Reports of Cases

JUDGMENT OF THE GENERAL COURT (Sixth Chamber)

12 May 2016*

(EU trade mark — Application for EU figurative mark Mark1 — Absolute ground for refusal — Lack of distinctive character — Article 7(1)(b) of Regulation (EC) No 207/2009)

In Case T-32/15,

GRE Grand River Enterprises Deutschland GmbH, established in Kloster Lehnin (Germany), represented by I. Memmler and S. Schulz, lawyers,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by D. Walicka, acting as Agent,

defendant,

ACTION brought against the decision of the First Board of Appeal of EUIPO of 29 October 2014 (Case R 647/2014-1) concerning an application for registration of the figurative sign Mark1 as an EU trade mark,

THE GENERAL COURT (Sixth Chamber),

composed of S. Frimodt Nielsen, President, F. Dehousse and A.M. Collins (Rapporteur), Judges,

Registrar: A. Lamote, Administrator,

having regard to the application lodged at the Court Registry on 22 January 2015,

having regard to the response lodged at the Court Registry on 31 March 2015,

further to the hearing on 28 January 2016, in which EUIPO did not participate,

gives the following

* Language of the case: German.

Judgment

Background to the dispute

1 On 8 August 2013, GRE Grand River Enterprises Deutschland GmbH, the applicant, lodged an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).

2 Registration as a mark was sought for the following figurative sign:



3 The goods in respect of which registration was sought fall within Classes 9 and 34 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond, for each of those classes, to the following description:

— Class 9: 'Batteries for electric cigarettes, electronic cigarettes, electric cigars, electronic cigars, electric cigarillos, electronic cigarillos, electric smoking pipes, electronic smoking pipes and devices intended for the vaporisation of tobacco, tobacco products and tobacco substitutes; accumulators for electric cigarettes, electronic cigarettes, electric cigars, electronic cigars, electric cigarillos, electronic cigarillos, electric smoking pipes, electronic smoking pipes and devices intended for the vaporisation of tobacco, tobacco products and tobacco substitutes; chargers for electrical accumulators, car adapters; cables for electric cigarettes, electronic cigarettes, electric cigars, electronic cigars, electric cigarillos, electronic cigarillos, electric smoking pipes, electronic smoking pipes and devices intended for the vaporisation of tobacco, tobacco products and tobacco substitutes; electrical or electronic parts for electric cigarettes, electronic cigarettes, electric cigars, electronic cigars, electric cigarillos, electronic cigarillos, electric smoking pipes, electronic smoking pipes and devices intended for the vaporisation of tobacco, tobacco products and tobacco substitutes';

— Class 34: 'Tobacco leaves; tobacco products, included in Class 34, in particular tobacco-based nicotine tabs for oral use, cigars, cigarettes, cigarillos, fine tobacco, pipe tobacco, snuff, tobacco substitutes, cigars and cigarettes containing tobacco substitutes (not for medical or medicinal use); smokers' articles, in particular tins of tobacco, cigarette cases, cigarette holders, ashtrays (all of the aforesaid goods not of precious metal or coated therewith), cigarette paper, cigarette sockets, cigarette filters, smoking pipes, hand-held devices for rolling cigarettes, cigarette lighters, included in Class 34; matches; cigarette tins of precious metal; cigarette cases of precious metal; cigarette

holders of precious metal; cigar tins and cases of precious metal and of wood; cigar boxes of precious metal; cigar holders of precious metal; electric cigarettes, electronic cigarettes, electric cigars, electronic cigars, electric cigarillos, electronic cigarillos, electric smoking pipes and electronic smoking pipes; liquids, ampoules and cartridges for electric cigarettes, electronic cigarettes, electronic cigars, electronic cigarillos and electric smoking pipes; refill liquids for use in electronic smoking devices and electronic cigarettes; refill cartridges for electronic cigarettes and electronic smoking devices; diffusers, scented vaporisers for electronic cigarettes and electronic smoking devices; vaporisers for tobacco, tobacco products and tobacco substitutes; parts, elements of electronic cigarettes and electronic smoking devices and vaporisers for tobacco, tobacco products and tobacco substitutes; tote bags and containers, in particular for the products listed above; parts and spare parts for the aforesaid goods'.

4 By decision of 8 January 2014, the examiner rejected the application for registration in respect of all the goods at issue, 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 207/2009.

5 On 3 March 2014, the applicant filed a notice of appeal with EUIPO against that decision.

6 By decision of 29 October 2014 ('the contested decision'), the First Board of Appeal of EUIPO dismissed that appeal.

7 The Board of Appeal found that the relevant public consisted of both the average consumer in the general public and the average consumer in a specialist public. It noted that the sign applied for was a figurative mark composed of the word 'mark' and the number 1. It stated that the number 1 refers in general to first or highest in rank and that the word 'mark' is an English word which is synonymous with 'trademark'. Thus, according to the Board of Appeal, the sign applied for was a reference to the fact that the goods at issue were placed first in the ranking of cigarette brands. The configuration of the graphic elements and colours, namely, black for the word 'mark' and red for the number 1, were not sufficient to confer distinctive character on the sign applied for. In fact, the red colour suggested that the product was 'number 1'. Furthermore, the font of the letters was not unusual. As a result, the sign applied for fulfilled an advertising function only and did not enable the origin of the goods to be identified. For this reason, the Board of Appeal held that the sign could not be registered.

Forms of order sought

8 The applicant claims that the Court should:

— annul the contested decision;

— order EUIPO to pay the costs.

9 EUIPO contends that the Court should:

— dismiss the action as unfounded;

— order the applicant to pay the costs.

Law

10 In support of its action, the applicant puts forward a single plea in law, alleging infringement of Article 7(1)(b) of Regulation No 207/2009.

11 First, the applicant claims that the word 'mark' is not descriptive. In its meaning as a mark or as a synonym of the English word 'trademark', it is very imaginative not to give the name of a product, but to call it simply a mark. Moreover, the word could be understood equally in the sense of marking or scratching in German or as the abbreviation of the former German currency. Furthermore, the word 'mark' refers to a well known first name in English, for which the applicant cites a certain number of famous examples. For these reasons, according to the applicant, this word has distinctive character.

12 The applicant notes that EUIPO has registered the word 'mark', sometimes grouping it with numbers, as a mark in the past.

13 Secondly, the applicant claims that the number 1 is perceived as an advertising statement only when it is grouped with a definite article and with the word 'number'. In the present case, from the perspective of the average consumer, simply putting the word 'mark' and the number 1 together would not have such a meaning.

14 The applicant notes that EUIPO has also registered marks containing the number 1, such as the mark Bank One for banking and financial services. In addition, the applicant refers to a decision of the Bundespatentgericht (Federal Patent Court, Germany).

15 Moreover, the applicant claims that the word 'mark' is capable of being protected. As a result, there is no reason why the simple addition of the number 1 could transform it into a term devoid of distinctive character.

16 In spite of the fact that the advertising slogan for cigarettes under the mark Mark Adams No1 is 'The No1 brand', the applicant maintains that the consumer would not perceive this slogan in the sense of a ranking, in as much as it refers to the bestselling brand. On the contrary, according to the applicant, the average consumer knows that cigarettes of this brand are not the bestselling on the market.

17 In any event, even if the mark applied for was interpreted as an advertising slogan, this would not constitute a sufficient reason to deny it any distinctive character, according to the case-law. The applicant claims that advertising slogans are devoid of distinctive character only when their use for the goods and services concerned is common and they are not apt to serve as an indication of origin. However, this is not so in the present case.

18 Thirdly, the applicant maintains that the graphic form of the mark applied for helps reinforce its distinctive character. The relatively simple graphic form of the sign applied for enables consumers to remember it easily in order to identify the origin of the goods. Moreover, the fact that the word 'mark' is written in small black characters and that the number 1 is emphasised by red writing twice as large serves to break down the sign into two distinct visual elements.

19 In the light of the above, the applicant claims that the sign applied for has a degree of distinctive character for the goods in Classes 9 and 34.

20 EUIPO rejects these arguments as unfounded.

21 EUIPO contends in particular that a sign containing a directly laudatory assertion is distinctive only if it could also be perceived as an indication of origin, which is not the case in the present case for the reasons given in the contested decision. EUIPO adds that the fact that the sign applied for could possibly have other meanings than those taken as the basis for the contested decision is not decisive. In fact, ambiguity cannot in itself confer a degree of distinctive character where one of the meanings is sufficient to justify a refusal to register.

22 Furthermore, EUIPO contends that the graphic form of the sign does not establish distinctive character in the present case. According to the case-law, the decisive question is whether, from the perspective of the average consumer, the figurative elements change the meaning of the mark for the goods at issue. EUIPO submits that the present case is comparable to other cases in which the case-law has held that graphic form could not affect the assessment of the word element.

23 Lastly, previous registrations containing the word 'mark' associated with a number are not comparable, since the meaning of the number 1 is the reason for that refusal. Furthermore, the legality of the Boards of Appeal's decisions must be assessed solely on the basis of Regulation No 207/2009 and not on the basis of previous decision-making practice.

24 Under Article 7(1)(b) of Regulation No 207/2009, 'trade marks which are devoid of any distinctive character' are not to be registered. In addition, Article 7(2) of the regulation provides that 'Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of [the European Union]'.

25 The idea underlying Article 7(1)(b) of Regulation No 207/2009 is linked to the essential function of the trade mark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user (judgment of 21 January 2011 in *BSH* v *OHIM (executive decision)*, T-310/08, not published, EU:T:2011:16, paragraph 22).

26 The absolute ground for refusal laid down in Article 7(1)(b) of Regulation No 207/2009 is thus intended to ensure that the consumer or end-user can distinguish, without any possibility of confusion, the product or service from others which have a different origin. Thus, for a trade mark to possess distinctive character within the meaning of that provision, it must serve to identify the product or service in respect of which registration is sought as originating from a particular undertaking, and thus to distinguish that product or service from those of other undertakings (judgment of 21 January 2011, *executive decision*, T-310/08, not published, EU:T:2011:16, paragraph 22).

27 It is not necessary for the mark to convey exact information about the identity of the manufacturer of the goods or the supplier of the services. It is sufficient that the mark enables members of the public concerned to distinguish the product or service that it designates from those which have a different commercial origin (judgment of 21 January 2011, *executive decision*, T-310/08, not published, EU:T:2011:16, paragraph 22).

28 The signs that are devoid of any distinctive character within the meaning of the above named provision are those that 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 make the same choice, if the experience proves to be positive, or to make another choice, if it proves to be negative, when making a subsequent acquisition (judgment of 31 March 2004 in *Fieldturf* v *OHIM (LOOKS LIKE GRASS... FEELS LIKE GRASS... PLAYS LIKE GRASS)*, T-216/02, not published, EU:T:2004:96, paragraph 23).

29 Distinctive character must be assessed, first, by reference to the goods or services in respect of which registration was sought and, second, by reference to the relevant public's perception of the mark, that public being reasonably well informed and reasonably observant and circumspect (judgments of 31 March 2004 in *LOOKS LIKE GRASS... FEELS LIKE GRASS... PLAYS LIKE GRASS*, T-216/02, not published, EU:T:2004:96, paragraph 26 and of 21 January 2011, *executive edition*, T-310/08, not published, EU:T:2011:16, paragraph 24).

30 As for marks made up of signs or indications that are also used as advertising slogans, indications of quality or encouragement to purchase the goods or services covered by those marks, their registration is not excluded by virtue of that use. As regards the assessment of the distinctive character of those marks, it is inappropriate to apply to the latter criteria stricter than those applicable to other types of

sign (judgments of 21 January 2011, *executive edition*, T-310/08, not published, EU:T:2011:16, paragraph 25 and of 12 February 2014 in *Oetker Nahrungsmittel* v *OHIM (La qualité est la meilleure des recettes)*, T-570/11, not published, EU:T:2014:72, paragraph 22).

31 An advertising slogan cannot, however, be required to display imaginativeness or even conceptual tension which would create surprise and so make a striking impression, in order for such a slogan to be distinctive (judgments of 12 February 2014 in *La qualité est la meilleure des recettes*, T-570/11, not published, EU:T:2014:72, paragraph 25 and of 29 January 2015 in *Blackrock* v *OHIM (INVESTING FOR A NEW WORLD)*, T-59/14, not published, EU:T:2015:56, paragraph 22).

32 In addition, the mere fact that a mark is perceived by the relevant public as a promotional formula and that, because of its laudatory nature, it could in principle be used by other undertakings, is not sufficient in itself to support the conclusion that that mark is devoid of distinctive character (judgment of 12 February 2014 in *La qualité est la meilleure des recettes*, T-570/11, not published, EU:T:2014:72, paragraph 26).

33 The laudatory connotation of a word mark does not mean that it is capable of guaranteeing to consumers the origin of the goods or services which it covers. Such a mark can be perceived by the relevant public both as a promotional formula and as an indication of the commercial origin of the goods and services. It follows that, in so far as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood — perhaps even primarily understood — as a promotional formula has no bearing on its distinctive character (judgments of 21 January 2010 in *Audi* v *OHIM*, C-398/08 P, ECR, EU:C:2010:29, paragraph 45; of 12 February 2014 in *La qualité est la meilleure des recettes*, T-570/11, not published, EU:T:2014:72, paragraph 27 and of 29 January 2015 in *INVESTING FOR A NEW WORLD*, T-59/14, not published, EU:T:2015:56, paragraph 24).

34 In other words, a mark consisting in an advertising slogan must be regarded as being devoid of distinctive character if it is liable to be perceived by the relevant public as a mere promotional formula. On the other hand, such a mark must be recognised as having a distinctive character if, apart from its promotional function, it may be perceived immediately as an indication of the commercial origin of the goods or services in question (order of 12 June 2014 in *Delphi Technologies* v *OHIM*, C-448/13 P, ECR, EU:C:2014:1746, paragraph 36; judgment of 24 November 2015 in *Intervog* v *OHIM (meet me)*, T-190/15, not published, EU:T:2015:874, paragraph 20).

35 As regards figurative signs, in order to assess the distinctiveness of the sign at issue, it is necessary to examine whether, from the perspective of reasonably attentive average consumers, its figurative elements allow the mark applied for to diverge from the mere perception of the word elements used (see, to that effect, judgment of 24 November 2015 in *meet me*, T-190/15, not published, EU:T:2015:874, paragraph 30).

36 It is in the light of those principles that the present case falls to be considered.

37 The goods designated are tobacco products and electronic cigarettes and related goods falling within Classes 9 and 34.

38 As for the relevant public, the Board of Appeal found, which the applicant does not dispute, that it consists, first, of the general public and, secondly, of a specialist public. Given that the mark applied for comprises the word ‘mark’ which can be understood by an English-speaking public, the Board of Appeal rightly took this public into account, without being obliged to take account of any other public.

39 As for the sign applied for, the applicant's arguments can be summarised, essentially, as follows. First, the word 'mark' is capable of having several meanings and, thus, cannot be considered as devoid of any distinctive character. Secondly, the figure 1 is not perceived as an advertising statement in itself. Even if the sign applied for is interpreted as an advertising slogan, it has a degree of distinctive character. Thirdly, the degree of distinctive character is reinforced by the graphic form of the sign.

40 In this regard, it must be noted that the fact that the word 'mark' is capable of having several meanings is not decisive. The applicant does not dispute that one of those meanings is that of trade mark. The General Court finds, when assessing the mark applied for as a whole, that it has, clearly and essentially, a laudatory and promotional meaning for the goods concerned. In fact, it suggests to the relevant public essentially the idea of a 'number 1 brand' for the goods for which registration was sought. Faced with this mark, the relevant public would not be led to perceive any indication of the commercial origin of the goods covered by it, beyond the promotional information that the mark applied for is 'number 1'.

41 The laudatory and promotional meaning of the sign applied for, perceived immediately and understood as such by the relevant public, eclipses any indication of the commercial origin of the goods concerned, so that the mark will not be remembered by the relevant public as an indication of provenance. It must be noted that, according to the case-law, the fact that the mark applied for is capable of having several meanings does not necessarily imply in itself that it has a degree of distinctive character when it is perceived immediately by the relevant public as a promotional message and not as an indication of the origin of the goods or services at issue (judgment of 8 October 2015 in *Société des produits Nestlé* v *OHIM (NOURISHING PERSONAL HEALTH)*, T-336/14, not published, EU:T:2015:770, paragraph 41). Even if the fact that the mark applied for can have a number of meanings is one of the characteristics which is likely, as a rule, to endow the sign with distinctive character, it is not the decisive factor in establishing that the sign has such a distinctive character (judgment of 29 January 2015 in *INVESTING FOR A NEW WORLD*, T-59/14, not published, EU:T:2015:56, paragraph 38).

42 It follows that the mark applied for consists of an advertising slogan that lacks the minimum degree of distinctive character required, rather than an indication of the commercial origin of the goods. There is thus no reason to challenge the Board of Appeal's assessment to the effect that the mark as such does not contain any element that would endow it with distinctive character.

43 Concerning the meaning of the figurative elements, the Board of Appeal was fully entitled to hold that the graphic elements were of a simple nature and in no way affected the assessment of the word element of the mark applied for.

44 In this regard, it must be noted that the colour combination of black for the word and red for the number, the weakly distinctive font and the difference in size between the word and the number are so lacking in any special character that they bring no distinctive character to the mark applied for as a whole. Those elements possess no feature, in particular in terms of imaginativeness or as regards the way in which they are combined, as would allow the mark to fulfil its essential function in relation to the goods covered by the application for registration.

45 Finally, the applicant's argument alleging that the Board of Appeal's approach is contrary to the earlier registration of several similar signs as EU trade marks or national trade marks must be rejected.

46 It must be recalled that EUIPO is under a duty to exercise its powers in accordance with the general principles of EU law, such as the principle of equal treatment and the principle of sound administration (judgment of 10 March 2011, *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, ECR, EU:C:2011:139, paragraph 73).

47 In the light of those two principles, EUIPO must, when examining an application for registration of an EU trade mark, take into account the decisions already taken in respect of similar applications and consider with especial care whether it should decide them in the same way or otherwise (judgment of 10 March 2011, *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, ECR, EU:C:2011:139, paragraph 74).

48 Nonetheless, the way in which the principles of equal treatment and sound administration are applied must be consistent with respect for legality (judgment of 10 March 2011, *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, ECR, EU:C:2011:139, paragraph 75).

49 Consequently, a person who files an application for registration of a sign as a trade mark may not rely, to his advantage and in order to secure an identical decision, on a possibly unlawful act committed for the benefit of another (judgment of 10 March 2011 in *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, ECR, EU:C:2011:139, paragraph 76).

50 Moreover, for reasons of legal certainty and, indeed, of sound administration, the examination of any trade mark application must be stringent and comprehensive, in order to prevent trade marks being improperly registered. That examination must be undertaken in every individual case. The registration of a sign as a mark depends on specific criteria, applicable in the factual circumstances of the particular case and whose purpose is to ascertain whether the sign at issue is caught by a ground for refusal (judgment of 10 March 2011 in *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, ECR, EU:C:2011:139, paragraph 77).

51 In the present case, it is apparent that, contrary to what may have been the position with regard to certain earlier applications for the registration of signs as trade marks, the present application was caught by one of the grounds for refusal set out in Article 7(1)(b) of Regulation No 207/2009.

52 That being so, and given the fact that the mark applied for is devoid of any distinctive character, the applicant cannot successfully rely on EUIPO's previous decisions, as the Board of Appeal was fully entitled to hold in the contested decision.

53 Moreover, it must be noted that, as EUIPO submits, the mark applied for is not comparable to signs formed by grouping the word 'mark' and other numbers, such as 10 or 11, or Roman numerals such as V or VII. In these circumstances, the argument alleging breach of the principle of equal treatment, which requires comparable situations not to be treated differently and different situations to not be treated in the same way unless such treatment is objectively justified, must be dismissed.

54 As for the decision of the Bundespatentgericht (Federal Patent Court) relied on by the applicant, it should be noted that it cannot, as such, decisively affect the assessment of the present case. The EU trade mark regime is an autonomous system, made up of a set of rules and pursuing objectives specific to it, its application being independent of any national system. Accordingly, EUIPO and, as the case may be, the EU Courts are not bound by decisions given in the Member States (judgment of 15 May 2014, *Katjes Fassin* v *OHIM (Yoghurt-Gums)*, T-366/12, not published, EU:T:2014:256, paragraph 28).

55 In the light of all of the foregoing, the single plea in law raised by the applicant must be rejected as unfounded.

Costs

56 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since the applicant has been unsuccessful, it must be ordered to bear its own costs and to pay those incurred by EUIPO, in accordance with the form of order sought by EUIPO.

On those grounds,

THE GENERAL COURT (Sixth Chamber)

hereby:

1. **Dismisses the action;**

2. **Orders GRE Grand River Enterprises Deutschland GmbH to bear its own costs and to pay those incurred by the European Union Intellectual Property Office (EUIPO).**

Frimodt Nielsen Dehousse Collins

Delivered in open court in Luxembourg on 12 May 2016.

[Signatures]