



Reports of Cases

JUDGMENT OF THE COURT (Fifth Chamber)

6 September 2018*

(Appeal — EU trade mark — Invalidity proceedings — Word mark NEUSCHWANSTEIN — Regulation (EC) No 207/2009 — Article 7(1)(b) and (c) — Absolute grounds for refusal — Descriptive character — Indication of geographical origin — Distinctive character — Article 52(1)(b) — Bad faith)

In Case C-488/16 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 13 September 2016,

Bundesverband Souvenir — Geschenke — Ehrenpreise eV, established in Veitsbronn (Germany), represented by B. Bittner, Rechtsanwalt,

appellant,

the other parties to the proceedings being:

European Union Intellectual Property Office (EUIPO), represented by D. Botis, A. Schifko and D. Walicka, acting as Agents,

defendant at first instance,

Freistaat Bayern, represented by M. Müller, Rechtsanwalt,

intervener at first instance,

THE COURT (Fifth Chamber),

composed of J.L. da Cruz Vilaça, President of the Chamber, E. Levits, A. Borg Barthet (Rapporteur), M. Berger and F. Biltgen, Judges,

Advocate General: M. Wathelet,

Registrar: R. Şereş, Administrator,

having regard to the written procedure and further to the hearing on 29 November 2017,

after hearing the Opinion of the Advocate General at the sitting on 11 January 2018,

gives the following

* Language of the case: German.

Judgment

- 1 By its appeal, Bundesverband Souvenir — Geschenke — Ehrenpreise eV seeks the setting aside of the judgment of the General Court of the European Union of 5 July 2016, *Bundesverband Souvenir — Geschenke — Ehrenpreise v EUIPO — Freistaat Bayern (NEUSCHWANSTEIN)* (T-167/15, not published, EU:T:2016:391) (‘the judgment under appeal’), whereby that court dismissed its action seeking annulment of the decision of the Fifth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 22 January 2015 (Case R 28/2014-5), relating to invalidity proceedings between the appellant and Freistaat Bayern (Free State of Bavaria, Germany) (‘the decision at issue’).

Legal context

- 2 Article 7, entitled ‘Absolute grounds for refusal’, of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), provides, in paragraph 1(b) and (c) thereof:

‘The following shall not be registered:

...

- (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;

...’

- 3 Article 52 of that regulation, entitled ‘Absolute grounds for invalidity’, provides, in paragraph 1 thereof:

‘A [European Union] trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

- (a) where the [EU] trade mark has been registered contrary to the provisions of Article 7;
- (b) where the applicant was acting in bad faith when he filed the application for the trade mark.’

Background to the dispute

- 4 On 22 July 2011 the Freistaat Bayern filed an application for registration of an EU trade mark with EUIPO pursuant to Regulation No 207/2009.
- 5 Registration as a mark was sought for the word sign ‘NEUSCHWANSTEIN’ (‘the contested trade mark’).
- 6 The goods and services in respect of which registration was sought are in Classes 3, 8, 14 to 16, 18, 21, 25, 28, 30, 32 to 36, 38 and 44 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond, for each of those classes, to the following description:

- Class 3: ‘Perfumery goods; articles for body and beauty-care’;

- Class 8: ‘Cutlery of precious metals’;
 - Class 14: ‘Jewellery; clocks and watches’;
 - Class 15: ‘Musical instruments; musical boxes; electric and electronic musical instruments’;
 - Class 16: ‘Writing and note paper; pencils and ink’;
 - Class 18: ‘Leather and imitations of leather; umbrellas; travelling bags; handbags; suit carriers; suitcases; briefcases; vanity cases (not fitted); toilet bags’;
 - Class 21: ‘Glassware, porcelain and earthenware not included in other classes; teapots not of precious metal’;
 - Class 25: ‘Clothing; footwear; headgear; suspenders; belts; braces’;
 - Class 28: ‘Games and playthings; board games’;
 - Class 30: ‘Coffee; tea; cocoa; sugar; honey; pastries; cakes; cookies; sweets; ice-cream; confections; spices’;
 - Class 32: ‘Soft drinks; beers’;
 - Class 33: ‘Alcoholic beverages (except beers)’;
 - Class 34: ‘Matches; cigarette cases, ashtrays, smokers’ articles made of non-precious metal; cigarettes; tobacco’;
 - Class 35: ‘Advertising agency services’;
 - Class 36: ‘Insurance; finance; monetary affairs; real estate affairs’;
 - Class 38: ‘Telecommunication and communication services’;
 - Class 44: ‘Hygienic and beauty care for human beings’.
- 7 The application for registration of the contested trade mark was published in *Community Trade Marks Bulletin* No 166/2011 of 2 September 2011, and the contested trade mark was registered on 12 December 2011 under No 10 144 392.
- 8 On 10 February 2012 the appellant filed an application for a declaration of invalidity under Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(b) and (c) of that regulation, of the contested trade mark in respect of all the goods and services referred to in paragraph 6 above.
- 9 On 21 October 2013 the Cancellation Division of EUIPO rejected that application for a declaration of invalidity, concluding that the contested trade mark did not consist of indications which might serve to designate the geographical origin or of other characteristics inherent to the goods and services concerned, and that there had therefore been no infringement of Article 7(1)(c) of Regulation No 207/2009. In addition, it held that, since the contested trade mark was distinctive in respect of the goods and services concerned, there had been no infringement of Article 7(1)(b) of that regulation. Lastly, it considered that the appellant had not proved that the application for registration of the contested trade mark had been made in bad faith and that there had therefore been no infringement of Article 52(1)(b) of that regulation.

- 10 On 20 December 2013 the appellant filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009, against the Cancellation Division's decision.
- 11 By the decision at issue, the Fifth Board of Appeal of EUIPO confirmed the Cancellation Division's decision and dismissed the appellant's appeal.

The procedure before the General Court and the judgment under appeal

- 12 By application lodged at the Registry of the General Court on 2 April 2015, the appellant brought an action seeking annulment of the decision at issue.
- 13 In support of its action, it relied on three pleas in law, alleging infringement of Article 7(1)(b) of Regulation No 207/2009, of Article 7(1)(c) of that regulation, and of Article 52(1)(b) thereof, respectively.
- 14 By the judgment under appeal, the General Court rejected the three pleas relied on by the appellant and, consequently, dismissed the action in its entirety.

Forms of order sought before the Court

- 15 By its appeal, the appellant claims that the Court should:
- set aside the judgment under appeal;
 - cancel the registration of the contested trade mark; and
 - order EUIPO to pay the costs.
- 16 EUIPO and the Freistaat Bayern contend that the Court should dismiss the appeal and order the appellant to pay the costs.

The appeal

- 17 The appellant raises three grounds in support of its appeal, alleging infringement of Article 7(1)(c) of Regulation No 207/2009, of Article 7(1)(b) of that regulation, and of Article 52(1)(b) thereof, respectively.

The first ground of appeal

Arguments of the parties

- 18 By the first ground of appeal, the appellant submits that the General Court infringed Article 7(1)(c) of Regulation No 207/2009 by finding that the contested trade mark was not descriptive of the goods and services concerned. That ground of appeal is divided, in essence, into two parts.
- 19 By the first part, the appellant disputes certain assessments carried out by the General Court in paragraphs 22, 26 and 27 of the judgment under appeal.

- 20 Thus, in the first place, the General Court incorrectly considered, in paragraph 22 of the judgment under appeal, that, for certain goods in Class 14, the relevant public's degree of attentiveness is higher. According to the appellant, even if that class of goods partly consists of expensive goods, nevertheless it cannot be considered, generally, that the degree of attentiveness will be higher for those goods, since jewellery and clocks may also be offered at very reasonable prices.
- 21 In the second place, the General Court also incorrectly found, in paragraph 26 of the judgment under appeal, that the name 'Neuschwanstein', literally meaning 'new swan stone', is a colourful and original name which nevertheless does not enable the relevant public to establish a connection with the categories of goods and services concerned. According to the appellant, that finding involves an analysis of the name 'Neuschwanstein' that will not be carried out by the relevant public.
- 22 In the third place, the appellant submits that paragraph 27 of the judgment under appeal contains a contradiction inasmuch as the General Court acknowledges that Neuschwanstein Castle is geographically locatable while stating that it cannot be regarded as a geographical location.
- 23 In the fourth and last place, the appellant considers that the General Court's statement in paragraph 27 of the judgment under appeal that Neuschwanstein Castle is first and foremost a museum location is inaccurate. First of all, the General Court contradicts itself, in so far as it indicates in that same paragraph that that castle is known for its unusual architecture, something which would not be true of a museum. Next, the relevant public perceives that castle as a building which also draws its distinctiveness from its geographical location, and not as a museum. Lastly, the importance of a museum is assessed according to the objects which are exhibited there. However, the public visits that castle in order to admire not the objects which are exhibited there, but its unusual architecture.
- 24 By the second part of the first ground of appeal, the appellant complains that the General Court failed to have regard to the public interest underlying Article 7(1)(c) of Regulation No 207/2009 and the case-law stemming from the judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230), by finding, in paragraph 27 of the judgment under appeal, that, as Neuschwanstein Castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark could not be indicative of the geographical origin of the goods and services it covers.
- 25 It is apparent from the judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230), that, as regards geographical names, it is in the public interest that they remain available, not least because they may influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response. According to the appellant, such a favourable response may be evoked by, for example, holiday memories, so that the relevant public will establish a connection between the goods and services concerned and the tourist location of Neuschwanstein Castle, and not between those goods and services and a particular undertaking.
- 26 The Court also held in paragraph 37 of the judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230), that a product need not be manufactured in a geographical location in order to be associated with it. In the case of souvenir items, the place where the goods are marketed is decisive for the relevant public because such items are marketed almost exclusively in the immediate surroundings of the tourist attraction concerned. The place where the goods are marketed should therefore also be regarded as an indication of geographical origin.
- 27 Moreover, by taking into account, in paragraph 29 of the judgment under appeal, only the marketing of those goods and services by the owner of the castle itself, the General Court disregarded the public interest in guaranteeing that the name of a world-famous tourist attraction remains available for souvenir items.

28 EUIPO and the Freistaat Bayern chiefly contend that the first ground of appeal should be rejected as inadmissible. In any event, they maintain that the General Court correctly applied the relevant case-law and Article 7(1)(c) of Regulation No 207/2009.

Findings of the Court

29 Regarding the first part of the first ground of appeal, it should be borne in mind that, under Article 256 TFEU and the first paragraph of Article 58 of the Statute of the Court of Justice of the European Union, an appeal lies on a point of law only. The General Court has exclusive jurisdiction to find and appraise the relevant facts and to assess the evidence. The appraisal of those facts and the assessment of that evidence thus does not, save where they distort the evidence, constitute a point of law which is subject, as such, to review by the Court of Justice on appeal (see, in particular, judgment of 2 September 2010, *Calvin Klein Trademark Trust v OHIM*, C-254/09 P, EU:C:2010:488, paragraph 49 and the case-law cited).

30 The findings made by the General Court in paragraphs 22, 26 and 27 of the judgment under appeal that the relevant public displays a higher degree of attentiveness in respect of the goods and services in Classes 14 and 36, that the name 'Neuschwanstein' is a colourful and original name, that the castle bearing that name cannot be regarded as a geographical location, and that that castle is first and foremost a museum location, constitute such appraisals of the facts.

31 It must be found that, by the arguments it puts forward in support of the first part, the appellant confines itself to disputing those appraisals of the facts conducted by the General Court and seeks, in fact, to obtain a new appraisal of those facts from the Court, without however claiming that there has been the slightest distortion of those facts in that regard.

32 It follows that the first part of the first ground of appeal must be rejected as inadmissible.

33 By the second part of the first ground of appeal, the appellant submits, in essence, that the General Court failed to have regard to the public interest underlying Article 7(1)(c) of Regulation No 207/2009 and the judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230), by finding, in paragraph 27 of the judgment under appeal, that, as Neuschwanstein Castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark may not be indicative of the geographical origin of the goods and services concerned.

34 Accordingly, by the second part of the first ground of appeal, the appellant complains that the General Court did not classify the name 'Neuschwanstein' as an indication of the geographical origin of the goods and services covered by the contested trade mark for the purposes of Article 7(1)(c) of Regulation No 207/2009, so that that part raises a point of law, which is admissible in the context of an appeal.

35 As a preliminary point, it should be borne in mind that Article 7(1)(c) of Regulation No 207/2009 prohibits the registration of EU trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the geographical origin of the product or the service in respect of which that registration is sought.

36 According to settled case-law, that provision pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is sought may be freely used by all, including as collective marks or as part of complex or graphic marks. That provision therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (judgments of 4 May 1999, *Windsurfing Chiemsee*, C-108/97 and C-109/97, EU:C:1999:230, paragraph 25, and of 10 July 2014, *BSH v OHIM*, C-126/13 P, not published, EU:C:2014:2065, paragraph 19 and the case-law cited).

- 37 As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in respect of which registration of the mark is sought, especially geographical names, the Court has held that it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response (judgment of 4 May 1999, *Windsurfing Chiemsee*, C-108/97 and C-109/97, EU:C:1999:230, paragraph 26).
- 38 The Court has emphasised in that regard that a sign may not be refused registration on the basis of Article 7(1)(c) of Regulation No 207/2009 unless the geographical name in respect of which registration as a trade mark is sought designates a place which is associated in the mind of the relevant class of persons, at the time the application for registration is made, with the category of goods concerned, or it is reasonable to assume that such an association may be established in the future (see, to that effect, judgments of 4 May 1999, *Windsurfing Chiemsee*, C-108/97 and C-109/97, EU:C:1999:230, paragraph 31, and of 12 February 2004, *Koninklijke KPN Nederland*, C-363/99, EU:C:2004:86, paragraph 56).
- 39 However, it should be noted that, in principle, Article 7(1)(c) of Regulation No 207/2009 does not preclude the registration of geographical names which are unknown to the relevant class of persons — or at least unknown as the designation of a geographical location — or of names in respect of which, because of the type of place they designate, such persons are unlikely to believe that the category of goods concerned originates there (see, to that effect, judgment of 4 May 1999, *Windsurfing Chiemsee*, C-108/97 and C-109/97, EU:C:1999:230, paragraph 33).
- 40 In the present case, the General Court held, in essence, in paragraph 27 of the judgment under appeal, that Neuschwanstein Castle is first and foremost a museum location, the primary function of which is not the manufacture or marketing of souvenir products or the provision of services, but heritage conservation, and that that castle is not famous for the souvenir items it sells or the services it offers. The General Court inferred from this that, as that castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark may not be indicative of the geographical origin of the goods and services it covers. Accordingly, it is for the Court to verify whether, as the appellant claims, that assessment stems from a failure to have regard to the public interest underlying Article 7(1)(c) of Regulation No 207/2009.
- 41 In the first place, it is necessary to examine the appellant's argument that the name 'Neuschwanstein' is descriptive for the purposes of Article 7(1)(c) of Regulation No 207/2009, in so far as the memory to which that name relates is an indication of a quality or an essential characteristic of the goods and services covered by the contested trade mark enabling the relevant public to establish a connection between those goods and services and Neuschwanstein Castle.
- 42 In that regard, it should be emphasised, as the Advocate General observed in point 39 of his Opinion, that none of the classes of the Nice Agreement concerns 'souvenir items'. Consequently, the General Court was fully entitled to consider, as is apparent from paragraphs 22 and 27 of the judgment under appeal, that the goods covered by the contested trade mark are everyday consumer goods and that the services concerned are everyday services facilitating the management and operation of the castle.
- 43 In addition, it is not apparent from the case file that those goods and services for everyday use have particular characteristics or specific qualities for which Neuschwanstein Castle would be traditionally known and in respect of which the relevant public would be likely to believe that they originate there or that they are manufactured or provided there.

- 44 In particular, regarding the goods covered by the contested trade mark, it should be emphasised that the fact that those goods are sold as souvenir items is irrelevant for the purpose of assessing the descriptive character of the name ‘Neuschwanstein’. The souvenir function ascribed to a product is not an objective characteristic inherent to the nature of that product, since that function is determined by the free will of the buyer and is focused solely on that buyer’s intentions.
- 45 In so far as the name ‘Neuschwanstein’ designates the castle which bears that name, it must be considered that merely affixing that name on, inter alia, the goods concerned enables the relevant public to regard those everyday consumer goods also as souvenir items. The fact that they constitute souvenirs through the mere affixing of that name is not, in itself, an essential descriptive characteristic of those goods.
- 46 Accordingly, it is not reasonable to conclude that, in the mind of the relevant public, the memory to which the name ‘Neuschwanstein’ relates is an indication of a quality or an essential characteristic of the goods and services covered by the contested trade mark.
- 47 In the second place, it is necessary to examine the appellant’s argument that the name ‘Neuschwanstein’ is descriptive of the geographical origin of the goods and services covered by the contested trade mark in so far as the place where those goods and services are marketed should be regarded as a tie connecting those goods and services with Neuschwanstein Castle.
- 48 In that regard, it should be borne in mind that, in its judgment of 4 May 1999, *Windsurfing Chiemsee* (C-108/97 and C-109/97, EU:C:1999:230, paragraph 36), the Court held that, whilst an indication of the geographical origin of a product usually indicates the place where that product was or could be manufactured, the connection between a product and a geographical location might depend on other ties, such as the fact that that product was conceived and designed in that geographical location.
- 49 Accordingly, the Court did not confine such ties to the place of manufacture of the goods concerned. However, as the Advocate General indicated in point 41 of his Opinion, that does not necessarily imply that the place of marketing may serve as a tie connecting the goods and services covered by the contested trade mark with the place concerned, even in the case of items sold as souvenirs.
- 50 The mere fact that those goods and services are offered in a particular place cannot constitute a descriptive indication of the geographical origin of those goods and services, in so far as the place where those goods and services are sold is not capable, as such, of designating characteristics, qualities or distinctive features connected with the geographical origin of those goods and services, such as a craft, a tradition or a climate which is a characteristic of a particular place, as the Advocate General notes, in essence, in point 42 of his Opinion.
- 51 In the present case, as the General Court considered in paragraphs 27 and 29 of the judgment under appeal, Neuschwanstein Castle is famous not for the souvenir items it sells or the services it offers, but for its unusual architecture. Furthermore, it is not apparent from the case file that the contested trade mark is used to market specific souvenir products and to offer particular services for which it would be traditionally known.
- 52 Moreover, as is apparent from paragraph 41 of the judgment under appeal, none of the services covered by the contested trade mark is directly offered onsite at Neuschwanstein Castle. Regarding the goods concerned, as the appellant itself acknowledges in its appeal, it cannot be excluded that they may be sold beyond that castle’s surroundings.
- 53 In those circumstances, it is not reasonable to conclude that, in the mind of the relevant public, the place of marketing to which the name ‘Neuschwanstein’ relates is, as such, a description of a quality or an essential characteristic of the goods and services covered by the contested trade mark.

- 54 Therefore, the General Court did not err in law in finding, in paragraph 27 of the judgment under appeal, that, as Neuschwanstein Castle is not, as such, a place where goods are produced or services are rendered, the contested trade mark could not be indicative of the geographical origin of the goods and services it covers.
- 55 It follows that the second part of the first ground of appeal must be rejected as unfounded and that the first ground of appeal must, accordingly, be rejected in its entirety.

The second ground of appeal

Arguments of the parties

- 56 The second ground of appeal comprises two parts. By the first part, the appellant submits, first, in essence, that the General Court infringed Article 7(1)(b) of Regulation No 207/2009 in confining itself, for the purpose of assessing the distinctive character of the contested trade mark, to stating, in paragraphs 41 and 42 of the judgment under appeal, that merely affixing the name 'Neuschwanstein' on the goods and services concerned enables them to be distinguished from those sold or provided in other commercial or tourist areas. According to the appellant, that finding does not permit conclusions to be drawn as regards the distinctive character of the contested trade mark. An item bearing the inscription 'Munich' would necessarily be distinct from an article bearing the name 'Hamburg', since consumers could assume that the former was manufactured in Munich and the latter in Hamburg.
- 57 Next, in paragraph 41 of the judgment under appeal, the General Court uses circular reasoning when it states that the sign 'NEUSCHWANSTEIN' designates not only Neuschwanstein Castle in its capacity as a museum location, but also the contested trade mark itself. In so doing, the General Court anticipates the decision as to whether or not that sign may constitute a trade mark.
- 58 Lastly, the appellant submits that the General Court's statement in paragraph 42 of the judgment under appeal that the contested trade mark enables goods or services, the quality of which may be controlled by the Freistaat Bayern, to be marketed or provided under its sign is not an indicator of the distinctive character of the sign 'NEUSCHWANSTEIN' but a consequence of the registration of that sign as a trade mark.
- 59 By the second part of the second ground of appeal, the appellant argues that the General Court should have taken account, at least for guidance, of the order of the Bundesgerichtshof (Federal Court of Justice, Germany) of 8 March 2012 which cancelled the registration of the sign 'NEUSCHWANSTEIN' as a national trade mark.
- 60 EUIPO and the Freistaat Bayern consider that the first part of the second ground of appeal is inadmissible and that the second part of the second ground of appeal should be rejected as unfounded.

Findings of the Court

- 61 Regarding the first part of the second ground of appeal, it should be noted that, although the wording of the appeal is unclear in that regard, it may be inferred from the appellant's line of argument that that part consists, in essence, of a claim that the General Court provided an inadequate statement of reasons for its assessment of the distinctive character of the contested trade mark.

- 62 By complaining that the General Court provided an inadequate statement of reasons for the finding that the contested trade mark has distinctive character, the appellant raises a point of law which is amenable, as such, to review on appeal (judgment of 5 July 2011, *Edwin v OHIM*, C-263/09 P, EU:C:2011:452, paragraph 63 and the case-law cited).
- 63 According to the settled case-law of the Court, the obligation to state reasons owed by the General Court requires it to disclose clearly and unequivocally the reasoning followed by it, in such a way as to enable the persons concerned to ascertain the reasons for the decision taken and the Court of Justice to exercise its power of review (judgment of 24 January 2013, *3F v Commission*, C-646/11 P, not published, EU:C:2013:36, paragraph 63 and the case-law cited).
- 64 It should be noted, in that regard, that, having recalled the relevant case-law for assessing the distinctive character of the contested trade mark in paragraphs 36 to 39 of the judgment under appeal, the General Court considered, in paragraph 41 of that judgment, that the goods and services concerned are everyday consumer goods, without there being a need to distinguish those that could fall within the category of typical souvenir items, and everyday services, which are distinct from souvenir products and other services relating to tourist activities by reason of their name alone, in so far as that name designates not only the castle in its capacity as a museum location, but also the contested trade mark itself. The General Court added that the goods concerned are not manufactured on the site of the castle itself, but are only offered for sale there, and that, although some of the services contribute to the management of the castle, not all of them are offered onsite.
- 65 In paragraph 42 of the judgment under appeal, the General Court found that the word element constituting the contested trade mark, which is identical to the name of the castle, is a fanciful name which has no descriptive relationship with the goods and services marketed or offered. According to the General Court, as the name 'Neuschwanstein' means 'new swan stone', the mere affixing of the contested trade mark on the items sold and the services offered enables those goods and services to be distinguished from other everyday consumer goods and services sold or provided in other commercial or tourist areas. The General Court added that the contested trade mark enables goods and services — the quality of which may be controlled by the Freistaat Bayern, either directly, or indirectly under licensing agreements — to be marketed and provided under its sign.
- 66 Furthermore, in paragraph 43 of the judgment under appeal, the General Court considered that the contested trade mark enables the relevant public, because of the nature of the name of that mark, not only to refer to a visit to the castle, but also to distinguish the commercial origin of the goods and services concerned, so that it will conclude that all the goods and services designated by the contested trade mark were manufactured, marketed or supplied under the control of the Freistaat Bayern, which is responsible for their quality.
- 67 It is apparent from paragraphs 41 to 43 of the judgment under appeal that, in order to assess the distinctive character of the contested trade mark, the General Court examined the goods and services covered by that mark and assessed the word element constituting the contested trade mark, which, in its view, is a fanciful name that has no descriptive relationship with the goods and services concerned.
- 68 In that regard, it should be noted that the finding of the General Court that the contested trade mark is not descriptive of the geographical origin of those goods and services does not prejudice the distinctive character of that mark but is rather a necessary condition for being able to register a mark which is not devoid of distinctive character. It is precisely because of the contested trade mark's lack of descriptive character that it is open to an entity, such as the Freistaat Bayern, to apply for the name of the museum location of which it is the owner to be registered as an EU trade mark, since Regulation No 207/2009 does not, in principle, preclude it. Therefore, as the Advocate General indicated in points 55 and 56 of his Opinion, the General Court's reasoning cannot be regarded as circular in that regard.

- 69 In those circumstances, it is necessary to conclude that, at the end of its assessment of the contested trade mark's distinctive character, carried out in the light of the case-law recalled in paragraph 36 of the judgment under appeal, pursuant to which the distinctive character of a trade mark means that that mark enables the goods and services in respect of which registration has been sought to be identified as originating from a particular undertaking, the General Court gave reasons, to the requisite legal standard, for the existence of that distinctive character by stating that the mere affixing of that mark on the goods and services concerned enables the relevant public to distinguish them from those sold or provided in other commercial or tourist areas.
- 70 By contrast, in so far as the General Court's statement in paragraph 42 of the judgment under appeal that the contested trade mark enables goods and services, the quality of which may be controlled by the Freistaat Bayern, to be marketed and provided under its sign constitutes a ground included purely for the sake of completeness, it must be held that the appellant's argument directed against that ground is ineffective (judgment of 1 February 2018, *Kühne + Nagel International and Others v Commission*, C-261/16 P, not published, EU:C:2018:56, paragraph 69, and order of 14 January 2016, *Royal County of Berkshire Polo Club v OHIM*, C-278/15 P, not published, EU:C:2016:20, paragraph 43 and the case-law cited).
- 71 It follows that the first part of the second ground of appeal must be rejected as being in part unfounded and in part ineffective.
- 72 Regarding the second part of the second ground of appeal, it should be borne in mind that, according to settled case-law, the decisions concerning the registration of a sign as an EU trade mark which the Boards of Appeal are called on to take under Regulation No 207/2009 are adopted in the exercise of circumscribed powers and are not a matter of discretion and, accordingly, the legality of those decisions must be assessed solely on the basis of that regulation, as interpreted by the Courts of the European Union (judgment of 19 January 2012, *OHIM v Nike International*, C-53/11 P, EU:C:2012:27, paragraph 57 and the case-law cited). Furthermore, as is apparent from paragraph 44 of the judgment under appeal, the EU trade mark system is an autonomous system with its own set of objectives and rules peculiar to it; it applies independently of any national system (judgment of 12 December 2013, *Rivella International v OHIM*, C-445/12 P, EU:C:2013:826, paragraph 48 and the case-law cited).
- 73 It follows that the General Court was not required to take the order of the Bundesgerichtshof (Federal Court of Justice) of 8 March 2012 into consideration. Therefore, the second part of the second ground of appeal must be rejected as unfounded.
- 74 Accordingly, the second ground of appeal must be rejected in its entirety.

The third ground of appeal

Arguments of the parties

- 75 The third ground of appeal, alleging infringement of Article 52(1)(b) of Regulation No 207/2009, comprises two parts. By the first part, the appellant submits, first, that the General Court erred in law by finding, in paragraph 55 of the judgment under appeal, that it is not apparent from the documents in the case file that the contested trade mark was used, before the date of its registration, to market specific souvenir products and offer particular services. The appellant provided numerous examples of souvenirs bearing the inscription 'Neuschwanstein' appended to the application at first instance. In addition, the Freistaat Bayern, as owner of the castle, has an onsite presence and should be aware of the marketing of souvenir items bearing that name.

- 76 Second, the General Court erred in law by considering, in paragraph 57 of the judgment under appeal, that the letter of formal notice sent by the Freistaat Bayern to the company N. on 12 June 2008 does not demonstrate the malicious intention of the Freistaat Bayern to register the contested trade mark in order to prevent third parties from using the sign 'NEUSCHWANSTEIN'. The appellant cites, in that regard, a statement from the spokesperson for the Freistaat Bayern bearing witness to that intention.
- 77 By the second part of the third ground of appeal, the appellant argues that the General Court was wrong to rule out, in paragraph 58 of the judgment under appeal, bad faith on the part of the Freistaat Bayern on the ground that it was pursuing the legitimate objective of conserving and preserving the museum location. The appellant considers that the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361), to which the General Court refers, does not permit the conclusion that a legitimate objective rules out bad faith. In order to assess the latter, it is necessary to take the means used to achieve that aim into account.
- 78 EUIPO and the Freistaat Bayern contend that the third ground of appeal is inadmissible and, in any event, unfounded.

Findings of the Court

- 79 Regarding the first part of the third ground of appeal, it should be noted that, in paragraph 55 of the judgment under appeal, the General Court found, in particular, that the appellant had not produced evidence establishing the objective circumstances in which the Freistaat Bayern would have been aware of the marketing by the appellant or by other third parties of some of the goods and services concerned. In paragraph 57 of that judgment, the General Court examined the letter of formal notice sent by the Freistaat Bayern to the company N. on 12 June 2008 and observed, in that regard, that the application for registration of the national word mark NEUSCHWANSTEIN filed by that company dated from 15 January 2008. The General Court noted that the Freistaat Bayern had filed, first, an application for registration of the national word mark NEUSCHWANSTEIN on 28 January 2005 with the Deutsches Patent- und Markenamt (German Patent and Trade Mark Office), which registered that mark on 4 October 2005, and, second, an application for registration of the EU figurative mark on 11 July 2003 with EUIPO, which registered that mark on 14 September 2006. The General Court therefore concluded from this that it was the company N. that had prior knowledge of the Freistaat Bayern's mark and not vice versa, and that, accordingly, the Freistaat Bayern had not shown bad faith.
- 80 It must be found that, by the line of argument put forward in support of the first part of the third ground of appeal, the appellant is in fact attempting to call in question the assessment of the evidence carried out by the General Court in paragraphs 55 and 57 of the judgment under appeal, without however invoking the slightest distortion of that evidence.
- 81 In those circumstances, in accordance with the case-law recalled in paragraph 29 above, the first part of the third ground of appeal must be rejected as inadmissible.
- 82 Regarding the second part of the third ground of appeal, it must be found that the appellant's line of argument is based on an incorrect reading of the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361).
- 83 In that judgment, to which the General Court refers in paragraph 58 of the judgment under appeal, the Court held, in essence, regarding the intention of the applicant at the time of filing the application for registration of an EU trade mark, that, even in a situation where that applicant files an application for registration of a sign with the sole aim of competing unfairly with a competitor who is using a similar sign, it cannot be excluded that the applicant's registration of the sign may be in pursuit of a legitimate objective. The Court specified that that could be the case, in particular, where the applicant knows,

when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 47 to 49). Accordingly, it is not apparent from that judgment that the assessment of bad faith must necessarily take the means used to achieve such an objective into account.

- 84 It follows that the second part of the third ground of appeal must be rejected as unfounded and that, accordingly, the third ground of appeal must be rejected.
- 85 In the light of all of the foregoing, the appeal must be dismissed in its entirety.

Costs

- 86 Under Article 184(2) of the Rules of Procedure of the Court of Justice, where the appeal is unfounded, the Court is to make a decision as to the costs. Under Article 138(1) of those Rules, applicable to appeal proceedings by virtue of Article 184(1) thereof, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since EUIPO and the Freistaat Bayern have applied for costs to be awarded against Bundesverband Souvenir — Geschenke — Ehrenpreise and the latter has been unsuccessful, it must be ordered to pay the costs.

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

- 1. Dismisses the appeal;**
- 2. Orders Bundesverband Souvenir — Geschenke — Ehrenpreise eV to pay the costs.**

[Signatures]