Reports of Cases

OPINION OF ADVOCATE GENERAL
CAMPOS SÁNCHEZ-BORDONA
delivered on 25 January 2017 [1]

Case C-437/15 P

European Union Intellectual Property Office (EUIPO)
v
Deluxe Laboratories Inc.,

Deluxe Entertainment Services Group Inc.

(Appeal — European Union trade mark — Figurative mark containing the word element 'deluxe' — Refusal of registration by the examiner)

1. Deluxe Entertainment Service Group Inc. ('Deluxe Inc.') [2] sought to register as an EU trade mark [3] the term 'deluxe', framed by a graphic device, to identify a significant number (more than 90) of goods and services. Its application was refused by the examiner and by the Board of Appeal of the European Union Intellectual Property Office (EUIPO) on the grounds that the trade mark applied for lacked distinctive character in relation to all those goods and services.

2. The General Court, to which Deluxe Inc. appealed against the decision of the Board of Appeal, annulled that decision by judgment of 4 June 2015 ('the judgment under appeal'), [4] finding that the Board of Appeal had erred in its reasoning because — according to the General Court — it had not conducted the prescribed examination of the distinctive character of the trade mark in relation to all the goods and services, or, at least, in relation to the categories which those goods and services might constitute.

3. EUIPO has brought an appeal against the judgment of the General Court, arguing, in essence, that the reasoning in the annulled decision was correct.

1 — Original language: Spanish.

2 — Successor to Deluxe Laboratories Inc.

3 — The term 'EU trade mark' complies with Article 1(2) of Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonisation in the Internal Market (Trade marks and Designs) (OJ 2015 L 341, p. 21). I shall use the terms 'European Union trade mark' and 'EU trade mark' interchangeably.

4 — Judgment of 4 June 2015, *Deluxe Laboratories* v *OHIM (deluxe)*, T-222/14, not published, EU:T.2015:364.

4. The appeal raises questions of various kinds relating to the distinctive character of the sign 'deluxe', which is imbued with certain promotional [5] or laudatory [6] overtones in relation to at least some of the goods and services it is intended to protect, and to the possibility that, when an absolute ground for refusal exists, EUIPO has the right not to conduct a detailed analysis of the relationship between the mark applied for and those goods and services.

5. In its appeal, EUIPO claims only that there has been an infringement of Article 75, in conjunction with Article 7(1)(b), of Regulation (EC) No 207/2009. [7] It does not, therefore, address in the appeal the difficulties that could arise in connection with the absolute ground for refusal of EU trade marks set out in Article 7(1)(c), a matter to which I shall return.

I. **Legislative framework**

Regulation No 207/2009

6. According to Article 4:

'[An EU] trade mark may consist of any signs capable of being represented graphically …, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

7. Under the heading 'Absolute grounds for refusal', Article 7 provides:

'1. The following shall not be registered:

(a) signs which do not conform to the requirements of Article 4;

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

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

…

2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.

…'

5 — There is a substantial body of case-law of the Court of Justice on trade marks which include advertising slogans. See, inter alia, judgments of 21 October 2004, *OHIM* v *Erpo Möbelwerk*, C-64/02 P, EU:C:2004:645, paragraph 35, and of 21 January 2010, *Audi* v *OHIM*, C-398/08 P, EU:C:2010:29, paragraph 45.

6 — Of the case-law on laudatory signs, see judgment of 13 January 2011, *Media-Saturn-Holding* v *OHIM*, C-92/10 P, not published, EU:C:2011:15, paragraph 51, and order of 11 December 2014, *FTI Touristik* v *OHIM*, C-253/14 P, not published, EU:C:2014:2445, 'BigXtra', paragraph 35.

7 — Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1). Regulation No 2015/2424 is not applicable *ratione temporis*.

8. Under the heading 'Statement of reasons on which decisions are based', Article 75 provides:

'Decisions of the Office shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had on opportunity to present their comments.'

II. **Background to the dispute**

1. The facts of the proceedings

9. On 10 October 2012, Deluxe Inc. lodged a Community trade mark application under Regulation No 207/2009 to register the following figurative sign:

10. That application [8] referred to the following goods and services in Classes 9, 35, 37, 39 to 42 and 45 of the Nice Agreement, [9] namely: [10]

— Class 9: 'Motion picture and television films featuring music videos, action/adventure, comedy, drama, horror, family, children, animated cartoons, sports, documentaries, commercials, science fiction, history, education, live action, computer-generated, animated, 2D, 3D, trailers, public service announcements, fiction, non-fiction, reality, and thrillers; digital media, namely, pre-recorded DVDs, HD DVDs, and pre-recorded optical discs featuring music videos, action/adventure, comedy, drama, horror, family, children, animated cartoons, sports, documentaries, commercials, science fiction, history, education, live action, computer-generated, animated, 2D, 3D, trailers, public service announcements, fiction, non-fiction, reality, and thrillers, and downloadable audio and video recordings featuring motion picture films, television shows, and video programs.'

— Class 35: 'Inventory control and computerized tracking and tracing of packages in transit; advertising and marketing of motion pictures, television shows, and advertisements; preparing audio-visual displays in the fields of music, motion pictures, television shows, and advertisements; preparing audio-visual presentations for use in advertising; post-production editing services for video and audio commercials; product merchandising; business services, namely, outsourcing in the field of translation services, namely, providing the transfer of information relating to captions and subtitles for audio-visual works; business management of assets in the nature of television programs, motion picture films and commercials, and commercial, industrial and corporate audio-visual media content; arranging and conducting tradeshow exhibitions for commercial or advertising purposes in the fields of entertainment, television, software and video games; organizational services, namely, indexing files representing film, video, audio, picture and document content, for post-production industries; display arrangement services of digital files representing film, video, audio, picture and document content, for post-production industries; inventory management, namely, locating digital files representing film, video, audio, picture and document content, for post-production industries; business management services, namely, digital and intellectual property asset management.'

— Class 37: 'Rejuvenation services for film, tape, DVD, HD DVD, pre-recorded optical discs and other recorded, digital, downloadable, and online media, namely, cleaning of film, tape, DVD, HD DVD, pre-recorded optical discs and other recorded, digital, downloadable, and online media.'

8 — The application was published in *Community Trade Marks Bulletin* No 2009/044 of 16 November 2009.

9 — Concerning the International Classification of Goods and Services for the purposes of the Registration of Marks of 15 June 1957, as revised and amended.

10 — [Translator's note: footnote not relevant to English translation].

— Class 39: ‘Deposit and transport of cameras, film, video, digital media, data processing and accessories thereto; storage and warehousing of film, digital and video media, and promotional material related to movies, television shows, and advertisements, namely, clothing, posters, and movie, television show, and advertisement cut-outs; electronic storage of digital and video images, digital cinema and sound recordings; storage of motion pictures, television shows, advertisements, digital cinema, DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, and online media; storage of master video discs, audio tapes, and CD-ROMs of music and images; media management, namely, moving, archiving, and transporting digital files representing film, video, audio, picture and document content, for post-production industries; packing articles for transportation; delivery of goods by truck; warehouse storage; and warehousing services; merchandise packaging for others …, namely, packaging music, videos, DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media and custom packaging services for sound, video, and data recordings, to the order and specification of others.’

— Class 40: ‘Duplication and replication of motion picture films, television shows, advertisements, and video programs on film, videotape, DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media; mastering and duplication of positive and negative motion picture prints to videotape, DVD, HD DVD, pre-recorded optical discs and other recorded, digital, downloadable, and online media; cutting of negatives; rental of printing machines and apparatus for industrial development and printing in the photographic, cinema and television industries; colour enhancement of black and white cinematic film; closed captioning of films and videos; digital correction services of videos, and digital video transfer, namely, providing colour correction and conversion of motion picture, television, and advertising film to video film; film and any other video media reproduction, namely, remastering of films from one format to another; and contract manufacturing in the field of digital versatile discs; duplication of video-tape, DVD, HD DVD, pre-recorded optical discs and other recorded, digital, downloadable, and online media in all professional formats; video services, namely, mastering and duplication of professional video tape, DVD, HD DVD, pre-recorded optical discs and other recorded, digital, downloadable, and online media formats; film development services; film to videotape, DVD, HD DVD, pre-recorded optical discs and other recorded, digital, downloadable, and online media transfer services, namely, conversion of motion picture, television, and advertising film to videotape, DVD, HD DVD, pre-recorded optical discs and other recorded, digital, downloadable, and online media. film and other video media back-up services, namely, digital preservation and restoration of cinematic films; printing services for sound, video, and data recordings; processing and printing of motion picture, television and advertising films; conversion of motion picture, television, and advertising film from 2D to 3D; operation of laboratories for the processing of motion picture, television, and advertising films; formatting and conversion of media and digital data; digital conversion of motion picture, television, and advertising films to videotapes, DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, and online media; film to tape digital transfer services, namely, transferring film to DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media.’

— Class 41: ‘Motion picture, television, and advertising film, videotape and digital video laboratory and post-production services, namely, high-resolution scanning of film, digital colour timing, laser film recording of digital video and high definition images to film; digital and video mastering services for motion pictures, television shows, and advertisements; digital imaging; digital and electronic manipulation of images for motion pictures, television shows, and advertisements; recording digital images onto film; video and audio media production, namely, production of video cassettes and DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media for others; production of visual, optical and digital special effects for others, for television, motion pictures, advertisements, DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media, namely, digital cinema; audio recording and production; film editing services; electronically producing motion picture, television, and advertising film from videotape, DVD, HD DVD, pre-recorded optical discs and other

recorded, digital, downloadable, and online media recordings; producing special visual effects for videotapes, DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media; production and distribution of motion pictures, television shows, and advertisements; providing voice-overs for videotapes, records, DVDs, HD DVDs, prerecorded optical discs and other recorded, digital, downloadable, and online media; consulting services in connection with film production and distribution; production of master video discs, audio tapes, and CD-ROMS of music and images; arranging for distribution or syndication of motion pictures, television shows, and advertisements. distribution services for film, tape, DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media; video editing services; dubbing services and film editing; video and sound track for cinema, television and advertisements.'

— Class 42: 'Design and development of computer software; product research and development; hosting the websites of others; website design services for others; digital watermarking; graphic design services for print media in the field of entertainment; DVD menu packaging and design for others; design for others of music, video, DVD, and digital media packaging; quality control for others of the duplication, replication and distribution of digital film and video; content creation services, namely, authoring and development of interactive computer software and media content; design and development of multimedia products, namely, DVD menu design for others; retrieving digital files representing film, video, audio, picture and document content, for post-production industries; conversion of data or documents from physical to electronic media; authoring services for DVDs, HD DVDs, pre-recorded optical discs and other recorded, digital, downloadable, and online media; digital data compression; digital compression of audio and video data; film and video data digital compression; providing digital compression of media and digital data.'

— Class 45: 'Product security consultation services in the motion picture, television, and advertising industries, namely, product authentication, detection of product piracy, and the recording and tracking of digital data; security printing, namely, encoding of media and digital data for use in tracking the source of unauthorized copies thereof and providing encoding and transcoding of media and digital data; encoding of motion picture, television, and advertising films for use in tracking the source of unauthorized copies thereof; providing content security for recorded media; anti-piracy rights management, namely, product security services in the motion picture, television, and advertising industries; security related technology and services, namely, tracking and tracing services used to secure, track, and trace encoded film against fraud, piracy, and counterfeiting; electronic content protection services; research and development in connection with the illegal downloading and storing of unauthorized digital motion picture, television, and advertising files.'

11. By decision of 13 June 2013, the examiner refused the application in relation to all the goods and services referred to therein, on the grounds that, in accordance with Article 7(1)(b) and (c) of Regulation No 207/2009, the trade mark 'deluxe' lacked distinctive character and informed consumers about the quality of the goods and services concerned.

12. In an appeal before OHIM against the examiner's decision, the Second Board of Appeal of OHIM, in its decision of 22 January 2014 ('the contested decision'), upheld the examiner's decision on the basis of Article 7(1)(b) of Regulation No 207/2009, and also accepted the examiner's arguments in relation to Article 7(1)(c).

13. Inter alia other points, the Board of Appeal held that, in the parts of the European Union where English is understood, the word element 'deluxe' is not on its own capable of distinguishing the applicant's goods and services from those of its competitors, for it is a form of commonplace promotional tag and merely consists of a 'claim of superior quality'. The Board of Appeal further held that the term 'deluxe' falls within the category of terms that must be exempt from trade mark monopoly and that the accompanying graphic element was not sufficient to confer distinctive

character on the mark applied for. On those grounds, the Board of Appeal upheld the examiner's decision in relation to the declaration that that mark informs consumers about the quality of the goods and services concerned. Finally, the Board of Appeal rejected the claim that the mark had acquired distinctive character through use in the European Union.

2. The judgment under appeal

14. Disagreeing with the decision of the Board of Appeal, Deluxe Inc. brought an action against it before the General Court on 10 April 2014.

15. The action was formulated in terms of five infringements which Deluxe Inc. attributed to the contested decision and on which it based five pleas for annulment. Deluxe Inc. claimed that the Board of Appeal had infringed the following provisions of Regulation No 207/2009: (1) Article 75, which obliges EUIPO to state reasons for its decisions; (2) Article 7(1)(b), in relation to the distinctive character of the sign; (3) Article 7(1)(c), in relation to the descriptiveness of the sign; (4) Article 7(3), in relation to the possible acquisition of distinctive character through use; and (5) the principles of protection of legitimate expectations, protection of acquired rights and the lawfulness of Community measures.

16. The General Court conducted a joint examination of only the first two pleas in law;[11] in upholding those pleas, the General Court annulled the contested decision and ordered EUIPO to bear the costs.

17. The judgment under appeal drew attention to the case-law of the Court of Justice pursuant to which, when it is sought to register a mark for various goods or services, the Board of Appeal must specifically determine that none of the grounds for refusal of registration listed in Article 7(1) of Regulation No 207/2009 applies to the mark in question, in relation to each of those goods or services claimed, and may reach conclusions that differ, depending upon the goods or services in question. Therefore, when refusing registration of a trade mark, the Board of Appeal is obliged to state in its decision its conclusion for each of the goods and services specified in the application for registration, regardless of the manner in which that application was formulated. However, where the same ground for refusal is given for a category or group of goods or services, the competent authority may limit itself to using general reasoning for all of the goods or services concerned.[12]

18. According to the General Court, the Board of Appeal examined the distinctiveness of the sign 'deluxe' without referring to each of the goods and services included in the application in relation to classes 9, 35, 37, 39 to 42 and 45. The General Court found, therefore, that the Board of Appeal had used general reasoning for all those goods and services without indicating that they had such a sufficiently direct specific link to each other as to form a uniform category, which was contrary to the case-law.

III. **Proceedings before the Court of Justice and the forms of order sought by the parties**

19. The appeal lodged by EUIPO was received at the Registry of the Court on 10 August 2015 and the defence lodged by Deluxe Inc. was received on 25 April 2016.

20. EUIPO claims that the Court should set aside the judgment under appeal and order Deluxe Inc. to pay the costs

11 — See paragraphs 22 to 24 of the judgment under appeal.

12 — The General Court cited, inter alia, the order of 18 March 2010 in *CFCMCEE* v *OHIM*, C-282/09 P, EU:C:2010:153, paragraphs 37 and 38, and, by analogy, also the judgment of 15 February 2007, *BVBA Management, Training en Consultancy*, C-239/05, EU:C:2007:99, paragraphs 32, 34 and 38.

21. Deluxe Inc. claims that the Court should dismiss the appeal and order EUIPO to pay the costs of Deluxe Inc. in both sets of proceedings.

22. At the request of Deluxe Inc., in accordance with Article 76(1) of the Rules of Procedure, a hearing was held on 9 November 2016, at which both parties presented oral argument.

IV. **Arguments of the parties**

23. The appeal is based on a single ground divided into two parts. In the first part, EUIPO complains that the General Court erred in law, by limiting the Office's right to provide a general statement of reasons for its decisions, by restricting it solely to the case in which the goods and services form uniform categories. EUIPO contends that when a sign like 'deluxe' directly conveys a laudatory message applicable to all the industry and service sectors, a general statement of reasons is acceptable for rejecting that sign. That statement of reasons enables the person to whom it is addressed to counter the reasons relied upon and the General Court to exercise its powers of judicial review.

24. Nor, according to EUIPO, does the uniformity of the goods and services constitute a *sine qua non*: the existence of a common feature is sufficient in order for a general statement of reasons to be accepted for all of them. In this case, the common feature is that every one of the goods and services, without exception, could be of high or low quality, with the result that the indication of superior quality, inherent in the term 'deluxe', will be perceived in respect of all of them as a mere selling point.

25. EUIPO relies for support upon the Court's reasoning in *BigXtra*,[13] in which the Court recognised that there was a sufficiently direct and specific link between the goods and services concerned[14] (in that they could all be the subject of discounts or special benefits), which allowed a general statement of reasons. In the light of that common feature, the sign 'BigXtra' would be construed as an indication of the high quality of those goods and services; in other words, it would be regarded as an advertising pledge.

26. In EUIPO's view, in finding that the contested decision was vitiated by a lack of reasoning,[15] the judgment under appeal diverges from the case-law of the Court. The General Court erred in law in denying the importance of the laudatory and promotional nature of the sign 'deluxe', applicable to all the goods and services at issue.

27. EUIPO maintains that the Board of Appeal gave a sufficient explanation of the reasons why 'deluxe' lacks distinctive character in relation to every one of the goods and services. Those reasons enabled[16] Deluxe Inc. to dispute that the sign claimed had necessarily to be perceived as a mere indication of excellence or as promotional praise for its superior quality.

28. EUIPO submits that to require the Board of Appeal to make a detailed examination of goods and services (including by category) would lead to systematic formal repetition of the basic ground for refusal, namely, that the sign lacks distinctive character in relation to each and every one of them. That repetition would add nothing new to the argument on which the refusal to register the mark is based (its lack of distinctive character).

13 — Order of 11 December 2014, C-253/14 P, not published, EU:C:2014:2445, paragraphs 48 and 49.

14 — In that case, the goods and services for which trade mark protections was claimed belonged to Classes 16, 35, 39, 41, 42 and 43 of the Nice Agreement.

15 — See, in particular, paragraphs 23 and 24 of the judgment.

16 — Thereby fulfilling the obligation to state reasons.

29. Lastly, EUIPO claims that, in a series of judgments, the General Court recognised the lack of distinctive character of certain slogans in relation to a variety of goods and services when the perception of the sign as an ordinary advertising message was immediately applicable without exception to all those goods and services. [17]

30. In the second part of the single ground of appeal, EUIPO puts forward a broad definition of uniformity for the purposes of the general statement of reasons. It is sufficient that the goods and services concerned should have a common feature, which could also exist between goods and services belonging to completely different sectors, without necessarily being derived from the similarity of the goods and services according to their nature or purpose. EUIPO disputes that it is necessary to establish, as the judgment under appeal did, [18] a correlation between the existence of a 'uniform category' and the description of the goods and services.

31. EUIPO submits that, although the case-law [19] requires a sufficiently direct and specific link between the goods and services in order to form a sufficiently uniform category (which enables a general statement of reasons), it does not state what the nature of the link must be, but simply that there must be such a link. In that connection, EUIPO further contends that it cannot be inferred from the case-law [20] that the relevant criteria for assessing uniformity are exhaustively predetermined or that they are cumulative.

32. In requiring, in the judgment under appeal, the criterion of uniformity to be derived from the description of the goods and services for which Deluxe Inc. sought trade mark protection, the General Court misinterpreted the concept of a 'sufficiently uniform' category of goods or services, used in the case-law, and, consequently, the concept of 'sufficiently direct and specific link', which is necessary for the formation of such a category of goods.

33. However, even though it is not inferred directly from the description of the goods and services, the common feature identified in this case by the Board of Appeal (namely, that 'all the goods can be advertised as *possessing* "superior" quality, while all the services can be advertised as *providing* "superior quality"'), [21] in the sense of being an exclusive feature defining those goods and services, constitutes a sufficient criterion for finding that they all form a uniform category so that a general statement of reasons is permitted. The General Court did not explain the reasons why that common feature did not represent a sufficiently direct and specific link.

34. Deluxe Inc. rejects EUIPO's arguments. In particular, Deluxe Inc. denies that its mark is laudatory in relation to the goods and services concerned, from the point of view of the relevant public.

35. As regards the first part of the ground of appeal, Deluxe Inc. argues that the Office incorrectly relied upon the order in *BigXtra*, [22] a case which cannot be treated as similar to the present case, given that it was found in it that the sign BigXtra praised the *methods* of selling the goods. Deluxe Inc. also rejects the applicability of the judgments relating to slogans, cited by EUIPO, [23] because they deal with situations different from that now in issue.

17 — Judgments of 12 March 2008, *Suez* v *OHIM (Delivering the essentials of life)*, T-128/07, not published, EU:T:2008:72, paragraph 33; of 25 March 2014, *Deutsche Bank* v *OHIM (Leistung aus Leidenschaft)*, T-539/11, not published, EU:T:2014:154, paragraph 16; and of 12 December 2014, *Wilo* v *OHIM (Pioneering for You)*, T-601/13, not published, EU:T:2014:1067, paragraph 37.

18 — In paragraphs 20 and 21 thereof.

19 — Paragraph 17 of the judgment under appeal, which refers to the order of 18 March 2010, *CFCMCEE* v *OHIM*, C-282/09 P, EU:C:2010:153, paragraph 40, and to the judgments of 2 April 2009, *Zuffa* v *OHIM (ULTIMATE FIGHTING CHAMPIONSHIP)*, T-118/06, EU:T:2009:100, paragraph 28, and of 23 September 2009, *France Télécom* v *OHIM*, T-396/07, not published, EU:T:2009:353, paragraph 28.

20 — Referring to the order of 18 March 2010, *CFCMCEE* v *OHIM*, C-282/09 P, EU:C:2010:153, paragraph 46.

21 — Paragraph 23 of the contested decision.

22 — Order of 11 December 2014, C-253/14 P, not published, EU:C:2014:2445.

23 — See point 29 of this Opinion and the associated footnote.

36. As regards the second part of the ground of appeal, Deluxe Inc. contends that the goods and services for which it sought to register the sign are not homogenous and that, in any event, EUIPO has at no time given any reason why they would be. Because it believes that the real key to this dispute lies in the laudatory character of the sign at issue, Deluxe Inc. provides examples of services and goods in respect of which the word 'deluxe' does not have a laudatory connotation.

37. At the hearing, Deluxe Inc. complained that EUIPO had merely applied a too general presumption to all the goods and services claimed, to the effect that the term 'deluxe' does not have distinctive effect.

38. In order to substantiate its argument that, in this case, a detailed examination ought to have been made of the meaning of the word 'deluxe' in relation to at least some of the goods and services, Deluxe Inc. observed that: (a) on the one hand, those goods and services include some that lack a sufficient quality spectrum to suggest that, where they are claimed for the mark, that term is capable of evoking their high quality or luxury;[24] and (b) on the other hand, the consumers likely to purchase those goods and services comprise specialist professionals who have a high level of attention and who would not regard the word 'deluxe' as a reference to the high quality of the goods and services concerned. Deluxe Inc. submits that, in those circumstances, it was not open to the General Court to reject indiscriminately the claim that the mark had distinctive character without examining that character in relation to the goods and services concerned.

V. **Legal analysis**

39. It seems to me more appropriate to deal jointly with the two errors of law alleged in the single ground of appeal. To separate them is too artificial, because, strictly speaking, they constitute the same legal complaint and the dispute concerns a quite specific issue: whether or not the general statement of reasons on which the decision adopted by EUIPO is based is apt in this case. The interpretation of a 'sufficiently uniform category [of goods or services]', to which that statement of reasons could be applied, is simply another (secondary) aspect of that debate.

40. The case-law principles laid down by the Court in this area are explained — correctly, to my mind — in the judgment under appeal.[25] I shall use them as the starting-point for tackling the examination of the appeal, after summarising their essential features.

41. When, for the purposes of Article 7(1)(b) of Regulation No 207/2009, EUIPO examines the distinctive character of a sign for which registration has been sought for various goods or services: (a) it checks whether the sign serves to identify those goods or services as coming from a particular undertaking and to distinguish them from those of other undertakings;[26] (b) if the sign does have distinctive character, EUIPO must examine this in relation to the goods and services claimed and may reach different conclusions for each one;[27] and (c) if registration is refused, the decision must, in principle, state reasons in respect of each and every one of those goods or services.[28]

24 — Deluxe Inc. cited the following by way of example: digital and intellectual property asset management (Class 35); deposit and transport of cameras (Class 39); operation of laboratories for the processing of motion picture, television and advertising films (Class 40); retrieving digital files representing film content (Class 42); and research and development in connection with the illegal downloading and storing of unauthorised digital motion picture, television and advertising files (Class 45).

25 — In particular, in paragraphs 15 to 18 thereof.

26 — Judgment of 8 May 2008, *Eurohypo* v *OHIM*, C-304/06 P, EU:C:2008:261, paragraph 59.

27 — Judgment of 15 February 2007, *BVBA Management, Training en Consultancy*, C-239/05, EU:C:2007:99, paragraph 32 and the case-law cited.

28 — Order of 18 March 2010, *CFCMCEE* v *OHIM*, C-282/09 P, EU:C:2010:153, paragraph 37 and the case-law cited.

42. However, those rules permit an important exception: if EUIPO finds that the same ground of refusal may be extended to a category or group of goods or services, it may confine itself to purely general reasoning for all of the goods or services concerned. [29]

43. Admittedly, the case-law stresses the necessity of assessing distinctiveness by reference to the perception of the relevant public, [30] a point which, although of lesser importance, may have a bearing on the dispute.

44. EUIPO submits that, in requiring a statement of reasons for the refusal of the mark 'deluxe' in relation to each of the goods and services claimed, the General Court erred in law, for the laudatory nature of the word warranted a general assessment. In that connection, EUIPO criticises the application of the concept of a 'sufficiently uniform' category of goods or services in the judgment under appeal, which it considers contrary to case-law.

45. Expressed in those terms, the difficulty can best be understood if its placed, within the chronology of the proceedings, at the time at which EUIPO examines the sign for which registration is sought.

46. As I have already observed, at that initial stage, EUIPO has to check specifically that the sign is not caught by any of the grounds for refusal laid down in Article 7(1) of Regulation No 207/2009, in relation to goods and services. The examination of whether a sign is distinctive must be rigorous and full, in other words, not restricted to a minimal examination, [31] which would be contrary to the principles of legal certainty and good administration, which preclude the improper registration of marks that do not fulfil the legal criteria. [32]

47. A specific case is that of marks claimed which are composed 'of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by that mark'. The Court does not categorically prohibit their registration. [33]

48. The Court has held that 'the laudatory connotation of a word mark does not mean that it cannot be appropriate for the purposes of guaranteeing to consumers the origin of the goods or services which it covers. Thus, such a mark can be perceived by the relevant public both as a promotional formula and as an indication of the commercial origin of goods or services. It follows that, in so far as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood, perhaps even primarily understood, as a promotional formula has no bearing on its distinctive character.' [34]

49. Those quotations are from case-law relating to applications for word marks composed of indications or signs used as slogans or indications of quality. Although the Court acknowledged the 'difficulties in establishing distinctiveness which may be associated with word marks consisting of advertising slogans … — difficulties which it is legitimate to take into account', it found no justification for analysing such marks using 'specific criteria supplementing or derogating from' the general criteria. [35]

29 — Order of 18 March 2010, *CFCMCEE* v *OHIM*, C-282/09 P, EU:C:2010:153, paragraph 38 and case-law cited.

30 — The General Court correctly makes this observation at paragraph 18 of the judgment under appeal.

31 — The Court has implicitly rejected that the competent authority may carry out a review of distinctive character limited to the minimum expression of that concept, which would allow it to register any sign provided that it was able even slightly to differentiate it from the signs of competitors. See the judgment of 19 September 2002, *DKV*, C-104/00 P, EU:C:2002:506, paragraphs 13 and 20.

32 — Judgment of 6 May 2003, *Libertel*, C-104/01, EU:C:2003:244, paragraph 59 and the case-law cited.

33 — Judgment of 21 October 2004, *OHIM* v *Erpo Möbelwerk*, C-64/02 P, EU:C:2004:645, paragraph 41.

34 — Judgment of 21 January 2010, *Audi* v *OHIM*, C-398/08 P, EU:C:2010:29, paragraph 45.

35 — Judgment of 21 January 2010, *Audi* v *OHIM*, C-398/08 P, EU:C:2010:29, paragraph 38.

50. If that is so, then a fortiori the general criteria must be applied in order to assess the distinctive character of marks that, in addition to word elements, contain graphic, that is to say, figurative, elements. That is precisely the situation at issue in the instant case, in which registration was sought of a mark composed of one phonetic or word element (the word 'deluxe') and another graphic element (a circle with a background in the colour red fading at the rim and the word inside it).

51. Naturally, there may be signs that are completely devoid of distinctive character. These are likely enough to include some slogans and even more likely to include certain laudatory indications. It is logical that, if such slogans and indications are vitiated by clear incapacity, or inherent inaptness, to produce distinctive effects, the competent authorities are to reject them without any subsequent — and pointless — checks relating to the goods and services for which protection was sought.

52. I believe that EUIPO is right to argue, in the abstract, that that approach is valid, for once a complete lack of distinctive character has been established, applicable generally to all types of goods and services, it is impossible to see what reasons there would be for requiring a subsequent assessment of that (lack of) distinctive character, this time in relation to certain individual goods or services. From that same perspective, refusal of the new mark would be sufficiently substantiated and a decision finding that the mark applied for clearly and fully ('universally') lacked distinctive character would be sufficiently reasoned.

53. The case-law cited in the judgment under appeal should be qualified, therefore, when it is so certain that a sign cannot distinguish the goods and services of one undertaking from those of another that this may be classified, without risk of error, as a clear lack of distinctive character, regardless of the goods or services concerned.

54. However, those conditions are not satisfied in the case of the mark 'deluxe', for two reasons. The first (perhaps more important) reason is that, in this case, what the public might perceive as an indication of high quality is a mixed or figurative sign which, by its very nature, requires a sensory or intellectual effort in addition to the mere reception of the laudatory message. That effort may constitute one of the factors which tip the balance in favour of the mark 'deluxe' having distinctive character, at least in relation to some of the goods or services for which protection was claimed.

55. The second reason relates to the meaning of the word 'deluxe', which specifically (and in some countries only) denotes sumptuousness or ostentatiousness, qualities which may be attributed to certain goods or services [36] but not to others, whose use is in itself inherently different. [37] That is why it was logical to presume that the sign for which registration as a Community trade mark was sought could have distinctive character, at least as regards some of those goods or services.

36 — EUIPO has attempted to equate luxury with superior quality but that semantic association is neither clear nor inevitable. There may be goods, including everyday consumer goods, which are of high quality (for example, water) but are not necessarily luxury goods. On the other hand, it is possible to imagine luxury goods or services (especially, by reference to their rarity or unusualness) which are not necessarily of exceptional quality.

37 — It would be difficult to refer, for example, to a 'luxury' system for digital data compression or a 'luxury' system for tracking pirated digital content, to mention just two of the services which the disputed mark was intended to protect.

56. This was, furthermore, accepted by several national offices of EU Member States (and of other countries) [38] and by EUIPO itself with regard to the trade mark 'deluxe' [39] and other similar marks, in relation to various goods and services. It is true that those precedents are not binding, but they may be assessed as evidence that the sign applied for did not warrant the initial, all-encompassing refusal by EUIPO (which did not take account of the sign's relationship with particular goods and services), based on the sign's total lack of distinctive character. [40]

57. Indeed, the case-law has accepted that the practice in a given Member State, in so far as it may be relevant for the purposes of assessment at EU level, is no more than a helpful indication to which the Office may have regard when assessing a sign's distinctiveness. [41]

58. More specifically, as the Court has acknowledged, in opposition proceedings, 'nor is it possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as the lack of distinctive character, provided by Article 7(1)(b) of Regulation No 40/94 and Article 3(1)(b) of [the directives [42] to approximate the laws of the Member States relating to trade marks]'. [43]

59. The considerations set out above are, in my view, sufficient to exclude the hypothesis leading to the subsequent development of the ground of appeal. That is based on a premiss (that the sign 'deluxe' is completely devoid of distinctive character in relation to any goods or services) [44] that simply cannot be regarded as established. Failing that fundamental condition, the appeal is, in itself, bound to fail, because when a sign may serve to identify goods and services, EUIPO, in its review prior to registration of the mark, must check (stating reasons) whether there is distinctive character in respect of those goods and services, separately or grouped into categories.

60. I shall therefore deal, in the alternative, [45] with EUIPO's criticism of the judgment under appeal specifically in relation to the reasoning set out in the decision adopted by the Board of Appeal and in relation to the concept of 'uniform category', while also noting that I find a certain lack of coherence in its position, because: either the term 'deluxe' lacks minimum distinctive character, in which case it is irrelevant whether or not the goods and services covered by it may fall into one or more groups or categories and what the defining element of those groups or categories is, or, on the contrary, if that term can have distinctive character in some cases, it is essential to examine (separately or by categories) the relevant goods and services, which EUIPO did not do.

38 — At the hearing, Deluxe Inc. confirmed the claim it had already made before the Board of Appeal of EUIPO, without being contradicted, namely that the sign at issue in the dispute has been registered in Spain, Italy, Australia, Canada, the United States and the United Kingdom and that these registrations are proof of its 'inherent distinctiveness'.

39 — This is the figurative mark 'deluxe', No 006891949, composed of that word framed by a circle in the colour red. Registration of the mark was granted by EUIPO, at the request of Deluxe Entertainment Services Group Inc., for goods in classes 35, 39, 40, 41, 42 and 45, similar to those covered by the sign at issue in these proceedings.

40 — Those considerations do not preclude the mark 'deluxe' from lacking distinctive character when applied to certain specific goods. That was the ruling of the General Court in its earlier judgment of 17 December 2014, *Lidl Stiftung* v *OHIM (Deluxe)*, T-344/14, not published, EU:T:2014:1097, paragraph 28.

41 — Opinion of Advocate General Ruiz-Jarabo Colomer in *DKV*, C-104/00 P, EU:C:2002:288, point 91, which the judgment of 19 September 2002 adopted almost verbatim in paragraph 39 (EU:C:2002:506).

42 — Council Directive 89/104/EEC of 21 December 1988 (OJ 1989 L 40, p. 1) and Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 (OJ 2008 L 299, p. 25).

43 — Judgments of 24 May 2012, *Formula One Licensing* v *OHIM*, C-196/11 P, EU:C:2012:314, paragraph 41, and of 8 November 2016, *BSH* v *EUIPO*, C-43/15, EU:C:2016:837, paragraph 66. In the first of those cases, the dispute concerned the finding of the General Court that the sign 'F1' lacked distinctive character despite its prior registration as a national mark. Although the facts of that appeal differed from those of the present appeal, the wording of the judgment in *Formula One Licensing* v *OHIM* can be extrapolated to the instant case.

44 — At the hearing, EUIPO stated that, in its opinion, the word 'deluxe' completely lacks the capacity to distinguish any goods or services.

45 — Also at the hearing, in reply to questions from the Court, EUIPO acknowledged that its principal argument was based on the sign 'deluxe' being quite incapable of identifying goods and services, and that its alternative argument was based on the fact that, having regard to those goods and services, it is necessary to examine whether they have any common features enabling them to fit into one or more categories.

61. The General Court found that the laudatory and promotional character of the term 'deluxe' ('supposing this to have been established' [free translation]) [46] did not justify the general statement of reasons provided by the Board of Appeal. [47] In that finding I discern no error of law, for, on the one hand, according to the case-law cited above, a laudatory or promotional sign may not *per se* be found to lack distinctive character, and, on the other, the General Court did not deny that EUIPO has the right to provide a general statement of reasons, but rather held that, in order to do so, EUIPO must declare that a sign lacks distinctive character for reasons in addition to the mere fact that the sign falls within the category of advertising and laudatory messages.

62. Moreover, when it analysed the goods and services in the application lodged by Deluxe Inc., [48] the General Court found that these could be grouped into at least seven categories, as a reading of their description revealed that there were considerable differences between those goods and services as regards their nature, their characteristics, their intended use and the way in which they are marketed. [49] Next, [50] the General Court found that the examination had not been carried out in respect of each and every one of the goods and services (or the possible categories comprised by them) and that the Board of Appeal had not held that there was such a sufficiently direct and specific link between those goods and services that they formed a uniform category.

63. The Court set out the relevant criteria for determining whether goods and services are homogenous in paragraph 46 of the order in *CFCMCEE* v *OHIM*, [51] where it analysed and confirmed that the criteria which the General Court had taken into account, namely, the characteristics, the essential qualities and the purposes of those goods and services, were appropriate and correct.

64. The ruling of the General Court in the judgment under appeal simply relies on the criteria confirmed by the Court of Justice in the order in *CFCMCEE* v *OHIM*; [52] in other words, it takes into account the characteristics, the essential qualities and the purposes of those goods and services in order to draw attention to the differences between them. [53] In short, it follows the guidelines in the case-law referred to and commits no error of law in that connection.

65. It is true that for the Board of Appeal, the reason why the sign lacked distinctiveness in relation to the goods and services was that all those goods and services, 'without exception', [54] could be advertised as possessing superior quality. EUIPO submits that it is not an essential requirement that the feature common to all the goods and services should be apparent from their description: a sufficient and direct link, capable of forming the different goods and services into a 'sufficiently uniform category', will be enough.

66. Therefore, the real aim of the appeal is actually to extend that case-law so that it accepts as a criterion also the common feature to which EUIPO refers, that is to say: that all the goods and services could be advertised as possessing 'superior quality'.

46 — Paragraph 27, *in fine*, of the judgment under appeal.

47 — Although that argument is set out at the end of the judgment under appeal, it is appropriate to refer to it at this juncture because I believe that it best explains the *ratio decidendi* of the judgment.

48 — Paragraphs 20 and 21 of the judgment under appeal.

49 — According to the General Court, 'the mark applied for covers more than 90 goods and services, which are included in eight different classes and relate to areas as diverse as the cinema, advertising, storage and transport of goods, product research and development, security, leisure and information technology' [free translation] (paragraph 20 of the judgment under appeal).

50 — Ibid., paragraph 22.

51 — Order of 18 March 2010, C-282/09 P, EU:C:2010:153.

52 — Order of 18 March 2010, C-282/09 P, EU:C:2010:153.

53 — 'The existence of such a link between, for example, motion picture films, delivery of goods by truck, warehouse storage, product research and development and hosting and designing the websites of others is not obvious and, at all events, cannot be inferred from the wording of the contested decision' [free translation] (paragraph 27 of the judgment under appeal).

54 — Point 2[3] of the contested decision.

67. I do not agree with that suggestion by EUIPO which, to my mind, confuses the two stages of the procedure for examination of distinctive character. When the perception of the public is assessed, the point is to determine whether that public would identify, in the laudatory message, the commercial origin of the goods and services or whether it would instead perceive the laudatory message as a mere indication of quality. However, in order to establish categories of products in respect of which the distinctive character of the mark may be identified, it is essential that the link must be derived from those goods themselves, that is to say, from their common qualities, their particular characteristics and their functions.

68. In other words, it is necessary, first, to identify and, where appropriate, to classify the intrinsic elements and links which group the different goods and services into categories, and then to compare these categories with the sign whose distinctive character is under examination. Only if a common element is identified in those goods and services, which enables them to be regarded as having a certain degree of uniformity, will it be possible to make the general assessment of the distinctive character of the mark in relation to the uniform category, so determined, of those goods and services. [55]

69. The allegedly common feature of the goods and services which the mark 'deluxe' is intended to protect is, in EUIPO's submission, inferred from the laudatory message itself. However, that conclusion does not, I stress, follow from the analysis of the goods and services but on the analysis of the sign in relation to the relevant public. In order to create uniform categories of goods and services, regard must of necessity be had to the characteristics of the goods and services for which protection is sought, for the intrinsic elements that may be compared in order to establish similarities and differences can come from those goods and services alone. Finally, that approach is more objective and, therefore, provides economic operators with greater legal certainty.

70. Therefore, I do not agree with the arguments put forward by EUIPO, seeking to extend, in the manner set out above, the method of identifying direct concrete links making various goods and services homogenous so that these can be the subject of a general assessment for the purposes of the examination of distinctive character. Having rejected that possibility, since it used the criteria confirmed by the order in *CFCMCEE* v *OHIM* [56] (the characteristics, the essential qualities and the purposes of the goods and services) to draw attention to the differences between those goods and services, the General Court to that extent followed the case-law referred to above, without committing any error of law.

71. EUIPO also relies in support of its appeal upon the order of the Court in the case concerning the mark 'BigXtra'. [57] However, paragraphs 48 and 49 of that order do not refer to the essential requirement of a sufficiently direct and specific link between the goods and services at issue in that case, but rather to the complaint that, according to the appellant in that case, the General Court had reversed the burden of proof in order to establish that no absolute ground for refusal existed.

72. In the judgment under appeal in that case, [58] the General Court merely rejected the appellant's argument claiming that the Board of Appeal had failed to examine whether the sign was distinctive in relation to the goods and services claimed. In the subsequent appeal, the question was not, therefore, put before the Court whether the fact that all the goods and services were eligible for large price

55 — Acceptance of a common feature arising from the 'message' of the mark would be tantamount to reversing the process of logical deduction which leads to the search for a sufficiently direct and specific link between goods and services.

56 — Order of 18 March 2010, C-282/09 P, EU:C:2010:153.

57 — Order of 11 December 2014, *BigXtra*, C-253/14 P, not published, EU:C:2014:2445. See point 25 of this Opinion.

58 — Judgment of 21 March 2014, *FTI Touristik* v *OHIM (BigXtra)*, T-81/13, not published, EU:T:2014:140, paragraphs 43 to 47.

reductions, substantial benefits or a special allowance would suffice as a link between those goods and services, but only the claim regarding the distribution of the burden of proof, which it did not uphold, thereby confirming the judgment under appeal. Accordingly, the order of the Court of Justice in *BigXtra*[59] may not be extrapolated to the instant case.

73. Nor do I agree with the argument that not accepting the proposal to extend the case-law, in the terms suggested by EUIPO, would lead to unnecessary repetition in its decisions of the basic grounds for refusal for all of the goods and services. That consequence is not obligatory or inevitable, given that it is not required by the judgment under appeal, nor is it inconceivable that the same grounds for refusal will be valid for different categories of goods and services, in which case common reasoning could simply be expounded regarding that validity.

74. Finally, I would like to return briefly, as I indicated I should at the beginning of this Opinion,[60] to subparagraph (c) of Article 7(1) of Regulation No 207/2009. It is that subparagraph, rather than subparagraph (b) (the only subparagraph relied upon in the appeal), that sets out the absolute grounds for refusal relating to descriptive signs; that is to say, the case of trade marks that 'consist exclusively of signs or indications which may serve, in trade, to designate the … quality … or other characteristics of the goods or service'.

75. As I pointed out above, the General Court exercised the right it has not to examine the other pleas for annulment when it accepts one of those pleas (in this case, the plea relating to Article 7(1)(b)), for which reason the General Court did not examine the plea alleging infringement of Article 7(1)(c). Admittedly, the Court of Justice has also acknowledged that there is a partial overlap between the scope of Article 7(1)(b) and the scope of Article 7(1)(c), drawing attention to the difference between the two subparagraphs, which is that the former covers all the circumstances in which a sign is not apt to distinguish the goods or services of one undertaking from those of other undertakings,[61] which could support the decision taken in the judgment under appeal not to examine the plea for annulment relating to subparagraph (c).

76. However, in the interests of the correct application of Article 7(1) of Regulation No 207/2009, the same case-law qualified that finding by stressing the necessity of the ground for refusal set out in Article 7(1)(c) continuing to be applied only to the situations specifically covered by that ground for refusal.[62] That assertion must be viewed in conjunction with the underlying public interest that trade marks consisting exclusively of a sign or indication that may serve to designate the characteristics of goods or a service, within the meaning of that provision, must be freely available to all and not be registrable.[63]

77. I believe, however, that if a decision is challenged in reliance upon the two grounds for refusal in Article 7(1)(b) and (c), the overlapping of the scope of those two subparagraphs makes it preferable for the General Court to deal with both grounds, even if it upholds only one of them. As other Advocates General have done, I propose too that the examination should begin with subparagraph (c),[64] regard being had to the fact that it is preferable, in the legislative context of the EU Trade Mark Regulation, neither to conflate the two criteria nor to view them as inherently interdependent.[65]

59 — Order of 18 March 2010, C-282/09 P, EU:C:2010:153.

60 — See point 5 of this Opinion.

61 — Judgment of 10 March 2011, *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, EU:C:2011:139, paragraph 47.

62 — Judgment of 10 March 2011, *Agencja Wydawnicza Technopol* v *OHIM*, C-51/10 P, EU:C:2011:139, paragraph 48.

63 — Judgment of 8 April 2003, *Linde and Others*, C-53/01, EU:C:2003:206, paragraph 74. There is no doubt that the sign 'deluxe' is complex but since both the examiner and the Board of Appeal emphasised the 'banal' character of the figurative element, minimising any importance of that element for the purposes of the examination of distinctive character, they should, in the interests of consistency, have treated that sign as one composed *exclusively* of a possible indication of the quality of the goods.

64 — See the Opinion of Advocate General Ruiz-Jarabo Colomer in *Mag Instrument* v *OHIM*, C-136/02, EU:C:2004:151, point 20.

65 — Opinion of Advocate General Jacobs in *OHIM* v *Wrigley*, C-191/01 P, EU:C:2003:225, points 51 and 53.

78. Although the existence of one absolute ground for refusal will be enough for registration to be refused,[66] an examination of, and a ruling on, the other grounds relied upon may, in cases of annulment, prevent its being necessary to embark on a new challenge.

79. At all events, the arguments put forward by EUIPO regarding the lack of distinctive character of the sign at issue being based on its constituting an expression of superior quality, the considerations set out above are applicable for the purposes of both Article 7(1)(b) and Article 7(1)(c) ('indication of quality') of Regulation No 207/2009.

80. In summary, I believe that the sole ground of appeal cannot be upheld, for the errors in law imputed to it by EUIPO are not to be found in the judgment under appeal, and that the appeal must be dismissed.

VI. Conclusion

81. In the light of the foregoing considerations, I propose that the Court should:

(1) dismiss the appeal brought by the European Union Intellectual Property Office (EUIPO) against the judgment of the General Court of 4 June 2015 in Case T-222/14 *Deluxe Laboratories* v *OHIM (deluxe)*;

(2) order EUIPO to bear the costs of Deluxe Entertainment Services Group Inc.

66 — Order of 13 February 2008, *Indorata-Serviços e Gestão* v *OHIM*, C-212/07 P, not published, EU:C:2008:83, paragraph 27 and the case-law cited.