JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

13 September 2005 *

In Case T-140/02,

Sportwetten GmbH Gera, established in Gera (Germany), represented by A. Zumschlinge, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by D. Schennen and G. Schneider, acting as Agents,

defendant,

the other party to the proceedings before the Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), intervener before the Court of First Instance, being

* Language of the case: German.

Intertops Sportwetten GmbH, established in Salzburg (Austria), represented initially by H. Pfeifer, and subsequently by R. Heimler, lawyers,

ACTION brought against the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 21 February 2002 (Case R 338/2000-4), relating to an application for a declaration of invalidity of the figurative Community trade mark INTERTOPS,

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

composed of J. Pirrung, President, A.W.H. Meij and I. Pelikánová, Judges,

Registrar: J. Plingers, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 2 May 2002,

having regard to the response lodged at the Court Registry on 5 August 2002,

having regard to the intervener's response lodged at the Court Registry on 22 August 2002,

having regard to the reply lodged at the Court Registry on 7 January 2003,

having regard to the intervener's rejoinder lodged at the Court Registry on 29 July 2003,

further to the hearing on 16 February 2005,

gives the following

Judgment

Background to the dispute

1 On 11 January 1999, the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM') published the registration as a Community trade mark of the figurative sign reproduced below and in respect of which the colours red, white and black were claimed, a registration which had been sought by the intervener under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1):



2 The services in respect of which registration of the mark was sought come within Class 42 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 to the following description: 'Bookmakers, betting services of all kinds' (hereinafter 'the services in question' and 'the Community trade mark in question').

3 On 17 May 1999, the applicant lodged at OHIM an application for a declaration of invalidity concerning the Community trade mark in question, under Article 51(1)(a) of Regulation (EC) No 40/94. In support of its application, the applicant relied on the absolute ground for refusal under Article 7(1)(f) and (2) of Regulation No 40/94.

4 At that date, the applicant was itself holder of the German trade mark covering the word sign INTERTOPS SPORTWETTEN (hereinafter 'the German trade mark') in respect of the same services as those set out above.

5 By decision of 2 February 2000, the Cancellation Division of OHIM rejected the application for a declaration of invalidity on the ground that the Community trade mark in question was contrary neither to public policy nor to accepted principles of morality.

6 By decision of 21 February 2002 (hereinafter 'the contested decision'), the Board of Appeal dismissed the appeal brought by the applicant and ordered it to pay the costs of the appeal proceedings.

7 According to the Board of Appeal, it is the trade mark itself which must be examined in order to assess whether it is contrary to Article 7(1)(f) of Regulation No 40/94. The applicant did not allege that the Community trade mark in question was of itself

contrary to public policy or to accepted principles of morality, if only in Germany. The questions whether public law precludes the intervener from offering the services in question, as such, in part of the Community or whether the intervener's advertising of those services is, as such, contrary to accepted principles of morality have no connection to the trade mark under which it decides to offer its services. The fact that it is impossible for the intervener to use the Community trade mark in question in Germany is, if anything, a consequence of the unlawful nature of the offer of the services in question, but does not lead to the conclusion that use of that mark is of itself unlawful. Consequently, in the view of the Board of Appeal, it is not necessary to examine, in particular, whether Article 7 of Regulation No 40/94 should be interpreted independently or with reference to the particular national characteristics on the subject, or to consider the conclusions to which Article 106 (2) of Regulation No 40/94 may lead.

Forms of order sought

8 The applicant claims that the Court should:

— annul the contested decision;

— declare the Community trade mark in question invalid;

— in the alternative, find that the Community trade mark in question cannot be pleaded in opposition to the German trade mark.

9 OHIM contends that the Court should:

— dismiss the application;

— order the applicant to pay the costs.

10 The intervener contends that the Court should dismiss the applicant's claims.

11 In its rejoinder, the intervener asks the Court to add to the file the decision of the Deutsches Patent- und Markenamt (German Patent and Trade Mark Office) of 23 August 2000, by which that office ordered the removal from the register of the German trade mark.

12 At the hearing, the intervener also contended that the applicant should be ordered to pay the costs.

Law

The applicant's first head of claim, seeking annulment of the contested decision

Pleas in law and arguments of the parties

13 In support of its claim for annulment, the applicant raises a single plea in law, alleging that the contested decision infringes Article 51 of Regulation No 40/94, read together with Article 7(1)(f) and (2) of that regulation.

14 It points out that the legislation of numerous Member States, in particular that of Germany, provides that only undertakings licensed by the national authorities in their respective territory are authorised to offer the services in question. Since the intervener does not hold a licence to offer the services in question in Germany, having regard to Paragraph 284 of the Strafgesetzbuch (German Criminal Code), it is not authorised, in that country, to offer those services or to advertise them. By judgment of 14 March 2002, the Bundesgerichtshof (German Federal Supreme Court) prohibited it from advertising its services in Germany, and a number of German judicial decisions have prohibited third parties from using the Community trade mark in question in Germany. Furthermore, the intervener itself admitted, in a number of cases in Germany, that it would not obtain such a licence there. The applicant adds that the national legislation referred to above, including Paragraph 284 of the Strafgesetzbuch, are compatible with Community law (Case C-275/92 *Schindler* [1994] ECR I-1039; Case C-124/97 *Läärä and Others* [1999] ECR I-6067, and Case C-67/98 *Zenatti* [1999] ECR I-7289).

15 According to the applicant, it follows that the Community trade mark in question is contrary to public policy or to accepted principles of morality in Germany and in other Member States, within the meaning of Article 7(1)(f) of Regulation No 40/94.

16 It refers, in that regard, to the rulings of the Bundespatentgericht (German Federal Patent Court) in the cases known as 'McRecht', 'McLaw' and 'Cannabis', since, although no ground for invalidity was found, it was held in those cases that where a given provider is not authorised to offer its services because of a statutory prohibition, it holds no rights in a trade mark relating to the provision of those services.

17 Next, the applicant disputes that uniform European standards are required for the interpretation of Article 7(1)(f) of Regulation No 40/94. It follows from the case-law referred to above, in particular from the *Zenatti* judgment, cited above, that national views on the regulation of the taking of bets on sporting events must be taken into account at the European level. Article 106(2) of Regulation No 40/94 does not mean

that those views must be taken into account solely at a national level, but that they may also be taken into account at that level. Otherwise, according to the applicant, Article 7(2) of Regulation No 40/94 would be deprived of its substance in that, where the Community trade mark in question cannot be used in only part of the Community, a declaration of invalidity of that mark could not be made.

18 The applicant also submits that, having regard to the principle that a trade mark must be used in order to continue to enjoy protection, if its use is precluded at the outset in respect of the services for which it is registered and if any other use is prohibited in the field of those services, it is incapable of any economic exploitation and no right to registration exists. With regard to a Community trade mark, if its use in a single Member State is sufficient to satisfy the requirement of use laid down in Article 15 of Regulation No 40/94, Article 7(2) of that regulation expresses the principle that the holder of a trade mark is able to use it everywhere in the Community, disregarding an insignificant part thereof.

19 Furthermore, the applicant alleges that, since registration of the Community trade mark in question was sought on 27 November 1996, with the result that it has priority over the German mark, if the Community trade mark were not declared invalid, the applicant would be prevented from using the German trade mark even though the intervener is not authorised to offer its services in Germany.

20 Finally, the applicant disputes the interpretation of Article 7(1)(f) of Regulation No 40/94 adopted by OHIM, to the effect that the provision permits the refusal to register only trade marks which are manifestly contrary to fundamental standards of life in society, such as insults or blasphemy. In any event, even if that were accepted,

the provision has been infringed in the present case. It follows from the case-law referred to above that the Court of Justice accords great importance to the protection of citizens against the risk of exploitation of their passion for gambling. Services likely to bring a person to financial ruin by exploiting that passion must be assessed in the same way as insults or blasphemy.

21 OHIM and the intervener dispute that this plea in law is well founded.

Findings of the Court

22 It should be noted, first of all, that Article 51(1)(a) of Regulation No 40/94 provides, in the version applicable until 9 March 2004, on which date Council Regulation (EC) No 422/2004 of 19 February 2004 amending Regulation No 40/94 (OJ 2004 L 70, p. 1) entered into force, that a Community trade mark is to be declared invalid on application to OHIM 'where the Community trade mark has been registered in breach of the provisions of ... Article 7 [of that regulation]'.

23 Article 7(1)(f) states that 'trade marks which are contrary to public policy or to accepted principles of morality' are not to be registered and Article 7(2) provides that '[p]aragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

24 It should be noted, at the outset, that in so far as the applicant's arguments allegedly relate to Member States other than Germany, they are not supported by any concrete or precise evidence. Consequently, to that extent, those arguments are irrelevant.

25 Next, the applicant does not maintain that the sign covered by the Community trade mark in question is, in itself, contrary to public policy or accepted principles of morality, or that the services covered by that trade mark are so contrary. Its arguments refer, inter alia, to the claim that, pursuant to national legislation providing that only undertakings licensed by the competent authorities are authorised to offer services connected with gambling, the intervener is prohibited, in Germany, from offering the services in question and from advertising them. In that regard, it is common ground that the intervener does not hold a licence to offer the services in question in Germany.

26 However, the Court considers that that fact does not mean that the Community trade mark in question is contrary to public policy or accepted principles of morality within the meaning of Article 7(1)(f) of Regulation No 40/94.

27 In that regard, it should be pointed out, first of all, that, as was held in the contested decision and as OHIM and the intervener submit, it is the trade mark itself, namely the sign in relation to the goods or services as they appear upon registration of the trade mark, which is to be assessed in order to determine whether it is contrary to public policy or accepted principles of morality.

28 In that connection, it should be noted that, in its judgment in Case T-224/01 *Durferrit* v *OHIM — Kolene (NU-TRIDE)* [2003] ECR II-1589, the Court made clear that an overall reading of the various subparagraphs of Article 7(1) of Regulation No 40/94 shows that they refer to the intrinsic qualities of the mark applied for and not to circumstances relating to the conduct of the person applying for the trade mark (paragraph 76).

29 The fact that the intervener is prohibited, in Germany, from offering the services in question and from advertising them cannot in any way be considered as relating to the intrinsic qualities of that trade mark within the meaning of the abovementioned interpretation. Consequently, that fact cannot have the effect of rendering the trade mark itself contrary to public policy or to accepted principles of morality.

30 Next, it should be noted that none of the arguments raised, moreover, by the applicant can alter that finding.

31 With regard to the rulings made by the Bundespatentgericht in the abovementioned cases of McRecht, McLaw and Cannabis, it is clear from the case-law that the Community trade mark regime is an autonomous system which applies independently of any national system (Case T-32/00 *Messe München* v *OHIM (electronica)* [2000] ECR II-3829, paragraph 47). Accordingly, whether or not a sign is registrable as a Community trade mark must be assessed by reference to the relevant Community legislation only (Case T-36/01 *Glaverbel* v *OHIM (surface of a sheet of glass)* [2002] ECR II-3887, paragraph 34). It follows that the decisions of the Bundespatentgericht are not relevant to the present case. In any event, the fact remains that, as the applicant admits, none of those decisions finds a ground for invalidity. Moreover, they relate to signs and goods which are different from those in the present case.

32 With regard to the argument based on the principle that a trade mark must be used in order to continue to enjoy protection, it suffices to note that, as has been stated above, it is the trade mark itself, namely the sign in relation to the goods or services as they appear upon registration of the trade mark, which must be assessed for the purposes of applying Article 7(1)(f) of Regulation No 40/94. It follows that any question relating to the use of the Community trade mark in question is not relevant to the application of that provision.

33 With regard to the argument that, if the Community trade mark in question were not declared invalid, the applicant would be prevented from using its German trade mark, it suffices to note that, even if it were accepted, that fact is irrelevant to the question whether the Community trade mark is contrary to public policy or to accepted principles of morality. That question, the only one at issue in the present case, relates to the absolute grounds for refusal under Article 7 of Regulation No 40/94 which are to be the subject of an independent assessment, without any connection to other trade marks. The question of the use by the applicant of its German trade mark is therefore not relevant to the present case.

34 Finally, with regard to the argument based on Article 106(2) of Regulation No 40/94, it should be noted that that provision states that 'this regulation shall, unless otherwise provided for, not affect the right to bring proceedings under the civil, administrative or criminal law of a Member State or under provisions of Community law for the purpose of prohibiting the use of a Community trade mark to the extent that the use of a national trade mark may be prohibited under the law of that Member State or under Community law'.

35 Although it follows from that provision that the use of a trade mark may be prohibited on the basis, inter alia, of rules relating to public policy and accepted principles of morality, notwithstanding the fact that the trade mark is protected by a Community registration, it does not follow that that power is relevant in the light of the question under Article 51(1)(a) of Regulation No 40/94 and raised by the applicant, which is whether that trade mark was registered in compliance with the provisions of Article 7 of that regulation. This argument must therefore be rejected.

36 Furthermore, since it has been held above that the fact that the intervener is not authorised in Germany to offer the services in question or to advertise them in no way means that the Community trade mark in question is contrary to Article 7(1)(f) of Regulation No 40/94, it is not necessary to examine the question, argued by the

parties, whether that provision is to be interpreted independently. In the same way, it is not necessary either to examine the accuracy of OHIM's interpretation of that provision or to examine the arguments raised by the applicant in response to that interpretation.

37 Finally, since the fact that the intervener is not authorised in Germany to offer the services in question or to advertise them is not relevant to the application of Article 7(1)(f) of Regulation No 40/94, there is no need to consider whether, as the intervener claims, that fact is effectively contrary to freedom to provide services.

38 It follows from all the foregoing that the sole plea raised in support of the first head of claim must be rejected and, therefore, that the head of claim must also be rejected.

The second head of claim, seeking a declaration of invalidity of the Community trade mark in question

39 With regard to the second head of claim, it follows from the context of the first and second heads of claim that the second presupposes that the first, seeking the annulment of the contested decision, is granted, at least in part, and that, as the applicant confirmed at the hearing, the second is therefore brought only if the first head is allowed.

40 Since it has not been found that the contested decision should be annulled, there is no need to adjudicate on the admissibility or the merits of the second head of claim (see, to that effect, Case T-66/03 *'Drie Mollen sinds 1818'* v *OHIM — Nabeiro Silveria (Galáxia)* [2004] ECR II-1765, paragraphs 50 and 51).

The third head of claim, raised in the alternative and seeking a declaration that the Community trade mark in question cannot be pleaded in opposition to the German trade mark

Arguments of the parties

41 In support of this claim, the applicant states that it must be clearly established that the Community trade mark in question does not give its holder the effect of a complete 'block' throughout the Community when it cannot use the trade mark in a part thereof although that possibility is open to other undertakings.

42 At the hearing, OHIM and the intervener submitted that the third head of claim should be rejected as being inadmissible, on the ground of a lack of sufficient argument and because such a decision falls within the scope of national law and not within the jurisdiction of the Court.

Findings of the Court

43 It is necessary to rule on this alternative head of claim to the extent that, as has been held above, the first and second heads of claim, submitted as principal claims, must be rejected.

44 However, since the applicant does not produce any evidence in support of the third head of claim, it must be rejected as being inadmissible on the ground that it does not comply with the requirement laid down in Article 44(1)(c) of the Rules of Procedure of the Court of First Instance that the application must contain, inter alia, a summary of the pleas in law.

The application made by the intervener seeking the addition to the file of the decision by which the Deutsches Patent- und Markenamt ordered the removal from the register of the German trade mark

45 In that regard, it is sufficient to note that, since there is no need to rule on the applicant's application for the Community trade mark in question to be declared invalid and the remainder of the present action must be dismissed, there is no need to rule on the application made by the intervener.

Costs

46 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. In this case, the applicant has been unsuccessful and OHIM has applied for costs against it. At the hearing, the intervener also applied for the applicant to be ordered to pay the costs. The fact that the intervener did not apply for costs until the hearing does not debar the Court from awarding them (Case 113/77 *NTN Toyo Bearing and Others* v *Council* [1979] ECR 1185 and the Opinion of Advocate General Warner in that case ECR 1212, 1274). The applicant should therefore be ordered to pay all the costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

1. **Declares that there is no need to adjudicate on the applicant's application for a declaration that the figurative Community trade mark including the word element INTERTOPS is invalid, or on the intervener's application for a document to be added to the file.**

2. **Dismisses the remainder of the action.**

3. **Orders the applicant to pay all the costs.**

Pirrung Meij Pelikánová

Delivered in open court in Luxembourg on 13 September 2005.

H. Jung J. Pirrung

Registrar President