

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

7 July 2005^{*}

In Case T-385/03,

Miles Handelsgesellschaft International mbH, established in Norderstedt (Germany), represented by F. Dettmann and A. Deutsch, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by T. Eichenberg and G. Schneider, acting as Agents,

defendant,

the other party to the proceedings before the OHIM Board of Appeal, intervener before the Court of First Instance, being

* Language of the case: German.

Biker Miles Motorrad Handels- und Vertriebsgesellschaft mbH, established in Berlin (Germany), represented by G. Malchartzeck, lawyer,

ACTION brought against the decision of the Second Board of Appeal of OHIM of 9 September 2003 (Case R 174/2002-2) concerning opposition proceedings between Biker Miles Motorrad Handels- und Vertriebsgesellschaft mbH and Miles Handelsgesellschaft International mbH,

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

composed of H. Legal, President, P. Lindh and V. Vadapalas, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Registry of the Court of First Instance on 18 November 2003,

having regard to the response lodged at the Registry of the Court of First Instance on 26 March 2004,

having regard to the response of the intervener lodged at the Registry of the Court of First Instance on 18 February 2004,

further to the hearing on 19 January 2005,

gives the following

Judgment

Background to the dispute

- 1 On 7 July 1999, the intervener filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), 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 trade mark for which registration was sought is the figurative sign reproduced below:



- 3 Registration was sought in respect of goods in Classes 9, 12 and 25 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,

corresponding, as far as Class 25 is concerned, to the following description: 'equipment and clothing for riders of two-wheeled vehicles, namely boots, shoes, gloves, scarves, rainwear, weather protection clothing, pullovers, helmets, kidney protectors, leather clothing, imitation leather clothing'.

4 This application was published in *Community Trade Marks Bulletin* No 38/2000 of 15 May 2000.

5 On 15 August 2000, the applicant lodged an opposition against the registration of the mark applied for in respect of the goods belonging to Class 25 alleging a likelihood of confusion as referred to by Article 8(1)(b) of Regulation No 40/94. The opposition was based on the existence of the Community word mark MILES, registered on 28 July 1998 for 'clothing, including sportswear' belonging to Class 25.

6 By decision of 7 February 2002, the Opposition Division of OHIM upheld the opposition on the ground that there was a likelihood of confusion between the marks at issue.

7 On 18 February 2002, the intervener brought before OHIM an appeal against the Opposition Division's decision, pursuant to Articles 57 to 62 of Regulation No 40/94.

8 By decision of 9 September 2003 (Case R 174/2002-2), of which the applicant was notified on 18 September 2003 (hereinafter 'the contested decision'), the Second Board of Appeal allowed the appeal. It held, in essence, that the goods at issue were

identical even if those covered by the trade mark application were special items of clothing marketed through distribution channels specific to a clearly defined group of consumers. The consumers concerned attach particular importance to the functionality and safety provided by these special items of clothing and, as a result, display a higher level of attention. As regards the similarity of the conflicting signs, the Board of Appeal took account of the graphical representation of the mark applied for and its verbal element 'biker' in arriving at the conclusion that the two signs could be distinguished at the visual, aural and conceptual levels. Therefore, notwithstanding the identical nature of the goods at issue, there were no grounds for concluding that there was a likelihood of confusion according to the Board of Appeal.

Forms of order sought by the parties

- 9 The applicant claims that the Court should:
 - annul the contested decision;
 - order OHIM to pay the costs.

- 10 OHIM and the intervener contend that the Court should:
 - dismiss the application;
 - order the applicant to pay the costs.

Admissibility of OHIM's claims

- 11 First of all, it must be noted that, in its response and at the hearing, OHIM claimed that the Board of Appeal erred in ruling out the existence of a likelihood of confusion in the present case. However, OHIM points out that following the judgment in Case T-110/01 *Vedial v OHIM — France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 16 to 25, it is required to request that the Court dismiss the application. Consequently, whilst contending that the application should be dismissed, OHIM does not dispute the validity of the sole plea in law raised by the applicant.
- 12 In this respect it is appropriate to observe that, pursuant to Article 46(1)(b) in conjunction with Article 135(1) of the Rules of Procedure of the Court of First Instance, the response submitted by the defendant must, inter alia, contain the arguments of fact and law relied on. However, in the present case OHIM has submitted no plea in support of its request to dismiss the application.
- 13 In these circumstances, OHIM's request is inadmissible. However, since the intervener has claimed that the application should be dismissed, the Court must examine the present dispute in accordance with Article 134(4) of the Rules of Procedure.

The merits

Arguments of the parties

- 14 In support of its application, the applicant relies on a single plea in law, alleging breach of Article 8(1)(b) of Regulation No 40/94.

- 15 First of all, it maintains that the Board of Appeal wrongly considered the degree of attention on the part of the relevant public to be greater. Since clothing for motorcyclists may also be purchased by persons other than motorcyclists, the relevant public consists of the average consumer who is reasonably well informed and observant. As the goods at issue are staple consumer goods, the average consumer regards them with a normal degree of attention. Indeed, even if the relevant public were to consist only of motorcyclists, that group of consumers would be no more observant than average consumers when they purchase the clothing in question, which can be used both for riding a motorcycle and for walking in winter.
- 16 Secondly, as regards the visual and aural comparison of the signs at issue, the applicant claims that the mark applied for is dominated by the verbal element 'miles' which is common to both signs. Contrary to the Board of Appeal's findings, the other elements of the mark applied for do not contribute, whether taken in isolation or combined, to the overall impression created by the mark. The figurative elements of the mark applied for remain unimportant when the signs at issue are compared because of their purely ornamental or descriptive nature indicating that the clothing may be used for travel by road. The verbal element 'biker' is also unimportant on account of its descriptive nature in relation to goods for motorcyclists.
- 17 To the extent that the word is associated with motorcyclists, the average consumer regards the clothing sold under the mark Biker Miles as belonging to one of the ranges of clothing manufactured by the applicant and intended especially for motorcyclists. By analogy, the addition of words like 'beach' or 'ski' is not regarded as indicating the origin of the clothes, but only as designating separate categories of clothing, namely beach- or skiwear, coming from the same undertaking.

18 As regards the conceptual comparison of the conflicting signs, the applicant criticises the Board of Appeal for finding that the mark applied for could be distinguished from the earlier mark because of its allusion to motorcyclists. This allusion constitutes a reference to the consumer concerned and thus can in no way contribute to the impression created by the mark applied for. In this connection the applicant relies on the judgment in Case T-104/01 *Oberhauser v OHIM — Petit Liberto (Fifties)* [2002] ECR II-4359, paragraph 45 et seq., to show that the descriptive elements are unimportant in terms of the assessment of the impression created by the mark.

19 Thus, according to the applicant, the conflicting signs, characterised by a common dominant element, are similar at the visual, aural and conceptual levels. In the light of the identical nature of the goods in question and the similarity of the conflicting signs, the Board of Appeal made an error of assessment in finding that there was no likelihood of confusion between the conflicting marks.

20 The intervener maintains that the Board of Appeal rightly found that there was a greater degree of attention on the part of the relevant public, having regard to the functionality of clothing for motorcyclists, which is related to the protection it offers in the event of accidents. The intervener also supports the Board of Appeal's finding as regards the similarity of the conflicting signs.

21 On the other hand, the intervener considers the finding by OHIM's two departments regarding the identical nature of the goods at issue to be incorrect. It maintains that clothing for motorcyclists can be distinguished from sports clothing in general and, even more so, from the other clothing sold by the applicant, on the basis of its functionality, the materials of which it is composed, the way in which it is processed and its shape. Thus the goods in question are only slightly similar.

- 22 The intervener concludes from this that, since the goods at issue are not identical and the conflicting signs are not similar, there is no likelihood of confusion in the present case.

Findings of the Court

- 23 Article 8(1)(b) of Regulation No 40/94 states that, upon opposition by the proprietor of an earlier trade mark, a trade mark is not to be registered if, because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected.
- 24 According to settled case-law, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion.
- 25 According to the same case-law, the likelihood of confusion must be assessed globally, in relation to the perception of the consumer concerned and taking into account all factors relevant to the circumstances of the case, in particular the interdependence of the similarity between the signs and the similarity between the goods or services identified (see Case T-162/01 *Laboratorios RTB v OHIM — Giorgio Beverly Hills (GIORGIO BEVERLY HILLS)* [2003] ECR II-2821, paragraphs 30 to 33, and the case-law there cited).

26 In the present case, since the earlier mark is a Community trade mark, the relevant public, for the purposes of an assessment of the likelihood of confusion, is the average consumer in the European Union.

27 As regards the level of attention of the consumer concerned, it is settled case-law that the average consumer's level of attention is likely to vary according to the category of goods or services in question (Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26).

28 In the present case, it must be stated that the intervener limited his application for registration to certain equipment and clothing (see paragraph 3 above) among the goods belonging to Class 25. However, it is not apparent from the list that the goods claimed in Class 25 are of a particular nature, such as highly technological or protective.

29 Consequently, the Board of Appeal erred in finding that the consumer concerned devotes a greater degree of attention to the goods at issue.

30 It must also be observed that the intervener disputes the Board of Appeal's finding as regards the identical nature of the goods concerned.

31 According to settled case-law, in assessing the similarity of the goods or services in question, all the relevant factors which characterise the relationship between the goods or services should be taken into account, including, inter alia, their nature, their intended use, their method of use and whether they are in competition with

each other or are complementary (see Case T-99/01 *Mystery Drinks v OHIM — Karlsberg Brauerei (MYSTERY)* [2003] ECR II-43, paragraph 39 and the case-law cited).

32 Furthermore, where the goods covered by the earlier mark include the goods covered by the trade mark application, those goods are considered to be identical (*Fifties*, paragraphs 32 and 33, and *HUBERT*, paragraphs 43 and 44).

33 In the present case, as the Board of Appeal correctly observed (point 17 of the contested decision), given that the earlier mark was not subject to an obligation to use for the purposes of Article 43(2) of Regulation No 40/94, the comparison of the goods concerned must be based exclusively on their designation such as it appears from the registration.

34 Thus, the intervener's assertion that the goods at issue are not identical must be understood as meaning that the 'clothing, including sportswear' belonging to Class 25 of the Nice Agreement and covered by the earlier mark does not include the equipment and clothing for motorcyclists belonging to the same class and cited in the application for registration.

35 Admittedly, while all clothing generally has common functions, some categories of clothing may be designed to carry out a specific function, such as protection of the body in the course of carrying out a hazardous activity. In so far as the special function of these clothes is reinforced by their other characteristics, related to their nature, their intended use and their method of use, it is conceivable that they constitute a category of goods separate from clothing in general.

- 36 In the present case, it cannot be inferred from the designation of the goods in the application for registration that the clothing covered by the application possesses characteristics besides its function allowing it to be distinguished from clothing in general.
- 37 Therefore the Board of Appeal's finding, according to which the goods at issue are identical, must be upheld. The goods claimed in Class 25 are included in the category of goods covered by the earlier mark.
- 38 As regards the comparison of the conflicting signs, the overall assessment of the likelihood of confusion must be based on the overall impression conveyed by the signs, bearing in mind, in particular, their distinctive and dominant components. (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23).
- 39 Furthermore, a complex mark and another mark which is identical to one of the components of the complex mark can be considered to be similar only if that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it (Case T-6/01 *Matratzen Concord v OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 33).
- 40 Such an assessment does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. However, that does not mean that the overall impression conveyed by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components. As regards the assessment of the dominant character of one or more given

components of a complex trade mark, account must be taken, in particular, of the intrinsic qualities of each of those components by comparing them with those of other components (*MATRATZEN*, paragraphs 34 and 35).

- 41 In the present case the mark applied for is made up of two words written in bold, 'biker' and 'miles', as well as figurative elements, in particular the image of a road with a circle round it.
- 42 First, in respect of the figurative elements of the mark applied for, it must be stated that, as correctly observed by the Board of Appeal in point 20 of the contested decision, they do not, from a visual point of view, occupy a position equivalent to that of the verbal elements. Moreover, the image of the road with the circle round it, apart from not being very distinctive as regards goods intended for travel by road, does not constitute an element of differentiation from the idea evoked by the word 'miles', which can be understood, at least by the English-speaking part of the relevant public, to be a measure of distance.
- 43 Second, in respect of the verbal elements, the applicant rightly, and without being contradicted by the intervener, submits that the word 'biker' is descriptive as regards goods for motorcyclists, while the word 'miles' is not of a descriptive nature.
- 44 In this connection, it must be stated that the public will not generally consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark (Case T-129/01 *José Alejandro v OHIM — Anheuser-Busch (BUDMEN)* [2003] ECR II-2251, paragraph

53, and Joined Cases T-117/03 to T-119/03 and T-171/03 *New Look v OHIM — Naulover (NLSPORT, NLJEANS, NLACTIVE and NLCollection)* [2004] ECR II-3471, paragraph 34).

45 Thus, in the present case, the verbal element ‘miles’, which is identical to the earlier mark, must be considered to be the dominant element of the mark applied for.

46 It follows that the Board of Appeal erred in finding, in point 21 of the contested decision, that the other elements of the mark applied for, namely the graphical representation and the verbal element ‘biker’, were significant as regards the overall impression created.

47 It is true that, in certain circumstances, the whole produced by the verbal elements of a complex mark has to be assessed separately from each of its elements considered in isolation, in particular when that whole creates a logical unit with a semantic value which is distinct from that of its components (see, to that effect, *HUBERT*, paragraphs 57 to 59). That is also the case where a component of a complex mark, apart from being non-descriptive of the goods in question, has a semantic importance which, combined with that of the other component common to the conflicting signs, produces a whole that is conceptually different (see, to that effect, *GIORGIO BEVERLY HILLS*, paragraph 49, and Case T-156/01 *Laboratorios RTB v OHIM — Giorgio Beverly Hills (GIORGIO AIRE)* [2003] ECR II-2789, paragraph 80).

48 However, that is not true of the present case. Firstly, the ideas evoked by the word ‘miles’ and the combination of words ‘biker miles’ strongly resemble each other inasmuch as the addition of the term ‘biker’ neither alters the meaning of the term

'miles' nor, in combination with it, produces a semantic unit which is distinct from that of its components. Secondly, in the context of goods intended for motorcyclists, the reference to the latter has a descriptive content and is not such as to differentiate the concept designated by the sign. Consequently, the verbal element 'biker', even though it adds a certain nuance, is not of importance on a conceptual level.

49 Finally, as regards the overall assessment of the likelihood of confusion, it must be observed that, in the clothing sector, it is common for the same mark to be configured in various ways according to the type of goods which it designates and for a single undertaking to use sub-brands in order to distinguish various lines from one another. In such circumstances it is conceivable that the consumer concerned may consider the goods designated by the conflicting signs as belonging, admittedly, to two distinct ranges of goods but as coming, none the less, from the same undertaking (*Fifties*, paragraph 49; *BUDMEN*, paragraph 57, and *NLSPORT*, *NLJEANS*, *NLACTIVE* and *NLCollection*, paragraph 51).

50 In this case, the Board of Appeal implicitly disregarded this argument, taking the view that the consumer concerned, who already owns a Biker Miles motorcycle or who might come across this mark when contemplating the purchase of a motorcycle, will not perhaps want to purchase gloves of the mark MILES, but rather those of the mark Biker Miles to match his motorcycle and the rest of his equipment.

51 This reasoning cannot be accepted. Since the conflicting signs, which share the dominant element, relate to identical goods, namely clothing, the consumer concerned is likely to perceive them as corresponding to two separate ranges of clothing from the same undertaking.

- 52 In the light of the foregoing, the Board of Appeal must be regarded as having erred in taking the view that the consumer concerned paid a greater degree of attention and that, from his point of view, the conflicting signs were not similar inasmuch as their common verbal element 'miles' did not constitute the dominant element.
- 53 Therefore, taking account, firstly, of the identical nature of the goods at issue and, secondly, of the similarity between the conflicting signs, it must be concluded that the Board of Appeal misinterpreted Article 8(1)(b) of Regulation No 40/94 in finding that there was no likelihood of confusion between the conflicting marks.
- 54 Consequently, the contested decision must be annulled.

Costs

- 55 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 the defendant has been unsuccessful it must be ordered to pay the costs incurred by the applicant, in accordance with the form of order sought by it. Since the applicant has not applied for costs against the intervener, the latter must be ordered to bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

1. **Annuls the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 9 September 2003 (Case R 174/2002-2);**

2. **Orders OHIM to pay the costs incurred by the applicant;**

3. **Orders the intervener to bear its own costs.**

Legal

Lindh

Vadapalas

Delivered in open court in Luxembourg on 7 July 2005.

H. Jung

Registrar

H. Legal

President