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

In Case T-219/00,

Ellos AB, established in Borås (Sweden), represented by G. Bergqvist, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by F. López de Rego and J.F. Crespo Carrillo, acting as Agents,

defendant,

ACTION brought against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 15 June 2000 (Case R 385/1999-1), refusing registration of the term ELLOS as a Community trade mark,

* Language of the case: English.

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

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

having regard to the application lodged at the Registry of the Court on 18 August 2000,

having regard to the response lodged at the Registry of the Court on 9 November 2000,

further to the hearing on 20 June 2001,

gives the following

Judgment

Background to the dispute

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

Designs) (hereinafter '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 trade mark in respect of which registration was sought was the term ELLOS.

3 The goods and services in respect of which registration was sought came within Classes 24, 25 and 35 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 24: 'Textiles and textile goods, not included in other classes; bed and table covers';

Class 25: 'Clothing, footwear, headgear';

Class 35: 'Customer services for mail-order sales'.

4 By decision of 8 June 1999 the examiner refused the application in part under Article 38 of Regulation No 40/94 on the ground that the term applied for was devoid of any distinctive character and exclusively descriptive in respect of the goods and services falling within Classes 25 and 35 of the Nice Classification.

5 On 9 July 1999, the applicant appealed to the Office under Article 59 of Regulation No 40/94 against the examiner's decision.

6 The appeal was dismissed by decision of 15 June 2000 ('the contested decision') pursuant to Article 7(1)(c) and (2) of Regulation No 40/94.

7 The Board of Appeal considered, essentially, that the term ELLOS was exclusively descriptive in Spain, given that ELLOS is the third person plural pronoun in the Spanish language and is frequently used as a collective term designating all members of the male sex. The Board of Appeal concluded that the word ELLOS cannot be registered as a trade mark for 'clothing, footwear and headgear' within Class 25 of the Nice Classification because it designates the type or purpose of those goods. In regard to customer services for mail-order sales within Class 35 of the Nice Classification, the Board considered that these may refer to the sale of clothing and that, therefore, the registration of the trade mark applied for had also to be refused for the reasons given in respect of the goods falling within Class 25 of the Nice Classification.

Forms of order sought

8 The applicant claims that the Court should:

— annul the contested decision and order the Office to register the trade mark ELLOS for all goods and services sought by the application;

— in the alternative, order the Office to register the mark ELLOS for the goods and services falling within Classes 24 and 35 of the Nice Classification;

— take any such further measures as the Court deems appropriate;

— order the Office to pay the costs.

9 The Office contends that the Court should:

— dismiss the application;

— order the applicant to pay the costs.

Law

The claims that the Office be ordered to register the mark ELLOS for all products and services sought by the trade mark application and, in the alternative, for those falling within Classes 24 and 35 of the Nice Classification

Arguments of the parties

10 The applicant claims that the Court should issue a direction to the Office that it register the mark ELLOS for all products and services sought by the application and, in the alternative, for those falling within Classes 24 and 35 of the Nice Classification.

11 The Office submits that the action is inadmissible as regards those claims since Regulation No 40/94 lays down a registration procedure which must be complied with. According to the Office, even if the Court of First Instance were to annul the contested decision, the mark could not be registered as long as the procedures laid down by Articles 40, 41 and 42 of Regulation No 40/94 have not been completed.

12 Furthermore, the Office points out that the Court of First Instance has already held that it is not entitled to issue directions to the Office (Case T-163/98 *Procter & Gamble* v *OHIM (BABY-DRY)* [1999] ECR II-2383, paragraph 53).

13 Finally, the Office contends that the action is also inadmissible because the Board of Appeal did not make a determination in respect of the Class 24 products, as to which the examiner raised no objection.

Findings of the Court

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

15 In any event, as the Office rightly points out, a trade mark may only be registered at the end of the registration procedure, which is not completed by an assessment of the absolute grounds for refusal.

16 Moreover, as regards the 'textiles and textile goods, not included in other classes; bed and table covers' falling within Class 24 of the Nice Classification, the applicant's claim is devoid of purpose since the decision of the examiner to refuse in part the application for the Community trade mark ELLOS does not refer to those products and, consequently, they are not the subject-matter of the contested decision.

Application for annulment of the contested decision

17 The applicant puts forward three pleas in law, alleging, first, infringement of Article 7(1)(c) of Regulation No 40/94; second, failure of the Office to comply with its obligation to harmonise Community trade-mark law in that it failed to take into account prior registrations in Spain and, third, breach by the Office of the obligation to accept the offer to restrict the products and services in respect of which registration was sought.

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

Arguments of the parties

18 The applicant maintains that the word ELLOS is sufficiently 'distinctive' in character to become a Community trade mark. According to the applicant, even if the word 'ellos' is the third person plural of the personal pronoun in the Spanish language, it is not devoid of 'distinctive' character *per se*.

19 The applicant states that it is clear from the grounds of the contested decision that the word ELLOS is not a term used in the clothing trade or in the mail-order business. The applicant maintains that it created the mark specifically for that sector and that, even for the Spanish-speaking consumer, it can have only vague semantic connotations.

20 Furthermore, the applicant contends that, even if the Court of First Instance were to find that the sign in question is devoid of 'distinctive' character in respect of the goods falling within Class 25 of the Nice Classification, that finding could not apply in respect of 'customer services for mail-order sales' falling within Class 35 of the Nice Classification, since the third person plural of the personal pronoun in the Spanish language has no meaning so far as those services are concerned. Finally, the applicant maintains that the claim in respect of the services within Class 35 of the Nice Classification must be examined independently of that in respect of the goods within Class 25 of that classification.

21 The Office points out that, for the goods and services referred to in the application, the word ELLOS will be directly understood by Spanish-speaking consumers as meaning 'clothing, footwear, headgear' or 'customer services for mail-order sales' to male customers.

22 The Office points out that assessment of 'distinctive' character must be carried out in an identical way for the products and services falling within the same sector and that that approach was confirmed by the Court in Case T-345/99 *Harbinger* v *OHIM (TRUSTEDLINK)* [2000] ECR II-3525, paragraph 39.

23 Furthermore, according to the Office, the descriptive nature of a trade mark does not depend only on whether the term which forms the sign in respect of which registration is sought bears one or more meanings.

24 The Office submits that the word ELLOS, when used in connection with the goods and services referred to by the applicant in its application, will immediately, and without further thought or any other reasoning being necessary, inform Spanish-speaking consumers that those goods and services are intended especially for men.

Findings of the Court

25 It should be observed, as a preliminary point, that, in the contested decision, the refusal to register the term applied for is based solely on the descriptive nature of that term. Accordingly, in spite of the applicant's use of the word 'distinctive', the plea should be understood as referring to the descriptive nature of the term applied for.

26 Under Article 7(1)(c) of Regulation No 40/94, '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 production of the goods or of rendering of the service, or other characteristics of the goods or service' are not to be registered. Furthermore, Article 7(2) of Regulation No 40/94 provides that '[p]aragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

27 Article 7(1)(c) of Regulation No 40/94 prevents the signs or indications referred to therein from being reserved to one undertaking alone because they have been registered as trade marks. That provision thus pursues an aim in the public interest, which requires that such signs or indications may be freely used by all (see, to that effect, Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25).

28 Furthermore the signs referred to by Article 7(1)(c) of Regulation No 40/94 are signs regarded as incapable of performing the essential function of a trade mark, namely that of identifying the commercial origin of the goods or services, thus enabling the consumer who acquired the product or service 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.

29 The distinctiveness of a trade mark must be assessed, first, in relation to the goods or services in respect of which registration of the sign has been requested (see Case T-135/99 *Taurus-Film* v *OHIM (Cine Action)* [2001] ECR II-379, paragraph 25, and Case T-136/99 *Taurus-Film* v *OHIM (Cine Comedy)* [2001] ECR II-397, paragraph 25) and, second, in relation to the perception of the section of the public targeted which is composed of the consumers of those products or services.

30 In the present case, the section of the public targeted is deemed to be the average, reasonably well-informed and reasonably observant and circumspect consumer (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26, and Case T-359/99 *DKV* v *OHIM (EuroHealth)* [2001] ECR II-1645, paragraph 27). Given the nature of the goods and services in question (clothing and mail-order services), they are intended for general consumption.

31 Furthermore, it is not in dispute that the existence of the absolute ground for refusal referred to in the present case is raised only in respect of part of the Community, namely Spain (paragraph 18 of the contested decision). Thus, pursuant to Article 7(2) of Regulation No 40/94, the section of the public targeted, in relation to which the absolute ground for refusal should be assessed, is Spanish-speaking consumers.

32 In those circumstances, it is necessary to determine whether, in the context of the application of the absolute ground for refusal under Article 7(1)(c) of Regulation

No 40/94, there is, for that section of the public targeted, a direct and specific relationship between the word ELLOS and 'clothing, footwear, headgear' or 'customer services for mail-order sales'.

33 As regards the question whether, for the section of the public targeted, there is a direct and specific relationship between the sign in question and 'clothing, footwear, headgear', the Board of Appeal rightly considered that the word ELLOS, as the third person plural pronoun in the Spanish language, may be used, in the Spanish-speaking part of the Community, to designate the purpose of those goods, namely 'clothing, footwear, headgear' for male customers.

34 Given the differences which usually exist between clothing for men and clothing for women, the conveying of the information that the clothing is intended for male customers represents an essential characteristic of the goods in question which is taken into account by the section of the public targeted.

35 It follows that the word ELLOS enables the section of the public targeted to establish immediately, and without further thought, a specific and direct relationship between the sign and the 'clothing, footwear, headgear' for male customers which are included in the category 'clothing, footwear, headgear' sought by the application for registration in issue.

36 Since the applicant sought registration of the sign at issue in respect of all 'clothing, footwear, headgear', without distinguishing between them, the assessment of the Board of Appeal in respect of that category as a whole must be upheld (see, to that effect, *EuroHealth*, cited above, paragraph 33).

37 In those circumstances, the link between the meaning of the word ELLOS, on the one hand, and 'clothing, footwear, headgear', on the other, appears sufficiently close to be caught by the prohibition laid down in Article 7(1)(c) and (2) of Regulation No 40/94 (see Case T-24/00 *Sunrider* v *OHIM (VITALITE)* [2001] ECR II-449, paragraph 24).

38 As to whether, for the section of the public targeted, there is a direct and specific relationship between the sign in question and the 'customer services for mail-order sales', the Board of Appeal considered that those services do not expressly exclude the sale of clothing and that, accordingly, it should be assumed that they may be related to the sale of such goods. It follows, according to the Board of Appeal, that the grounds for refusing registration for clothing falling within Class 25 of the Nice Classification also apply in respect of the 'customer services for mail-order sales' falling within Class 35 of the Nice Classification (paragraph 20 of the contested decision).

39 Thus, the Board of Appeal essentially inferred the descriptive nature of the word ELLOS in respect of the services falling within Class 35 of the Nice Classification from the fact that the term is descriptive for the goods falling within Class 25 of the Nice Classification. Similarly, it is clear from the Office's response and from the explanations it gave at the hearing that it considers that those services are ancillary to the products in issue.

40 It should be stated, first, that the issue of the descriptive nature of the term in relation to 'customer services for mail-order sales' as referred to in the application must be examined separately from that concerning 'clothing, footwear, headgear'.

41 In examining an application for a Community trade mark there are no categories of products or services which are subordinate, or ancillary, to others. The fact that an application for a Community trade mark may subsequently be restricted,

as regards the list of products or services contained therein, pursuant to Article 44 of Regulation No 40/94, or that the trade mark may be transferred in respect of some of the good or services under Article 17 of that regulation confirms that each product or service, or category thereof, must be analysed separately.

42 It should next be stated that the section of the public targeted will not immediately, and without further thought, establish a specific and direct relationship between 'customer services for mail-order sales' and the word 'ELLOS'. As regards the services referred to in the application for the trade mark, the sex of the customers for whom the services in question are intended does not constitute a relevant aspect or an essential characteristic of those services.

43 If the sign in issue suggests 'customer services for mail-order sales', or one of their characteristics, to the section of the public targeted it does so, at most, indirectly and does not enable that public immediately, and without further thought, to perceive a description of the services in question or of one of their characteristics, in particular their intended use.

44 Accordingly, the relationship between the word ELLOS and 'customer services for mail-order sales', as described by the Board of Appeal in the contested decision, is too indeterminate and vague to be caught by the prohibition laid down in Article 7(1)(c) of Regulation No 40/94.

45 It follows that the Board of Appeal was wrong in holding that the word ELLOS is exclusively descriptive as regards 'customer services for mail-order sales' and that the present plea should therefore be upheld to that extent.

The second plea, alleging failure of the Office to comply with its obligation to harmonise Community trade-mark law in that it failed to take into account prior registrations in Spain

Arguments of the parties

46 According to the applicant, the Office failed to take into account the fact that there exist in Spain registered trade marks consisting of, or including, the word 'ellos' and, therefore, failed to fulfil its duty to harmonise Community trade-mark law. In that connection, the applicant refers to two Spanish registrations: trade mark No 728769, ELLOS, in respect of goods falling within Class 25 of the Nice Classification, and trade mark No 1617871, Q-ELLOS, in respect of services falling within Class 35 of that classification.

47 The applicant maintains that the examiner ought, in particular, to have taken into consideration national marks registered in the Member States which apply a system of examination based on absolute grounds for refusal similar to those in Regulation No 40/94. The applicant states that the Ley de Marcas 32/1988 of 10 November 1998 (Spanish law on trade marks) lays down absolute grounds for refusal similar to those in Regulation No 40/94. It contends, furthermore, that the arguments used by the Board of Appeal for not taking those marks into consideration are wholly unfounded.

48 Finally the applicant cites the decision of the First Board of Appeal of 2 December 1998 in Case R 120/1998-1 *LEICHT* according to which the Office

is to take into account decisions by national trade-mark offices if there are doubts as to the registrability of a Community trade mark application owing to its meaning in a language spoken in the territory where the national trade mark is registered.

49 The Office maintains that registrations in Member States are only indicative of eligibility for registration of a Community trade mark application but are not a decisive factor for the examiner.

50 With regard to the Spanish trade marks mentioned by the applicant, the Office makes the following comments:

— Spanish trade mark No 728769, ELLOS, was registered in 1977, before the adoption of the Ley de Marcas 32/1988, under a law, Estatuto sobre Propriedad Industrial of 26 July 1929, texto refundido of 30 April 1930) (Spanish statute on intellectual property), which did not apply standards of absolute grounds for refusal similar to those in Regulation No 40/94. Moreover, it was registered only for 'footwear' as a combined (figurative and word) mark;

— Spanish trade mark No 1617871, Q-ELLOS, was registered in 1993 for business and advertising services within Class 35 of the Nice Classification,

and is a combined (figurative and word) mark which represents an original way of writing the word 'cuellos' ('necks').

51 Finally, the Office maintains that the contested decision is perfectly in line with the Board of Appeal's decision of 2 December 1998 in LEICHT since, in the present case, there has been no decision by an appellate body of the Spanish office for trade marks and patents, nor any detailed statement of grounds justifying the decision to register the Spanish trade marks in question, and that the Board of Appeal gave serious consideration to those two prior national registrations.

Findings of the Court

52 It should be noted, first, that the Board of Appeal took account of the prior national registrations in finding that the two Spanish trade marks put forward as precedents did not coincide with the Community trade mark application in question (paragraph 19 of the contested decision).

53 Next, it should be noted that, given the unitary nature of the Community trade mark, the Community trade mark regime is an autonomous system with its own set of objectives and rules peculiar to it, and applies independently of any national system (to that effect, Case T-32/00 *Messe München* v *OHIM (electronica)*

[2000] ECR II-3829, paragraph 47. Accordingly, the validity of the Board of Appeal's decisions must be examined exclusively on the basis of the relevant Community legislation.

54 It follows that the national trade marks put forward by the applicant, even if registered in the language area covered by the contested decision, are not factors which are binding on the Office. In any event, as the Office contends in its response, they possess characteristics different from those of the Community trade mark applied for in the present case.

55 As for the applicant's assertion that the Office failed to harmonise Community trade-mark law, in that it failed to take into account the national trade marks referred to, it should be stated that Community trade-mark law does not have to be harmonised by means of the Office accepting the national registrations existing in each Member State.

56 Finally, as regards the applicant's views in relation to the fact that the contested decision is not consistent with the decision of the First Board of Appeal of 2 December 1998, LEICHT, it is sufficient to observe that the applicant has not shown that that decision concerned a situation comparable to that in point in the present case (*TRUSTEDLINK*, cited above, paragraph 40). In any event, the Office is not bound by its earlier decisions, since every case must be considered on its own facts and according to the characteristics peculiar to it.

57 It follows that the second plea must be rejected.

The third plea, alleging failure by the Office to accept restrictions on the goods and services

Arguments of the parties

58 The applicant states that it offered to withdraw Class 25 from the application for registration, but that the Board of Appeal did not take that offer into account, contrary to Article 44(1) of Regulation No 40/94.

59 According to the Office, Regulation No 40/94 does not impose any obligation to take into account conditional offers to restrict goods or services, as the applicant claims, and therefore, such conditional withdrawals cannot be accepted since they are not actual withdrawals.

Findings of the Court

60 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.

61 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 the

Office for that purpose. In that context, the withdrawal, in whole or part, of an application for a Community trade mark must be made expressly and unconditionally.

62 In the present case, the applicant proposed to withdraw the goods within Class 25 from the application for the Community trade mark ELLOS if the Board was considering rejecting such an application (paragraph 13 of the contested decision). Nevertheless, the applicant did not make the withdrawal expressly and unconditionally. Accordingly, the applicant cannot be held to have made a partial withdrawal of the application in question for a Community trade mark.

63 It follows that the third plea must be rejected.

64 In the light of the foregoing, the contested decision must be annulled in so far as it concerns 'customer services for mail-order sales' (Class 35 of the Nice Classification), and the remainder of the application must be dismissed.

Costs

65 Under Article 87(3) of the Rules of Procedure of the Court of First Instance, the Court may order the parties to bear their own costs where they succeed on some and fail on other heads. In this case, since the contested decision must be annulled in part, it is appropriate to order the parties to bear their own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber),

hereby:

1. Annuls the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 15 June 2000 (Case R 385/1999-1) in so far as it concerns services falling within Class 35 of the Nice Agreement and corresponding to the following description: 'customer services for mail-order sales';

2. Dismisses the remainder of the application;

3. Orders the parties to bear their own costs.

Mengozzi Tiili Moura Ramos

Delivered in open court in Luxembourg on 27 February 2002.

H. Jung
Registrar

P. Mengozzi
President