

Review

Intellectual Property



CFI pays tribute to the statement of reasons

In *Caisse fédérale du Crédit mutuel Centre Est Europe (CFCMCEE) v OHIM* (Cases T-405/07 and T-406/07, 20 May 2009) the CFI has partially reversed a decision of the Board of Appeal in which the latter had refused registration of applications for “P@YWEB CARD” and “PAYWEB CARD” on the grounds they lacked distinctiveness for goods and services that related broadly to the internet, telecommunications and new information technologies in classes 9, 36 and 38 and upheld the decisions for the remaining goods and services.

Background

In June 2004, CFCMCEE applied for registration of “P@YWEB CARD” and “PAYWEB CARD” for goods and services in classes 9, 36 and 38. In December 2006, the examiner rejected both applications on the grounds that the marks lacked distinctiveness and were descriptive. In January 2007, CFCMCEE appealed to the Board of Appeal to reverse the examiner’s decision. In July 2007 (Case T-405/07) and in September 2007 (Case T-406/07), the First Board of Appeal rejected the appeals. It concluded that the examiner had correctly considered that the marks were devoid of distinctive character on the basis of Article 7(1)(b) of the 40/94 Regulation, in which case the application of Article 7(1)(c) regarding the descriptiveness of the marks was not necessary.

The case before the CFI

CFCMCEE invoked a sole argument in support of its appeal to the CFI, namely the violation of Article 7(1)(b). First, it claimed that the terms “p@y” or “pay” referred to the verb “to pay” and did not present a link to the internet or information technology. In respect of “P@YWEB CARD”, it argued that the element “p@y” was uncommon and surprising. In addition, in respect of the element “web”, the applicant argued that the English-speaking relevant public would perceive the term as an allusion to a net, a network or “tangle” of nets and therefore did not refer directly to the Internet or computing networks. The applicant also claimed that the meaning of the term “card” was a piece of paper or cardboard which did not allow consumers to perceive it as a reference to the computing, banking or financial sectors. It then argued that the

The CFI has underlined the importance of the assessment of non-distinctiveness and/or descriptiveness for all goods and services applied for.

uncommon combination of elements in “p@yweb” and “payweb” did not possess a direct, certain and immediately identifiable meaning for English-speaking consumers in relation to the designated goods or services. As result, it required a thorough analysis and did not conform to the syntactical rules of the English language. The marks consisted of arbitrary combinations that arose from the association of “p@y” or “pay”, “web” and “card” and could not be considered as descriptive of the designated goods or services or of their characteristics. Consequently, the relevant public would be able to perceive the commercial origin of the marks in question and the marks had distinctive character.

The CFI’s judgment

The CFI reiterated its case law on the distinctive character of a mark: a mark should guarantee the origin of its designated goods or services and enable consumers to distinguish, without any likelihood of confusion, its goods or services from those of other undertakings. On the contrary, marks were devoid of distinctive character if they did not allow the relevant public, having purchased the designated goods or services, to repeat the purchase or avoid it. Distinctiveness should be assessed both in relation to the goods and services for which registration has been sought and in relation to the perception of the relevant public. The CFI went on to state that the relevant public consisted of average English-speaking consumers or of those having an elementary knowledge of the English language, which represented a large part of the Community, due to the elements of the marks in question that came from the English language used in the financial, banking, electronic and computing sectors. It added that compound word marks should be assessed as a whole and not separately in respect of each of their terms or elements. The fact that an individual component lacked distinctiveness did not exclude its combination from bearing a distinctive character. Following this logic, the CFI took into account the meaning of the term “pay” or “p@y” and its close connection with the term “web” and the term “card”, which signified in particular a cheque guarantee card or a credit or debit card. Hence, it held that the average consumer would associate these elements, without detailed consideration, with information technology and the internet in general.

Furthermore, the CFI observed that the structure of the combinations was not uncommon and was also met in English grammatical and syntactical rules and neologisms such as “payphone” or “paytv”. Therefore, the relevant public would perceive the marks as a whole as if they were cards either for paid access to the Internet or relating to electronic payment. It was also worth remembering that the goods and services for which registration had been sought in classes 9, 36 and 38 varied and belonged in different groups or categories of goods or services.

The CFI clarified that the Board was obliged to give a statement of reasons for all goods or services, unless the same ground of refusal applied to one category or group of goods or services, in which case it could give a global statement of reasons. The CFI therefore examined the designated goods in classes 9, 36 and 38.

Primarily, it held that the designated goods and services in class 9 did not form a homogenous category which alluded to shopping cards and the provision of communication services and online transmission of information which were essential to remote or online purchase operations. It held that the statement of reasons was generic and vague. It did not therefore respond to the requirements of Article 253 CE and Article 73 of Regulation 40/94 regarding the effective judicial verification of the legality of the contested decisions.

Likewise, regarding the designated goods or services in classes 36 and 38 in total, the CFI held that they did not possess as a whole an informative and promotional character which created an immediate link to electronic telecommunication services

and online services in the banking, financial or insurance sectors. It underlined the fact that they also covered a wide variety of additional services in the context of different commercial relations. The CFI further explained the failure to invoke Article 7(1)(c) as a ground for refusal to annul the contested decisions since it was not the subject of the present appeals.

Finally, it concluded that there was indeed a violation of Article 7(1)(b) and annulled the contested decisions insofar as they refused registration of “PAYWEB” and “P@YWEB” for a range of goods and services including “photographic and television apparatus and instruments”, “acoustic discs”, “electronic diaries”, “ticket distributors”, “data processing apparatus”, “television and telephone apparatus”, “memory cards or microprocessors”, “magnetic cards or microprocessors for payment, credit or debit”, “new information agencies in the banking, radio communications and telecommunications sectors”, “broadcasting of television programmes”, “radio programming”, “rental of apparatus for the transmission of messages”, “mobile radio telephone services”, and “telephone services”.

Comment

In this judgment the CFI has underlined the importance of the assessment of non-distinctiveness and/or descriptiveness for all goods and services applied for. Sometimes the goods or services may form a sufficiently homogenous category of goods or services within the same class and therefore a global assessment is permissible; whereas the mere fact that goods or services are in the same class does not automatically mean that the assessment should be abstract or general, ignoring their diversity.

FURTHER INFORMATION

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