# JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

10 November 2004 *

In Case T-396/02,

**August Storck KG,** established in Berlin, represented by H. Wrage-Molkenthin, T. Reher, A. Heise and I. Rohr, lawyers, with an address for service in Luxembourg,

applicant,

v

**Office for Harmonisation in the Internal Market (Trade marks and Designs) (OHIM),** represented by B. Müller and G. Schneider, acting as Agents,

defendant,

ACTION for annulment of the decision of the Fourth Board of Appeal of OHIM of 14 October 2002 (Case R 187/2001-4), refusing registration of a three-dimensional mark comprised of the shape of a light-brown sweet,

* Language of the case: German.

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

composed of: H. Legal, President, V. Tiili and M. Vilaras, Judges,
Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Court Registry on 27 December 2002,

having regard to the response lodged at the Court Registry on 14 April 2003,

following the hearing on 16 June 2004,

gives the following

## Judgment

### Background to the dispute

1 On 30 March 1998 the applicant filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) 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 mark in respect of which registration was sought is a three-dimensional shape representing a light-brown sweet, reproduced below:



3 The goods in respect of which registration of the trade mark was sought are in Class 30 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 amended, and correspond to the following description: 'Confectionery'.

4 By decision of 25 January 2001 the examiner refused the application on the ground that the mark applied for was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94. Moreover, he found that the mark in question had not become distinctive in consequence of the use which had been made of it.

5 On 14 February 2001 the applicant filed a notice of appeal against the examiner's decision at OHIM under Article 59 of Regulation No 40/94. By that appeal, the applicant sought the partial amendment of the examiner's decision and the registration of the mark in respect of 'confectionery, namely caramel sweets'. In its written statement of 14 May 2001 setting out the grounds of the appeal, the applicant by contrast sought annulment of the examiner's decision in its entirety and, in the alternative, stated that 'the list of goods in respect of which registration of

the mark was sought [should] be limited to "caramel sweets" if registration of the mark [were] refused on the ground of lack of distinctive character ... both inherent [to the mark] and acquired through use of the mark in respect of confectionery.'

6 By decision of 14 October 2002 ('the contested decision'), notified to the applicant by fax on 18 October 2002 and by registered letter of 31 October 2002, the Fourth Board of Appeal of OHIM dismissed the appeal on the ground that the mark applied for was devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94 and furthermore could not be registered under Article 7(3) of that regulation.

7 The Board of Appeal essentially found that the combination of the shape and colour of the mark applied for did not intrinsically provide any indication of the origin of the product in question, namely confectionery. Moreover, it considered that the evidence adduced by the applicant did not prove that the mark applied for had become distinctive in consequence of the use that had been made of that mark, in respect in particular of caramel sweets.

## Procedure and forms of order sought by the parties

8 By letter lodged at the Registry of the Court on 21 May 2003, the applicant applied, pursuant to Article 135(2) of the Rules of Procedure of the Court of First Instance, for permission to lodge a reply. The President of the Fourth Chamber of the Court of First Instance refused to grant that permission.

9 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

10 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

**Subject-matter of the dispute**

*Arguments of the parties*

11 Without referring expressly to the subject-matter of the present dispute, the applicant criticises the contested decision by pointing out that, following the restriction which it claims to have made to the list of goods covered by the trade mark application by the alternative submissions made in its written statement of 14 May 2001, the only relevant market in the present case is the specific market for 'caramel sweets' and not that for 'sweets in general'.

12 OHIM submits that given the purpose of the application, which sought the registration of the mark in question in respect of 'confectionery', and the contradictory nature of the relief sought by the applicant in its appeal to the Board of Appeal and in the written statement setting out the grounds of that appeal (see paragraph 5 above), the Board of Appeal was right to interpret the contradictory wording of the applicant's submissions as a challenge to the examiner's decision in its entirety. Further, as the examiner rejected the application in respect of 'confectionery' in general and not in respect of 'confectionery, namely caramel sweets' or 'caramel sweets', the applicant could not restrict the scope of its action to that subject-matter since the examiner's decision in that respect was 'indivisible'.

13 Furthermore, according to OHIM, the restriction of the list of goods as proposed by the applicant in the alternative in its written statement of 14 May 2001 has no bearing on the proceedings. The applicant cannot restrict its list of goods in the alternative should it fail to obtain the primary relief it seeks (Case T-219/00 *Ellos* v *OHIM (ELLOS)* [2002] ECR II-753).

14 Consequently, OHIM submits that the subject-matter of the dispute before the Board of Appeal was the rejection of the applicant's application for a trade mark in respect of confectionery (Class 30) and that the subject-matter of the dispute in the present proceedings is the contested decision, issued by the Board of Appeal, which correctly reviewed the rejection of the trade mark application.

*Findings of the Court*

15 It is clear from Articles 57 to 61 of Regulation No 40/94 that an appeal lies from decisions of the examiners to the Board of Appeal and that any party to proceedings

resulting in a decision of the examiner may appeal against that decision if the decision adversely affects that party. Under Rule 48(1) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1), the notice of appeal is to contain certain information including 'a statement identifying the decision which is contested and the extent to which amendment or cancellation of the decision is requested'.

16 In the present case, it is not in dispute that the examiner rejected the applicant's trade mark application in respect of all goods covered by it, namely 'confectionery' within Class 30. The applicant restricted the scope of its appeal brought before the Board of Appeal on 14 February 2001 by not challenging the refusal of its trade mark application in respect of 'confectionery, namely caramel sweets'. It thus sought partial amendment of the examiner's decision and registration of its mark in respect of 'confectionery, namely caramel sweets'. However, in its written statement of 14 May 2001 setting out the grounds of its appeal, the applicant sought, as its primary relief, annulment of the examiner's decision in its entirety and it stated in the alternative that the list of goods covered by the mark sought should be restricted to 'caramel sweets' alone if registration of the mark were refused on grounds of lack of distinctive character, whether inherent to the mark or acquired in consequence of its use, in respect of 'confectionery'. According to the applicant, it is quite simply impossible to deny that the shape of the mark proposed for registration has acquired a sufficiently distinctive character through its use in respect of caramel sweets.

17 The Board of Appeal found in paragraph 6 of the contested decision that the primary relief sought on appeal was the amendment of the examiner's decision and the publication of the trade mark in respect of 'confectionery' without restriction on the ground that the mark applied for is distinctive within the meaning of Article 7(1)(b) of Regulation No 40/94 and, in the alternative, registration of the mark, in particular in respect of 'caramels', on the ground that the mark has become distinctive through use. After examining the arguments advanced on appeal, the Board of Appeal dismissed it in its entirety as unfounded.

18 In the form of order sought and in certain passages of its application to the Court, the applicant seeks annulment of the contested decision in its entirety. However, in other passages in the application (see, in particular, paragraphs 20, 21 and 30), the applicant states that, in the light of the restriction of the list of goods which it had envisaged in its written statement of 14 May 2001, the only goods now covered by its application are caramel sweets. Accordingly, the Board of Appeal erred in failing to distinguish between the market for caramel sweets and that for sweets in general in assessing the distinctive character of the mark.

19 It should be noted in this regard that, under Article 44(1) of Regulation No 40/94, the applicant may at any time withdraw his Community trade mark application or restrict the list of goods or services contained therein. Thus, the power to restrict the list of goods or services is vested solely in the applicant for the Community trade mark, who may, at any time, apply to OHIM for that purpose. In that context, the withdrawal, in whole or part, of an application for a Community trade mark or the restriction of the list of goods or services contained therein must be made expressly and unconditionally (see, to that effect, *ELLOS*, paragraphs 60 and 61).

20 In the present case, it is only in the alternative that the applicant suggested the restriction of the list of goods covered by the trade mark application to 'caramel sweets', that is, only if the Board of Appeal were minded to reject that application in respect of all the goods covered by it (i.e., 'confectionery'). The applicant has not therefore restricted the list of products expressly and unconditionally and so the restriction in question cannot be taken into account (see, to that effect, *ELLOS*, paragraph 62).

21 Furthermore, according to the case-law, a restriction of the list of goods or services specified in a Community trade mark application must be made in accordance with certain detailed rules, upon request for amendment of the application in accordance

with Article 44 of Regulation No 40/94 and Rule 13 of Regulation No 2868/95 (Case T-194/01 *Unilever* v *OHIM* (Ovoid tablet) [2003] ECR II-383, paragraph 13, and Case T-286/02 *Oriental Kitchen* v *OHIM* — Mou Dybfrost (KIAP MOU) [2003] ECR II-4953, paragraph 30).

22 However, those detailed rules have not been complied with in the present case since, in its written statement of 14 May 2001, the applicant merely claimed in the alternative a restriction of the goods in question without submitting an application for amendment of the trade mark application, in accordance with those provisions.

23 In those circumstances, the present action must be interpreted as seeking the annulment of the contested decision for infringement of Article 7(1)(b) of Regulation No 40/94 in respect of all goods covered by the mark applied for (that is, 'confectionery') and for infringement of Article 7(3) of that regulation, in respect of those goods, and, in particular, caramels.

**Admissibility of the evidence adduced for the first time before the Court**

24 The documents annexed to the application which had not been analysed by the Board of Appeal, namely the results of a survey carried out by interview in 1997 in Germany concerning the shape of the 'Werther's Echte' sweet, adduced for the first time before the Court, cannot be taken into account given that the purpose of actions before the Court is to review the legality of decisions of the Boards of Appeal of OHIM within the meaning of Article 63 of Regulation No 40/94. In those circumstances, since the function of the Court is not to re-examine the facts in the light of documents submitted for the first time before it, those documents must be

excluded from consideration, without there being any need to examine their probative value (Case T-10/03 *Koubi* v *OHIM — Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraph 52, and Case T-399/02 *Eurocermex* v *OHIM (Shape of a beer bottle)* [2004] ECR II-1391, paragraph 52, and the case-law cited).

**Merits**

25 In support of its action the applicant puts forward two pleas in law alleging an infringement of Article 7(1)(b) and Article 7(3) respectively of Regulation No 40/94.

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

Arguments of the parties

26 The applicant submits that, contrary to the finding of the Board of Appeal, the mark applied for does possess the necessary minimum degree of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94.

27 It submits first in that regard that the Board of Appeal erred in adopting the wrong definition of the relevant market. As the applicant envisaged a restriction of the list of goods covered by the trade mark application, the only relevant market in the

present case is the specific market for 'caramel sweets' and not that for 'sweets in general'. The sub-market for caramels is distinct from that for other sweets. The choice of one type of sweet (for example, jellified, fruit or chocolate sweets) )) or another (for example, 'strongly' flavoured sweets like those with a high menthol content) is based on the different needs and tastes of consumers. It follows that a caramel sweet cannot be treated in the same way as any other sweet. Those different characteristics which the consumer takes into account in deciding what to buy have repercussions on the shape of the various sweets. Consequently, the Board of Appeal and the Court can draw conclusions as to the existence of a common shape of caramel sweets only after distinguishing the consumers buying that type of sweet.

28 Next the applicant claims that by its specific and unique combination of shape and colour the mark applied for readily enables the applicant's sweets to be distinguished from those of other manufacturers. It submits in this regard that that mark is more than a combination of non-protectable features. The basic shape of the mark applied for is not a circle but an ellipse with a flat lower surface, rounded sides and a surface characterised by a circular hollow in the middle. It is therefore an unusual shape on the market for caramel sweets and very sophisticated in comparison with other sweet shapes (round, rectangular, square, ingot or with no particular shape). Moreover, the shape in question has no function and is neither dictated by overriding technical reasons nor usual.

29 OHIM challenges the applicant's argument and submits that the mark applied for is devoid of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, even if it were in fact possible to restrict the subject-matter of the dispute to caramels.

## Findings of the Court

30 Pursuant to Article 4 of Regulation No 40/94, a Community trade mark may consist of the shape of goods or of their packaging, provided that they are capable of distinguishing the goods of one undertaking from those of other undertakings. Moreover, under Article 7(1)(b) of that regulation, registration is to be refused for 'trade marks which are devoid of any distinctive character'. Article 7(2) of that regulation states that '[p]aragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

31 It must first of all be borne in mind that, according to the case-law, the trade marks covered by Article 7(1)(b) of Regulation No 40/94 are in particular those which, from the point of view of the relevant public, are commonly used, in trade, for the presentation of the goods or services concerned or in connection with which there exist, at the very least, specific indicia from which it may be concluded that they are capable of being used in that manner. Moreover, the signs referred to in Article 7(1)(b) are incapable of performing the essential function of a trade mark, namely that of identifying the 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 (Ovoid tablet, paragraph 39, Joined Cases T-324/01 and T-110/02 *Axions and Belce* v *OHIM* (Brown cigar shape and gold ingot shape) [2003] ECR II-1897, paragraph 29, Case T-305/02 *Nestlé Waters France* v *OHIM* (Shape of a bottle) [2003] ECR II-5207, paragraph 28, and *Shape of a beer bottle,* paragraph 18).

32 Accordingly, the distinctiveness of a mark may be assessed only, first, in relation to the goods or services for which registration of the sign has been requested and, second, in relation to the perception which the relevant public has of it (see, by analogy, Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 41, Case C-218/01 *Henkel* [2004] ECR I-1725, paragraph 50, Case

C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 34, Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089, paragraph 35, Joined Cases C-468/01 P to C-472/01 P *Procter & Gamble* v *OHIM* [2004] ECR I-5141, paragraph 33, Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble* v *OHIM* [2004] ECR I-5173, paragraph 33, *Ovoid tablet*, paragraph 40, *Brown cigar shape and gold ingot shape*, paragraph 30, and *Shape of a bottle*, paragraph 29).

33 In the case of the first of the above assessments, it should be noted that the sign claimed consists of the appearance of the product itself, that is, the representation of an oval-shaped sweet, light brown in colour, characterised by rounded sides, a circular depression in the centre and a flat lower surface.

34 As regards the relevant public, the Board of Appeal rightly noted that the goods in respect of which registration of the mark was sought in the present case, namely confectionery, 'are intended for a potentially unlimited number of customers of all age groups' and are 'mass food products, since the relevant public is ... all consumers' (paragraph 11 of the contested decision). The distinctive character of the mark applied for must be assessed in the light of the presumed expectations of an average consumer, who is reasonably well-informed and reasonably observant and circumspect (see, by analogy, *Linde and Others*, paragraph 41, *Koninklijke KPN Nederland*, paragraph 34, *Henkel* v *OHIM*, paragraph 35, Joined Cases C-468/01 P to C-472/01 P *Procter & Gamble* v *OHIM*, paragraph 33, and Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble* v *OHIM*, paragraph 33, *Ovoid tablet*, paragraph 42, *Brown cigar shape and gold ingot shape*, paragraph 31 and *Shape of a bottle*, paragraph 33).

35 Second, it should be noted that, according to the case-law, 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 to be applied to other categories of trade mark (see, by analogy, Case C-299/99 *Philips* [2002] ECR I-5475,

paragraph 48, *Linde and Others*, paragraphs 42 and 46, *Ovoid tablet*, paragraph 44, *Brown cigar shape and gold ingot shape*, paragraph 32, *Shape of a bottle*, paragraph 35, and *Shape of a beer bottle*, paragraph 22).

36 Nevertheless, when those criteria are applied, account must be taken of the fact that the perception of the relevant public 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 mark, a figurative mark or a three-dimensional mark not consisting of that appearance. Whilst the public is used to recognising the latter marks instantly as signs identifying the product, this is not necessarily so where the sign is indistinguishable from the appearance of the product itself (see by analogy *Linde and Others*, paragraph 48, Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 65, *Henkel*, paragraph 52, *Henkel* v *OHIM*, paragraph 38, Joined Cases C-468/01 P to C-472/01 P *Procter & Gamble* v *OHIM*, paragraph 36, and Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble* v *OHIM*, paragraph 36, *Ovoid tablet*, paragraph 45, and *Shape of a beer bottle*, paragraph 23).

37 It is also settled case-law that the way in which the relevant public, in this case the average consumer, perceives a trade mark is influenced by that person's level of attention, which is likely to vary according to the category of goods or services in question (*Ovoid tablet*, paragraph 42, and *Shape of a bottle*, paragraph 34).

38 In those circumstances, in order to ascertain whether the combination of the shape and colour of the product in question may be perceived by members of the public as an indication of origin, the overall impression produced by that combination must be analysed. That is not incompatible with an examination of each of the product's individual features in turn (Case T-337/99 *Henkel* v *OHIM (Red and white round tablet)* [2001] ECR II-2597, paragraph 49, and *Ovoid tablet*, paragraph 54), namely the shape and colour claimed.

39 In the present case, the Board of Appeal rightly found that in the case of mass consumer goods such as those in issue in the present case, 'the consumer will not pay much attention to the shape and colour of confectionery' and that accordingly 'it is unlikely that the choice of the average consumer will be determined by the shape of the sweet' (paragraph 12 of the contested decision).

40 Furthermore, the Board of Appeal showed to the requisite legal standard that the characteristics of the shape of that mark, taken alone or combined with each other, were not distinctive. It found, first, in that regard, that, 'almost round, the shape in question which calls to mind a circle ... is a basic geometric shape' and that the average consumer is 'accustomed to confectionery products, including sweets, which are round (circular, oval, elliptical or cylindrical)'. Next, as regards the rounded upper sides of the sweet, it found that 'sweets have rounded sides regardless of their configuration' for functional reasons. Lastly, as regards the circular depression in the middle of the sweet and its flat lower surface, the Board of Appeal found that 'those features do not substantially alter the overall impression given by the shape' and that accordingly 'it is unlikely that the relevant consumer will pay such attention to those two characteristics that he will perceive them as indicating a particular commercial origin' (paragraph 13 of the contested decision).

41 As for the colour of the relevant product, namely brown or various shades thereof, the Board of Appeal also noted that it was a 'common colour for sweets' (paragraph 13 of the contested decision). It must be found that the relevant public is accustomed to find that colour in confectionery.

42 It follows that the three-dimensional shape in respect of which registration was sought is a basic geometric shape which comes naturally to the mind of the consumer of mass consumption goods like sweets.

43 In those circumstances, the applicant's argument based on the allegedly considerable differences between the shape and colour of the mark applied for and those of other confectionery products must be rejected.

44 In the light of the foregoing it must be found that the three-dimensional mark applied for consists of a combination of presentational features which come naturally to mind and which are typical of the goods in question. The shape in question is not markedly different from various basic shapes for the goods in question which are commonly used in trade, but is a variation of those shapes. Since the alleged differences are not readily perceptible, it follows that the shape in question cannot be sufficiently distinguished from other shapes commonly used for sweets and it will not enable the relevant public immediately and with certainty to distinguish the applicant's sweets from those of another commercial origin.

45 Accordingly, the mark applied for does not enable the average consumer who is reasonably well-informed and reasonably observant and circumspect to identify the products concerned and distinguish them from those of another commercial origin. Therefore, it is devoid of distinctive character when compared with those goods.

46 Consequently, the first plea in law, alleging infringement of Article 7(1)(b) of Regulation No 40/94, must be rejected as unfounded.

*The second plea in law, alleging infringement of Article 7(3) of Regulation No 40/94*

Arguments of the parties

47 The applicant considers that the mark applied for must in any event be registered on the ground that it has become distinctive through use in the market for caramels.

The use of the mark is clear from the high turnover it generates, the advertising expenses incurred in promoting it and the results of various surveys concerning awareness of the mark which the applicant adduced before OHIM.

48 The applicant asserts that, on the confectionery market, the use not only of the name of a product but also its shape as an indication of origin is a common practice. It points out that it is for that reason that on the packaging, specifically on the bags bearing the words 'Werther's Original' ('Werther's Echte'), the mark applied for is always deliberately represented together with its particularly characteristic features, namely a hollow with an impression in the centre of the sweet and its rounded sides. That use cannot be treated as merely to an illustration of the content of the package without any indication of origin. Since three-dimensional marks have a dual function, namely the representation of the mark and the product, it is impossible clearly to distinguish between the two since the mark always corresponds to the product. However, the Board of Appeal failed to take account of the mark's dual function in the present case.

49 Lastly, the fact of seeing and reading on the packaging other marks and descriptions of the product has no bearing on the representation, as a mark, of the shape of the product. It is quite possible to use several marks simultaneously side by side for a product and especially so for products which are only identified by the three-dimensional mark. The public recognises a three-dimensional mark independently of the information about the product. Consequently, the Board of Appeal's analysis of the representation of the mark is not convincing.

50 OHIM refers to the assessment criteria laid down by the case-law for determining whether a mark has become distinctive through use and submits that the mark applied for cannot be registered under Article 7(3) of Regulation No 40/94.

51 According to OHIM, the examiner and the Board of Appeal were right to conclude that the evidence submitted by the applicant failed to demonstrate that the mark applied for had become distinctive through use in respect of caramels.

52 First, the turnover figures adduced by the applicant for the 1994 to 1998 period do not enable a finding to be made as to market share and are therefore inadequate. In the case of mass consumption goods such as those in the present case, the decisive factor is the market share and not simply the sales figures, which do not suffice to show that the mark is known.

53 Second, the advertising costs of DEM 27 729 000 incurred by the applicant in 1998 in respect of the 'Werther's Original' sweet in several Member States of the European Union are not probative either. From the table concerning the expenditure on the promotion of the sweet in question for the 1994 to 1998 period, produced by the applicant in support of that allegation, it is impossible to determine what the expenses it mentions were incurred for, whether for the 'Werther's Original' sign, for the shape of the sweet or for another sign.

54 Lastly, the surveys carried out in seven Member States of the European Union and in Norway refer to the 'WERTHER'S', 'Werther's Original' or 'W.O.' signs and contain no reference to the shape in question. Accordingly, no evidence has been adduced to show that the applicant has succeeded in making the public aware of the shape of the sweet in question. Furthermore, it is not sufficient to prove use of a certain product shape in order for Article 7(3) of Regulation No 40/94 to apply but it is necessary above all to show that the circumstances of that use are such that the shape in question has the character of a mark (*Philips*, paragraph 65).

Findings of the Court

55 Under Article 7(3) of Regulation No 40/94, the absolute grounds for refusal laid down in Article 7(1)(b) to (d) of that regulation do not preclude registration of a mark if, in relation to the goods or services for which registration is requested, it has become distinctive in consequence of the use which has been made of it. In the circumstances referred to in Article 7(3) of Regulation No 40/94, the fact that the sign which constitutes the mark in question is actually perceived by the relevant section of the public as an indication of the commercial origin of a product or service is the result of the economic effort made by the trade mark applicant. That fact justifies putting aside the public-interest considerations underlying Article 7(1)(b) to (d), which require that the marks referred to in those provisions may be freely used by all in order to avoid conceding an unjustified competitive advantage to a single trader (*Shape of a beer bottle*, paragraph 41).

56 First, it is clear from the case-law that the acquisition of distinctiveness through use of a mark requires that at least a significant proportion of the relevant section of the public identifies the products or services as originating from a particular undertaking because of the mark. However, the circumstances in which the condition as to the acquisition of distinctiveness through use may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data, such as specific percentages (see, by analogy, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 52, and *Philips*, paragraphs 61 and 62, and *Shape of a beer bottle*, paragraph 42).

57 Second, in order to have the registration of a trade mark accepted under Article 7(3) of Regulation No 40/94, the distinctive character acquired through the use of that trade mark must be demonstrated in the part of the European Union where it was devoid of any such character under Article 7(1)(b) to (d) of that regulation (Case

T-91/99 *Ford Motor* v *OHIM (OPTIONS)* [2000] ECR II-1925, paragraph 27, and *Shape of a beer bottle*, paragraphs 43 and 47).

58 Third, in assessing, in a particular case, whether a mark has become distinctive through use, account must be taken of factors such as, inter alia: the market share held by the mark, how intensive, geographically widespread and long-standing use of the mark has been, the amount invested by the undertaking in promoting the mark, the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking and statements from chambers of commerce and industry or other trade and professional associations. If, on the basis of those factors, the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must be concluded that the requirement for registering the mark laid down in Article 7(3) of Regulation No 40/94 is satisfied (*Windsurfing Chiemsee*, paragraphs 51 and 52; *Philips*, paragraphs 60 and 61, and *Shape of a beer bottle*, paragraph 44).

59 Fourth, according to the case-law, the distinctiveness of a mark, including that acquired through use, must also be assessed in relation to the goods or services in respect of which registration is applied for and in the light of the presumed perception of an average consumer of the category of goods or services in question, who is reasonably well-informed and reasonably observant and circumspect (see, to that effect, *Philips*, paragraphs 59 and 63).

60 It is in the light of those considerations that it is necessary to examine whether, in the present case, the Board of Appeal erred in law in rejecting the applicant's argument that the mark applied for should have been registered under Article 7(3) of Regulation No 40/94.

61 First, the applicant's arguments based on the sales figures and high cost of advertising to promote the 'Werther's Original' ('Werther's Echte') caramel sweet do not show that the mark applied for has become distinctive in consequence of the use which has been made of it.

62 Whilst the Board of Appeal accepted that the turnover and the data in respect of the advertising costs showed that the type of sweet in question was widespread on the market, it nevertheless considered that that data did not constitute evidence, which was essential, that the sign applied for was used as a three-dimensional mark to designate the applicant's sweets (paragraph 16 of the contested decision).

63 In paragraphs 17 to 21 of the contested decision, the Board of Appeal substantiated its finding as follows:

'17. The applicant produced samples of its plastic bags used as packaging for its sweets and submitted that the shape reproduced on those bags constitutes a "primary reference point" for the consumer. The applicant takes the view that that use is evidence that the shape is the subject of the advertising as the mark of the product and that it is in that way that it will be perceived by the consumer. The Board of Appeal finds itself compelled to refute that point of view since there is a discrepancy between the applicant's statements and the overall appearance of the sweets on the packet.

18. Whilst it is in fact true that the brown shaped sweets appear on the packaging as the applicant produces them, it is nevertheless necessary to consider the

purpose of that representation. It cannot be an abstract assessment. On the contrary, it must consider the probable way in which the average consumer perceives the representation of the sweets as it appears on the packaging.

19. Faced with a packet of the applicant's sweets, the consumer in question notices first the name "Werther's Original" which, written in large print, occupies almost half of the packet and is surrounded by further details such as a small oval sign bearing the name "Storck" and the stylised picture of a small village below which may be read "Traditional Werther's Quality". The lower half of the packet shows a colour photo representing about 15 sweets piled up and their caption: "The classic candy made with real butter and fresh cream".

20. According to the applicant's statements that illustration corresponds to the three-dimensional mark in respect of which registration was sought. The Board of Appeal challenges the merits of that position. The way in which the sweets are represented on the packet is not in accordance with the traditional way in which marks are represented on goods. It seems that the purpose of that representation is (instead) to illustrate the contents of the packet. Contrary to the applicant's submissions the packet does not show a shape but a realistic picture of a pile of unwrapped sweets. It should be noted that that representation is not intended to emphasise the characteristics which the applicant considers to confer a distinctive character on the mark (the central depression, the smooth lower surface and the rounded sides). It is for that reason that the Board of Appeal considers that there is a discrepancy between the way in which the sweets are represented on the packet and the submission that that representation is a three-dimensional mark and is perceived as such by the average consumer. The assessment of the Board of Appeal leads it to conclude that it is likely that the consumer will see the picture of the sweets solely as an illustration of the contents of the packet. The illustration of packaging in an attractive way to show the appearance of the product and serving suggestions is a common practice in the food industry, including the confectionery industry. It is dictated more by marketing considerations than by the need to identify products by means of marks. The Board of Appeal

accordingly considers that the picture does not fulfil the function of a mark, but serves solely to illustrate the product. The caption accompanying the picture, namely: "The classic candy made with real butter and fresh cream", further confirms that this will be the probable perception of a reasonably observant sweet-buyer. The caption and picture complement each other: the wording describes the nature of the sweets and the picture shows them. The Board of Appeal concedes that a product may bear several marks at the same time. That does not preclude its finding, based on the appearance of the packets used as packaging for the applicant's sweets, that the representation of the sweets on those packets is not in keeping with the representation of a mark.

21. From the foregoing considerations, it must be concluded that the turnover and the figures relating to the advertising costs in fact prove that "Werther's" sweets are sold on the market, but not that their shape was used as a mark ...'

64 There is no reason to call in question the foregoing considerations. The advertising material produced by the applicant contains no evidence relating to the use of the mark in the form applied for. In all of the pictures produced, the representation of the shape and colours applied for is accompanied by word and figurative marks. Accordingly, that material cannot amount to evidence that the relevant section of the public perceives the mark applied for, in itself and independently of the word and figurative marks with which it is accompanied in the advertising and at the point of sale, as indicating the commercial origin of the products and services in question (see, to that effect, *Shape of a beer bottle*, paragraph 51).

65 Furthermore, it should be noted that the applicant itself states in the application that the sweet in question is not sold loose but in a packet in which each sweet is further

individually wrapped. It follows that in making the decision to purchase, the average consumer is not in a position directly to see the shape of the sweet in question enabling that person to attribute to that shape the function of indicating its origin.

66 The same conclusion applies, second, to the surveys submitted by the applicant for consideration by the Board of Appeal, to show that the mark applied for had become distinctive through use. It is clear from the final part of paragraph 21 of the contested decision that awareness of the sweet sold by the applicant as a mark was established, not on the basis of the shape in question, but on the basis of the name 'Werther's'.

67 It follows from the foregoing considerations that the Board of Appeal did not err in law in finding that the applicant had not shown that the mark applied for had become distinctive in consequence of the use which had been made of it, either in respect of caramel sweets or confectionery in general.

68 Consequently, the second plea in law must also be rejected and the action as a whole dismissed.

**Costs**

69 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since the applicant has been unsuccessful and the defendant has asked for costs, the applicant must be ordered to pay the costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

**1. Dismisses the action;**

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

Legal Tiili Vilaras

Delivered in open court in Luxembourg on 10 November 2004.

H. Jung H. Legal

Registrar President