

# Review

## Intellectual Property

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### CFI fails to find anything distinctive in cyber marks

In *Européenne de traitement de l'information (Euro-Information) v OHIM* (Cases T-211/06, T-213/06, T-245/06, T-155/07, T-178/07, 19 May 2009), the CFI has upheld the decision of the Board of Appeal in which the latter had held that the marks CYBERCREDIT, CYBERGUICHET, CYBERBOURSE and CYBERHOME lacked distinctive character and that the mark CYBERGESTION had not acquired distinctive character through use.

#### Background

In October and November 2004, Euro-Information applied to register CYBERGESTION, CYBERCREDIT, CYBERGUICHET, CYBERBOURCHE and CYBERHOME as CTMs in classes 9, 36 and 38, for financial services and related goods and services.

In November 2005 (Cases T-211/06, T-213/06 and T-245/06), May 2006 (Case T-155/07) and July 2006 (Case T-178/07), the examiner refused registration of the applications on the grounds that they lacked distinctiveness, on the basis of Article 7(1)(b) and (c). In addition, it held that CYBERGESTION had not acquired distinctiveness through use, on the basis of Article 7(3). In January, July and September 2006, Euro-Information appealed to OHIM's Board of Appeal.

In May 2006 (Case T-213/06), June 2006 (Case T-211/06), July 2006 (Case T-245/06), February 2007 (Case T-155/07) and March 2007 (Case T-178/07), the First Board of Appeal rejected the appeals and upheld the examiner's decisions. In particular regarding CYBERGESTION, the Board held that the evidence presented was not sufficient to prove that the mark had acquired distinctiveness through use by the application date. Euro-Information appealed to the CFI to have the above mentioned decisions reversed. In October 2008, after the oral hearing, the five cases were conjoined.

#### The case before the CFI

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The CFI confirms that, although acquired distinctiveness is one way of obtaining a registration, the evidence must meet certain criteria to be accepted.

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Euro-Information, in support of its appeal, invoked arguments regarding the violation of Article 7(1)(b) of the 40/94 Regulation regarding inherent distinctiveness and Article 7(3) regarding acquired distinctiveness in respect of CYBERGESTION.

It first claimed that the Board had taken into account a very restricted view of the notion of 'cyber' based on the proposed meaning by a French dictionary published in Canada. It added that the meaning of the term differed for French speakers in the EU and Canadian French speakers. It argued further that the distinctive character of the marks was based on the fact that relevant consumers were surprised by the contradiction between their elements which referred on one hand to the immaterial/virtual world and on the other to the material/physical world.

In particular, it argued that this contradiction made the marks fanciful and as a result it was not necessary for competitors to be able to use them for their goods and services. Euro-Information also claimed that the Board went beyond the meaning of the terms cyber, bourse and home and gave a complex reasoning which did not reflect the link between the designated goods and services nor the impression perceived by the relevant public. It added that the marks in question fulfilled the minimum distinctive character as required by case law, even if one of the terms of these combinations or the combinations as a whole could appear suggestive of certain designated goods or services. It claimed that there was no proof that these terms were used on the Internet in relation to the goods and services applied for and cited previous decisions by OHIM and INPI (the French trade mark office), according to which similar marks had been registered. Finally, in respect of CYBERGESTION it claimed that a large part of the relevant public recognized the sign as a mark used for its software.

### **The CFI's judgement**

The CFI reiterated its case law regarding signs that were devoid of distinctive character, according to which those signs were incapable of distinguishing the origin of the goods or services applied for and were therefore incapable of distinguishing them from goods or services of other undertakings. It added that these signs did not allow the relevant public, having purchased their designated goods or services, to repeat the purchase or avoid it. The CFI also highlighted the fact that a mark consisting of an advertising slogan, an indication of quality or an expression that encouraged the purchase of goods or services under the mark could not be used to exclude it from registration if it could be immediately perceived as an indication of the origin of the designated goods or services, but held that in this case the marks were unable to identify their origin.

The CFI went on to examine the link between the goods and services applied for and the perception of the relevant public. Following this logic, it stated that the relevant public consisted of average French-speaking consumers, since the marks applied for consisted of terms that were often used in French. In fact, it observed that the words that formed the marks in question had the exact same meaning as when combined. Thus, the marks did not represent more than a simple sum of their component parts. The marks still lacked distinctiveness although they could be read in a variety of ways or have a more vague meaning due to the fact that they could constitute a play on words or be perceived as ironic, surprising or unexpected. Consequently, the relevant public would perceive the marks in question as promotional expressions because they were laudatory in relation to the quality of the goods or services, such as modernity and adaptation to new information technologies.

In particular, it held that CYBERCREDIT suggested online credit operations, CYBERGESTION online financial administration, CYBERGUICHET online banking and financial operations, CYBERBOURSE online financial transactions and CYBERHOME home telecommunications connections. It then reasserted that the

legality of the decisions of the Board of Appeal should be assessed solely on the basis of Community Regulation 40/94, as interpreted by the community judges, and not on the basis of previous case law. It cited the complete independence of the CTM's legal regime from non-EU legal systems.

Finally, when examining the acquired distinctiveness of CYBERGESTION, the CFI clarified that for a mark to have acquired distinctiveness through use it had to be distinctive in the perception of a significant proportion of the relevant consumers and also acquired its distinctive character prior to the application date. It added that the acquisition of distinctiveness had to be examined also in relation to the market share, intensity, geographical scope, duration of use and advertising expenditure. It also underlined the fact that distinctiveness acquired through use should be proved in a substantial part of the Community in which the mark was *prima facie* devoid of distinctive character on the basis of Article 7(1)(b). Therefore, it concluded that CYBERGESTION was only recognisable in France, but not in Belgium nor in Luxembourg, which together comprised the French-speaking part of the Community. In addition, the applicant had failed to provide objective evidence of use of its mark. As a result, the CFI rejected both arguments of the applicant and upheld the Board's rejection of the applications.

### **Comment**

In this judgment, the CFI confirms that, although acquired distinctiveness is one way of obtaining registration of a mark, the evidence must meet certain criteria in order to be accepted. The judgment also reiterates the difficulty in registration of marks which combine known terms if there is at least an argument that the combination constitutes a clear and direct indication of the nature of the goods or services in question.

## FURTHER INFORMATION

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