

system can constitute a justified limitation on the exercise of the fundamental freedoms. From an economic point of view, there is no direct relationship between the acquisition of another property and the obligation to pay tax, and the sale of the first property and the taxes paid at that point in time, these being matters which only the Hungarian legislature considers to be connected.

Finally, regarding the argument put forward by the Hungarian Government that the need to take account of properties sold in other Member States and the taxes paid at the time of their purchase and the prevention of abuses which may have occurred in connection with those transactions would cause serious administrative problems, the Commission states that potential administrative difficulties cannot in any event justify the infringement of the fundamental freedoms guaranteed by Community law. The Republic of Hungary does have the option of imposing specific requirements in order to obtain the necessary information, but those requirements may not be disproportionate to the objective pursued.

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**Appeal brought on 15 July 2009 by the Office for Harmonisation in the Internal Market (Trade Marks and Designs) against the judgment delivered on 29 April 2009 in Case T-23/07 Borco-Marken-Import Matthiesen GmbH & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)**

(Case C-265/09 P)

(2009/C 233/11)

*Language of the case: German*

#### Parties

*Appellant:* Office for Harmonisation in the Internal Market (Trade Marks and Designs) (represented by: G. Schneider)

*Other party to the proceedings:* Borco-Marken-Import Matthiesen GmbH & Co KG

#### Form of order sought

- Set aside the judgment appealed against;
- Dismiss the action brought against the decision of the Fourth Board of Appeal of the Office of 30 November 2006 in Case R 808/2006-4; in the alternative, refer the case back to the Court of First Instance;
- Order the other parties to the proceedings to pay the costs both of the proceedings at first instance and of the appeal proceedings.

#### Pleas in law and main arguments

The present appeal is brought against the judgment of the Court of First Instance, by which the decision of the Fourth Board of Appeal of the Office of 30 November 2006 concerning the rejection of the respondent's application for registration of the sign 'α' as a Community trade mark was annulled. The Court of First Instance took the view that the Board of Appeal misapplied Article 7(1)(b) of Council Regulation (EC) No 40/94 ('Regulation No 40/94') by finding that the sign applied for lacked distinctive character solely because of its lack of graphical modifications or ornamentations in relation to the Times New Roman character font, without carrying out an examination as to whether, on the facts, that sign is capable of distinguishing, in the mind of the reference public, the goods at issue from those of the applicant's competitors.

The plea in law claims that Article 7(1)(b) of Regulation No 40/94 has been infringed. The Office takes the view that the Court of First Instance misinterpreted that provision in three respects.

First, contrary to the view of the Court of First Instance, it is not always necessary when assessing the applicability of Article 7(1) of Regulation No 40/94 to determine the distinctive character of a sign by means of a specific examination focusing on the individual goods. For individual categories of signs (for example three-dimensional signs, colour marks, slogans, domain names) the case-law has allowed an examination of the actual distinctive character under Article 7(1)(b) of Regulation No 40/94 on the basis of general statements concerning consumers perceptions and how they are conditioned and has thereby often forgone a specific examination of the goods and services covered by the application for registration. The case-law has also acknowledged that in relation to some categories of signs actual distinctive character can as a rule only be achieved on the basis of 'implantation'.

Second, the Court of First Instance failed to understand that the assessment of distinctive character is a decision based on a prediction and therefore always has a conjectural character.

Third, the Court of First Instance misunderstood the apportionment of the duties to provide evidence in the context of the assessment of the applicability of Article 7(1)(b) of Regulation No 40/94, in so far as it assumed that it was always necessary for the Office to prove the lack of distinctive character of a sign applied for by reference to specific facts. The registration procedure was an administrative procedure, not an adversarial one in which the Office was obliged to prove the obstacles to registration to the applicant. Where an applicant claims that, in contrast to the assessment made by the Office, a mark applied for has a distinctive character, it is therefore for the applicant to prove, by means of specific and well-founded information, that the mark applied for has distinctive character by nature or has acquired it in consequence of use.

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