Reports of Cases

JUDGMENT OF THE COURT (Fifth Chamber)

12 September 2019*

(Reference for a preliminary ruling — Trade marks — Directive 2008/95/EC — Article 3(1)(b) — Distinctive character — Criteria for assessment — Sign comprising a hashtag)

In Case C-541/18,

REQUEST for a preliminary ruling under Article 267 TFEU from the Bundesgerichtshof (Federal Court of Justice, Germany), made by decision of 21 June 2018, received at the Court on 21 August 2018, in the proceedings

AS

v

Deutsches Patent- und Markenamt

THE COURT (Fifth Chamber),

composed of E. Regan, President of the Chamber, C. Lycourgos, E. Juhász, M. Ilešič (Rapporteur) and I. Jarukaitis, Judges,

Advocate General: H. Saugmandsgaard Øe,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

– AS, by C. Rohnke, Rechtsanwalt,

– the Netherlands Government, by M.K. Bulterman and M.L. Noort, acting as Agents,

– the European Commission, by T. Scharf, É. Gippini Fournier and J. Samnadda, acting as Agents,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

* Language of the case: German.

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 3(1)(b) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25).

2 The request has been made in proceedings between AS and the Deutsches Patent- und Markenamt (German Patent and Trade Mark Office; 'the DPMA') concerning an application for registration of the sign comprising the hashtag #darferdas? as a trade mark.

Legal context

EU law

3 Directive 2008/95, which repealed and replaced First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), was in turn repealed and replaced, with effect from 15 January 2019, by Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ 2015 L 336, p. 1). However, having regard to the date of the facts giving rise to the dispute in the main proceedings, this reference for a preliminary ruling will be considered in the light of Directive 2008/95.

4 Article 2 of Directive 2008/95 provided:

'A trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

5 Article 3 of that directive provided:

'1. The following shall not be registered or if registered shall be liable to be declared invalid:

…

(b) trade marks which are devoid of any distinctive character;

…

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. …

…'

National law

6 Article 3(1)(b) of Directive 2008/95 was transposed into German law by Paragraph 8(2)(1) of the Gesetz über den Schutz von Marken und sonstigen Kennzeichen (Law on the protection of trade marks and other distinctive signs) of 25 October 1994 (BGBl. 1994 I, p. 3082). That provision states that 'trade marks … which are devoid of any distinctive character in relation to the goods or services concerned may not be registered'.

The dispute in the main proceedings and the question referred for a preliminary ruling

7 AS applied to the DPMA for registration of the sign comprising the hashtag #darferdas? as a trade mark in respect of goods in Class 25 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.

8 The goods in respect of which registration was sought corresponded to the following description: 'Clothing, in particular tee-shirts; footwear; headgear.'

9 The DPMA rejected the application, since the sign at issue was, in its view, devoid of any distinctive character within the meaning of Paragraph 8(2)(1) of the Law on the protection of trade marks and other distinctive signs.

10 AS brought an action against that decision before the Bundespatentgericht (Federal Patents Court, Germany).

11 By order of 3 May 2017, that court dismissed the action. It held that the sign at issue represented a sequence of characters and words joined together essentially composed of common German words. It was merely a stylised presentation of a discussion point. The hashtag indicated solely that the public is invited to discuss the question 'Darf er das?' ('Can he do that?'). The public would understand that question — placed, inter alia, on the front of tee-shirts — for what it is, namely a simple interrogative phrase.

12 AS brought an appeal against that decision before the Bundesgerichtshof (Federal Court of Justice, Germany).

13 According to the referring court, it cannot be excluded that the use of the sign at issue on the front of clothing is one amongst several types of use. That sign could also be placed on the label sewn on the inside of garments. In that case, the public could perceive that sign as a mark, that is to say, as an indication of the commercial origin of the goods.

14 The referring court states that it is clear from its own case-law that, in order for a sign to be regarded as having distinctive character and, consequently, being eligible for registration as a mark, it is not necessary that every conceivable use of that sign be a use as a mark. It is sufficient that a use be plausible and there be practically significant possibilities of using the sign applied for in the case of the goods and services in respect of which protection is claimed in such a way that it is easily understood by the public as a trade mark.

15 That court considers that that approach could be reconciled with paragraph 55 of the order of 26 April 2012, *Deichmann* v *OHIM* (C-307/11 P, not published, EU:C:2012:254), according to which Article 7(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) could not be interpreted as requiring the Office for the Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) to extend its examination, based on the facts, of distinctive character to uses of the mark applied for other than that recognised as the most likely.

16 However, harbouring doubts in that connection, the Bundesgerichthof (Federal Court of Justice) decided to stay the proceedings and to refer the following question on Article 3(1)(b) of Directive 2008/95 to the Court for a preliminary ruling:

'Does a sign have distinctive character when there are in practice significant and plausible possibilities for it to be used as an indication of origin in respect of goods or services, even if this is not the most likely form of use of the sign?'

Consideration of the question referred

17 It should be recalled that, in accordance with Article 2 of Directive 2008/95, any sign which is the subject of an application for registration as an individual mark must, in order to be registrable as such, satisfy several conditions, including that of being capable of distinguishing the goods or services of one undertaking from those of other undertakings.

18 It cannot *a priori* be excluded that a sign comprising a hashtag, such as that at issue in the main proceedings, is capable of distinguishing the goods and or services in respect of which registration is sought as coming from a particular undertaking and therefore satisfies the condition referred to above. It is in fact possible that such a sign be presented to the public in relation to goods or services and be capable of performing the essential function of a mark, which is to indicate the commercial origin of the goods or services covered.

19 In order to determine whether that is indeed the case, the competent administrative and judicial authorities must inquire whether the sign in question has 'distinctive character' within the meaning of Article 3 of Directive 2008/95. That distinctive character can be intrinsic, within the meaning of Article 3(1)(b), or be acquired through use, within the meaning of Article 3(3) (see, in particular, judgments of 19 June 2014, *Oberbank and Others*, C-217/13 and C-218/13, EU:C:2014:2012, paragraph 38, and of 16 September 2015, *Société des Produits Nestlé*, C-215/14, EU:C:2015:604, paragraphs 60 and 62).

20 The question whether the sign has distinctive character must be assessed by reference to, first, the goods or services in question and, second, the perception of the relevant public, namely the average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect (see, in particular, judgments of 8 April 2003, *Linde and Others*, C-53/01 to C-55/01, EU:C:2003:206, paragraph 41; of 12 February 2004, *Koninklijke KPN Nederland*, C-363/99, EU:C:2004:86, paragraph 34; and of 10 July 2014, *Apple*, C-421/13, EU:C:2014:2070, paragraph 22).

21 That assessment of the perception of the average consumer must be carried out *in concreto*, taking into consideration all the relevant facts and circumstances (see, in particular, judgments of 12 February 2004, *Koninklijke KPN Nederland*, C-363/99, EU:C:2004:86, paragraphs 33 and 35, and of 6 July 2017, *Moreno Marín*, C-139/16, EU:C:2017:518, paragraph 24).

22 As regards the relevant facts and circumstances for assessing that perception, it should be pointed out that the applicant for a trade mark is not required to indicate or even to know precisely, on the date on which his application for registration of a mark is filed or of the examination of that application, the use he will make of the mark applied for, if registered. Even following registration of the mark, he has a period of 5 years for beginning actual use consistent with the essential function of a trade mark (judgment of 15 January 2009, *Silberquelle*, C-495/07, EU:C:2009:10, paragraphs 3 and 17 and the case-law cited; see also, with regard to Council Regulation (EC) No 207/2009 of 26 February 2009 on the [European Union] trade mark (OJ 2009 L 78, p. 1), judgment of 21 December 2016, *Länsförsäkringar*, C-654/15, EU:C:2016:998, paragraph 26).

23 There may, moreover, be cases in which significant use has also not been made of the sign in respect of which registration as a trade mark is sought prior to the date of the application for registration.

24 In such circumstances, the competent authorities which have to determine the distinctive character of a sign in respect of which registration as a trade mark is sought can find themselves in a situation where they do not have at their disposal, with regard to identifying the likely use of the mark applied for and, therefore, the way in which that mark will, if registered, probably be shown to the average consumer, any factor of assessment other than those arising from the customs of the economic sector concerned.

25 When it is apparent from those customs that several uses are practically significant in that economic sector, those authorities must, in accordance with their obligation to examine the distinctive character of the sign concerned in the light of all the relevant facts and circumstances, take into consideration those various uses in order to determine whether the average consumer of the goods or services covered will perceive that sign as an indication of the commercial origin of those goods or services.

26 By contrast, those authorities must qualify as irrelevant the uses which, whilst being conceivable in that economic sector, are not practically significant and therefore seem unlikely, except where the applicant has provided concrete evidence which, in his case, makes a use which is unusual in that sector more likely.

27 It is necessary to prevent the register of trade marks, which must be appropriate and precise (judgment of 12 December 2002, *Sieckmann*, C-273/00, EU:C:2002:748, paragraph 50), from including signs which serve to distinguish the proprietor's goods or services from those of other undertakings solely in the case of a very specific use which the proprietor is unlikely to make.

28 In that connection, it should be borne in mind that, for reasons of legal certainty and sound administration, the examination of any application for registration must be not only full but also stringent, in order to prevent marks from being improperly registered (see, in particular, judgments of 6 May 2003, *Libertel*, C-104/01, EU:C:2003:244, paragraph 59, and of 10 March 2011, *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, EU:C:2011:139, paragraph 77).

29 In the present case, the referring court found that, in the clothing sector, it is usual to place the mark on both the exterior of the goods and the labels sewn on the inside of them.

30 That court thus identified two types of placement which are practically significant in that sector. In such a situation, the authorities with competence to examine the perception of the average consumer will have to take those uses into consideration and assess whether that consumer, on seeing those two types of placement, or at least one of them on a garment, will perceive the sign at issue as a trade mark.

31 It is thus for the national court having jurisdiction to determine whether the average consumer, when he sees the sign #darferdas? on the front of a tee-shirt or the label placed on the inside of it, will perceive that sign as an indication of the commercial origin of the item and not simply as a decorative element or social message.

32 In the light of the clarifications provided by the present judgment, and having regard to the case-law holding that provisions which are identical in their content in the directive to approximate the laws of the Member States relating to trade marks and in the regulation on the European Union trade mark must be interpreted in the same way (see, in particular, judgments of 12 January 2006, *Deutsche SiSi-Werke*, C-173/04 P, EU:C:2006:20, paragraph 29, of 6 July 2017, *Moreno Marín*, C-139/16, EU:C:2017:518, paragraph 27, and of 25 July 2018, *Mitsubishi Shoji Kaisha and Mitsubishi Caterpillar Forklift Europe*, C-129/17, EU:C:2018:594, paragraph 29), the approach taken in paragraph 55 of the order of the Court of 26 April 2012, *Deichmann v OHIM* (C-307/11 P, not published, EU:C:2012:254), cited by the referring court, which relates to Article 7(1)(b) of Regulation No 40/94, the content of which matches that of Article 3(1)(b) of Directive 2008/95, remains relevant only in those cases where it appears that solely one type of use is practically significant in the economic sector concerned.

33 It is clear from all the foregoing that the answer to the question referred is that Article 3(1)(b) of Directive 2008/95 must be interpreted as meaning that in examining the distinctive character of a sign in respect of which registration as a trade mark is sought, all the relevant facts and circumstances must be taken into account, including all the likely types of use of the mark applied for. The latter correspond, in the absence of other indications, to the types of use which, in the light of the customs in the economic sector concerned, can be practically significant.

Costs

34 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Fifth Chamber) hereby rules:

Article 3(1)(b) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that in examining the distinctive character of a sign in respect of which registration as a trade mark is sought, all the relevant facts and circumstances must be taken into account, including all the likely types of use of the mark applied for. The latter correspond, in the absence of other indications, to the types of use which, in the light of the customs in the economic sector concerned, can be practically significant.

[Signatures]