

JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

2 December 2008*

In Case T-67/07,

Ford Motor Co., established in Dearborn, Michigan (United States), represented by R. Ingerl, lawyer,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Poch, acting as Agent,

defendant,

ACTION brought against the decision of the Second Board of Appeal of OHIM of 20 December 2006 (Case R 1135/2006-2), concerning an application for registration of the Community word mark FUN,

* Language of the case: German.

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

composed of V. Tiili, President, F. Dehousse and I. Wiszniewska-Białecka (Rapporteur), Judges,

Registrar: C. Kristensen, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 2 March 2007,

having regard to the response lodged at the Registry of the Court of First Instance on 11 June 2007,

having regard to the decision of the President of the Fourth Chamber of the Court of First Instance of 5 July 2007 not to allow the lodging of a reply,

having regard to the change in the composition of the Chambers of the Court of First Instance,

further to the hearing on 10 June 2008,

gives the following

Judgment

Background to dispute

- 1 On 27 June 2005, the applicant, Ford Motor Co., filed an application with the Office for Harmonization in the Internal Market (Trade Marks and Designs) ('OHIM') for registration of a Community trade mark, 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.
- 2 The mark in respect of which registration was sought is the word mark FUN.
- 3 The goods for which registration was sought are in Class 12 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 are described as follows: 'land motor vehicles and parts and fittings thereof'.
- 4 By decision of 27 June 2006, the examiner refused to register the word mark FUN for the goods at issue, on the grounds that the mark was descriptive within the meaning of Article 7(1)(c) of Regulation No 40/94 and did not have distinctive character within the meaning of Article 7(1)(b) of that regulation.

- 5 On 23 August 2006, the applicant lodged an appeal with OHIM against the examiner's decision, pursuant to Articles 57 to 62 of Regulation No 40/94.
- 6 By decision of 20 December 2006 ('the contested decision'), the Second Board of Appeal of OHIM dismissed the appeal. The Board of Appeal found that the relevant public was composed of average English-speaking consumers aged 18 to 70. For that public, the word 'fun' used in connection with a land motor vehicle was likely to be perceived as an indication that the vehicle had a quirky design and was particularly enjoyable to drive. Moreover, the word 'fun' was used by professionals — car dealers or leisure operators — to describe a category of vehicles (for example, quad bikes, rally carts, monster trucks) or vehicles that were simply 'fun to drive'. The Board of Appeal stated that the word 'fun' was a rather banal and basic English word and that there was therefore a clear public interest in keeping it available for other traders and competitors. As regards parts and accessories, the Board of Appeal stated that the word 'fun' could be perceived as identifying parts and fittings for 'fun vehicles' and that some parts or some accessories could themselves also be 'fun'. Therefore, the mark 'FUN' had to be considered to be descriptive within the meaning of Article 7(1)(c) of Regulation No 40/94 and, for that reason, as not having distinctive character within the meaning of Article 7(1)(b) of that regulation.

Forms of order sought by the parties

- 7 The applicant claims that the Court of First Instance should:

— annul the contested decision;

— order OHIM to pay the costs.

8 OHIM contends that the Court should:

- dismiss the action;

- order the applicant to pay the costs.

Law

9 The applicant relies on two pleas alleging infringement, respectively, of Articles 7(1)(c) and 7(1)(b) of Regulation No 40/94.

The first plea, alleging infringement of Article 7(1)(c) of Regulation No 40/94

Arguments of the parties

10 The applicant submits that the Board of Appeal wrongly applied Article 7(1)(c) of Regulation No 40/94, the word 'fun' being an ordinary word which is not directly descriptive and whose abstract meaning is, at most, evocative.

- 11 Moreover, the Board of Appeal did not base its analysis on the word 'fun' alone, but on phrases containing more complex messages, such as 'the car has a quirky design' or 'the car is particularly enjoyable to drive', which do not form part of the application for registration and which require of the customer conceptual analyses, semantic associations and further specification.
- 12 Because of the highly abstract nature of the word 'fun' and the lack of information that could serve as a sufficiently direct and specific descriptive indication, the consumer has to assume that he is dealing with the name of goods which indicates origin and, particularly, the name of a car model.
- 13 The suitability of the FUN mark for registration is not affected by the positive connotation of the word 'fun'. The semantic content of the word 'fun' is evocative and not descriptive of the characteristics of a land motor vehicle. Even assuming that the word 'fun' evokes the purpose of the goods at issue — in the sense that they are intended to be a source of amusement —, the applicant submits that that is not enough to turn it into an indication that is actually descriptive of characteristics of those goods.
- 14 The Board of Appeal — by reasoning on the basis of a sign 'fun vehicles', as is shown by the Internet pages to which it refers in the contested decision — added to the mark for which registration is sought, thereby creating a word combination with a different meaning, and therefore distorted the subject-matter of the application for registration. Furthermore, those Internet pages cannot provide a proper basis for the contested

decision, since they were not reproduced in detail in the contested decision or added as an annex to it, and were the result of research undertaken on a sign other than the one applied for. Moreover, at the hearing, the applicant submitted that the Internet pages annexed to OHIM's response concerning research on the term 'fun cars' constituted new evidence which could not be taken into account by the Court of First Instance.

- 15 The applicant submits that the case-law does not preclude registration of a trade mark which consists of signs used as advertising slogans, on the sole condition that the mark may be perceived immediately as an indication of the commercial origin of the goods in question. The fact that the sign is used by other undertakings to that effect is not a sufficient reason for refusing registration.
- 16 All the above considerations apply equally to the other goods covered by the application for registration, namely parts and fittings for land motor vehicles. The word 'fun' taken in isolation does not describe those goods or their essential characteristics directly and specifically.
- 17 OHIM contends that, contrary to what the applicant claims, the Board of Appeal did not base its examination on complex declaratory phrases or change the subject-matter of the application for registration, but considered the word 'fun' on its own, in the context of the goods covered by the mark applied for. The Board of Appeal thus found that, for the relevant consumer, the word 'fun' appearing on a land motor vehicle would mean that the car had 'a quirky design' and was 'particularly enjoyable to drive'. Likewise, the examiner had carried out research on the word 'fun' in connection with vehicles.

18 According to OHIM, the Board of Appeal rightly found that Article 7(1)(c) of Regulation No 40/94 applied, since there is a sufficiently direct and specific relationship between the word 'fun' and land motor vehicles to enable the average English-speaking consumer to perceive immediately, without further thought or analysis of the word, a description of the type of goods or their purpose. The word 'fun' does not just have a positive connotation, it is specifically descriptive. For many drivers, the particular design of a car or the fact that it is particularly enjoyable to drive are important factors when they purchase a car. Moreover, the consumer is used to finding descriptive information on the back of a vehicle, such as 'turbo', 'ABS' or '4x4', which are not simply indications of origin.

19 In addition, the word 'fun' is already used on the market to describe cars that are fun to drive because of their appearance, their fittings or their road performance, or to describe certain categories of cars. The Board of Appeal referred to 10 Internet pages cited by the examiner which showed that various types of car are called 'fun vehicles'. The internet pages submitted as an annex to OHIM's response show that the term 'fun cars' is also used.

20 OHIM adds that the relevant consumer might perceive the word 'fun' on parts and accessories as identifying equipment for 'fun vehicles' or 'fun cars' present on the market and make a direct connection with that category of cars. Moreover, as the Board of Appeal states, some vehicle parts and accessories might be a source of fun. Therefore, Article 7(1)(c) of Regulation No 40/94 also applies to parts and accessories for land motor vehicles.

Findings of the Court

- 21 According to Article 7(1)(c) of Regulation No 40/94, 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. Article 7(2) of Regulation No 40/94 states that paragraph 1 is to apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.
- 22 Article 7(1)(c) of Regulation No 40/94 refers to signs that are incapable of performing the essential function of a trade mark, namely that of identifying the commercial origin of the goods or services, thus enabling the consumer who acquires the goods or service covered by the mark to repeat the experience, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition (Case T-219/00 *Ellos v OHIM (ELLOS)* [2002] ECR II-753, paragraph 28, and judgment of 22 May 2008 in Case T-254/06 *Radio Regenbogen Hörfunk in Baden v OHIM (RadioCom)*, paragraph 27).
- 23 The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are 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, 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, and *RadioCom*, paragraph 22 above, paragraph 28).
- 24 It follows that, for a sign to be caught by the prohibition set out in that provision, there must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive,

without further thought, a description of the category of goods and services in question or one of their characteristics (Case T-19/04 *Metso Paper Automation v OHIM (PAPERLAB)* [2005] ECR II-2383, paragraph 25, and *RadioCom*, paragraph 22 above, paragraph 29).

25 A sign's descriptiveness may only be assessed, first, in relation to the goods or services concerned and, secondly, in relation to the perception of the target public, which is composed of the consumers of those goods or services (Case T-34/00 *Eurocool Logistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 38, and *RadioCom*, paragraph 22 above, paragraph 33).

26 In the present case, the goods for which registration of the word mark FUN has been requested are 'land motor vehicles and parts and fittings thereof'.

27 As regards the relevant public, the Board of Appeal stated, and the applicant did not contest, that it consists of average English-speaking consumers aged 18 to 70, corresponding to the age bracket of persons interested in 'land motor vehicles and parts and fittings thereof'.

28 It is appropriate to determine, in the context of applying the absolute ground for refusal referred to in Article 7(1)(c) of Regulation No 40/94, whether, for that relevant public, there is a sufficiently direct and specific relationship between the sign FUN and the goods covered by the application for registration.

- 29 As the Board of Appeal found, and the parties did not dispute, the English word ‘fun’ means ‘amusement’ and ‘source of amusement’.
- 30 However, the applicant submits that, in actual fact, the Board of Appeal relied on two other meanings, ‘the car has a quirky design’ and ‘the car is particularly enjoyable to drive’, which go well beyond the meaning of the mark for which registration has been requested.
- 31 In this respect, the contested decision shows that the Board of Appeal found that, used in connection with a land motor vehicle, the word ‘fun’ would be perceived by the relevant public as an indication that the car had a quirky design or was enjoyable to drive. Contrary to what the applicant claims, the Board of Appeal did not give another meaning to the word ‘fun’, but showed how the relevant consumer would understand that word used in connection with the goods covered by the application for registration.
- 32 However, according to the case-law, to come within the scope of Article 7(1)(c) of Regulation No 40/94, a word mark 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, Case T-334/03 *Deutsche Post EURO EXPRESS v OHIM (EUROPREMIUM)* [2005] ECR II-65, paragraph 41 and the case-law cited).
- 33 The fact that an undertaking wishes to give its goods a positive image, indirectly and in an abstract manner, yet without directly and immediately informing the consumer of one of the qualities or specific characteristics of the goods, is a case of evocation and not designation for the purposes of Article 7(1)(c) of Regulation No 40/94 (see, to that effect, Case T-24/00 *Sunrider v OHIM (VITALITE)* [2001] ECR II-449, paragraph 24;

Case T-360/00 *Dart Industries v OHIM (UltraPlus)* [2002] ECR II-3867, paragraph 27; and *EUROPREMIUM*, paragraph 32 above, paragraph 37).

34 In connection with land motor vehicles, the sign 'FUN' may be understood as indicating that they can be amusing or that they can be a source of amusement. The sign 'FUN' can thus be viewed as giving the goods a positive image, like an image for promotional purposes, by giving the relevant consumer the idea that a car can be a source of amusement. None the less, although, in some cases, a land motor vehicle can be a source of amusement for its driver, the sign 'FUN' does not go beyond suggestion.

35 Accordingly, it must be held that the link between the word 'fun', on the one hand, and land motor vehicles, on the other hand, is too vague, uncertain and subjective to confer descriptive character on that word in relation to those goods.

36 Unlike some indications that are descriptive of the characteristics of a vehicle, such as 'turbo', 'ABS' or '4x4', the sign 'FUN' on the back of a vehicle cannot serve to designate directly a land motor vehicle or one of its essential characteristics. If the sign is placed in that position, the relevant consumer will perceive it as designating the commercial origin of the goods.

37 Consequently, the Board of Appeal's finding that the consumer will perceive the word 'fun' in relation to the goods concerned as indicating that a car has a quirky design or is enjoyable to drive is not enough to confer on the mark 'FUN' descriptive character within the meaning of Article 7(1)(c) of Regulation No 40/94.

- 38 It follows from all the foregoing that the relationship between the sign 'FUN' and land motor vehicles is not sufficiently direct and specific to enable the relevant public to immediately perceive, without further thought, a description of the goods or one of their characteristics. Consequently, the sign 'FUN' is not caught by the prohibition in Article 7(1)(c) of Regulation No 40/94.
- 39 That conclusion is not called into question by the Board of Appeal's finding that the likelihood that the relevant consumer will perceive the mark 'FUN' as an indication that the car has a quirky design or is enjoyable to drive finds support in the examples taken from the Internet pages which were cited by the examiner, where the word 'fun' is used by professionals to describe certain categories of vehicles (for example, quad bikes or rally carts) or vehicles that are simply 'fun to drive'.
- 40 As the applicant submits, the examiner's research was not limited to the sign 'FUN', but also included word combinations comprising the sign applied for and the word 'vehicles', designating the goods in question. It is true that such a combination will necessarily be descriptive of the goods, in so far as it associates the sign applied for with the designation of the goods in question. However, in this case, the application for registration concerned only the sign 'FUN'. Consequently, the Board of Appeal's mere finding that the word 'fun' is used in association with the word 'vehicles' is not enough to justify the conclusion that the sign 'FUN' has a descriptive character.
- 41 Moreover, the Board of Appeal did not establish that the word 'fun' was or could be a generic or usual term to identify or characterise land motor vehicles. In this respect, it must be noted that there is no particular category of land motor vehicles called 'fun vehicles'.

42 As regards the results of the Internet research on the term ‘fun cars,’ which OHIM attached as an annex to its response, but which was not submitted during the administrative procedure, it must be recalled that it is not the Court’s function to review the facts in the light of evidence adduced for the first time before it (Case T-128/01 *DaimlerChrysler v OHIM (Grille)* [2003] ECR II-701, paragraph 18, and judgment of 12 September 2007 in Case T-164/06 *ColArt/Americas v OHIM (BASICS)*, paragraph 44). Therefore, those documents must be disregarded and there is no need to examine their evidential value.

43 As regards the other goods covered by the application for registration, namely parts and fittings for land motor vehicles, it must be pointed out that the descriptive character of a sign must be assessed separately for each category of goods and/or services covered by the application for registration. Nevertheless, all the goods specified in the trade mark application may be inseparably linked since some of those goods may only be used in connection with the others, and a solution which is common to all the goods should therefore be adopted (see, to that effect, Case T-216/02 *Fieldturf v OHIM (LOOKS LIKE GRASS... FEELS LIKE GRASS... PLAYS LIKE GRASS)* [2004] ECR II-1023, paragraph 33, and Case T-315/03 *Wilfer v OHIM (ROCKBASS)* [2005] ECR II-1981, paragraph 67).

44 In this case, the goods designated in the application for registration as parts and fittings for land motor vehicles are meant to be used exclusively in connection with those vehicles and cannot be used alone. The parts and fittings for land motor vehicles covered by the application for registration are inseparably linked to those vehicles and it is therefore appropriate to adopt a solution in relation to those parts and fittings that is identical to that adopted in relation to land motor vehicles.

45 Therefore, the sign ‘FUN’ must also be regarded as not having a sufficiently direct and specific relationship with the goods in the category ‘parts and fittings thereof’ to be caught by the prohibition in Article 7(1)(c) of Regulation No 40/94.

46 It follows from all of the above that the first plea, alleging infringement of Article 7(1)(c) of Regulation No 40/94, must be upheld.

The second plea, alleging infringement of Article 7(1)(b) of Regulation No 40/94

Arguments of the parties

47 The applicant submits that the Board of Appeal failed to examine separately the ground for refusal in Article 7(1)(b) of Regulation No 40/94 and that it found that the mark applied for was devoid of any distinctive character simply because it was descriptive. Since the conditions of Article 7(1)(c) of Regulation No 40/94 were not fulfilled in this case, the plea alleging infringement of Article 7(1)(b) of Regulation No 40/94 should be upheld.

48 In addition, the applicant submits that, if the Board of Appeal had undertaken that separate examination, it should have found that Article 7(1)(b) of Regulation No 40/94 did not apply. The meaning of the sign 'FUN' is sufficiently abstract to be merely suggestive or evocative and it can be easily and instantly memorised by the target public, which — according to the case-law — gives it distinctive character.

49 OHIM contends that, contrary to what the applicant claims, separate reasoning was given for the applicability of Article 7(1)(b) of Regulation No 40/94. The examiner had stated that the sign 'FUN' informed the consumer only that the goods had a high 'fun value' and that it could not therefore fulfil the essential function of a trade mark and was devoid of distinctive character. The Board of Appeal found that Article 7(1)(b) of Regulation No 40/94 applied simply because Article 7(1)(c) of that regulation applied. In addition, the Board of Appeal responded to an argument put forward by the applicant that really related to Article 7(1)(b) of Regulation No 40/94 by stating that the word 'fun' is a rather banal and basic English word.

50 Moreover, adds OHIM, the sign FUN does not possess the minimum degree of distinctiveness needed to render Article 7(1)(b) of Regulation No 40/94 inapplicable. For the relevant consumer, the word 'fun' is not merely suggestive, but immediately comprehensible in the context of the goods at issue.

Findings of the Court

51 According to Article 7(1)(b) of Regulation No 40/94, trade marks which are devoid of any distinctive character are not to be registered. The distinctive character of a sign must be assessed in relation to the goods or services for which registration is sought.

52 In the present case, the Board of Appeal found that the trade mark 'FUN' was ineligible for registration pursuant to Article 7(1)(c) of Regulation No 40/94, and accordingly was also not eligible for registration pursuant to Article 7(1)(b) of Regulation No 40/94.

53 Contrary to OHIM's view, the mere finding by the Board of Appeal, in the context of its assessment of the descriptive character of the sign 'FUN', that the word 'fun' is a banal and basic English word is not sufficient to establish that the mark for which registration is sought does not have distinctive character and does not show that a separate examination was carried out on the basis of Article 7(1)(b) of Regulation No 40/94.

54 Therefore, the Board of Appeal essentially inferred that the sign 'FUN' had no distinctive character from the fact that it was descriptive. However, it was held above that the Board of Appeal was wrong to find that the sign 'FUN' was caught by the prohibition in Article 7(1)(c) of Regulation No 40/94. Consequently, the Board of Appeal's reasoning regarding Article 7(1)(b) of Regulation No 40/94 must be set aside, since it was based on the error found above.

55 It follows from the foregoing that the second plea, alleging infringement of Article 7(1)(b) of Regulation No 40/94, must also be upheld and, consequently, so must the action in its entirety.

56 Therefore, the contested decision must be annulled.

Costs

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

On those grounds,

THE COURT OF FIRST INSTANCE (First Chamber)

hereby:

- 1. Annuls the decision of the Second Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) of 20 December 2006 (Case R 1135/2006-2);**
- 2. Orders OHIM to pay the costs.**

Tiili

Dehousse

Wiszniewska-Białecka

Delivered in open court in Luxembourg on 2 December 2008.

[Signatures]