

X TECHNOLOGY SWISS v OHIM (ORANGE COLOURING OF THE TOE OF A SOCK)

JUDGMENT OF THE GENERAL COURT (Second Chamber)

15 June 2010*

In Case T-547/08,

X Technology Swiss GmbH, established in Wollerau (Switzerland), represented by
A. Herberz and R. Jung, lawyers,

applicant,

v

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

defendant,

* Language of the case: German.

ACTION brought against the decision of 6 October 2008 of the Fourth Board of Appeal of OHIM (Case R 846/2008-4), concerning an application for registration, as a Community trade mark, of the sign consisting of the orange colouring of the toe of a sock,

THE GENERAL COURT (Second Chamber),

composed of I. Pelikánová (Rapporteur), President, K. Jürimäe and S. Soldevila Fragoso, Judges,

Registrar: N. Rosner, Administrator,

having regard to the application lodged at the Court Registry on 12 December 2008,

having regard to the response lodged at the Court Registry on 17 March 2009,

having regard to the reply lodged at the Court Registry on 5 May 2009,

having regard to the rejoinder lodged at the Court Registry on 26 June 2009,

further to the hearing on 26 January 2010,

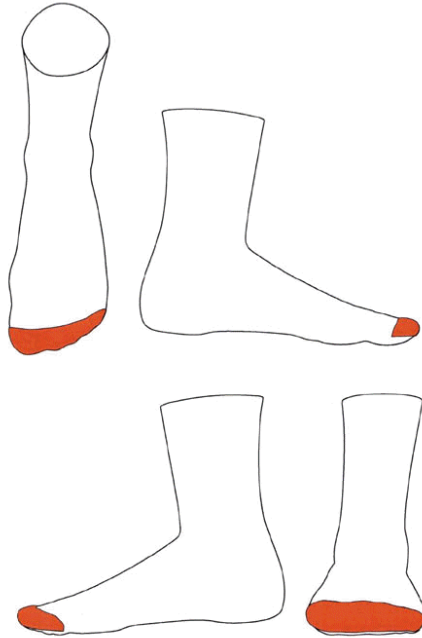
gives the following

Judgment

Background to the dispute

- ¹ On 13 January 2007, the applicant, X Technology Swiss GmbH, filed an application for registration of a Community trade mark with the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).

- 2 The trade mark for which registration was sought, which is identified by the applicant as ‘Other mark — Positional mark’ of the colour ‘orange (Pantone 16-1359 TPX)’, is reproduced below:



- 3 The goods in respect of which registration has been sought come within Class 25 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended, and consist of the following: ‘Clothing, namely hosiery, socks and stockings.’
- 4 The following description accompanied the trade mark application:

‘The positional mark is characterised by an orange colouration, of the shade “Pantone 16-1359 TPX”, in the form of a hood covering the toe of each article of hosiery. It does

not cover the toes entirely; it features a limit, which, viewed from the back and the side, appears essentially to be horizontal. The mark always appears in sharp colour contrast to the remainder of the article of hosiery and is always in the same place.’

- 5 On 24 April 2008, the examiner refused the trade mark application on the ground that it did not comply with the provisions of Article 7(1)(b) of Regulation No 40/94 (now Article 7(1)(b) of Regulation No 207/2009). On 30 May 2008, the applicant lodged an appeal with OHIM against the examiner’s decision.

- 6 By decision of 6 October 2008 (‘the contested decision’), the Fourth Board of Appeal of OHIM dismissed the action.

- 7 First, the Board of Appeal took the view that the description of the mark applied for was inadmissible to the extent to which it referred to the contrast between the colour of the toe and the colour of the rest of the sock. Such a description was not sufficiently precise, as it did not identify all colours of the mark. The Board of Appeal added that the applicable rules made no provision for the category of ‘positional marks’. Consequently, it took the view that the mark applied for was a three-dimensional or figurative mark accurately reproducing the product, consisting of an orange colouring of the toe of a white sock.

- 8 The Board of Appeal then went on to find that the goods covered by the mark applied for were targeted at all end consumers as being objects of everyday use which tended to belong to the lower-price bracket. According to the Board of Appeal, the relevant public attaches only a low degree of attention to such goods.

- 9 Finally, the Board of Appeal found that the mark applied for would be perceived by the relevant public as a presentation of the product dictated by aesthetic and functional considerations. It referred in that context, first, to the existence of a multitude of sock

designs, second, to the ordinary nature of the colouring of certain parts of socks, including the part in orange, third, to the fact that the colouring of the toe might indicate the presence of a functional element, namely reinforcement, and, fourth, to the fact that the relevant public was not in the habit of perceiving the colour of the toe of a sock as an indication of origin. Consequently, according to the Board of Appeal, the mark applied for was devoid of any distinctive character, within the terms of Article 7(1)(b) of Regulation No 40/94.

Forms of order sought by the parties

10 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

11 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

- ¹² The applicant puts forward a single plea alleging breach of Article 7(1)(b) of Regulation No 40/94. The single plea consists of two parts, alleging, first, an error with regard to the classification of the mark applied for, and, second, an error of assessment as to the distinctive character of the mark applied for.
- ¹³ The Commission disputes the validity of the applicant's arguments.

The first part of the single plea, alleging an error with regard to the classification of the mark applied for

Arguments of the parties

- ¹⁴ The applicant maintains that 'positional marks' form a special category of marks, albeit not one expressly provided for in the legislation. A 'positional mark', it argues, is designed to secure the protection of two-dimensional or three-dimensional signs placed, in a precisely determined manner, on the surface, or on part of the surface, of a product. The protection conferred on a 'positional mark' covers only its specific use on the goods in question.

- 15 The applicant accordingly takes the view that the case-law on three-dimensional marks is not relevant to the present case, since the mark applied for does not relate to the shape of the sock or to its other characteristics, but concerns the affixing of a particular sign, consisting of colouring in a specific shade, on a precise part of the surface of the sock.
- 16 The applicant adds that, in several earlier decisions, OHIM recognised that ‘positional marks’ could be registered as trade marks.
- 17 OHIM considers to be unfounded the applicant’s arguments concerning the applicability to the present case of the case-law on three-dimensional marks.

Findings of the Court

- 18 First, it should be noted that, both in its pleadings and at the hearing, the applicant confirmed that its application for registration related only to the colouring of the toe of an article of hosiery in ‘orange (Pantone 16-1359 TPX)’, as reproduced in paragraph 2 above, to the exclusion of the other parts of the product in question. It describes the mark, thus defined, as a ‘positional mark’.
- 19 With regard to that description, it should be noted that neither Regulation No 40/94 nor Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1) refers to ‘positional marks’ as a specific category of marks. However, in so far as Article 4 of Regulation No 40/94 (now Article 4 of Regulation No 207/2009) does not contain an exhaustive list of signs capable of being Community trade marks, that circumstance is without relevance to the registrability of ‘positional marks’.

- 20 In addition, it appears that ‘positional marks’ are similar to the categories of figurative and three-dimensional marks as they relate to the application of figurative or three-dimensional elements to the surface of a product.
- 21 However, the classification of a ‘positional mark’ as a figurative or three-dimensional mark, or as a specific category of marks, is irrelevant for the purpose of assessing its distinctive character.
- 22 Under Article 7(1)(b) of Regulation No 40/94, trade marks which are devoid of any distinctive character may not be registered.
- 23 According to settled case-law, in order for a trade mark to possess distinctive character within the meaning of that article, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble v OHIM* [2004] ECR I-5173, paragraph 32, and Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 42).
- 24 That distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception which the relevant public has of those goods or services (see *Procter & Gamble v OHIM*, paragraph 33, and Case C-25/05 P *Storck v OHIM* [2006] ECR I-5719, paragraph 25).
- 25 The perception of the relevant public is, however, liable to be influenced by the nature of the sign in respect of which registration is sought. Therefore, to the extent to which average consumers are not in the habit of making assumptions as to the commercial origin of goods on the basis of signs which are indistinguishable from the appearance

of the goods themselves, such signs will be distinctive, within the meaning of Article 7(1)(b) of Regulation No 40/94, only if they depart significantly from the norm or customs of the sector (see, to that effect, Case C-136/02 P *Mag Instrument v OHIM* [2004] ECR I-9165, paragraphs 30 and 31; Case C-173/04 P *Deutsche SiSi-Werke v OHIM* [2006] ECR I-551, paragraphs 28 and 31; and Case C-144/06 P *Henkel v OHIM* [2007] ECR I-8109, paragraphs 36 and 37).

- 26 The decisive factor governing the applicability of the case-law cited in paragraph 25 above is not the classification of the sign as figurative, three-dimensional or other, but the fact that the sign is indistinguishable from the appearance of the product designated. Thus, that criterion has been applied, in addition to three-dimensional marks (*Procter & Gamble v OHIM*; *Mag Instrument v OHIM*; and *Deutsche SiSi-Werke v OHIM*), to figurative marks consisting of a two-dimensional representation of the product designated (*Storck v OHIM* and *Henkel v OHIM*), or also to a sign consisting of a design applied to the surface of the product (order in Case C-445/02 P *Glaverbel v OHIM* [2004] ECR I-6267). Likewise, according to the case-law, colours and abstract combinations thereof cannot be regarded as intrinsically distinctive save in exceptional circumstances, since these are indistinguishable from the appearance of the goods and are not, in principle, used as a means of identifying commercial origin (see, to that effect, Case C-104/01 *Libertel* [2003] ECR I-3793, paragraphs 65 and 66, and Case C-49/02 *Heidelberger Bauchemie* [2004] ECR I-6129, paragraph 39).
- 27 In those circumstances, it is necessary to determine whether the mark applied for is indistinguishable from the appearance of the product designated or whether, on the contrary, it is independent thereof.
- 28 According to the information provided by the applicant, the mark applied for is designed to protect a specific sign placed on a specific part of the surface of the designated product. Thus, the mark applied for is indistinguishable from the form of a part of that product, namely the shape of the toe of an article of hosiery. Accordingly, the view must be taken that the mark applied for is indistinguishable from the appearance of the designated product and that, consequently, the case-law cited in

paragraph 25 above is applicable (see, to that effect, judgment of 14 September 2009 in Case T-152/07 *Lange Uhren v OHIM (Geometric shapes on a watch face)*, not published in the ECR, paragraphs 74 to 83).

- 29 With regard to the applicant's argument concerning the earlier OHIM decisions, it must be borne in mind that the legality of decisions of the Boards of Appeal are to be evaluated solely on the basis of Regulation No 40/94, as interpreted by the Community Courts, and not on the basis of a previous decision-making practice (Case T-106/00 *Streamserve v OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 66). In any event, it should be noted that, in the decisions cited by the applicant, the Boards of Appeal of OHIM applied to the signs in question the case-law relating to signs which are indistinguishable from the appearance of the goods which they designate.
- 30 In light of the foregoing, it must be held that the Board of Appeal did not err in applying, in the contested decision, that same case-law to the mark applied for. The first part of the single plea must for that reason be rejected.

The second part of the single plea, alleging an error of assessment as to the distinctive character of the mark applied for

Arguments of the parties

- 31 The applicant maintains that the goods in question are not cheap products, as it manufactures 'technical' or 'functional' socks in the upper-price sector, that is to say, between EUR 10 and EUR 20. Accordingly, it contends, the view cannot be taken that

the relevant public pays only a low degree of attention when buying such products, particularly as it is accepted by the case-law that that same public is particularly attentive to clothing trade marks.

- 32 With regard to the relevant public's perception of the mark applied for, the applicant states, at the outset, that, according to the case-law, the mere fact that a sign is also, but not exclusively, perceived as being decorative does not preclude it from being protected as a trade mark.
- 33 The applicant adds that, even though it is a feature of the hosiery sector that there is a wide variety of designs and colours, such is not the case with regard to the colouring of the toes of the 'technical' or 'functional' socks in question. In any event, according to the applicant, the existence of a variety of designs or colours cannot preclude the registration of a mark, as the constant developments in the world of fashion would otherwise result in the refusal of practically all new trade marks.
- 34 Furthermore, according to the applicant, as on the market for footwear, the relevant public is accustomed to the commercial origin of 'technical' socks being indicated by a specific figurative element, consisting of highly visible lines, stripes, or geometric shapes affixed to the goods, or the colouring of certain parts of the goods. It specifies, in that regard, that the reference, which it made before OHIM, to the goods of another undertaking also selling socks with coloured toes was intended solely to establish that fact.
- 35 In addition, even if it were to be assumed that the relevant public is not accustomed to the form of the indication of commercial origin of the goods in question set out in paragraph 34 above, affixing a mark on a part of the product which was not previously

used for that purpose is, in principle, suitable for the purpose of indicating commercial origin. In that context, the applicant emphasises that, within the sports-goods sector, manufacturers are in the habit of affixing their marks in a very wide variety of places.

³⁶ According to the applicant, the Board of Appeal also failed to examine the fact that a precisely defined colour shade was referred to by the mark applied for, which was a relevant fact, as is demonstrated by an earlier decision of OHIM's first Board of Appeal. The applicant emphasises in that context that it would appear to be the first company to have coloured socks with the shade in question and that that feature, in particular, made it possible for it to be one of the market leaders in the high-quality technical sock market.

³⁷ The applicant also specifies that the positioning, shape and colour of the mark applied for are not imposed by technical or functional constraints. In that regard, the Board of Appeal's line of argument concerning the extensive wear incurred by the toe of socks is illogical.

³⁸ At the hearing, the applicant once again argued that the risk that a sign would be immediately copied makes it impossible to have recourse to Article 7(3) of Regulation No 40/94 (now Article 7(3) of Regulation No 207/2009). Consequently, according to the applicant, registration of even new forms of marks should be permitted.

³⁹ OHIM submits that the applicant's arguments are unfounded.

Findings of the Court

- 40 It is appropriate to examine the arguments submitted by the applicant in the context of the second part of its single plea in the light of the principles set out in paragraphs 22 to 25 above.
- 41 By way of preliminary point, it should be noted that the parties do not dispute, as the Board of Appeal correctly pointed out in paragraph 23 of the contested decision, that the relevant public consists of all end consumers.
- 42 As regards the level of attentiveness of the relevant public, it is to be observed that, when assessing the registrability of a sign, OHIM may take account only of the list of goods as it appears in the trade mark application, subject to any amendments thereto (see, to that effect and by analogy, judgment of 13 April 2005 in Case T-286/03 *Gillette v OHIM — Wilkinson Sword (RIGHT GUARD XTREME sport)*, not published in the ECR, paragraph 33). In the present case, however, the list of goods covered by the mark applied for refers to ‘clothing, namely hosiery, socks and stockings’ without any further specification. Consequently, no relevance attaches to the applicant’s arguments concerning the ‘functiona” or ‘technical’ character of its products and the fact that the retail price is higher for such products.
- 43 Furthermore, it should be noted, when the Board of Appeal pointed out in paragraph 23 of the contested decision that, to the extent to which socks are everyday, rather low-priced consumer goods, the relevant public pays them a rather low level of attention, it based its analysis on facts arising from practical experience acquired generally from the marketing of popular consumer goods which are likely to be familiar to anyone and are in particular familiar to the consumers of those goods. In so far

as the applicant claims that the trade mark applied for is distinctive, notwithstanding the analysis of the Board of Appeal based on that experience, the onus is on the applicant to provide specific and substantiated evidence that the trade mark applied for has an intrinsic distinctive character, since it is much better placed to do so, given its thorough knowledge of the market (see, to that effect, Case T-129/04 *Develey v OHIM (Shape of a plastic bottle)* [2006] ECR II-811, paragraphs 19 and 21 and the case-law cited).

- 44 In that regard, the applicant merely pleads that it is accepted by the case-law that the relevant public is particularly attentive to clothing trade marks. However, first, the applicant does not substantiate that claim, which is essentially factual in nature. Second, in any event, it must be accepted that a consumer is generally attentive when choosing certain articles of clothing and footwear, as consumers will wish to establish, before they purchase, whether the goods on offer meet their expectations from a functional and aesthetic point of view. That finding is not, however, applicable to articles of hosiery, which are not normally tried on prior to purchase.
- 45 In those circumstances, the Board of Appeal did not err in holding that the relevant public has a rather low degree of attentiveness.
- 46 With regard to the relevant public's perception of the trade mark applied for, the Board of Appeal stated that the colouring of the toe of an article of hosiery would be perceived either as decoration or as a functional element connected with the reinforcement of the toe. It is first necessary to address the arguments put forward by the applicant concerning the perception of the trade mark applied for as being decorative.

- 47 In that regard, the relevant argument of the Board of Appeal, developed in paragraphs 25 to 27 and 31 of the contested decision and summarised in paragraph 9 above, was based on practical experience acquired generally from the marketing of popular consumer goods, which means that the onus is on the applicant to provide specific and substantiated evidence challenging the soundness of the findings in question.
- 48 First, the applicant disputes the existence of a multitude of designs with regard to the colouring of the toes of ‘technical’ or ‘functional’ socks. As stated in paragraph 42 above, however, the applicant is wrong to confine itself to those categories of goods, since the list of goods applied for covers hosiery in general. Furthermore, the applicant’s assertion is not substantiated in any way whatsoever.
- 49 The applicant’s argument based on the constant development of fashion also cannot be accepted. New trade marks designating goods which are subject to fashion trends can always be registered, on condition, however, that they are suitable for fulfilling their essential function, which is to identify the commercial origins of the goods. By contrast, when a sign is not capable of performing that function, it cannot be registered as a trade mark, notwithstanding the fact that numerous similar signs exist or are constantly being created within the industrial sector concerned.
- 50 Next, it should be noted that the applicant has failed to adduce any solid evidence to support its assertion that the consumers in question are in the habit of perceiving the colour of the toe of a sock as an indication of commercial origin.
- 51 With regard, in this context, to the reference to the sports shoes sector, it must be observed that the trade mark applied for is not in the form of a line, stripe or precise geometric shape affixed to the product, but rather takes the form of a mere colouration of a part of the product surface. The applicant has not, however, adduced any

evidence to suggest that the colouring of certain parts of a shoe is normally perceived by the relevant public as an indication of commercial origin.

- 52 The applicant also argues that, particularly in the sector of sports articles, manufacturers are in the habit of affixing their marks to a very wide variety of places. Even though the applicant does not provide solid evidence of this, it must be acknowledged, in any event, that it is relatively common practice for manufacturers' marks to be placed on socks, in particular sports socks. While, in most cases, such marks are located at ankle level, it is also possible for them to be placed at the level of the sole or even on the upper part of the toe. However, such marks are not simple colourations, but word and figurative elements, better suited to designating the commercial origin of the goods in question than is the trade mark here applied for.
- 53 The applicant also refers to socks, marketed by a competitor, which have a gold-coloured toe. The applicant has not, however, adduced firm evidence that that colouring was inherently suited to indicating the commercial origin of the goods in question, quite apart from any consideration of a possible distinctive character acquired through use. Furthermore, while it appears that the competitor concerned did indeed obtain registration of a Community trade mark representing a sock with a golden toe and applying, *inter alia*, to hosiery, that mark is not comparable to the mark applied for in the present case, since it includes, in addition to that representation, the verbal element 'gold toe'.
- 54 Finally, the applicant errs in its argument that the Board of Appeal did not take into consideration that fact that the trade mark applied referred to a precise colour shade. In paragraphs 19 to 22 of the contested decision, the Board of Appeal reviewed the case-law, cited in paragraph 26 above, concerning the limited capacity of colours and combinations thereof to identify the commercial origin of goods. In paragraph 26 of the contested decision, the Board of Appeal held that the colour orange applied for was common in the hosiery sector, at least when combined with other colours of a sock.

- 55 So far as concerns the relevance of the fact that a precise colour was cited in the trade mark application, the applicant refers to the decision of the First Board of Appeal of OHIM of 18 April 2007 (Case R 781/2006-1), concerning a trade mark consisting of a spot applied to the surface of a syringe. As was observed in paragraph 29 above, however, the previous decision-making practice of the Boards of Appeal is irrelevant. In any event, both the signs and the goods in question in the two cases have few common features. Furthermore, in the decision relied upon by the applicant, the First Board of Appeal confined itself to assessing the circumstances of the case before it and did not in any way whatsoever express the view that the claiming of any colour will confer a distinctive character on a 'positional mark'.
- 56 The assertions that the applicant was the first company to use on socks the colour shade applied for, which would have allowed it to become a market leader, are unsubstantiated. In particular, there is nothing to suggest that any commercial success of the applicant would have been due to the fact that the orange colouring of the toes of the socks which it manufactures would have been perceived by the relevant public as being inherently distinctive.
- 57 It follows from the foregoing that none of the applicant's arguments with regard to the perception of the mark applied for as decorative can be upheld.
- 58 It should also be noted, in response to the argument raised by the applicant at the hearing, that the risk that a feature of the presentation of a product or a service may be copied by a competitor does not affect the interpretation of Article 7(1)(b) of Regulation No 40/94. Pursuant to that provision, registration as a Community trade mark is reserved to signs which are capable, in themselves, of identifying the commercial origin of the goods and services which they denote in the perception of the consumer concerned. A trader who uses, in the course of trade, a sign which does not meet that

requirement may, where relevant, be able to establish that the sign has become distinctive in consequence of the use which has been made of it within the meaning of Article 7(3) of Regulation No 40/94, or seek other legal means which may be open to it, such as the law on designs or proceedings alleging unfair competition.

59 In the light of all of the foregoing, it must be held that the Board of Appeal did not err in finding that, by reason of the absence of any significant divergence from the norms or customs of the hosiery sector, the mark applied for would be perceived by the relevant public as a decorative element and that it was, for that reason, devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94. The second part of the single plea in law must therefore be rejected, without it being necessary to examine the line of argument relating to the perception of the mark applied for as a functional feature.

60 As the two parts of the single plea in law have been rejected, that plea must be rejected and the action consequently dismissed in its entirety.

Costs

61 Under Article 87(2) of the Court's 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. Since the applicant has been unsuccessful, it must be ordered to pay the costs, as applied for by OHIM.

On those grounds,

THE GENERAL COURT (Second Chamber)

hereby:

- 1. Dismisses the action;**

- 2. Orders X Technology Swiss GmbH to pay the costs.**

Pelikánová

Jürimäe

Soldevila Fragoso

Delivered in open court in Luxembourg on 15 June 2010.

[Signatures]