

**DECISION
of the Fourth Board of Appeal
of 20 November 2018**

In Case R 835/2018-4

Samsung Electronics GmbH

Am Kronberger Hang 6
D-65824 Schwalbach/Taunus
Germany

Cancellation Applicant / Appellant

represented by Hoyng Reimann Osterrieth Köhler Haft Monégier du Sorbier
Partnerschaftsgesellschaft von Rechtsanwälten mbB, Steinstr. 20, D-40212 Düsseldorf,
Germany

v

smart things solutions GmbH

Schulstraße 29
D-82234 Weßling
Germany

EUTM Proprietor / Defendant

represented by BIRD & BIRD LLP, Maximiliansplatz 22, D-80333 München,
Germany

APPEAL relating to Cancellation Proceedings No 12 558 C (European Union trade
mark registration No 10 914 836)

THE FOURTH BOARD OF APPEAL

composed of D. Schennen (Chairman and Rapporteur), C. Bartos (Member) and
E. Fink (Member)

Registrar: H. Dijkema

gives the following

Decision

Summary of the facts

- 1 On 6/03/2013, European Union trade mark No 10 914 836 for the figurative mark in the colours 'black, green'



was registered in the name of Smart things solutions GmbH for the goods and services:

Class 9 – Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (see provision), life saving and teaching apparatus and instruments; Apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; Apparatus for recording, transmission or reproduction of sound or images; Magnetic data carriers, recording discs; Cash registers, calculating machines and data processing equipment and computers; Fireextinguishing apparatus; Telephone holders and mobile telephone holders, Smart phones, Mobile computing devices, tablets; Charging stations for mobile telephones, smartphones, mobile computers, tablet computers; Docking stations for mobile telephones, smartphones, other articles, in particular in the fields of photography, video, audio, computers and telecommunications.

Class 20 – Furniture, mirrors, picture frames; Goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whale bone, shell, amber, mother of pearl, meerschaum and substitutes for all of these materials, or of plastics.

Class 35 – Advertising; Business management; Business administration; Office functions; Presentation of goods on communications media for retail purposes; Compiling of various goods (except the transport thereof) for others, to facilitate the display and purchase of the aforesaid goods for customers; Retailing, wholesaling and mail order of scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, cash registers, calculating machines, data processing equipment and computers, fire extinguishing apparatus, holders for mobile telephones, smartphones, mobile computers, tablet computers, charging stations for mobile telephones, smartphones, mobile computers, docking stations for mobile telephones, smartphones, other articles, in particular in the fields of photography, video, audio, computers and telecommunications, furniture, mirrors, picture frames, 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; Sale via electronic media, of scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, cash registers, calculating machines, data processing equipment and computers, fire extinguishing apparatus, holders for mobile telephones, smartphones, mobile computers, tablet computers, charging stations for mobile telephones, smartphones, mobile computers, docking stations for mobile telephones, smartphones, other articles, in particular in the fields of photography, video, audio, computers and telecommunications, furniture, mirrors picture frames, 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; Sale of consumer goods, accessories and other articles in the fields of photography, video, audio, computers and telecommunications.

- 2 On 29/02/2016, Samsung Electronics GmbH ('the cancellation applicant') filed a request for declaration of invalidity of the EUTM on the grounds laid down in Article 59(1)(a) in conjunction with Article 7(1)(b) and (c) EUTMR, namely lack of any distinctive character and descriptiveness. The request was directed against all the goods and services for which the EUTM stands registered.
- 3 The cancellation applicant argued that 'SMART' stands for intelligent, clever, that 'THINGS' can refer to any tangible or intangible object or concept and in the field of IT, in particular to the 'Internet of Things', and that the figurative element 😊 (hereinafter: the 'emoticon') is banal and non-distinctive. The cancellation applicant submitted various documents (articles) about the 'Internet of Things'.
- 4 The EUTM proprietor rebutted the arguments of the cancellation applicant. It in particular bemoaned that on the relevant date (filing of the EUTM application on 25/05/2012) the term 'Internet of Things' was not yet known and that the evidence presented postdated this date. The term 'smart things' as such did not appear in the dictionaries.
- 5 On 08/03/2018, the Cancellation Division took the contested decision, by which it rejected the request for declaration of invalidity in its entirety and ordered the cancellation applicant to bear the costs. In essence the Cancellation Division reasoned:
 - The relevant point in time is the filing date, both under subparagraphs b) and c) of Article 7(1).
 - The Cancellation Division found that the term 'SMART THINGS' was descriptive at that date.
 - The term 'SMART' is clearly descriptive in relation to the Class 9 goods, in its meaning 'operating as if by human intelligence by using automatic computer control'.
 - The same is true for the term 'THING', a very common English word meaning an 'entity of any kind' as shown by dictionary references.
 - The expression 'SMART THINGS' as a whole is descriptive for some of the goods and services, irrespective of whether consumers perceive it as a reference to the 'Internet of Things'.
 - Thus it had to be decided whether the emoticon endows the mark with sufficient degree of distinctive character.
 - The emoticon is ubiquitously used as a smiley in society at large, including in business, and has positive connotations. This however does not mean that all emoticons are non-distinctive for all goods or services.
 - The expression 'SMART THINGS' is not a positive and affirmative message, but just a factual description, so the emoticon cannot reinforce that message.
 - The Cancellation Division concluded that the emoticon did endow the mark with at least a minimum of distinctive character.
 - Consequently, as a whole, the mark was also not purely descriptive.
- 6 On 07/05/2018, the cancellation applicant filed a notice of appeal, followed by a statement of grounds of appeal on 06/07/2018, in which it requested to annul the contested decision, to declare the EUTM invalid and to order the EUTM proprietor to bear the costs.

- 7 The cancellation applicant put forward:
- The contested decision was fully correct in holding that ‘SMART’ as well as ‘THINGS’, as well as the combination ‘SMART THINGS’, is descriptive.
 - Many things can be ‘SMART’ in the sense of intelligent, not only (smart) phones or (smart) TVs or other electronic goods in Class 9, but even furniture objects such as tables, as part of a ‘smart home’. In respect of the goods in Class 20, the meaning of ‘SMART’ as ‘fashionable, chic’ is equally relevant, so as to describe the look and design of the goods.
 - The cancellation applicant disputed, however, the reasoning of the contested decision regarding the emoticon. The ubiquitous use and positive connotation conveyed by that ‘smiley’ emoticon resulted not in a distinctive sign as a whole, but, to the contrary, in reinforcing the descriptive and non-distinctive message of the word elements, by conveying the message that the device is more clever and user-friendly than an ‘ordinary’ device.
- 8 The EUTM proprietor requested to dismiss the appeal. To the extent the cancellation applicant had provided evidence, it should not be taken into account, either because it postdated the filing date or was submitted late. Yet, the cancellation applicant had not complied with its burden of proof regarding the descriptiveness of the mark. The cancellation applicant itself had obtained protection for a trade mark ‘SMART THINGS plus figurative element’ so the EUTM proprietor speculated that the cancellation applicant itself did not seriously consider the mark to be descriptive. Regarding the elements of the mark the EUTM proprietor argued that the word ‘THINGS’ was too unspecific to have any meaning with regard to the registered goods and services; that the reliance by the EUTM proprietor on another meaning of the word ‘SMART’ showed how questionable its reasoning was; that the emoticon was also non-descriptive, and that an emoticon embodies human emotions of joy, happiness and contentment which are diametrically opposed to the technical nature of the claimed products.

Reasons

- 9 The appeal is well founded. The contested decision found that the term ‘SMART’ is descriptive, that the term ‘THINGS’ is descriptive, that their combination is descriptive as well, and that the emoticon is ubiquitous and conveys positive feelings. It is difficult to understand why the contested decision did not put one and one together and did not take the appropriate conclusion for the mark as a whole. Should the contested decision be interpreted as having been led to reason otherwise because of the necessary link to the registered goods and services, then it ought to be added that it does not even contain a detailed analysis of those goods and services and the ‘smartness’ of their functions.

Article 7(1)(c) EUTMR

- 10 The mark as a whole describes characteristics of all the registered goods and services, namely their smartness.

- 11 Article 59(1)(c) EUTMR provides that a EUTM shall be declared invalid upon application to the Office, when it has been registered contrary to the provisions of Article 7. Article 7(1)(c) EUTMR 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.

Legal criteria for figurative marks involving word elements

- 12 The public interest underlying Article 7(1)(c) EUTMR is to ensure that descriptive signs or indications relating to the characteristics of the goods or services in respect of which registration is sought may be freely used by all competitors and to forego that such signs or indications would be reserved for use by one undertaking (12/02/2004, C-265/00, Biomild, EU:C:2004:87, § 35, 36) In the light of the public interest underlying the provision, any undertaking must be able to freely use such signs and indications to describe any characteristic of its own goods, irrespective of how significant the characteristic may be commercially (12/02/2004, C-363/99, Postkantoor, EU:C:2004:86, § 102).
- 13 The descriptiveness must be assessed on the basis of the perception of the mark, as a whole, by the relevant public.
- 14 The goods and services address the average consumer and a more specialised public in the field of IT and/or the business field, to different degrees. The expression consists of English words. Therefore, the ground for refusal exists at least for the United Kingdom, Ireland and Malta as parts of the EU. However, the words the mark is made up of belong to the basic English vocabulary, and English is commonly used in the field of IT and television or (as regards Class 35) international business transactions (see 26/09/2012, T-301/09, Citigate, EU:T:2012:473, § 41). The ground for invalidity is thus not limited to the Member States in which English is the official language, but extends to all regional parts of the EU in which basic English words are understood. A more detailed analysis is not required, as it suffices, according to Article 7(2) EUTMR, that the grounds for refusal or invalidity under Article 7(1)(b) or (c) EUTMR obtain in only part of the European Union.
- 15 A sign that has several meanings is descriptive when one of its possible meanings designates a characteristic of the goods and services in the sense of Article 7(1)(c) EUTMR (12/02/2004, C-363/99, Postkantoor, EU:C:2004:86, § 97; 23/10/2003, C-191/01, Doublemint, EU:C:2003:579, § 32). A mark can be refused as descriptive although it is a ‘neologism’ in the sense that it is not yet used by other competitors or referred to as a whole in dictionaries (Postkantoor, § 97). The Office is not required to demonstrate the existence of an actual or concrete interest of third parties in using the sign (04/05/1999, C-108/97, Chiemsee, EU:C:1999:230, § 34; 20/03/2002, T-356/00, Carcard, EU:T:2002:80, § 24).
- 16 It is important to stress that a given meaning of a word can be relevant in different ways for different goods and services, here ‘SMART’ in the sense of intelligent for some goods, and in the sense of stylish for others.

- 17 In the case of word marks consisting of two or more elements, the mark as a whole must be descriptive in the above sense. However, the mere combination of descriptive elements itself remains descriptive unless because of the unusual manner the word elements are combined, the mark creates an overall impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word combination is more than the sum of its parts (12/02/2004, C-265/00, *Biomild*, EU:C:2004:87, § 39, 43).
- 18 In addition to the words ‘SMART’ and ‘THINGS’ the mark contains a colon and a (closed) round bracket, which are part of the set of letters and signs contained in a typeface and present on any typewriter or computer keyboard, but in green colour. As regards the impact of these elements it must be observed that it follows from the wording ‘which consist exclusively’ in Article 7(1)(c) EUTMR that it brings the sign outside the scope of that prohibition if it contains other, non-descriptive, distinctive elements. Also in that regard the overall impression of the mark must be examined and not only the one conveyed by its word elements only. However, a mark remains descriptive taken as a whole when the figurative elements it contains are in themselves devoid of distinctiveness, such as the presentation of the word elements in different fonts or colours or before a background (24/04/2015, R 2743/2014-4, *Dialogseminar Online*, § 21). In such a case there is no relevant difference to the descriptive term itself and even the combination of these non-registrable elements can only lead to a sign which in itself remains descriptive, so Article 7(1)(c) EUTMR remains applicable (26/04/2018, T-220/17, 100 % Pfalz, EU:T:2018:229, § 29). If each of the elements of a mark in itself is either descriptive or otherwise non-distinctive, then it must be established that the way in which the various elements are combined confer the overall impression that the mark taken as a whole is more than the sum of its parts (15/09/2005, C-37/03, *BioID*, EU:C:2005:547, § 29, 34; 26/03/2014, T-534/12, *Fleet Data Services*, EU:T:2014:157, § 20).

Meaning of the elements of the mark, and of their combination

- 19 Indeed, ‘SMART’ means ‘operating as if by human intelligence by using automatic computer control’, as relied on in the contested decision and not put in dispute by the EUTM proprietor.
- 20 ‘SMART’ also means ‘fashionable, chic’.
- 21 In the first of these meanings ‘SMART’ refers to intelligent technology, not only ‘artificial intelligence’, but any technological feature over and above the ‘traditional’ features of products, and this is particularly true for electronic goods or goods involving electronic features. The list of goods and services expressly refers to ‘smart phones’ but the term ‘smart’ is commonly used not only for these specific products but across all goods with technologically sophisticated features.
- 22 This has been confirmed, and the respective EUTM applications have been refused, in a large number of cases the most recent ones being:
- Smartflex, R 424/2018-4 of 03/07/2018;
 - SMARTSURFACE, R 1765/2017-2 of 25/05/2018;

- SmartLogin, R 2219/2017-4 of 23/04/2018;
 - smart color, R 1950/2017-4 of 16/02/2018;
 - SmartTel+, R 861/2017-2 of 16/01/2018;
 - SMARTPALLET, R 1486/2017-4 of 21/12/2017;
 - smart sensor business 4.0, R 973/2017-4 of 14/11/2017;
 - smartID+, R 2430/2016-4 of 08/11/2017;
 - SMART E-BIKE (fig.), R 382/2017-1 of 07/11/2017;
 - SMARTnet, R 238/2017-2 of 13/10/2017;
 - SMART+, R 1134/2017-4 of 05/10/2017;
 - SMARTLINK, R 512/2017-5 of 21/09/2017;
 - smartactive, R 673/2017-5 of 07/09/2017;
 - smart flow, R 492/2017-4 of 06/09/2017;
 - SMART 1, R 730/2017-5 of 04/09/2017;
 - SMARTMEMBRANE, R 786/2016-1 of 31/08/2017;
 - SMARTKID, R 2263/2016-4 of 16/06/2017;
 - SMARTBALL, R 117/2018-4 of 08/10/2018.
- 23 In this meaning ‘SMART’ is commonly used in terms such as ‘Smartphones’ and ‘Smartcards’ (06/03/2014, R 831/2013-1, SMART REGISTER, § 19). The Boards have also relied on the meaning of ‘smart’ in the sense of fashionable, chic as a characteristic of goods (see 16/02/2018, R 1950/2017-4, SMART COLOR, § 22).
- 24 ‘THING’ means any object or concept, tangible or not. It is not limited to physical objects, as is apparent from the words ‘everything’, ‘anything’ and ‘something’.
- 25 In consequence the addition of the term ‘THINGS’ to ‘SMART’ does not add anything, and each and every-thing that is ‘SMART’ is, or may rightfully be called, a ‘SMART THING’.
- 26 The combination of these two dictionary words complies with the rules of English grammar. As stated the word combination does not need to be in the dictionaries as a whole as long as the combination of the dictionary words is grammatically correct.
- 27 The emoticon is non-distinctive.
- 28 It is common knowledge that when typing the signs ‘:’ and ‘)’ on a computer keyboard the text processing program automatically converts them into the ‘positive’ (smiling) ‘smiley’ icon ☺.
- 29 The combination ‘:)’ and the smiley icon ☺ are synonymous and interchangeable and consumers know that the first represents the second. It is also common knowledge and results from everyday practical experience that the use of these symbols is ubiquitous, especially in e-mail or like electronic messages, but also in advertisement. This was reasoned correctly in the contested decision, and has not been rebutted by the EUTM proprietor with substantiated arguments; the contested decision simply did not draw the correct conclusion, namely that $0+0 = 1$, i.e. that the combination of all these elements is non-distinctive as such, also when taken as a whole.

- 30 This finding is, as the EUTM proprietor points out, indeed in line with previous decisions regarding signs incorporating a ‘smiley’ (07/10/2015, T-656/13, Shape of a smiley with heart shaped eyes, EU:T:2015:758, § 37; 04/10/2013, R 788/2013-4, Darstellung eines Smileys; 1/02/2016, R 1451/2015-4, FÜR DICH).
- 31 On top, the ‘smiley’ emoticon is not merely a sign that expresses abstract positive feelings, but it does underline the meaning of ‘smart’ as clever: The message that the goods in issue dispose of positive, advanced and consumer-friendly features is only reinforced.
- 32 Displaying the sign :) in green only makes them visible in the sign separately from the words before and after, and foregoes any interpretation of the sign as ‘SMART:’ followed by other elements, and as a matter of course displaying text elements in a particular colour is of no distinctive character in itself (03/07/2003, T-122/01, Best Buy, EU:T:2003:183, § 33; 07/06/2016, T-220/15, We care, EU:T:2016:346; 24/04/2015, R 2743/2014-4, Dialogseminar Online, § 21). It can also be observed that in both word elements the letter ‘T’ slightly differs from the most common fonts, but this again is of no distinctive character, as the average consumer will not analyse a sign as to its typographic details, and so this has not even been found worth mentioning by the EUTM proprietor.
- 33 Should the contrary reasoning of the contested decision be understood as meaning that it suffices for the distinctiveness of a sign that a precise objective message is coupled with an abstract message, then it must be rebutted that such a line of reasoning will find no support in the case-law of the Court. Rather, the more banal, abstract and ubiquitous the figurative elements are that are added to a descriptive word with an ‘objective’ and precise message, the less these additions can confer distinctiveness on such a sign as a whole.
- 34 The references of the EUTM proprietor to the filing date as the controlling date do not assist him. The dictionary definitions in issue are the same ever since. The meaning of the word elements never changed and was understood by the public from the beginning. ‘Smileys’ are not a recent phenomenon. The question as to when the composite term ‘Internet of Things’ first emerged is moot, as this is not the sign in issue, and consequently this point was not even discussed in the contested decision. What may be true is that more and more items in everyday life incorporate ‘SMART’ functions but that only confirms the finding of non-distinctiveness. There is no public interest in allowing trade mark protection for terms that refer to technologically advanced solutions which are not yet so popular on the filing date but prone to become so in the years thereafter. This also follows from the words ‘may be used’ in the wording of Article 7(1)(c) EUTMR. Furthermore, the line of reasoning that the cancellation applicant also obtained registration for a EUTM involving the word elements ‘SMARTTHINGS’ must be dismissed as this fact is irrelevant for the examination of the mark in issue; such a filing of an allegedly comparable trade mark cannot be deemed to constitute an admission of distinctiveness of the EUTM proprietor’s mark, and the examination must be made on an objective basis with regard to the perception of the target public and not with regard to eventual intentions or marketing strategies of either party.

The link to the refused goods and services

- 35 The descriptiveness of a mark must be assessed in respect of the goods and services as actually claimed in the application (20/07/2004, T-311/02, LIMO, EU:T:2004:245, § 27). A mark is to be refused when there is a sufficiently clear and specific relationship between the word sign applied for and the goods or services claimed (27/02/2002, T-106/00, Streamserve, EU:T:2002:43, § 44; 30/11/2004, T-173/03, Nurseryroom, EU:T:2004:347, § 20).
- 36 This link exists for all the goods and services for which the EUTM stands registered.
- 37 All the goods in Class 9, to the extent they are not explicitly described as ‘smart’ (-phones), are at any rate electronic or technologically sophisticated and can have ‘smart’, intelligent, functions. This includes any interactive functions.
- 38 The goods in Class 20 can be part of technologically sophisticated objects, or constitute the raw materials for them. The ubiquitous availability of ‘smart’, clever technologies renders it likely that also these goods can have the indicated functions, especially furniture or mirrors which electronically adapt themselves to certain conditions or which can be remote-controlled or which auto-control themselves via ‘smart’ software applications.
- 39 To the extent that such goods do not have any such technological function or feature, the other meaning of ‘smart’ is relevant, namely that the goods are fashionable and chic.
- 40 All goods in Class 9 and 20 are ‘things’ in the sense of physical objects so this word adds nothing to the meaning of ‘SMART’ in relation to these goods.
- 41 As concerns Class 35, on the one hand, services are claimed which concern the sale at retail (or wholesale) of the claimed Class 9 goods. In this respect the mark merely indicates that at the point of retail sale such smart products are available.
- 42 The wording ‘Compiling of various goods (except the transport thereof) for others, to facilitate the display and purchase of the aforesaid goods for customers’ is the way the Explanatory Notes of the Nice Classification paraphrase retail services, and synonymous to the latter.
- 43 On the other hand Class 35 claims ‘Advertising, Business management, Business administration, Office functions’, which are services addressed at business customers (commercial undertakings) and the purpose of which is to assist these undertakings in promoting their goods or services and/or successfully running their business. For these services the term ‘SMART THINGS’ is relevant either as a reference to the goods to which the services pertain (such as advertisement made for these goods) or as a reference to the manner in which the services are rendered, in a ‘smart’ way and ‘things’ englobing the services themselves, given that it has been established that ‘THINGS’ refers to any object or concept and not only to a three-dimensional item, so that it also englobes the provision of services. Indeed, generically, a service can be called a ‘thing’. Indeed, ‘THINGS’ is so unspecific that it does not add anything to the word ‘SMART’ also in conjunction with these Class 35 services.

- 44 To conclude, the mark has to be declared invalid on the grounds laid down in Article 59(1)(a) in conjunction with Article 7(1)(c) EUTMR for all the goods and services, as it describes relevant characteristics of them.

Article 7(1)(b) EUTMR

- 45 Pursuant to Article 7(1)(b) EUTMR, marks shall not be registered when they are devoid of any distinctive character. Distinctive character within the meaning of Article 7(1)(b) EUTMR means that the mark applied for must serve to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking, and thus distinguishing the goods or services from those of other undertakings (21/10/2004, C-64/02, *Das Prinzip der Bequemlichkeit*, EU:C:2004:645, § 33; 07/10/2004, C-136/02, *Torches*, EU:C:2004:592, § 29).
- 46 Although each of the grounds for refusal laid down in Article 7(1) EUTMR calls for a separate examination (15/09/2005, C-37/03, *BioID*, EU:C:2005:547, § 59), there is a substantial overlap between subparagraphs (b) and (c) of Article 7(1) EUTMR (12/02/2004, C-265/00, *Biomild*, EU:C:2004:87, § 18; 10/03/2011, C-51/10, 1000, EU:C:2011:139, § 47). Descriptive indications are generally devoid of distinctive character (*Biomild*, § 19; 1000, § 33; 14/06/2007, T-207/06, *Europig*, EU:T:2007:179, § 47; 26/05/16, T-331/15, *The Snack Company*, EU:T:2016:323, § 46). A sign may also lack any distinctive character for reasons other than those related to a purely informational meaning (*Biomild*, § 19).
- 47 Article 7(1)(b) EUTMR must be examined with regard to the goods and services claimed, on the one hand, and with regard to the perception by the relevant public, on the other hand, who is deemed to be reasonably observant and circumspect (12/02/2004, C-363/99, *Postkantoor*, EU:C:2004:86, § 34; 27/06/2018, T-362/17, *Feel Free*, EU:T:2018:390, § 34; 19/06/2014, C-217/13, *Oberbank*, EU:C:2014:2012, § 39). However, as regards the nexus with the claimed goods and services, a sign already lacks distinctiveness when its semantic content refers to characteristics or features of the claimed goods or services which are not necessarily giving precise information, but which refer customers to aspects of the goods or services which concern their economic value and which incites them to buy or order the goods or services (30/06/2004, T-281/02, *Mehr für ihr Geld*, EU:T:2004:198, § 31; 15/12/2009, T-476/08, *Best Buy*, EU:T:2009:508, § 19).
- 48 The relevant public, be it an average consumer or a specialised customer in the field of IT, will immediately understand the sign in a descriptive way, and for that reason he or she will also not be able to perceive the sign as a reference to a particular trade origin. The sign is not capable of fulfilling the essential function of a trade mark, which is to designate trade origin.
- 49 Independently of the descriptive character, the laudatory connotation of the word element 'SMART' in conjunction with the laudatory and exclusively positive connotation of the emoticon renders it devoid of distinctive character. Laudatory expressions and messages regarding a positive quality are devoid of any distinctive character (22/03/2018, T-235/17, *Mobile living made easy*, § 49, 50; 22/10/2015, T-431/14, *Choice*, EU:T:2015:793, § 28-30; 23/09/2009, T-396/07, *Unique*, EU:T:2009:353, § 22).

- 50 There is nothing in the sign as a whole that might, beyond its obvious laudatory meaning promoting the goods and services in question, enable the relevant public to memorise the sign easily and instantly as a distinctive trade mark for the claimed goods and services. The graphic features of the sign do not confer distinctiveness on the sign as a whole. As regards the figurative aspect of the emoticon, reference is made to the reasoning in paragraphs 27 to 31 above. The relevant consumer will not perceive these minimal figurative features as distinctive in the sense of denoting a trade origin (see 19/05/2010, T-464/08, Superleggera, EU:T:2010:212, § 18, 19; 03/07/2003, T-122/01, Best Buy, EU:T:2003:183, § 33; 10/09/2015, T-571/14, Bio proteinreicher Pflanzenkomplex aus eigener Herstellung, EU:T:2015:626, § 20).
- 51 To conclude, the mark has to be declared invalid also on the grounds laid down in Article 59(1)(a) in conjunction with Article 7(1)(b) EUTMR for all the goods and services, as it is devoid of any distinctive character.

Costs

- 52 Since the cancellation applicant (appellant) is the winning party within the meaning of Article 109(1) EUTMR, the EUTM proprietor (respondent) must be ordered to bear the costs of the cancellation and appeal proceedings.

Fixing of costs

- 53 In accordance with Article 109(7) EUTMR and Article 18(1)(c)(ii), (iii) EUTMDR, the Board fixes the amount of representation costs to be paid by the respondent to the appellant at EUR 450 for the cancellation proceedings and EUR 550 for the appeal proceedings and the amount of the fees paid by the appellant of EUR 700 for the cancellation fee and EUR 720 for the appeal fee, in total EUR 2 420.

Order

On those grounds,

THE BOARD

hereby:

- 1. Annuls the contested decision;**
- 2. Declares the EUTM invalid for all the goods and services for which it was registered;**
- 3. Orders the respondent to bear the costs of the cancellation and appeal proceedings;**
- 4. Fixes the total amount of costs to be paid by the respondent to the appellant at EUR 2 420.**

Signed

D. Schennen

Signed

C. Bartos

Signed

E. Fink

Registrar:

Signed

H. Dijkema

