

JUDGMENT OF THE GENERAL COURT (Second Chamber)

24 April 2018 (*)

(EU trade mark — Invalidity proceedings — EU word mark HP — Absolute grounds for refusal — Article 52(1)(a) of Regulation (EC) No 207/2009 (now Article 59(1)(a) of Regulation (EU) 2017/1001) — Descriptive character — Article 7(1)(c) of Regulation No 207/2009 (now Article 7(1)(c) of Regulation 2017/1001) — No distinctive character — Article 7(1)(b) of Regulation No 207/2009 (now Article 7(1)(b) of Regulation 2017/1001) — Bad faith — Article 52(1)(b) of Regulation No 207/2009 (now Article 59(1)(b) of Regulation 2017/1001))

In Case T-208/17,

Senetic S.A., established in Katowice (Poland), represented by M. Krekora, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by L. Rampini, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being

HP Hewlett Packard Group LLC, established in Houston, Texas (United States), represented by T. Raab and C. Tenkhoff, lawyers,

ACTION brought against the decision of the Fifth Board of Appeal of EUIPO of 1 February 2017 (Case R 1002/2016-5) relating to invalidity proceedings between Senetic and HP Hewlett Packard Group,

THE GENERAL COURT (Second Chamber),

composed of M. Prek, President, E. Buttigieg and B. Berke (Rapporteur), Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Registry of the General Court on 5 April 2017,

having regard to the response of EUIPO lodged at the Registry of the General Court on 12 July 2017,

having regard to the response of the intervener lodged at the Registry of the General Court on 3 July 2017,

having regard to the fact that no request for a hearing was submitted by the parties within three weeks after service of notification of the close of the written part of the procedure, and having decided to rule on the action without an oral part of the procedure, pursuant to Article 106(3) of the Rules of Procedure of the General Court,

gives the following

Judgment

Background to the dispute

- 1 On 1 April 1996, the intervener, HP Hewlett Packard Group LLC, filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).
- 2 Registration as a mark was sought for the word sign HP.
- 3 The goods and services in respect of which registration was applied for are in Classes 2, 9, 16, 20, 35 to 39, 41 and 42 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of Registration of Marks of 15 June 1957, as revised and amended, and correspond, for each of those classes, to the following descriptions:
 - Class 2: ‘Ink, toner, ink cartridges and toner cartridges, ink supplies’;
 - Class 9: Apparatus, devices, computer programs and data bases for entering, receiving, generating, processing, retrieving, presenting, displaying, storing, communicating, exchanging, printing, plotting and transmitting data and information, including, but not limited to * computers — including workstations, minicomputers, personal computers, notebooks, palmtop computers and organizers — and calculators; * peripheral devices for computers, particularly — printers, plotters, devices for input and output of digital and analog data, displays, terminals, storage devices, keyboards, graphic tablets, computer mice and other manual input devices, magnetic, electric, electronic and optical storage media such as disc and tape drives and memories, facsimile machines, scanners, video equipment, dictating machines, sorters, copiers, sound generation devices, modems, microphones, TV set top boxes and cameras; * devices for networking of computers, for data exchange and transmission between them and for operating and controlling networks; * communication and telecommunication equipment, such as wired or wireless telephones and modems; * devices for operating, controlling and communicating with communication and telecommunication equipment; * safety and control devices for computers, computer networks and telecommunication equipment; * access control apparatus and devices for managing the accounting and billing of services, including computer, network and telecommunications services; * read-write devices for data carriers, in particular for magnetic or electronic credit and debit cards; * computer programs and data bases for, or for controlling, all of the above devices and apparatus, particularly — operating systems and software tools for operating a computer, — control programs such as network control or management programs or data encryption/data decryption programs, — application programs, software drivers, software tools and data bases such as programs for computer-aided design, text processors, programs for mechanical and electrical engineering, product data management and workflow, for organization, planning, diagnosis, analysis and optimization, styling, visualization, simulation, tooling, or for production, printer drivers, graphics languages and protocols, color management software for text, photographic images and business graphics, and devices for storing or executing such computer programs, particularly magnetic/ electronic/optical disks and cards, databases; Scientific, electrical, electronic, optical, optoelectronic, signalling, amplifying, switching, detecting, measuring and testing apparatus, instruments, networks and computer programs for registering, measuring, monitoring, converting, displaying, recording, amplifying, switching, detecting, analysing and evaluating mechanical, acoustic, thermal, optical, optoelectronic, electrical, electronic and other physical properties and events, including, but not limited to * analog and digital signal generators and analyzers including electronic DC, AC, RF, microwave; optical signal sources including lasers and light-emitting diodes, optical signal receivers and optical fibre amplifiers; laser signal sources, spectrum analyzers, logic analyzers, oscilloscopes, sweep oscillators, network analyzers, waveform analyzers, electronic counters, telecommunications test equipment, fiber optic components, bar code readers, semiconductor devices, automated test systems — particularly for integrated circuits, printed circuits and boards —, light wave test equipment, power supplies, interferometers, frequency and time standards, impedance measuring apparatus; voltage, current and power meters; vibration transducers; data acquisition systems; calibration standards; amplifiers; computer furniture;

cabinets, transit cases, enclosures, racks for electronic equipment; test probes; Apparatus, instruments, computer programs and data bases for analytical measurement, particularly chemical analysis, including, but not limited to * Devices for the chemical and physical analysis of solid, fluid and gaseous substances, including liquid and gas chromatographs, supercritical fluid chromatographs, mass spectrometers, electrophoresis devices, chromatography columns, spectrophotometers, sample preparation devices; Digital imaging apparatus, devices, computer programs and data bases, particularly digital cameras, color copiers, photographic printers, video printers and facsimile machines; Scientific and electronic devices for analysis of biological material including genetic material; Electronic and optoelectronic semiconductor components including microprocessors, memories, light emitting devices and light detecting devices; components for electronic and medical measuring and monitoring, for computers, for chemical analysis, for microwave technology, for light guide technology, probes; Video and audio recordings; Cabinets, transit cases, enclosure, racks and other furniture for electronic, analytical, computer and telecommunications equipment and the peripheral devices therefor, Parts, accessories and replacement components for all of the above apparatus, devices, instruments, computer programs and components, including loaded and unloaded PC boards, interface and connecting components, housings, fonts, font cartridges, paper trays, print heads, cables, connectors, sorters, data carriers, tone carriers, image carriers, carriages; computer programs and data bases for medical application, particularly for research, diagnostic, therapeutic, patient monitoring and data-management purposes; teaching material stored on electronic, magnetic or optical media; print heads.;

- Class 16: 'Printed material, in particular * newsletters, periodicals, pamphlets, books, catalogs, reprints of articles, data sheets, product and system application notes, technical bulletins, product and system operating and service manuals; material for teaching, particularly printed material; Paper, film and other hardcopy media such as transparencies and coated media for printers, plotters, copiers, facsimile machines and computers; printing, charting and recording media and paper, Pens, cartridges for printers, plotters, copiers, facsimile machines and data recorders, particularly toner and inkjet cartridges';
- Class 20: 'Cabinets, transit cases, carts, enclosure, racks and other furniture for electronic, medical, analytical, computer and telecommunications equipment and the peripheral devices therefor; Office furniture, chairs';
- Class 35: 'Business management, consulting, accounting, leasing and franchising services; conducting trade shows in the field of data processing, electronics, chemical analysis and medical products, networking and telecommunications; procurement of computer software, data processing equipment, testing and measuring equipment, medical equipment, chemical analysis, networking and telecommunications equipment for others; marketing research and marketing studies; remarketing of computer, electronic, signalling, measuring, data processing, analytical, and medical products and their peripheral devices; organisation and placement of qualified computer personnel on a temporary basis';
- Class 36: 'Financial services, in particular purchase financing and lease financing services, franchising services and related consulting';
- Class 37: 'Installation, maintenance and repair of electrical, electronic, data processing, precision engineering, medical and analytical apparatus, instruments, systems, computers, printers, plotters, telecommunications equipment, and their related peripheral devices';
- Class 38: 'Provision of telecommunications services, in particular exchange, switching, control and billing of telecommunication connections by means of computers; rental of telecommunications equipment';
- Class 39: 'Packaging, distribution and dispatch of goods, in particular computer-based logistics services';
- Class 41: 'Seminars, training courses and trade fairs in the fields of science, engineering, computer systems, health care and business; Production, presentation, lease and rental of

recordings, in particular video and audio recordings, including recordings for technical, scientific, medical and business purposes and training purposes’;

- Class 42: ‘Computer programming services, including the making and maintenance of computer programs and databases for information and data processing; Support services for computer, electronic, signalling, measuring, data processing, analytical, and medical products; network planning and management services and consulting; Rental and leasing services for computer, electronic, signalling, measuring, data processing, analytical, and medical products and their peripheral devices; Engineering services, including the preparation of expert opinions and technical consulting; calibration of electrical, electronic, data processing, precision engineering, medical and analytical apparatus, instruments, systems, computers, printers, plotters, telecommunications equipment, and their related peripheral devices; rental of data processing, electronic, chemical analysis, medical and networking equipment’.
- 4 The trade mark application was published in *Community Trade Marks Bulletin* No 50/2000 of 26 June 2000. The contested mark was registered on 25 January 2001 under No 52449.
- 5 On 13 January 2015, the applicant, Senetic S.A., filed an application for a declaration of invalidity of the contested mark on the basis of (i) Article 52(1)(a) of Regulation No 207/2009 (now Article 59(1)(a) of Regulation 2017/1001), read in conjunction with Article 7(1)(b) and (c) of Regulation No 207/2009 (now Article 7(1)(b) and (c) of Regulation 2017/1001) and (ii) Article 52(1)(b) of that regulation (now Article 59(1)(b) of Regulation 2017/1001).
- 6 By decision of 5 April 2016, the Cancellation Division dismissed the application for a declaration of invalidity in its entirety, considering that the applicant had failed to prove that the contested mark was descriptive or lacking in distinctiveness, and that it had failed to produce the slightest evidence of dishonest intentions on the part of the intervener.
- 7 On 3 June 2016, the applicant filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009 (now Articles 66 to 71 of Regulation 2017/1001), against the Cancellation Division’s decision, requesting that the decision annulled in its entirety.
- 8 By decision of 1 February 2017 (‘the contested decision’), the Fifth Board of Appeal of EUIPO dismissed the appeal.
- 9 Firstly, the Board of Appeal found that it could not be generally stated that a mark lacks distinctiveness because it consists of one or two letters, without examining the specific relationship between the sign and the goods and services in question. In addition, so far as concerns Article 7(1)(c) of Regulation No 207/2009, the applicant had not explained which characteristics, quality or particularity of the goods and services, unconnected to financial services, the pair of capital letters ‘HP’ allegedly describes.
- 10 Secondly, the Board of Appeal dismissed the action so far as concerns Article 7(1)(b) of Regulation No 207/2009, considering that the pair of capital letters ‘HP’ of the contested mark cannot be considered as being descriptive or lacking in distinctiveness within the meaning of Regulation No 207/2009. There is in fact no reason why, when it is used in the context of the goods and services concerned, the contested sign should be unable to perform the essential function of a mark.
- 11 Thirdly, so far as concerns Article 52(1)(b) of Regulation No 207/2009, the Board of Appeal found that the applicant had neither proved that the contested mark was descriptive or lacking in distinctiveness at the time of registration, nor produced evidence of bad faith on the part of the intervener.

Forms of order sought

- 12 The applicant claims that the Court should:
- declare the application admissible.
 - annul the contested decision;

- order EUIPO to pay the costs, including those incurred in the proceedings before the Board of Appeal.

13 EUIPO contends that the Court should:

- dismiss the application;
- order the applicant to pay the costs.

14 The intervener contends that the Court should:

- dismiss the application;
- order the applicant to pay the costs.

Law

15 In support of its action, the applicant relies on three pleas in law alleging, first, infringement of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(c) of the same regulation; secondly, infringement of Article 52(1)(a) of that regulation, read in conjunction with Article 7(1)(b) of the same regulation; and, thirdly, infringement of Article 52(1)(b) of that regulation.

The first plea in law, alleging infringement of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(c) of that regulation

16 The applicant claims that, the contested mark being composed of two letters without any graphic elements, it is descriptive of the technological goods and services in question. It argues that it is common practice to use two-letter signs to describe such goods and services. The two letters will thus be perceived by the general public as a technical indication of the type of product, which is common practice in the field of technology. The applicant claims that it has been established that two-letter abbreviations are also used in the field of financial services and the fact that those abbreviations may refer to the name of the producing company changes nothing where, in at least one of their possible meanings, the two letters are descriptive of the characteristics of the goods and services covered by the contested mark. Where the contested mark is composed of a combination of descriptive elements, it should be declared invalid.

17 EUIPO and the intervener dispute the applicant's arguments.

18 Article 7(1)(c) of Regulation No 207/2009 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. Moreover, Article 7(2) of Regulation No 207/2009 provides that paragraph 1 shall apply even if the grounds for refusal exist in only part of the European Union.

19 Under Article 52(1)(a) of Regulation No 207/2009, an EU trade mark is to be declared invalid, in particular on application to EUIPO, where it has been registered contrary to the provisions of Article 7 of that regulation.

20 The signs and indications referred to in Article 7(1)(c) of Regulation No 207/2009 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, the goods or services in respect of which registration is sought (see judgment of 23 October 2015, *TrekStor v OHIM – MSI Technology (MovieStation)*, T-636/13, not published, EU:T:2015:801, paragraph 18 and the case-law cited) and are deemed 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 acquired the goods or service designated by the mark to make the same choice, when making a subsequent acquisition, if the experience has proved positive, or to make another choice, if it has proved negative (judgments of

23 October 2003, *OHIM v Wrigley*, C-191/01 P, EU:C:2003:579, paragraph 27, and of 27 February 2015, *Universal Utility International v OHIM (Greenworld)*, T-106/14, not published, EU:T:2015:123, paragraph 14).

21 However, in order for EUIPO to refuse registration of a trade mark on the basis of Article 7(1)(c) of Regulation No 207/2009, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provision itself indicates, that such signs and indications could be used for such purposes. A word sign must thus be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned (judgment of 23 October 2003, *OHIM v Wrigley*, C-191/01 P, EU:C:2003:579, paragraph 32).

22 Consequently, 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 goods and services at issue or one of their characteristics (see, to that effect, judgment of 23 October 2015, *Geilenkothen Fabrik für Schutzkleidung v OHIM (Cottonfeel)*, T-822/14, not published, EU:T:2015:797, paragraph 18 and the case-law cited).

23 As a result, a sign's descriptiveness can be assessed only by reference to the goods or services concerned and to the way in which it is understood by the relevant public (judgments of 16 March 2006, *Telefon & Buch v OHIM — Herold Business Data (WEISSE SEITEN)*, T-322/03, EU:T:2006:87, paragraph 90, and of 15 January 2015, *MEM v OHIM (MONACO)*, T-197/13, EU:T:2015:16, paragraph 50).

24 In addition, it is apparent from the case-law that the relevant date for the purposes of examining, in the context of an application for a declaration of invalidity based on Article 52(1)(a) of Regulation No 207/2009, the compliance of an EU trade mark with Article 7 of that regulation is the date of filing of the application for registration (judgment of 11 May 2017, *Bammer v EUIPO — mydays(MÄNNERSPIELPLATZ)*, T-372/16, not published, EU:T:2017:331, paragraph 24).

25 It is in the light of those principles that it is necessary to examine whether, in view of the arguments put forward by the applicant, the Board of Appeal erred in considering that the contested mark was not descriptive of the goods and services at issue, within the meaning of Article 7(1)(c) of Regulation No 207/2009, and should not be declared invalid pursuant to Article 52(1)(a) of that regulation.

26 In the first place, so far as concerns the relevant public, as was rightly noted by the Board of Appeal in paragraph 17 of the contested decision, the goods and services in the contested mark are directed at both average consumers and a professional public. The level of that public's attention therefore varies between that of a reasonably well-informed and reasonably observant and circumspect consumer and that of a highly attentive consumer, throughout the Union. That finding, which is not contested by the parties, must be upheld.

27 In the second place, it is necessary to examine, in the light of the case-law cited in paragraph 22 above, whether there exists, from the point of view of the relevant public, a sufficiently direct and specific relationship between the contested mark and the goods and services for which the mark is registered.

28 In that regard, it should first be stressed that the applicant is merely making a general assertion whereby it claims that the contested trade mark, in being composed simply of two letters without any graphic element, is descriptive. However, as the Board of Appeal rightly found in paragraph 20 of the contested decision, it cannot be generally stated that a trade mark lacks distinctiveness or is descriptive simply because it consists of one or two letters, without examining the specific relationship between the sign and the goods and services in question. Such an assertion is at odds with Article 4 of Regulation No 207/2009, which explicitly provides that letters are included among the registrable signs, as previously recognised by the case-law (judgment of 9 September 2010, *OHIM v Borco-Marken-Import Matthiesen*, C-265/09 P, EU:C:2010:508, paragraph 28).

29 It is apparent from that case-law that the criteria for assessing the distinctive nature of marks consisting in one or two letters are the same as those that apply to other categories of mark (see, by analogy, judgment of 29 April 2009, *BORCO-Marken-Import Matthiesen v OHIM (α)*, T-23/07, EU:T:2009:126, paragraph 46).

30 Next, inasmuch as the applicant seeks to base the existence of a direct and specific relationship between the HP sign and the goods and services in question on evidence proving that it is common practice to use two-letter signs to describe goods and services in the fields of technology and financial services, the Board of Appeal rightly held in paragraphs 21 and 22 of the contested decision that (i) some evidence was manifestly irrelevant since it concerned combinations of letters other than those in the contested trade mark; and (ii) the article *Hedging: The Hidden Face of Credit Hedge Fund Performance*, according to which the pair of capital letters ‘HP’ corresponds in the field of financial services to ‘hedge process’, ‘hedge programme’ or ‘hedge portfolio’, did not suffice alone to establish the descriptive character of the contested mark. Firstly, that article could not be taken into account since it dated back to more than four years after the date of filing of the application for registration, which is the relevant date in the examination of the descriptive character of the contested mark. Secondly, as the sole piece of evidence, that article, unsupported by any other element concerning its dissemination or exposure to the relevant public, could manifestly not suffice to prove the allegedly descriptive character of the contested mark.

31 This implies that the supporting documentation submitted by the applicant does not serve to establish a sufficiently direct and specific relationship between the HP sign and the goods and services in question.

32 It follows from all the foregoing that the applicant has failed to establish a sufficiently direct and specific relationship between the contested mark and the goods and services in that mark; the Board of Appeal therefore did not err in finding, in paragraphs 23 and 24 of the contested decision, that, taking account of the very general nature of the arguments and the insufficiency of the evidence produced by the applicant, the Cancellation Division’s decision could not be annulled.

33 The first plea in law must therefore be rejected.

The second plea in law, alleging infringement of Article 52(1)(a) of Regulation No 207/2009, read in conjunction with Article 7(1)(b) of that regulation

34 The applicant merely asserts that the contested mark is composed of elements lacking any distinctive character. It has no characteristic element or any memorable or eye-catching features likely to lend it a minimum degree of distinctiveness and enable the consumer to perceive it otherwise than as a description of goods and services in all classes in which it is registered. It is argued that the Board of Appeal erred as a result in finding that the mark at issue is distinctive within the meaning of Article 7(1)(b) of Regulation No 207/2009.

35 EUIPO and the intervener dispute those claims.

36 As a preliminary point, it should be remembered that Article 4 of Regulation No 207/2009 provides that an EU trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

37 Under Article 7(1)(b) of Regulation No 207/2009, a trade mark which is devoid of any distinctive character is not to be registered.

38 While Article 4 of Regulation No 207/2009 expressly refers to letters and numerals, the fact that a category of signs is, in general, capable of constituting a trade mark for the purposes of that provision does not, however, mean that those signs necessarily have distinctive character for the purposes of Article 7(1)(b) in relation to a particular product or service (judgment of 9 October 2002, *KWS Saat v OHIM (Shade of orange)*, T-173/00, EU:T:2002:243, paragraph 26).

- 39 According to settled case-law, the marks referred to in Article 7(1)(b) of Regulation No 207/2009 are those that are regarded as incapable of performing the essential function of a trade mark, namely that of identifying the commercial origin of the goods or services in question, thus enabling the consumer who acquired the goods or service designated by the mark to make the same choice, when making a subsequent acquisition, if the experience has proved positive, or to make another choice, if it has proved negative (judgments of 3 July 2003, *Best Buy Concepts v OHIM (BEST BUY)*, T-122/01, EU:T:2003:183, paragraph 20, and of 21 January 2011, *BSH v OHIM (executive edition)*, T-310/08, not published, EU:T:2011:16, paragraph 23).
- 40 Moreover, such greater difficulty as might be encountered in the specific assessment of the distinctive character of certain trade marks cannot justify the assumption that they are by definition devoid of any distinctive character or that they can acquire such character only through use, pursuant to Article 7(3) of Regulation No 207/2009 (see judgment of 13 June 2007, *IVG Immobilien v OHIM (I)*, T-441/05, EU:T:2007:178, paragraph 40 and the case-law cited).
- 41 The distinctive character of a mark must be assessed, first, by reference to the products or services in respect of which registration has been applied for and, second, by reference to the perception of the relevant public (see judgment of 21 January 2010, *Audi v OHIM*, C-398/08 P, EU:C:2010:29, paragraph 34 and the case-law cited).
- 42 It is clear from the case-law that a minimum degree of distinctive character is sufficient to render inapplicable the absolute ground for refusal set out in Article 7(1)(b) of Regulation No 207/2009 (judgments of 27 February 2002, *Eurocool Logistik v OHIM (EUROCOOL)*, T-34/00, EU:T:2002:41, paragraph 39, and of 23 January 2014, *Novartis v OHIM (CARE TO CARE)*, T-68/13, not published, EU:T:2014:29, paragraph 12).
- 43 Furthermore, it is settled case-law that a sign's lack of distinctive character, within the meaning of Article 7(1)(b) of Regulation No 207/2009, cannot arise merely from the finding that it does not look unusual or striking. The registration of a sign as an EU trade mark is not subject to a finding of a specific level of linguistic or artistic creativity or imaginativeness on the part of the proprietor of the trade mark, but rather to the capability of the sign to distinguish the goods or services offered by the applicant for the trade mark from goods and services offered by competitors (see judgment of 13 June 2007, *I*, T-441/05, EU:T:2007:178, paragraphs 49 and 50 and the case-law cited; see also, to that effect, judgment of 8 May 2012, *Mizuno v OHIM – Golfino (G)*, T-101/11, not published, EU:T:2012:223, paragraph 73 and the case-law cited).
- 44 In addition, to have the minimum degree of distinctiveness required by Article 7(1)(b) of Regulation No 207/2009, the sign filed must merely appear, a priori, capable of enabling the relevant public to identify the origin of the goods or services covered by the EU trade mark application and to distinguish them from those of other undertakings, without necessarily having to have a particular meaning, since a totally arbitrary sign can be distinctive (see judgment of 13 June 2007, *I*, T-441/05, EU:T:2007:178, paragraph 55 and the case-law cited).
- 45 It is in the light of those considerations that it must be ascertained whether the sign at issue lacks distinctive character, as claimed by the applicant.
- 46 In the first place, it is apparent from the examination conducted in paragraphs 28 to 31 above that the contested mark is not descriptive of the goods and services it covers. In the second place, the applicant's general and unsupported argument seeking to call into question the assessment of the Board of Appeal, in which that mark has a degree of distinctiveness allowing it to perform its function of indicating the commercial origins of the goods and services it covers, cannot be accepted. The Board of Appeal rightly found that the combination of the two letters constituting the contested mark is not commonly used or perceived simply as an indication lacking any distinctive character. In the third place, the argument that the contested mark has no characteristic element, or any memorable or eye-catching features capable of lending it a minimum degree of distinctiveness, pursuant to the case-law recalled in paragraphs 43 and 44 above, should be rejected. In the fourth place, it should be noted that, as rightly pointed out by the intervener, it is possible that the HP sign be understood by the relevant

public as a reference to the names Hewlett and Packard, the surnames of the company founders. That submission is not disputed by the applicant either.

47 It follows from all the foregoing that the contested mark must be regarded as having a minimum degree of distinctiveness and capable of performing the essential function of the trade mark, as required by the case-law cited in paragraph 39 above.

48 Accordingly, the second plea in law must be rejected.

The third plea in law, alleging infringement of Article 52(1)(b) of Regulation No 207/2009

49 The applicant merely asserts that the intervener applied for the registration of the contested mark knowing that two-letter signs are commonly used to indicate a type or a standard, and not to distinguish the services offered by a particular company, and that the intervener acted in bad faith as it intended to prevent other economic operators from using a similar sign on the market.

50 EUIPO and the intervener dispute that assertion.

51 Under Article 52(1)(b) of Regulation No 207/2009 ‘an EU trade mark shall be declared invalid on application to [EUIPO] or on the basis of a counterclaim in infringement proceedings where the applicant was acting in bad faith when he filed the application for the trade mark’.

52 The EU trade mark registration system rests on the ‘first to file’ principle, laid down in Article 8(2) of Regulation No 207/2009 (now Article 8(2) of Regulation 2017/1001). In accordance with that principle, a sign may be registered as an EU trade mark only in so far as this is not precluded by an earlier mark, whether an EU trade mark, a trade mark registered in a Member State or by the Benelux Office for Intellectual Property, a trade mark registered under international arrangements that have effect in a Member State, or a trade mark registered under international arrangements that have effect in the European Union. By contrast, without prejudice to the possible application of Article 8(4) of Regulation No 207/2009 (now Article 8(4) of Regulation 2017/1001), the mere use by a third party of a non-registered mark does not preclude an identical or similar mark from being registered as an EU trade mark for identical or similar goods or services (judgment of 14 February 2012, *Peeters Landbouwmachines v OHIM – Fors MW (BIGAB)*, T-33/11, EU:T:2012:77, paragraph 16).

53 The application of that principle is qualified by, inter alia, Article 52(1)(b) of Regulation No 207/2009, under which an EU trade mark must be declared invalid on application to EUIPO or on the basis of a counterclaim in infringement proceedings where the applicant was acting in bad faith when he filed the application for registration of the trade mark. Where the applicant for a declaration of invalidity seeks to rely on that ground, it is for that party to prove the circumstances which substantiate a finding that the EU trade mark proprietor was acting in bad faith when it filed the application for registration of that mark (judgment of 14 February 2012, *BIGAB*, T-33/11, EU:T:2012:77, paragraph 17).

54 The concept of ‘bad faith’ referred to in Article 52(1)(b) of Regulation No 207/2009 is not defined, delimited or even described in any way in EU legislation (judgment of 26 February 2015, *Pangyrus v OHIM – RSVP Design (COLOURBLIND)*, T-257/11, not published, EU:T:2015:115, paragraph 64).

55 It is apparent from Article 52(1)(b) of Regulation No 207/2009 that the relevant time for determining whether there was bad faith on the part of the applicant for registration is the time of filing the application for registration (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 35).

56 Moreover, in order to determine whether the applicant for registration is acting in bad faith, account must be taken of all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of a sign as an EU trade mark, in particular: (i) the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product or service capable of being confused with the sign for which registration is sought; (ii) the applicant’s intention to prevent that third party from continuing to use such a sign; and (iii) the degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought (see, to that effect, judgments of 11 June 2009, *Chocoladefabriken*

Lindt & Sprüngli, C-529/07, EU:C:2009:361, paragraphs 37 and 53, and of 27 June 2013, *Malaysia Dairy Industries*, C-320/12, EU:C:2013:435, paragraphs 36 and 37).

- 57 So far as concerns the factor cited in paragraph 56 above, according to which the applicant ‘must know’ that a third party uses a similar or identical sign, it should be noted that a presumption of knowledge, by the applicant, of the use by a third party of an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought may arise from, inter alia, general knowledge in the economic sector concerned of such use, and that knowledge can be inferred, inter alia, from the duration of such use. The more that use is long-standing, the more probable it is that the applicant will, when filing the application for registration, have knowledge of it (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 39).
- 58 The Court of Justice has specified that the fact that the applicant for registration knows or must know that a third party has been using, in at least one Member State, an identical or similar sign for an identical or similar product or service capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant for registration was acting in bad faith, but that consideration must also be given to the intention of the applicant for registration at the time when he files the application for registration. The applicant’s intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case. Accordingly, the intention of preventing a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 40 to 43).
- 59 That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as an EU trade mark without intending to use it, his sole objective being to prevent a third party from entering the market (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 44).
- 60 Moreover, it is apparent from the wording used in the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361), that the three factors listed in paragraph 56 above are only examples drawn from a number of factors which can be taken into account in order to decide whether the applicant was acting in bad faith at the time when the application was filed (judgment of 14 February 2012, *BIGAB*, T-33/11, EU:T:2012:77, paragraph 20).
- 61 It must therefore be held that, in the context of the overall analysis undertaken pursuant to Article 52(1)(b) of Regulation No 207/2009, account may also be taken of the origin of the contested sign and its use since its creation, the commercial logic underlying the filing of the application for registration of that sign as an EU trade mark, and the chronology of events leading up to that filing (judgment of 26 February 2015, *COLOURBLIND*, T-257/11, not published, EU:T:2015:115, paragraph 68).
- 62 In the present case, it must be noted that the applicant has produced no evidence, whether direct or drawn from objective circumstances, of bad faith on the part of the intervener at the time when the application for registration of the contested mark was filed.
- 63 In the first place, the applicant has produced no evidence establishing the objective circumstances in which the intervener was alleged to know that some of the goods and services concerned were marketed by the applicant or by other third parties under a similar or identical sign. Thus it must be pointed out that the applicant’s mere allegations that the intervener knew or should have known that a third party was using a similar or identical sign in marketing a similar or identical product or service in another Member State cannot in any way constitute such objective factors. Furthermore, it is apparent from the EUIPO administrative file that the applicant did not provide any evidence that, at the time of filing the application for registration of the contested mark, a third party was actually using a similar or identical sign in marketing its goods or services, and did not specify what third party, sign, goods or services were concerned.
- 64 In the second place, the applicant’s assertions that evidence of bad faith on the part of the intervener is easier to establish owing to the descriptive character of the contested mark cannot be founded on such a

premiss since, as is apparent from the examination of the first and second pleas, the applicant has not proved that the contested mark was descriptive or lacking distinctiveness.

65 In the third place, it must be pointed out that the applicant has not established the intervener's intention of preventing the marketing of a product by a third party without using the sign which it had applied to register. On the contrary, as noted by the Board of Appeal in paragraph 40 of the contested decision, the applicant's mere assertion that the intervener's aim was to compete unfairly with a competitor using a similar sign to describe its product cannot call into question the finding as to the intervener acting in good faith, as demonstrated by the evidence produced by the latter party and by earlier decisions of EUIPO concerning the effective use the intervener had made of the contested mark.

66 It follows from all of the foregoing that the applicant has failed to demonstrate, in any respect, bad faith on the part of the intervener.

67 Consequently, the third plea must be rejected, and the action as a whole must be dismissed.

Costs

68 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

69 Since the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by EUIPO and the intervener.

On those grounds,

THE GENERAL COURT (Second Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Senetic S.A. to pay the costs.**

Prek

Buttigieg

Berke

Delivered in open court in Luxembourg on 24 April 2018.

E. Coulon

M. Prek

Registrar

President

* Language of the case: English.