OPINION OF ADVOCATE GENERAL
RUIZ-JARABO COLOMER
delivered on 12 May 2009 [1]

I — Introduction

1. This appeal, in which a dual challenge is brought against a judgment of the Court of First Instance of 28 February 2008, [2] gives the Court of Justice the opportunity to examine the scope of the protection afforded to national emblems under Article 7(1)(h) of the Regulation on the Community trade mark ('Regulation No 40/94'), [3] in conjunction with Article 6*ter* of the Paris Convention. [4]

2. In the appeal in Case C-202/08 P, a clothes manufacturer, American Clothing Associates SA ('American Clothing'), criticises, for several reasons, the excessively generous protection given by the judgment under appeal to national emblems. In Case C-208/08 P, on the other hand, the Office for Harmonisation in the Internal Market ('OHIM') challenges the judgment of the Court of First Instance on the grounds that it erred in interpreting the Paris Convention as precluding the protection of State symbols in the face of service marks.

3. To analyse these matters, it is necessary to disentangle the complex network of international law and Community law, and to plumb the depths of heraldry, in order to investigate the limits of the protection afforded to national emblems in the face of attempts to appropriate them for commercial purposes.

4. The science of heraldry evokes fights and adventures from other ages, [5] such as that between Don Quixote and the Knight of the White Moon, so called because that glowing orb adorned his shield; but, fortunately, it is

1 — Original language: Spanish.

2 — Case T-215/06 *American Clothing Associates* v *OHIM* [2008] ECR II-303.

3 — Council Regulation (EC) No 40/94 of 20 December 1993 (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83), and, most recently, by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1).

4 — Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883, as revised and amended (*United Nations Treaty Series*, vol. 828, No 11847, p. 108).

5 — Heraldry, which appeared in Europe in the early 12th century in jousts and tournaments, soon lost its basic function of identifying a knight and came to represent stories of alliances between noble families; it also decorated palaces and houses, and it was this role which lead to its decline, owing to the commercialisation of the heraldists (Messía de la Cerda y Pita, L.F., *Heráldica Española — El diseño heráldico*, Ed. Edimat, Madrid, 1998, pp. 19 to 22).

not a question of settling arguments regarding the 'pre-eminence of beauty' as between two ladies, [6] but of using the heraldic art to define the limits of the protection of a national emblem.

II — Legislative framework

A — *International law*

5. In these appeals there is discussion concerning the interpretation of Articles 1, 6, 6*ter*, 6*sexies* and 7 of the Paris Convention, given below.

6. Article 1 provides:

'…

(2) The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.

…'

7. Article 6 states:

'(1) The conditions for the filing and registration of trademarks shall be determined in each country of the Union [composed of the countries to which the Paris Convention applies] by its domestic legislation.

…'

6 — Cervantes, M. de, *Don Quijote de la Mancha*, translated as *Don Quixote* with an introduction and notes by John Rutherford, Penguin Books, 2001, Part II, Chapter LXIV, p. 927.

8. Some points in Article 6*ter* (1) and (3) are particularly relevant to these proceedings, especially the following:

'(1) (a) The countries of the Union agree to refuse or to invalidate the registration, and to prohibit by appropriate measures the use, without authorisation by the competent authorities, either as trademarks or as elements of trademarks, of armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view.

(b) ...

(c) ... The countries of the Union shall not be required to apply the said provisions when the use or registration referred to in subparagraph (a), above, is not of such a nature as to suggest to the public that a connection exists between the organisation concerned and the armorial bearings, flags, emblems, abbreviations, and names, or if such use or registration is probably not of such a nature as to mislead the public as to the existence of a connection between the user and the organisation.

...

...'

9. Article 6*sexies* of the Convention is also of some interest:

'The countries of the Union undertake to protect service marks. They shall not be required to provide for the registration of such marks.'

B — *Community law*

10. The Community trade mark is governed, fundamentally, by Regulation No 40/94, which established this industrial property right of European scope.

11. The seventh recital in the preamble to that legislation refers to the protection afforded by a Community trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, and states that such protection is absolute in the case of identity between the mark and the sign and between the goods or services; it adds that the protection applies also in cases of similarity between the mark and the sign and between the goods or services.

12. The ninth recital adds that the Community trade mark is to be regarded as an object

of property which exists separately from the undertaking whose goods or services are designated by it.

…

13. In Regulation No 40/94, Article 1(1) is worthy of mention:

(h) trade marks which have not been authorised by the competent authorities and are to be refused pursuant to Article 6*ter* of the Paris Convention;

'A trade mark for goods or services which is registered in accordance with the conditions contained in this Regulation and in the manner herein provided is hereinafter referred to as a "Community trade mark".'

…'

14. Article 7 of Regulation No 40/94, as amended, provides:

III — Facts

15. On 23 July 2002 the applicant filed an application at OHIM for registration of a Community trade mark consisting of an

'1. The following shall not be registered:

image of a maple leaf with the letters 'rw', in capitals, below it, as follows:



16. The goods and services in respect of which registration was sought are in Classes 18, 25 and 40 of the Nice Agreement, [7] namely:

— 'Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery' (Class 18);

— 'Clothing, footwear, headgear' (Class 25);

— 'Tailoring; taxidermy; bookbinding; dressing, processing and finishing of skins, leather, furs and textiles; photographic film development and photographic printing; woodworking; fruit pressing; grain milling; processing, tempering and finishing of metal surfaces' (Class 40).

17. By decision of 7 October 2005, the OHIM examiner refused to register the mark sought in respect of all the goods and services concerned, on the basis of Article 7(1)(h) of Regulation No 40/94, stating that the sign gave rise to an impression on the part of the public that it was linked to Canada, as he took the view that the maple leaf was a copy of the emblem of that State, as it appears in the communication of the International Bureau

7 — 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.

of the World Intellectual Property Organisation (WIPO) of 1 February 1967 to the States which are parties to the Paris Convention and in the WIPO database, shown below (in red):



18. By decision of 4 May 2006, the First Board of Appeal of OHIM dismissed the appeal [8] brought by American Clothing against the examiner's decision and upheld the decision.

19. The Board of Appeal accepted that the red-coloured maple leaf was the emblem of Canada and, on the basis of a judgment of the Court of First Instance, [9] examined whether, from a heraldic point of view, the disputed sign contained an element which was identical to or an imitation of the Canadian emblem. The Board of Appeal held that the word element 'RW' did not preclude the application of Article 6*ter* (1)(a) of the Paris Convention.

20. It rejected the argument that the different colours of the maple leaves distinguished between them, since, as the application for registration did not specify any particular colour, the mark could be represented with any colour, including the vermilion of the Canadian emblem.

21. It also stated that what is in issue is the same eleven-pointed leaf, in the shape of a star on a stem, with visibly identical spacing between the points. It concluded that the relevant public would see the ideogram as an imitation of the Canadian emblem and held that registration of the mark might mislead the public as to the origin of the goods and services in respect of which it was sought, having regard to the great variety of goods and services which Canada is able to offer and promote.

22. The Board of Appeal likewise did not accept the alleged reputation, in Belgium, of the mark RIVER WOODS, since it considered that use contrary to Article 7(1)(h) of Regulation No 40/94 undermines the acquisition of distinctiveness through use.

23. Finally, it rejected the other arguments put forward by American Clothing, among them the claim that it had registered a number

8 — Case R 1463/2005-1.

9 — Case T-127/02 *Concept* v *OHIM (ECA)* [2004] ECR II-1113, paragraph 40; ('the *ECA* judgment').

of similar national marks, including Canadian marks, and invoked OHIM's previous decision-making practice concerning signs containing flags or State emblems.

IV — The procedure before the Court of First Instance and the judgment under appeal

24. On 8 August 2006, American Clothing brought an action before the Court of First Instance for annulment of the decision of the First
Board of Appeal of OHIM of 4 May 2006, relying on a single plea in law, alleging infringement of Article 7(1)(h) of Regulation No 40/94.

25. The Court of First Instance examined the claim of invalidity in relation to the services in Class 40 and the goods in Classes 18 and 25.

Service marks and Article 6ter of the Paris Convention

26. As a preliminary matter, the Court examined the applicability of Article 6*ter* (1)(a) of the Paris Convention to service marks, in order to determine whether the trade mark sought, in referring to certain services, infringed that provision. If it did not, then OHIM's refusal to register that mark in respect of services constituted an infringement of Article 7(1)(h) of Regulation No 40/94. [10] It also justified its intention to rule on an aspect not included in the claims of the parties by the need to avoid its decisions being based on erroneous legal considerations. [11]

27. The Court of First Instance annulled the decision of the First Board of Appeal because it referred to registration of the mark sought for the services in Class 40, on the ground that Article 6*ter* (1)(a) of the Paris Convention, to which Article 7(1)(h) of Regulation No 40/94 refers, does not apply to services in general.

28. To that end, it examined [12] the wording of the provision in the Paris Convention, emphasising that it refers only to 'trade marks'. It also added that it is clear from Article 1(2), Article 6(1) and Article 6*sexies* of the Paris Convention that the Convention establishes a distinction between, on the one hand, 'trade marks' and, on the other hand, 'service marks'. As Article 6*ter* refers only to trade marks, that

10 — Paragraph 23 of the judgment under appeal.
11 — Paragraphs 24 and 25 of the judgment under appeal, which are based on the order of 27 September 2004 in Case C-470/02 P *UIER* v *M6 and Others*, paragraph 69, and the order of 13 June 2006 in Case C-172/05 P *Mancini* v *Commission*, paragraph 41.
12 — In paragraphs 26 to 32 of the judgment under appeal.

is to say to marks for goods, it concluded that the prohibition on registration and use established by that provision does not apply to marks designating services.

29. The judgment under appeal also pointed out that Article 7(1)(h) of Regulation No 40/94 merely refers to Article 6*ter* of the Paris Convention, by stating that 'the following shall not be registered: trade marks which [… are to be thus treated] pursuant to Article 6*ter* of the Paris Convention'. As Article 6*ter* of the Paris Convention does not concern service marks, they cannot be covered by the absolute ground for refusal established by that Community provision. In that regard, the Court of First Instance rejected OHIM's argument that Article 7 of Regulation No 40/94 makes no distinction between marks for goods and service marks, since, according to the Court, the distinction established by Article 6*ter* of the Paris Convention prevails, according to the reference made to that provision by Article 7(1)(h) of Regulation No 40/94.

30. The Court inferred, from the combination of the two provisions, that the Community legislature intended not to extend the prohibition contained in Article 6*ter* of the Paris Convention to services, since, if it had intended otherwise, it would have included a similar prohibition in the text of Article 7 of Regulation No 40/94, thereby avoiding the distinction which it implicitly created, by the mere fact of referring to Article 6*ter* of the Paris Convention, between marks for goods and service marks.

31. The Court of First Instance went on to reject the possibility of relying on the judgment in *ECA* because, in that judgment, the Court did not adjudicate on the applicability of Article 6*ter* of the Paris Convention to service marks, or on the need to interpret Article 6*ter* of the Paris Convention widely. In fact, neither a WIPO document [13] put forward by OHIM nor Article 16 of the Trade Mark Law Treaty ('TLT') [14] supported such an interpretation of Article 6*ter* of the Paris Convention. Besides, although the European Community had signed that Treaty on 30 June 1995, it had not ratified it.

32. Finally, the Court of First Instance assumed that, as the Community legislature was aware, at the time of the adoption of Regulation No 40/94, of the importance in modern commerce of service marks, it could have extended the protection granted to State emblems by Article 6*ter* of the Paris Convention to this category of marks. As the legislature did not see fit to do so, the Court held that it was not for the Community judicature to take the place of the Community legislature and apply an interpretation *contra legem* of the provisions at issue.

13 — To be specific, paragraph 7 of the 'General Information on Article 6*ter* of the Paris Convention', available on the WIPO internet site, according to paragraph 19 of the judgment under appeal.

14 — Trade Mark Law Treaty (TLT), adopted at Geneva on 27 October 1994, in order to extend to service marks the protection granted by the Paris Convention to marks for goods; paragraph 31 of the judgment under appeal.

The goods in Classes 18 and 25 [15]

33. Once the applicability of the Community provision at issue to services had been ruled out, the Court of First Instance examined it in respect of goods, starting from the assumption that it is sufficient, in order to preclude the registration of a compound trade mark under Article 7(1)(h) of Regulation 40/94, that one of its elements is a copy of a State emblem or an imitation thereof 'from a heraldic point of view', irrespective of how the mark is perceived overall.

34. In that regard, it considered the claims made by American Clothing that the graphic at issue would not be perceived as the emblem of the Canadian State or as an imitation thereof 'from a heraldic point of view', and rejected that company's main arguments.

35. Accordingly, the Court of First Instance held that, since the application for registration did not mention any particular colour, registration in black and white would authorise the company to represent its sign in any range of colours and thus equally with a red-coloured maple leaf. Therefore, the fact that the maple leaf in the Canadian emblem is crimson is irrelevant in the present case, as it is likely that that country's emblem will be reproduced in black and white. [16]

36. The Court rejected the alleged graphic differences between the stems, and compared the mark sought and the emblem of the Canadian State 'from a heraldic point of view'. By a comparison 'from a heraldic point of view' within the meaning of Article 6*ter* of the Paris Convention, it meant the heraldic description of the emblem concerned and not a possible geometric explanation, which is by nature much more detailed. [17]

37. It found some differences in the design of the stems of the two leaves, particularly in the two serrations on either side of the central third of the leaf, which seemed deeper in the Canadian emblem. However, it agreed that such a detail would never appear in the heraldic description, although it might perhaps appear in a geometric description, which was of no relevance to a comparison 'from a heraldic point of view'.

38. It upheld the finding in the decision of the OHIM Board of Appeal that the public at large, made up of average consumers, who are reasonably well informed and reasonably observant and circumspect, does not pay attention to the details of emblems and marks, such as the width of the stem of the maple leaves.

15 — Paragraph 59 et seq. of the judgment under appeal.

16 — The Court of First Instance based its argument on paragraphs 45 and 46 of its judgment in *ECA*.

17 — Referring again to the judgment in *ECA*, paragraph 44.

39. The Court of First Instance also rejected the argument raised by American Clothing against the finding of the First Board of Appeal that registration of the mark RW might mislead the public as to the origin of the goods and services. [18] It pointed out that the application of Article 6*ter* (1)(a) of the Paris Convention was not subject to the condition that there be an error on the part of the public concerned as regards the origin of the goods designated by the mark applied for or as regards the existence of a connection between the proprietor of that mark and the State whose emblem it sought to appropriate. It also rejected the argument invoked by American Clothing concerning the reputation of its mark RIVER WOODS. [19]

40. Finally, the Court likewise did not accept the argument based on registrations of other national or Community marks, which are identical to or comparable with the mark applied for or, more generally, include representations of flags or other State emblems. The Court of First Instance pointed out that the national and Community systems for registering trade marks are autonomous, and that decisions concerning registration of signs are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the question whether an ideogram may be registered as a Community trade mark must be assessed solely on the basis of Regulation No 40/94, as interpreted by the Community judicature, and not on the basis of previous practice of the Boards of Appeal. [20]

V — Procedure before the Court of Justice and forms of order sought by the parties in both proceedings

41. The appeal in Case C-202/08 P (*American Clothing Associates SA* v *OHIM*) was received at the Court Registry on 16 May 2008, [21] while that in Case C-208/08 P (*OHIM* v *American Clothing Associates SA*) was lodged on 20 May 2008.

42. In the former case, the appellant asks the Court of Justice to set aside the judgment of the Court of First Instance in so far as it held that the OHIM First Board of Appeal had not infringed Article 7(1)(h) of Regulation No 40/94 by adopting its decision of 4 May 2006. OHIM contends that the Court should dismiss the appeal.

43. In the latter case, OHIM claims that that judgment of the Court of First Instance should be set aside in so far as it held that Article 7(1)(h) of the Community Trade Mark Regulation is not applicable to service marks. American Clothing, on the other hand, seeks ratification of that aspect of the judgment.

18 — Paragraph 76 et seq. of the judgment under appeal.
19 — Judgment under appeal, paragraph 81.
20 — Paragraphs 82 to 85 of the judgment under appeal.
21 — Fax of 8 May.

44. In each case, the appellant seeks an order for costs against the other party.

45. By order of 11 February 2009, the President of the Court of Justice, after hearing the parties and the Advocate General, ordered that the two cases be joined for the purposes of the oral procedure and the judgment.

46. At the hearing, held on 26 March 2009, the representatives of American Clothing and OHIM presented oral argument and answered the questions put by the members of the Court.

VI — Analysis of the appeals

47. Although it is clear that the two cases have the same subject-matter, since they both challenge the same judicial decision, the similarities end at that point. The two actions are so different that all they have in common is the identity of the contested act. Therefore, each of the complaints must be examined separately.

A — *The appeal in Case C-202/08 P*

1. Definition of positions

48. The appellant in this case puts forward a single ground of appeal, alleging infringement by the Court of First Instance of Article 7(1)(h) of Regulation No 40/94 and Article 6*ter* of the Paris Convention, based on the three arguments summarised below.

49. First, it complains that the judgment under appeal erred in its assessment of the essential function of State emblems, by not limiting the scope of their protection to situations in which doubts are raised in respect of that essential function, which would be logical, since State emblems are protected signs, like trade marks and denominations of origin, to which the same criteria for protection apply by analogy, such as the criterion of the affecting of their essential function. As regards the emblems of a country, a refusal to register a mark is justified only if it affects the reference which every such national emblem makes to national identity and sovereignty.

50. Secondly, American Clothing criticises the judgment under appeal for having preferred a heraldic description to a geometric

description, when Article 6*ter* of the Paris Convention does not protect the symbol but its artistic interpretation, as a specific graphic work. Emblems with few heraldic features are therefore easier to imitate, so a few slight differences preclude a finding of imitation from a heraldic point of view. The corollary of the judgment under appeal would be the granting to the Member States of an almost absolute monopoly over signs without properties typical of heraldry.

51. Thirdly, it criticises the Court of First Instance for having failed to examine certain circumstances specific to the sign applied for, such as the overall impression caused by compound marks, in which the distribution of a mark's components assumes great significance, so that, by underestimating that overall impression, the judgment under appeal elevates to absolute dogma the protection of national emblems contained in other trade marks 'as elements' of trade marks, within the meaning of Article 6*ter* (1)(a) of the Paris Convention.

52. In that respect, it criticises the Court of First Instance for not having approved registration of the sign concerned, with a 'disclaimer', as provided for in Article 38 of Regulation No 40/94, thus following the practice of the Canadian Intellectual Property Office. American Clothing submits that the Court of First Instance, by not taking into consideration the way in which that national authority operates, distorted the facts, since those points had been adequately and reliably established. Besides, OHIM should not protect national emblems more rigorously than national offices do.

53. Finally, the appellant in Case C-202/08 P complains that the judgment of the Court of First Instance omitted any reference to the circumstances in which the sign would normally be used, since the manner in which the appellant intended to use it would not have given cause for confusion, because the public would have thought of it as a decoration, without any connection with the national emblem.

54. OHIM, on the other hand, rejects all those arguments outright, maintaining that the Court of First Instance correctly interpreted the claims set out. It defends absolute protection of the emblems in three respects: (1) it does not make protection conditional on harm to their essential function; (2) it avoids the public perceiving them as a differentiating element or merely decoration; and (3) the degree of protection does not depend on whether the heraldic characteristics are more or less salient.

55. OHIM also denies that there is any error of law in the judgment under appeal, arising out of the use of the heraldic description to investigate whether there is a possible imitation from the point of view of heraldry. It refutes the appellant's view regarding the 'disclaimer', pointing out that Article 38(2) of Regulation No 40/94 only applies where the distinctive nature of a component of a trade

mark is at issue. It also disagrees that OHIM should have been guided by the experience of other industrial property registration offices, such as the Canadian Office.

56. OHIM refutes the argument that the facts were distorted, since it finds that the Court of First Instance merely stated that there was a lack of evidence regarding the practice of the Canadian office, apart from the fact that Article 6*ter* of the Paris Convention does not even mention the obligation to have regard to the practice of the industrial property authorities of the countries whose emblems are at issue. In short, the wording of that provision, laying down a requirement to 'refuse or to invalidate the registration' of a sign which contains a national emblem, precludes an assessment of any situation in which a trade mark would undermine the choice between two alternatives imposed by law on industrial property offices.

2. Examination of the single ground of appeal

(a) Concerning the error of failing to take into account the essential function of State emblems

57. First, the appellant in Case C-202/08 P criticises the judgment under appeal for not having treated the Canadian emblem in the same way as a trade mark, because, if it had done so, it would have followed similar criteria for protection and considered the requirement that, for a registered sign to enjoy legal protection, its essential function has to be affected.

58. The analysis of these claims requires an examination of the nature of national emblems both outside and within trade mark law. Such investigations explore the significance of the inclusion of national emblems in Article 7(1)(h) of Regulation No 40/94, on which the Court of Justice has not yet commented.

(i) Registered trade mark and emblem: different tasks

59. An *emblem* is generally understood to be any hieroglyphic, symbol or device in which a figure is represented, highlighting the graphic aspect. [22] In the legal field, on the other hand, the specialist dictionaries almost unanimously associate that word with emblems connected with the sovereignty of countries, such as flags and shields, [23] even attributing to it the characteristic of evoking the State, other

22 — *Diccionario de la lengua española, Real Academia Española,* 21st ed., Ed. Espasa Calpe, Madrid, 1992, p. 803. Also, *Le nouveau petit Robert, Dictionnaire de la langue française,* Ed. Dictionnaires Le Robert, Paris, 1993, p. 829.

23 — *Black's Law Dictionary,* 7th ed., Ed. West Group, St. Paul, Minneapolis (USA), 1999, p. 540, and *Creifelds Rechtswörterbuch,* 16th ed., Ed. C. H. Beck, Munich, 2000, p. 663 (under the word 'Hoheitszeichen').

territorial entities, political parties or other public bodies. [24]

60. International law provides a classic example of the flag as a reflection of submission to sovereignty; there is a custom which reserves to States the power to attribute their nationality to ships, [25] authorising them to fly the flag of that country, whose law governs the vessel, a custom which has been codified in the Montego Bay Convention. [26]

61. From a sociological point of view, however, the identification of a sign or emblem with a specific nation does not apply only to ships or aircraft, but to any of its citizens. For an evocative expression of that statement, I refer to the image of thousands of people waving *Star Spangled Banner* [27] pennants during the recent ceremony to inaugurate Barack Obama as the forty-fourth President of the United States. I have not the slightest doubt, however, that every citizen has a memory of certain similar gestures of support in his place of origin or of some athlete, an Olympic champion, weeping with emotion on the podium as his nation's flag is raised to the strains of the national anthem, or when his army's troops swear allegiance to their ensign.

62. The above observations show that the links between the national emblems of a State and its subjects have their roots in the history, culture, traditions, lands, international development and even the characteristic idiosyncrasy of a people. Generally, those emblems are national symbols of which those who carry them feel, to a greater or lesser extent, proud; even where that is not the case, every member of that group glimpses his flag among a million others, because his subconscious recognises it, irrespective of his preferences.

63. On the assumption that, as the appellant claims, national emblems have 'essential functions', we should point to the function of identifying a country and that of representing its sovereignty. Within a State they therefore have the task of uniting its inhabitants; at international level, on the other hand, they make it easier to distinguish between nationalities.

64. Consequently, trade marks fulfil, in the world of commerce, a different role from that of emblems. The Court of Justice has on numerous occasions ruled on the purpose of ideograms entered in trade mark registers.

24 — Thus, in particular, Cornu, G., *Vocabulaire juridique,* 8th ed., Ed. Presses Universitaires de France, 2000, p. 328.

25 — Dupuy, J.-M., *Droit international public,* 4th ed., Ed. Dalloz, Paris, 1998, p. 72.

26 — The United Nations Convention on the Law of the Sea, signed in Montego Bay (Jamaica) on 10 December 1982, in force since 16 November 1994. It was approved on behalf of the European Community by Council Decision 98/392/EC of 23 March 1998 (OJ 1998 L 179, p. 1).

27 — Also known, affectionately, as the *Stars and Stripes* and *Old Glory*.

65. According to settled case-law, trade mark rights constitute an essential element in the system of undistorted competition which the EC Treaty is intended to maintain. In such a system, undertakings must attract customers by the quality of their goods or services, identifying them by means of distinctive signs. [28]

66. Against that background, the trade mark fulfils its essential function of guaranteeing the origin of the marked goods or service to the consumer or end user, by distinguishing them, without any confusion, from others which have another origin, [29] and guaranteeing that everything which bears that mark has been manufactured or supplied under the control of a single undertaking, which is responsible for its quality. [30]

67. It is unnecessary to elaborate on the differences between the so-called 'essential functions' of trade marks and national emblems. However, the contrast between the two situations is only evidence to support their being treated differently in law; it remains to be examined whether the legislature intended to afford them the same treatment in the field of industrial property law.

(ii) Registered trade marks and emblems: their protection also differs

68. The case-law has already formulated guidelines for the protection of registered signs. On the basis of the 10th recital in the preamble to Directive 89/104/EEC, [31] which corresponds to the 7th recital in the preamble to Regulation No 40/94, it pointed out that the protection afforded by the registered trade mark has the aim of guaranteeing the trade mark as an indication of origin and that in the case of similarity between the mark and another ideogram or between the goods or services, the likelihood of confusion constitutes the specific condition for protection. [32]

69. Furthermore, according to the Court of Justice, the rights of the proprietor of a registered sign, listed in Article 5(1)(b) of

28 — Case C-10/89 *HAG* [1990] ECR I-3711, paragraph 13; Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 21; Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 47; and Case C-228/03 *Gillette Company and Gillette Group Finland* [2005] ECR I-2337, paragraph 25.

29 — Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28; Case C-371/02 *Björnekulla Fruktindustrier* [2004] ECR I-5791, paragraph 20; and Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 23.

30 — Case 102/77 *Hoffmann-La Roche* [1978] ECR 1139, paragraph 7; Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 30; and *Arsenal Football Club*, paragraph 48.

31 — First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

32 — *Medion*, paragraph 24; Case C-102/07 *adidas and adidas Benelux* [2008] ECR I-2439, paragraph 28; and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-4231, paragraph 47.

Directive 89/104, the counterpart of Article 9(1)(b) of Regulation No 40/94, may be invoked only if the identity or similarity both of the marks and of the goods or services which they designate, causes confusion on the part of the consumer. [33]

70. In those provisions, likelihood of confusion means the risk that the public might believe that the goods or services come from the same undertaking or from economically-linked undertakings. [34]

71. Finally, the likelihood of confusion must be appreciated globally, taking into account all relevant factors, in particular, the distinctive and dominant components, or the perception which the average consumer has of the mark as a whole, without examining every detail. [35] In order to assess the degree of similarity between the marks, it is necessary to determine the degree of visual, aural or conceptual similarity between them and to weigh up those elements, taking account of the category of goods or services in question and the circumstances in which they are marketed. [36]

72. It is therefore not difficult to understand that the protection of State emblems meets criteria which are fundamentally different from those which govern trade marks. However, in the absence of any Community case-law, guidance must be sought in the applicable legal provisions and in academic writing.

73. Originally, the Paris Convention linked the protection of national emblems with public order, [37] perhaps because it considered that those symbols belong to all the citizens, so that it is not appropriate to grant an exclusive right in favour of an undertaking. [38]

74. In the current version, which is the result of the Lisbon revision, Article 6*ter* of the Convention formulates absolute protection in two respects: (i) it applies to all the products and, if national law so provides, to all the services [39] in the Nice classification; (ii) it is not conditional on the creation of a link between the mark whose registration is sought and the

33 — *Medion*, paragraph 25.

34 — Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17; *Medion*, paragraph 26; and Case C-334/05 P *OHIM* v *Shaker* [2007] ECR I-4529, paragraph 33.

35 — Case C-251/95 *SABEL* [1997] ECR I-6191, paragraphs 22 and 23; *Lloyd Schuhfabrik Meyer*, paragraphs 18 and 25; Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40; Case C-206/04 P *Mülhens* v *OHIM* [2006] ECR I-2717, paragraphs 18 and 19; and *OHIM* v *Shaker*, paragraph 35; also, the order in Case C-3/03 P *Matratzen Concord* v *OHIM* [2004] ECR I-3657, paragraph 28.

36 — *Lloyd Schuhfabrik Meyer*, paragraph 27; Case C-361/04 P *Ruiz-Picasso and Others* v *OHIM* [2006] ECR I-643, paragraph 37; and *OHIM* v *Shaker*, paragraph 36; also order of 27 April 2006 in Case C-235/05 P *L'Oréal* v *OHIM*, paragraph 40.

37 — Bogsch, A., 'The first Hundred Years of the Paris Convention for the Protection of Industrial Property', in *Industrial Property*, WIPO — July/August, 1983, p. 224.

38 — Lema Devesa, C., 'Artículo 7 — Motivos de denegación absolutos', in Casado Cerviño, A. and Llobregat Hurtado, M.ª-L. (Coordinators), *Comentarios a los reglamentos sobre la marca comunitaria*, 2nd ed., Ed. La Ley, Madrid, 2000, p. 100.

39 — Fernández-Nóvoa, C., *Tratado sobre Derecho de Marcas*, Ed. Marcial Pons, Madrid, 2001, p. 170; the idea is implicit in footnote 82.

emblem. Indeed, the second sentence of Article 6*ter* (1)(c) of the Convention [40] allows the registration or use of a sign if it does not mislead the public as to the existence of a connection between the undertaking which uses it and the intergovernmental organisation which is the proprietor of the emblem; it may therefore be inferred, *a contrario sensu,* that such a connection is not required for State emblems, but only for the emblems of those international bodies. [41]

75. Consequently, an exact replica or an imitation [42] of the emblem is enough to unleash the protection afforded to national symbols by Article 6*ter*, namely, not only the rejection or invalidation of the registration of the signs which seek to appropriate them, but also the prohibition against their use without the mandatory authorisation of the competent authorities. It should be noted that, as regards absolute grounds for refusal, [43] intervention by the trade mark offices subject to the Paris Convention has to take place *ex officio*, whereas protection of trade marks is granted always at the request of a party.

76. Finally, it is clear that the legal institutions of invalidity and expiry, characteristic of commercial symbols, do not affect national emblems.

77. This outline of the differences between the essential function and the protection of trade marks and emblems rebuts the appellant's argument in Case C-202/08 P, which suggests the application by analogy of the same criteria for protection to both types of sign.

78. Therefore, the judgment under appeal was right to take a different course from that advocated by American Clothing, whose claims must be rejected.

(b) Concerning the incorrect interpretation of 'imitation from a heraldic point of view'

79. The appellant in Case C-202/08 P criticises the judgment under appeal for having incorrectly interpreted the expression 'imitation from a heraldic point of view', in particular for having preferred a heraldic description to a geometric one, contrary to Article 6*ter* of the Paris Convention.

40 — Point 8 of this Opinion.

41 — Bodenhausen, G.H.C., *Guide to the application of the Paris Convention for the Protection of Industrial Property,* BIRPI, 1969, p. 101.

42 — Here, I am again following Fernández-Nóvoa, C., op. cit., p. 170, but applying his apt observation on Spanish law to the Community sphere.

43 — Lema Devesa, C., op. cit., p. 100, disputes this description specifically because of the possibility of authorisation.

80. Behind that criticism lies a difference of opinion regarding the meaning of the periphrasis included in Article 6*ter*. Without case-law to support my observations, I must resort, once again, to academic writing and to the basic rules of legal interpretation.

81. First, by virtue of the aforementioned *absolute* protection conferred on emblems, States acquire a monopoly, as regards the registration, not the use, [44] over those symbols, although subject to certain restrictions, since it does not cover the sign which incorporates the emblem but only its heraldic expression, given that very often those official signs manifest themselves in ideograms of general use, such as an animal, a plant, stars or other similar symbols. [45] Moreover, the concept of 'national emblem' must be interpreted strictly. [46]

82. Secondly, the heraldic point of view does not entail the description of a person learned in that science. Although the legacy of heraldry is not negligible, both because of its impact on the plastic arts and because of its rich technical vocabulary, it cannot be assumed that the average consumer is familiar with that vocabulary, which, to the uninitiated, is very complex.

83. Nor does a geometric description meet the requirements of the aforementioned Article 6*ter*. The meticulousness which such an explanation entails would negate the protection which that provision affords to emblems, since a nuance is enough to preclude identity between two descriptions.

84. The Court of First Instance was therefore right to base the description of the Canadian emblem on the communication submitted by Canada to the WIPO Office, since that document showed the possible similarities and differences between the mark applied for and the Canadian symbol. Since only the flag with the symbol had been registered, without further details, the judgment under appeal did not err in taking the simplest explanation of the emblem, a red-coloured maple leaf, [47] as American Clothing has not alleged any kind of error of fact or of law.

85. Thirdly, as regards 'imitation', the comparison does not help in determining the likelihood of confusion. It is a question of the

44 — Academic lawyers are unanimous in recognising the free commercialisation of national emblems, within the limits imposed by the laws of each State; inter alia, Fezer, K.H., *Markenrecht*, 2nd ed., Ed. C.H. Beck, Munich, 1999, p. 476.

45 — Ströbele, P.,'Absolute Schutzhindernisse', in Ströbele, P., and Hacker, F., *Markengesetz,* 8th ed., Ed. Heymanns, Munich, 2006, p. 411.

46 — This is how I understand the opinion expressed by Fezer, K.-H., op. cit., p. 473.

47 — Paragraph 73 of the judgment under appeal.

copy having the heraldic connotations which distinguish the emblem from other signs. [48] Those particular features are found, generally, in the brief descriptions which the States which are parties to the Paris Convention send to the WIPO Office.

86. In short, in the light of the foregoing considerations, the judgment under appeal contains no error in the interpretation of the expression 'imitation from a heraldic point of view'; the appellant's claims in this regard must therefore be rejected.

(c) Concerning the errors arising from a failure to take due consideration of certain special features of the sign for which registration as a trademark was sought

87. American Clothing complains that the Court of First Instance disregarded the 'overall impression' caused by compound marks. It also criticises the Court for not having advocated registration with OHIM with a disclaimer, in which it would have waived all protection for the disputed emblem, following the practice of the Canadian trade mark authorities; by not doing so, the Court distorted the clear sense of the evidence adduced by American Clothing regarding the disclaimer practice in Canada. The company also feels discriminated against, because OHIM itself has, in similar situations, given another interpretation of Article 7(1)(h) of Regulation No 40/94 and Article 6*ter* of the Paris Convention.

88. As regards the overall impression of the trade mark, the aforementioned absolute protection of national emblems also extends, pursuant to Article 6*ter* of the Paris Convention, to situations in which those symbols are only a part of another sign. No other meaning can be given to the aforementioned provision, when it adds 'or as elements of trademarks'. If it were not interpreted in that way, the protection afforded by that provision to emblems would be completely ineffective since, by placing them in a sign with more components, it would be possible to avoid the obstacle to their registration.

89. The practice of using a disclaimer is a power which OHIM has to save the registration in some circumstances, not an obligation. In any case, the Community agency does not exercise that power, since it observes the rule that signs with a number of components cannot claim the protection of only one of them. [49] If the appellant is asking the Court of Justice to order OHIM to allow a disclaimer, it

48 — Bodenhausen, G.H.C., op. cit., p. 100; Ströbele, P., op.cit., p. 411.

49 — Bender, A.,'Der Ablauf des Anmeldeverfahrens', in Fezer, K.-H., *Handbuch der Markenpraxis — Band I Markenverfahrensrecht,* Ed. C.H. Beck, Munich, 2007, p. 585.

should not be forgotten that, under Article 63(6) of Regulation No 40/94, the Office is required to take the necessary measures to comply with the judgments of the Community Courts.

90. However, contrary to what American Clothing claims, the judgment under appeal does not deny the experience of the Canadian Intellectual Property Office; in paragraph 85, it merely states, convincingly, that that undertaking had not proved a series of claims in respect of that point. The appellant does not specify the way in which the clear sense of the evidence was distorted, and so this complaint, which calls in question the evaluation of the facts carried out by the Court of First Instance, hopes to have more success on appeal. However, Article 58 of its own Statute prohibits the Court of Justice from interfering in the determination of facts. [50] As the complaint of distortion, the only route by which the Court of Justice could look into the factual aspects, has not been substantiated, the claim under consideration should not be allowed.

91. Furthermore, if the appellant's argument invoking past disputes settled by OHIM were upheld, there is established case-law to the effect that decisions concerning registration of a sign as a Community trade mark which the Boards of Appeal of OHIM are called on to take under Regulation No 40/94 are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the legality of the decisions of the Boards of Appeal must be assessed solely on the basis of that regulation, as interpreted by the Community judicature, and not on the basis of a previous decision-making practice. [51] The claim of discrimination made against the judgment under appeal therefore also fails.

92. With regard to the experience of other national authorities in respect of trade marks, the Court of First Instance, in paragraph 84 of the judgment under appeal, pointed out that the Community trade mark regime is an autonomous system governed by its own rules, which pursues specific objectives, and is fully independent of national systems. Accordingly, OHIM examines the signs solely on the basis of that Community legislation, and the decisions of the offices of the Member States do not bind it, although it may take into account, as facts, marks already registered in the countries of the European Union. [52]

50 — For example, Case C-104/00 P *DKV* v *OHIM (Companyline)* [2002] ECR I-7561, paragraphs 21 and 22, and my Opinion in that case, points 59 and 60; Joined Cases C-238/99 P, C-244/99 P, C-245/99 P, C-247/99 P, C-250/99 P to C-252/99 P and C-254/99 P *Limburgse Vinyl Maatschappij and Others* v *Commission* [2002] ECR I-8375, paragraphs 330 and 331; also, order in Case C-326/01 P *Telefon & Buch* [2004] ECR I-1371, paragraph 35.

51 — Case C-37/03 P *BioID* v *OHIM* [2005] ECR I-7975, paragraphs 47 to 51; Case C-173/04 P *Deutsche SiSi-Werke* v *OHIM* [2006] ECR I-551, paragraph 48; order of 13 February 2008 in Case C-212/07 P *Indorata-Serviços e Gestão* v *OHIM*, paragraphs 43 and 44; and order of 12 February 2009 in Joined Cases C-39/08 and C-43/08 *Bild digital*, paragraph 13.

52 — See to that effect the judgments in Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraphs 42 to 44; and Case C-218/01 *Henkel* [2004] I-1725, paragraphs 61 and 62, and also my opinion in the latter case, points 23 and 24. Also, the order in *Bild digital*, paragraphs 14 to 16.

93. Finally, the appellant complains that the Court of First Instance failed to consider the normal conditions of use of the trade mark applied for. In its view, the way in which it intended to use its ideogram would not have caused any confusion, because the public would have taken it to be a decoration, without associating it with the emblem.

94. However, as stated in paragraph 77 of the judgment under appeal, the application of Article 6*ter* of the Paris Convention is not subject to the condition that there be a possibility of error on the part of the persons concerned as regards the origin of the goods designated by the mark applied for or as regards the existence of a connection between the proprietor of the sign and the State whose emblem it reproduces. For a certain sector of academic lawyers, the *ratio* of Article 6*ter* (a) lies in the need to prevent the consumer believing that there is an 'official' connection between the sign and the State, merely because of the presence of the national emblem in the mark. [53] However, although the legislation is based on that interest in avoiding the connection with the national emblem, it is not a requirement for its application. Consequently, this claim likewise cannot be upheld.

53 — Bodenhausen, G.H.C., op. cit., p. 99; in English law: Kitchin, D., Llewelyn, D., Mellor, J., Meade, R., Moody Stuart, T. & Keeling, D., *Kerly's Law of Trade Marks and Trade Names,* 14th ed., Ed. Sweet & Maxwell, London, 2005, p. 219; in Spanish law, Marco Arcalá, L.A, 'Artículo 5. Prohibiciones absolutas', in Bercovitz Rodríguez-Cano, A. (director), *Comentarios a la Ley de Marcas,* 2nd ed., Ed. Thomson-Aranzadi, Navarra, 2008, volume I, p. 234.

95. In the light of the foregoing considerations, after having rejected the claims of the applicant in Case C-202/08 P, it is appropriate to dismiss the single ground of appeal raised by American Clothing and, consequently, also the action in its entirety.

B — *The appeal in Case C-208/08 P*

1. Definition of positions

96. In its appeal, OHIM seeks the partial annulment of the judgment of the Court of First Instance, for having held that Article 7(1)(h) of Regulation No 40/94, in conjunction with Article 6*ter* of the Paris Convention, did not apply to service marks. [54]

97. Its claim is based on a single plea in law, the error in law committed by the Court of First Instance in interpreting the aforemen-

54 — Paragraphs 22 to 33 of the judgment under appeal.

tioned article of the Paris Convention literally, without taking account of its spirit or its organisation. In short, OHIM advocates a broad interpretation of the provision of the Convention, on the basis of the following points:

(1) The revision of the Convention carried out in Lisbon in 1958 extended to services the obligation of the contracting States to protect trade marks, by introducing Article 6*sexies*, [55] since the amendment seeks to put the two categories, goods and services, on an equal footing;

(2) As is clear from Article 29(1) of Regulation No 40/94, it was not sought to treat trade marks differently from service marks;

(3) Article 16 of the TLT, on the basis of which, taken *a contrario sensu,* the Court of First Instance confirmed that Article 6*ter* of the Paris Convention did not apply to service marks, only clarifies the scope of the Convention, without altering it; and

(4) The Court of Justice has shown, at least implicitly, that it is in favour of equal treatment for both kinds of sign, since in the case known as *'Fincas Tarragona',* [56] in response to a question referred for a preliminary ruling, the Court did not resolve, as a preliminary matter and of its own motion, the doubt regarding the applicability to service marks of Article 4(2)(d) of Directive 89/104, read in conjunction with Article 6*bis* of the Paris Convention, which, like Article 6*ter*, only mentions trade marks.

98. American Clothing, on the other hand, points out that Article 6*ter* is clear and unconditional, and does not apply to service marks.

99. It takes the view that the judgment in *Fincas Tarragona* did not examine Article 6*bis* of the Paris Convention, apart from the fact that the Court of First Instance had already held that it does not cover service marks. [57]

55 — Reproduced in point 9 of this Opinion.

56 — Case C-328/06 *Nieto Nuño* [2007] ECR I-10093.

57 — It refers to the judgment of 11 July 2007 in Case T-262/03 *Mülhens* v *OHIM*, paragraph 54, and to Case T-150/04 *Mülhens* v *OHIM* [2007] ECR II-2353, paragraph 59.

100. It also submits that Article 6*sexies* of the Paris Convention does not affect Article 6*ter*, since it can be inferred from the Lisbon Act that, at that conference, a more ambitious idea which sought to assimilate service marks to trade marks was unsuccessful.

101. It takes the view that Article 16 of the TLT does not modify Article 6*ter* of the Paris Convention, but completes it, extending its scope to services.

2. Analysis of the appeal

102. Although I agree with OHIM when it states that there is an error of law in the interpretation of Article 7(1)(h) of Regulation No 40/94, read in conjunction with Article 6*ter* of the Paris Convention, I disagree when it maintains that the error arises from the literal interpretation of the latter provision; nor do I approve of applying it extensively, by relying on Article 6*sexies* and the TLT, because that distorts to excess the meaning of all the articles listed.

103. The Court of First Instance misinterpreted the aim of the Paris Convention and the reference to that Convention made by Article 7 of the Regulation on the Community Trade Mark. An analysis of each of those provisions separately allows useful conclusions to be drawn.

(a) Concerning the correct interpretation of Article 6*ter* of the Paris Convention

104. The essential aim of the Convention is to uphold the principle of national treatment, accompanying it with minimum rules for the protection of the objects of industrial property to which it applies. [58]

105. The principle of national treatment covers the prohibition of discrimination against foreign signs, affording them the same legal protection as that given to patents, trade marks and designs at national level. It also includes a conflict of laws rule, under which, in the countries party to the Convention, industrial property cases are to be judged in accordance with the *lex loci protecciones*, that it to say, according to the law of the State in which legal protection is sought for the invention, mark or design, in accordance with the principle of territoriality inherent in the Convention. [59]

58 — Beier, F.-K., 'One Hundred Years of International Co-operation — The Role of the Paris Convention in the Past, Present and Future', in *International Review of Industrial Property and Copyright Law*, volume 15, No 1/1984, p. 11; Bodenhausen, G.H.C., op. cit., pp. 12 and 13.

59 — Beier, F.-K., op. cit., pp. 9 and 10. Bodenhausen, G.H.C., op. cit., p. 30.

106. Consequently, the signatories of the Paris Convention are required to apply their industrial property laws in the same way to the trade marks of their citizens and to those of the subjects of the other States Parties, who may claim, as a minimum, the protection provided under the Convention.

107. The Court of First Instance is therefore wrong partially to deny protection to emblems pursuant to Article 6*ter*, since, although that provision does not include service marks, it also does not need to concern itself *in extenso* with the scope of absolute protection for emblems. The provision in question only requires the contracting States not to register trade marks which are identical to or contain a national emblem. However, the signatory States are free to extend the scope of the rule to service marks. [60] In this respect, OHIM is correct when it describes the Paris Convention as being in the nature of a 'minimum requirement', not a 'uniform law'. In Community law, there is no shortage of this kind of regulation, which authorises the Member States to exceed the requirements fixed in a directive, using the so-called 'minimum harmonisation' method.

108. On the other hand, contrary to OHIM's view, Article 6*sexies* of the Convention does not support a broad interpretation of Article 6*ter* thereof. Articles 6*sexies* only invites the signatory States to protect service marks but does not require their registration. Consequently, the rules governing that protection of signs are adopted by each country, which may, therefore, assimilate them to trade marks or establish a special regime. In any event, except for specific references to services in the Convention, such as those in Articles 2 and 3 in conjunction with Article 5, [61] it is for the national legislature to determine the degree of equivalence of the marks designating services with those which appear on consumer goods. [62]

109. In short, the extension of the protection of national emblems to service marks does not derive from the Paris Convention, but from national or Community legislation.

(b) The scope of Article 7(1)(h) of Regulation No 40/94

110. The question of whether this absolute ground for refusal also applies to service marks depends, therefore, on the Regulation on the Community trade mark and, in my view, should be answered in the affirmative.

60 — Bodenhausen, G.H.C., op. cit., p. 99.

61 — Bodenhausen, G.H.C., op. cit., p. 90.

62 — Bogsch, A., op. cit., p. 229.

111. First, because the seventh and ninth recitals in the preamble to that regulation, and Article 1(1) thereof, endorse the relevance of that ground, on the same conditions, to both signs: those for goods and those which designate services. Moreover, save for error or omission, the regulation contains no provision which distinguishes between them, in particular, with regard to their registration or to the rights of their proprietors.

112. Secondly, because the European legislature, in the exercise of its powers, has treated the two signs in the same way in Regulation No 40/94, and it makes no sense to claim that its intention was to restrict the protection of national emblems specifically for services, which constitute the most important sector of economic activities in the gross domestic product of all the Member States.

113. In these circumstances, I am certain that the reference in Article 7(1)(h) must be understood as made to the ground for refusing registration in Article 6*ter* of the Convention, but not to its supposed scope.

114. Thirdly, because I do not share the view of the Court of First Instance that, when the European legislature drafted the regulation on the Community Trade Mark, it was aware that the reference in Article 7(1)(h) restricted the possibility of national emblems being used to oppose marks to trade marks, leaving those emblems unprotected with regard to service marks. [63] I suspect, rather, that the Member States were fully aware that the Paris Convention did not involve such a restriction and that it did not curtail their power to determine the nature of the protection which they wished to guarantee service marks in the Community.

115. It is unlikely that, as the judgment under appeal suggests, in Regulation No 40/94, which was so innovative and which had to be approved unanimously in accordance with Article 235 of the EEC Treaty (now Article 308 EC), no Member State would have noticed the reduction in protection for national symbols which, according to that judgment, was the consequence of the reference in Article 7(1)(h), especially bearing in mind the sensitivity of the Governments in respect of those emblems.

116. It is therefore appropriate to allow the single ground of appeal raised by OHIM in Case C-208/08 P relating to an error of law in

63 — Paragraph 32 of the judgment under appeal.

the application of Article 7(1)(h) of Regulation No 40/94, in conjunction with Article 6*ter* of the Paris Convention, and to set aside the judgment against which OHIM has appealed.

VII — Costs

117. The solution I suggest requires that American Clothing be ordered to pay the costs of the proceedings at first instance, in accordance with the first subparagraph of Article 87(2) of the Rules of Procedure of the Court of First Instance.

118. Since it has also been unsuccessful in all its claims in Cases C-202/08 P and C-208/08 P, that undertaking must also pay the costs of both appeals, in accordance with the first paragraph of Article 122, in conjunction with the first subparagraph of Article 69(2) of the Rules of Procedure of the Court of Justice.

VIII — Conclusion

119. In the light of the foregoing considerations, I propose that the Court of Justice:

(1) dismiss the appeal brought by American Clothing Associates SA in Case C-202/08 P against the judgment delivered on 28 February 2008 by the Fifth Chamber of the Court of First Instance in Case T-215/06;

(2) allow the sole ground of appeal put forward by the Office for Harmonisation in the Internal Market (Trade Marks and Designs) in its appeal in Case C-208/08 P against

the judgment delivered on 28 February 2008 by the Fifth Chamber of the Court of First Instance in Case T-215/06 and set aside that judgment in so far as it held that Article 7(1)(h) of Regulation No 40/94 on the Community trade mark, in conjunction with Article 6*ter* of the Paris Convention, did not apply to service marks;

(3) order American Clothing Associates SA to pay the costs of the proceedings at first instance and, in particular, the costs of both the present appeals.