public to which it is addressed, the products or services referred to from those of a different origin, where that public will be called upon to make its choice in commerce.

41 In this case, the Board of Appeal did not carry out that examination.

42 Therefore, this plea must also be accepted.

43 It follows from the whole of the above that the contested decision must be annulled.

Costs

44 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.

45 Since the Office has been unsuccessful and the applicant has asked for costs to be awarded against it, the Office must be ordered to pay the costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

1. **Annuls the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 31 January 2000 (Case R 316/1999-3);**

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

Meij Potocki Pirrung

Delivered in open court in Luxembourg on 5 April 2001.

H. Jung A.W.H. Meij

Registrar President