

JUDGMENT OF THE COURT OF FIRST INSTANCE (Third Chamber)

12 January 2005 *

In Case T-334/03,

Deutsche Post EURO EXPRESS GmbH, represented initially by G. Lindhofer and subsequently by K.-U. Jonas, lawyers, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented initially by U. Pflegar and G. Schneider and subsequently by A. von Mühlendahl and G. Schneider, acting as Agents,

defendant,

ACTION against the decision of the Fourth Board of Appeal of OHIM of 20 June 2003 (Case R 348/2002-4) regarding registration of the sign EUROPREMIUM as a Community trade mark,

* Language of the case: German.

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (Third Chamber),

composed of J. Azizi, President, M. Jaeger and O. Czúcz, Judges,
Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Registry of the Court of First Instance
on 29 September 2003,

having regard to the response lodged at the Registry of the Court of First Instance on
23 January 2004,

further to the hearing on 29 September 2004,

gives the following

Judgment

Background to the dispute

- 1 On 24 March 2000 the applicant filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) ('the Office') under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

- 2 The trade mark in respect of which registration was sought was the sign EUROPREMIUM.
- 3 The goods and services in respect of which registration was sought are in Classes 16, 20, 35 and 39 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 to the following descriptions:
 - Class 16: ‘Paper, cardboard and goods made from these materials ..., in particular packing paper, paper bags, paper envelopes; cardboard and cardboard goods, namely cardboard cartons, cardboard for packaging, and cardboard envelopes for transporting goods of all types; printed matter, newspapers, pamphlets, periodicals and books; labels (not of textile); instructional and teaching material (except apparatus) relating to the transport of parcels and items sent by post; plastic materials for packaging, in particular air-cushioned plastic packaging, bags, film and envelopes of plastic for packaging; plastic materials for packaging, plastic containers ...’;
 - Class 20: ‘Goods of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics ...; in particular containers and packaging of wood or plastic (all not of metal) for the transport of goods of all kinds, plastic materials for packaging, plastic film for packaging, plastic bags, chests, boxes and pallets of wood or plastic, cans, chests and boxes with and without lids, shelves for storage, trestles, lids for containers, decorative articles of plastic for foodstuffs, boxes for cutlery, containers, transport containers, barrels, casks, vats, baskets, bottle holders’;

- Class 35: 'Advertising; business management; business administration; office functions; in particular the organisation of trade fairs and exhibitions ...; computer-aided transport and tracking of goods and parcels; management support, namely business management assistance; management consultancy; temporary employment agencies; drawing-up of statistics; bookkeeping; auctioneering services; business investigations; marketing; market research and market analysis; opinion polling; shop-window dressing; business advice; organisation consultancy; business consultancy and advisory services; personnel consultancy; office machines and equipment rental; arranging and concluding commercial transactions for others; arranging contracts for the buying and selling of goods; distribution of goods for advertising purposes; document reproduction; advertising; radio and television advertising; cinema advertising';

- Class 39: 'Transport and storage; all services included in [that class], in particular transport, storage, collection, packaging, warehousing, delivery and electronic follow-up services for letters, documents, information, messages, printed materials, parcels and other goods, international courier services, namely the individual cross-border transporting of letters, documents and other written materials by courier; door-to-door by road, rail, sea and air; services in connection with the transport of the aforesaid goods, namely the storage, warehousing, packaging and delivery thereof, transport of goods by road, rail, sea and air; loading and unloading of ships, salvage of vessels and their cargoes, portorage, storage of goods, furniture, transport of money and valuables, arrangement of transport services'.

⁴ By decision of 21 February 2002 the examiner refused the application under Article 38 of Regulation No 40/94 on the ground that the trade mark requested was descriptive of the goods and services in question and devoid of any distinctive character within the meaning of Article 7(1)(b) and (c) of that regulation.

- 5 On 22 April 2002 the applicant filed notice of appeal against the examiner's decision with the Office on the basis of Articles 57 to 62 of Regulation No 40/94.
- 6 By decision of 20 June 2003 ('the contested decision') the Fourth Board of Appeal of the Office dismissed the appeal on the ground that Article 7(1)(c) of Regulation No 40/94 precluded registration of the mark EUROPREMIUM since the mark was likely to be perceived by consumers as an indication of the notable quality and European origin of the goods and services covered by the mark application.

Forms of order sought

- 7 In its application the applicant claims that the Court should:
- annul the contested decision to the extent that the Office declares in it that 'EUROPREMIUM' does not satisfy the requirements of Article 7(1)(b) and (c) of Regulation No 40/94;
 - order the application for Community trade mark EUROPREMIUM to be published in accordance with Article 40 of Regulation No 40/94;
 - in the alternative, refer the case back to the Board of Appeal;

- order the Office to pay the costs.

8 The Office contends that the Court should:

- declare inadmissible the applications for annulment of the contested decision in that it refused registration of the mark on the basis of Article 7(1)(b) of Regulation No 40/94, for an order that the Office publish that mark application and for referral of the case back to the Board of Appeal;
- dismiss the remainder of the action;
- order the applicant to pay the costs.

9 By letter of 20 September 2004 the applicant withdrew the second and third heads of its claim.

10 At the hearing, the applicant specified that its action sought annulment of the contested decision inasmuch as the Office had declared in it that 'EUROPREMIUM' did not satisfy the requirements of Article 7(1)(c) of Regulation No 40/94.

Law

- 11 In support of its action the applicant puts forward a single plea in law based on infringement of Article 7(1)(c) of Regulation No 40/94.

Arguments of the parties

- 12 The applicant points out that the determining element of a mark consists in its ability to distinguish the goods of one company from those of another company and notes that a sign's distinctiveness must be assessed by reference to the relationship between the sign and a specific product or service and not in an abstract manner.
- 13 It submits that a mark should be registered if it is not, when considered as a whole, exclusively descriptive. It asserts that a distinctive sign which could be understood otherwise than as the description of the product or of one of its qualities is not exclusively descriptive and on that basis would be capable of constituting a mark.
- 14 The applicant adds that the word 'europremium' has several meanings and that it should therefore be regarded as distinctive.
- 15 At the hearing, the applicant relied on the judgment in Case T-360/00 *Dart Industries v OHIM (UltraPlus)* [2002] ECR II-3867. It notes that the Court held in that judgment that when an undertaking extols, indirectly and in an abstract manner, the excellence of its products by way of the sign UltraPlus, yet without

directly and immediately informing the consumer of one of the specific characteristics of the goods in question, it is a case of evocation and not designation for the purposes of Article 7(1)(c) of Regulation No 40/94 (paragraph 27 of the judgment). The applicant observes that, in that judgment, the Court annulled the contested decision, stating that, in failing to relate its analysis to the goods in question and in failing to show that the sign in question might serve to designate the goods concerned directly, the Board of Appeal had infringed Article 7(1)(c) of Regulation No 40/94 (paragraph 29 of the judgment).

- 16 The applicant considers that, in the present case, the Office has made the same mistake as that found by the Court in *UltraPlus* by finding that EUROPREMIUM is descriptive of the goods and services referred to in the application for registration whereas there is no direct and concrete link between the goods and services and the word sign at issue.
- 17 The Office considers that the Board of Appeal correctly established that EUROPREMIUM is a descriptive indication for which registration as a mark must be refused. It notes that, in accordance with the judgment in Case T-356/00 *DaimlerChrysler v OHIM (CARCARD)* [2002] ECR II-1963, paragraph 30, in order to be refused registration under Article 7(1)(c) of Regulation No 40/94, at least one of the possible meanings of a word sign must designate a characteristic of the goods or services concerned.
- 18 The Office submits that a combination of words beginning with the term 'euro' must be understood as referring to Europe and not to the euro as a single currency. With regard to the word 'premium', it submits that it is an English word of Latin origin which is used in other languages of the European Union and means 'of particular quality' or 'of high quality'. It considers that those two meanings are obvious to the consumers concerned. As a result, consumers perceive the word sign in question as designating high-quality goods coming from Europe.

- 19 The Office submits, furthermore, that the descriptive indications are not merely indications whose content may be checked for accuracy, but also indications restricted to general praise as to the quality or other characteristics of the goods. It considers that the sign for which registration was sought describes the goods and services in question, or at least one of their characteristics, sufficiently exactly for Article 7(1)(c) of Regulation No 40/94 to be applicable.
- 20 At the hearing, the Office relied on two judgments of the Court of Justice, in Case C-265/00 *Campina Melkunie* [2004] ECR I-1699 and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, regarding the interpretation of Article 3(1)(c) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), which is worded in terms almost identical to those of Article 7(1)(c) of Regulation No 40/94. In those judgments, the Court of Justice indicated that Article 3(1)(c) of Directive 89/104 must be interpreted as meaning that a trade mark consisting of a word or a neologism composed of elements each of which is descriptive of characteristics of the goods or services in respect of which registration is sought is itself descriptive, unless there is a perceptible difference between the word or neologism and the mere sum of its parts (paragraphs 43 and 104 of the judgments respectively).
- 21 The Office considers that, since the sign EUROPREMIUM is composed of two descriptive elements and there is no perceptible difference between it and the mere sum of its parts, the Board of Appeal correctly refused its registration.

Findings of the Court

- 22 Article 7(1)(c) of Regulation No 40/94 provides that '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' are not to be registered. Furthermore, Article 7(2) of Regulation No 40/94 provides that '[p]aragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community'.

- 23 Article 7(1)(c) of Regulation No 40/94 prohibits the signs and indications referred to therein from being reserved to one undertaking alone because they have been registered as trade marks. That provision therefore pursues an aim in the public interest, which requires that such signs and indications may be freely used by all (see, to that effect, judgments in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 25; Case T-106/00 *Streamserve v OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 36; and *CARCARD*, cited in paragraph 17 *supra*, paragraph 24).
- 24 The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are only those which may serve, in normal usage from the point of view of the target public, to designate, either directly or by reference to one of their essential characteristics, the goods or services in respect of which registration is sought (Case C-383/99 P *Procter & Gamble v OHIM* [2001] ECR I-6251, paragraph 39).
- 25 Consequently, for a sign to fall within the scope of the prohibition in that provision, it must suggest a sufficiently direct and concrete link to the goods or services in question to enable the public concerned immediately, and without further thought, to perceive a description of the category of goods and services in question or of one of their characteristics (see, to that effect, judgments in Case T-359/99 *DKV v OHIM (EuroHealth)* [2001] ECR II-1645, paragraph 36; *UltraPlus*, cited in paragraph 15 *supra*, paragraph 26; and Case T-311/02 *Lissotschenko and Hentze v OHIM (LIMO)* [2004] ECR II-2957, paragraph 30).

- 26 Accordingly, a sign's descriptiveness can only be assessed by reference to the goods or services concerned and to the way in which it is understood by a specific intended public (*CARCARD*, cited in paragraph 17 *supra*, paragraph 25, and *UltraPlus*, cited in paragraph 15 *supra*, paragraph 22).
- 27 In the present case, the goods and services for which registration was sought are, in particular, goods in various materials intended for packaging, storage or transport, advertising, management or business assistance services and transport and storage services.
- 28 With regard to the public targeted, the Board of Appeal found that the relevant public was the general public (paragraph 9 of the contested decision). The Court considers in that regard that, since the goods and services in question are intended for consumers in general, the Board of Appeal's analysis is correct. Furthermore, the existence of the absolute ground for refusal referred to in this case was raised, as the Office confirmed in reply to the Court's questions, only in respect of one of the languages spoken in the Community, namely English (paragraph 10 of the contested decision). Thus, pursuant to Article 7(2) of Regulation No 40/94, the relevant public in relation to which the absolute ground for refusal should be assessed is English-speaking consumers (see, to that effect, judgment in Case T-219/00 *Ellos v OHIM* (*ELLOS*) [2002] ECR II-753, paragraph 31).
- 29 With regard to the meaning of the word 'europremium', it is clear from paragraphs 10 and 11 of the contested decision that, for the Office, the prefix 'euro' will be understood as a reference to the adjective 'European' and 'premium' means in English 'of high quality' and that the composite word thus created therefore gives right in the consumer's mind to the impression that he is dealing with quality goods or services coming from Europe.

- 30 In that connection the fact that, as the applicant claims, the word 'europremium' does not have a clear and specific meaning cannot affect the assessment of its descriptiveness. It must be recalled that, in order to come within Article 7(1)(c) of Regulation No 40/94, it is sufficient that at least one of the possible meanings of a word sign designates a characteristic of the goods or services concerned (*CARCARD*, cited in paragraph 17 *supra*, paragraph 30). Therefore even though the word 'premium' has other meanings and the introduction of the single currency is likely to have altered, even in countries not part of the economic and monetary union, the understanding which the public targeted may have of the prefix 'euro', the Court can only declare that the meaning adopted by the Board of Appeal is one of the possible meanings of the word 'europremium'.
- 31 As regards the nature of the link between the word 'europremium' and the goods and services in question, the Board of Appeal found, in paragraph 12 of the contested decision, that that word designates their quality and geographical origin.
- 32 It must therefore be considered whether the sign EUROPREMIUM, understood as an allusion to high-quality goods and services of European origin, suggests, from the point of view of the English-speaking public, a direct and concrete link to the goods and services in question such as to bring the sign within the scope of the prohibition under Article 7(1)(c) of Regulation No 40/94.
- 33 At the hearing, the Office contended that the Court of Justice had held, in relation to the interpretation of Directive 89/104, that a mark consisting of a word or neologism composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive, unless there is a perceptible difference between the word or neologism and the mere sum of its parts (*Campina Melkunie*, cited in paragraph 20 *supra*, paragraph 43, and *Koninklijke KPN Nederland*, cited in paragraph 20 *supra*, paragraph 104).

34 In that regard, it should be observed that, in those cases, the descriptive nature of the elements making up the mark for which registration had been requested was not in any doubt. Contrary to the Office's claim, however, the sign at issue in the present case is not composed of elements descriptive of the goods and services referred to by the applicant.

35 Firstly, with regard to the prefix 'euro', it is important to note that only those signs descriptive of the essential characteristics of the goods or services in question, which as such may serve in common parlance to designate those goods or services, come within the prohibition in Article 7(1)(c) of Regulation No 40/94 (*Procter & Gamble v OHIM*, cited in paragraph 24 *supra*, paragraph 39). The Board of Appeal, after asserting in the contested decision that the prefix 'euro' was to be understood as a reference to the origin of the goods and services in question, gave no reasoning to show that origin is an essential characteristic of the goods and services covered by the trade mark application, which the target public is liable to take into account when making a choice (see, to that effect, *ELLOS*, cited in paragraph 28 *supra*, paragraph 42, and Case T-222/02 *HERON Robotunits v OHIM (ROBOTUNITS)* [2003] ECR II-4995, paragraph 44) and which permits that public immediately and without further thought to establish a direct and concrete link to those goods and services. The Board of Appeal therefore failed to prove, in the contested decision, that the prefix 'euro' is descriptive of the goods and services at issue.

36 In any event, the Court notes that origin is not an essential characteristic of goods and services relating to postal transport. The geographical origin of goods in Classes 16 and 20, which are, essentially, goods intended for packaging of items of all kinds, is manifestly not a characteristic which determines the consumer's choice, which will be made on the basis of factors such as the dimensions of the packaging or its durability. With regard to the services in Classes 35 and 39, there is again no reason to believe that origin is a characteristic taken into account by the average consumer when making his choice. Consequently the prefix 'euro' does not designate the goods and services at issue either directly or by reference to one of their essential characteristics and is therefore not descriptive of them.

- 37 Secondly, with regard to the word ‘premium’, it is important to note that when an undertaking extols, indirectly and in an abstract manner, the excellence of its products, yet without directly and immediately informing the consumer of one of the qualities or specific characteristics of the goods and services in question, it is a case of evocation and not designation for the purposes of Article 7(1)(c) of Regulation No 40/94 (*UltraPlus*, cited in paragraph 15 *supra*, paragraph 27, and, to that effect, Case T-24/00 *Sunrider v OHIM (VITALITE)* [2001] ECR II-449, paragraphs 22 to 24).
- 38 The Court has thus held that registration of a trade mark which consists 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 is not excluded as such by virtue of such use on the sole condition that the mark may be perceived immediately as an indication of the commercial origin of the goods or services in question, so as to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the owner of the mark from those of a different commercial origin (Case T-122/01 *Best Buy Concepts v OHIM (BEST BUY)* [2003] ECR II-2235, paragraph 21).
- 39 However, that ability of a sign to be perceived as an indication of the commercial origin of the goods and services must be assessed in the context of Article 7(1)(b) of Regulation No 40/94 (Case C-329/02 P *SAT.1 SatellitenFernsehen v OHIM* [2004] ECR I-8317, paragraphs 23 and 25; Case T-79/00 *Rewe-Zentral v OHIM (LITE)* [2002] ECR II-705, paragraph 26; and Case T-281/02 *Norma Lebensmittelfilialbetrieb v OHIM (Mehr Für Ihr Geld)* [2004] ECR II-1915, paragraph 24).
- 40 It follows that signs which are laudatory in nature and evoke abstract qualities which an undertaking seeks to confer on its own goods or services for advertising purposes must be examined in the light of Article 7(1)(b) of Regulation No 40/94.

- 41 By contrast, to come within the scope of Article 7(1)(c) of Regulation No 40/94, the sole provision at issue in the present case, a word sign must serve to designate in a specific, precise and objective manner the essential characteristics of the goods and services at issue (see, to that effect, *VITALITE*, cited in paragraph 37 *supra*, paragraph 23; Case T-87/00 *Bank für Arbeit und Wirtschaft v OHIM (EASYBANK)* [2001] ECR II-1259, paragraphs 29 and 31; and *UltraPlus*, cited in paragraph 15 *supra*, paragraph 28).
- 42 Furthermore, as the applicant correctly observes, the Court has already held that a term flattering in nature, such as *UltraPlus*, was, however, not descriptive of the goods at issue, in that case plastic ovenware, since it did not permit the consumer immediately and without further reflection to make a definite and direct association with the goods in question (*UltraPlus*, cited in paragraph 15 *supra*, paragraph 26, and, to that effect, *VITALITE*, cited in paragraph 37 *supra*, paragraphs 22 to 24).
- 43 The word ‘premium’, in the meaning adopted by the Board of Appeal, is merely a laudatory term evoking a characteristic that the applicant seeks to attribute to its own goods, yet without informing consumers of the specific and objective characteristics of the goods or services offered. That term cannot, therefore, serve to designate the type of goods and services in question, either directly or by reference to their essential characteristics.
- 44 Since the word sign EUROPREMIUM is therefore not composed of elements descriptive of the goods and services in question, the judgments of the Court of Justice in *Campina Melkunie* and *Koninklijke KPN Nederland*, both cited in paragraph 20 *supra*, relied upon by the Office, are not relevant in the present case. It only remains to consider whether, despite that lack of descriptiveness of the elements of which the sign in question is composed, that sign, taken as a whole, enables the target public to establish a direct and concrete link to the goods and services for which registration was sought.

- 45 In that regard it is appropriate to point out that the Board of Appeal did not establish in the contested decision that the term 'EUROPREMIUM', taken as a whole, was or could be a generic or usual name to identify or distinguish goods intended for packaging, storage or transport, advertising, management or business assistance services or transport and storage services (see, to that effect, Case T-34/00 *Eurocool Logistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 50). The contested decision merely indicates that the word sign evokes in the consumer's mind the impression of high-quality European goods and services without showing that that characteristic would enable the consumer immediately and without further thought to establish a direct and concrete link to the abovementioned goods and services.
- 46 Thus, in failing to relate its analysis to the goods and services in question and in failing to show that the word sign EUROPREMIUM, understood as a reference to high-quality goods and services coming from Europe, might serve to designate those goods and services directly, the Board of Appeal infringed Article 7(1)(c) of Regulation No 40/94.
- 47 The contested decision must therefore be annulled.

Costs

- 48 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, 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 Office has been unsuccessful, it must be ordered to pay the costs incurred by the applicant, in accordance with the form of order sought by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Third Chamber)

hereby:

- 1. Annuls the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 20 June 2003 (Case R 348/2002-4);**
- 2. Orders the defendant to pay the costs.**

Azizi

Jaeger

Czúcz

Delivered in open court in Luxembourg on 12 January 2005.

H. Jung

M. Jaeger

Registrar

President