



Reports of Cases

JUDGMENT OF THE GENERAL COURT (Second Chamber)

5 May 2015*

(Community trade mark — Opposition proceedings — Application for registration of the word mark SPARITUAL — Earlier Benelux figurative and word marks SPA and LES THERMES DE SPA — Relative ground for refusal — Article 8(5) of Regulation (EC) No 207/2009)

In Case T-131/12,

Spa Monopole, compagnie fermière de Spa SA/NV, established in Spa (Belgium), represented by L. De Brouwer, E. Cornu and É. De Gryse, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by J. Crespo Carrillo and A. Folliard-Monguiral, acting as Agents,

defendant,

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

Orly International, Inc., established in Van Nuys, California (United States), represented by P. Kremer and J. Rotsch, lawyers,

ACTION brought against the decision of the First Board of Appeal of OHIM dated 9 January 2012 (Case R 2396/2010-1), relating to opposition proceedings between Spa Monopole, compagnie fermière de Spa SA/NV and Orly International Inc.,

THE GENERAL COURT (Second Chamber),

composed of M.E. Martins Ribeiro, President, S. Gervasoni and L. Madise (Rapporteur), Judges,

Registrar: J. Weychert, Administrator,

having regard to the application lodged at the Registry of the General Court on 23 March 2012,

having regard to the response of OHIM lodged at the Court Registry on 24 July 2012,

having regard to the response of the intervener lodged at the Court Registry on 14 August 2012,

having regard to the reply lodged at the Court Registry on 6 December 2012,

* Language of the case: English.

having regard to the rejoinder of OHIM lodged at the Court Registry on 8 March 2013,
having regard to the rejoinder of the intervener lodged at the Court Registry on 12 March 2013,
further to the hearing on 8 July 2014,
gives the following

Judgment

Background to the dispute

- 1 On 11 February 2004, the intervener, Orly International Inc., filed an application for registration of a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).
- 2 The trade mark for which registration is sought is the word sign SPARITUAL.
- 3 The goods in respect of which registration was sought fall within Class 3 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, and correspond to the following description: ‘nail care and body care preparations’.
- 4 The Community trade mark application was published in *Community Trade Marks Bulletin* No 048/2004 of 29 November 2004.
- 5 On 25 February 2005, the applicant, Spa Monopole, compagnie fermière de Spa SA/NV, filed a notice of opposition under Article 42 of Regulation No 40/94 (now Article 41 of Regulation No 207/2009) to registration of the trade mark applied for in respect of the goods referred to in paragraph 3 above.
- 6 The opposition was based, inter alia, on the following earlier trade marks:
 - Benelux word mark SPA, registered on 11 March 1981 under No 372 307, renewed until 11 March 2021, covering goods in Class 3 and corresponding to the following description: ‘bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices’ (‘the word mark SPA covering goods in Class 3’);
 - Benelux word mark SPA, registered on 21 February 1983 under No 389 230, renewed until 21 February 2023, covering goods in Class 32 and corresponding to the following description: ‘mineral waters and aerated waters and other non-alcoholic beverages, syrups and other preparations for making beverages’ (‘the word mark SPA covering goods in Class 32’);
 - German word mark SPA, registered on 8 August 2000 under No 2 106 346, covering goods in Class 3 and corresponding to the following description: ‘perfumery, body and beauty care products’ (‘the German word mark SPA’);

- the Benelux figurative mark, reproduced below, registered on 20 February 1997 under No 606 700, covering goods in Class 32 and corresponding to the following description: ‘beers, mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages’ (‘the figurative mark SPA with the Pierrot device’):



- Benelux word mark LES THERMES DE SPA, registered on 9 February 2001 under No 693 395, covering services in Class 42 and corresponding to the following description: ‘services rendered by a thermal establishment including services relating to health care; baths, showers and massages’ (‘the word mark LES THERMES DE SPA covering services in Class 42’).
- 7 The grounds relied on in support of the opposition were those referred to in Article 8(1)(b) and (5) of Regulation No 40/94 (now Article 8(1)(b) and (5) of Regulation No 207/2009).
 - 8 By decision of 10 January 2008, the Opposition Division rejected the opposition and ruled out there being a likelihood of confusion between the mark applied for and the earlier German word mark SPA, which was not subject to the requirement of genuine use.
 - 9 On 21 January 2009, the First Board of Appeal of OHIM annulled the decision of the Opposition Division of 10 January 2008. It observed that the earlier German word mark SPA had been cancelled after the adoption of that decision because of its lack of distinctive character. Therefore, the opposition could not be validly made on the basis of that mark. It accordingly remitted the file to the Opposition Division so that the opposition could be examined on the basis of earlier marks other than the earlier German word mark SPA.
 - 10 By decision of 8 October 2010, the Opposition Division upheld the opposition. It found, on the basis of Article 8(5) of Regulation No 207/2009, that the mark applied for would take unfair advantage of the word mark SPA covering goods in Class 32.
 - 11 On 2 December 2010, the intervener filed a notice of appeal with OHIM against the second decision of the Opposition Division of 8 October 2010.
 - 12 On 15 December 2010, the applicant limited its opposition to three earlier word marks, namely: the word mark SPA covering goods in Class 3, the word mark SPA covering goods in Class 32 and the word mark LES THERMES DE SPA covering services in Class 42.
 - 13 By decision of 9 January 2012 (‘the contested decision’), the First Board of Appeal of OHIM annulled the decision of the Opposition Division of 8 October 2010.

14 As a preliminary point, it observed, in paragraph 23 of the contested decision, that the opposition had to be examined only in the light of the three earlier word marks referred to in paragraph 12 above. Primarily, in the first place, as regards the opposition based on the word mark SPA covering goods in Class 3, the Board of Appeal considered, in paragraphs 36 and 37 of the contested decision, that the documents supplied by the applicant were not sufficient to prove genuine use of that mark in respect of goods in Class 3, within the meaning of Article 42(2) of Regulation No 207/2009. In the second place, as regards the opposition based on the word mark SPA covering goods in Class 32, it considered that some of the conditions referred to in Article 8(5) of Regulation No 207/2009 for allowing an opposition to be upheld on the basis of that mark had not been satisfied. In paragraphs 43 to 47 of that decision, it stated that the applicant had not adduced proof of the reputation of that mark, demonstrated the existence of harm caused by the use of the mark sought to the distinctive character or reputation of the earlier mark, or substantiated its argument that the mark sought had taken unfair advantage of the reputation of the earlier mark. In the third place, as regards the opposition based on the word mark LES THERMES DE SPA covering services in Class 42, the Board of Appeal held, in paragraph 55 of the contested decision, that the condition relating to the reputation of that mark referred to in Article 8(5) of Regulation No 207/2009 had not been satisfied in this case and that the genuine use of that mark within the meaning of Article 42(2) of that regulation was dubious. In its view, the mark at issue is represented in the documents as a generic indication of a place in Spa (Belgium), where it is possible to take baths and not as the mark of an undertaking's services.

Forms of order sought

15 The applicant claims that the Court should:

- annul the contested decision;
- order OHIM and the intervener to pay the costs.

16 OHIM contends that the Court should:

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

17 The intervener contends that the Court should:

- uphold the contested decision;
- dismiss the action;
- order the applicant to pay the costs.

Law

18 As confirmed at the hearing, the applicant puts forward a single plea in law in support of its action, alleging infringement of Article 8(5) of Regulation No 207/2009 to challenge the rejection of its opposition based on the word mark SPA covering goods in Class 32. This plea is divided into two parts. In the first part, the applicant challenges the Board of Appeal's finding that the reputation of that mark had not been made out in the present case. In the second part it challenges the Board of

Appeal's assessment that its arguments to the effect that the likelihood of the mark applied for taking unfair advantage of the reputation of the earlier word mark in question had not been substantiated in the present case.

- 19 Under Article 8(5) of Regulation No 207/2009, upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for is not to be registered where it is identical with, or similar to, the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark
- 20 As far as trade marks registered at the Benelux Trade Mark Office are concerned, the Benelux territory must be treated like the territory of a Member State (judgment of 14 September 1999 in *General Motors*, C-375/97, ECR, EU:C:1999:408, paragraph 29).
- 21 For the same reasons as those relating to the condition as to the existence of a reputation in a Member State, a Benelux trade mark cannot therefore be required to have a reputation throughout the Benelux territory. It is sufficient for a Benelux trade mark to have a reputation in a substantial part of the Benelux territory, which may consist of a part of one of the Benelux countries (judgment in *General Motors*, paragraph 20 above, EU:C:1999:408, paragraph 29).
- 22 For an earlier trade mark to be afforded the broader protection under Article 8(5) of Regulation No 207/2009, a number of conditions must be satisfied. First, the earlier trade mark which is claimed to have a reputation must be registered. Second, that mark and the mark applied for must be identical or similar. Third, it must have a reputation in the European Union, in the case of an earlier Community trade mark, or in the Member State concerned, in the case of an earlier national trade mark. Fourth, the use without due cause of the mark applied for must lead to the risk that unfair advantage might be taken of the distinctive character or the reputation of the earlier trade mark or that it might be detrimental to the distinctive character or the reputation of the earlier trade mark. As those conditions are cumulative, failure to satisfy one of them is sufficient to render that provision inapplicable (judgments of 22 March 2007 in *Sigla v OHIM — Elleni Holding (VIPS)*, T-215/03, ECR EU:T:2007:93, paragraphs 34 and 35, and 11 July 2007 in *Mühlhens v OHIM — Minoronzoni (TOSCA BLU)*, T-150/04, ECR, EU:T:2007:214, paragraphs 54 and 55).
- 23 So far as concerns, more specifically, the fourth condition under Article 8(5) of Regulation No 207/2009, it distinguishes between three distinct and alternative types of risk: that use of the trade mark applied for without due cause, first, would adversely affect the distinctive character of the earlier mark; second, would cause detriment to the reputation of the earlier mark; or, third, would take unfair advantage of the distinctive character or reputation of the earlier mark. The first type of risk referred to in that provision arises where the earlier mark is no longer capable of arousing immediate association with the goods for which it is registered and used. It refers to the dilution of the earlier mark through the dispersion of its identity and its hold upon the public mind. The second type of risk occurs where the goods or services covered by the mark applied for may be perceived by the public in such a way that the earlier mark's power of attraction is diminished. The third type of risk referred to is that the image of the mark with a reputation or the characteristics which it projects will be transferred to the goods covered by the mark applied for, with the result that the marketing of those goods can be made easier by that association with the earlier mark with a reputation. It should, however, be emphasised that in none of those cases is it necessary that there be a likelihood of confusion between the marks at issue; it is only necessary that the relevant public is able to establish a link between them, without having necessarily to confuse them (see judgment in *VIPS*, paragraph 22 above, EU:T:2007:93, paragraphs 36 to 42 and the case-law cited).

- 24 In order to better define the risk referred to in Article 8(5) of Regulation No 207/2009, it must be pointed out that the primary function of a mark is unquestionably that of an ‘indication of origin’. The fact remains that a mark also acts as a means of conveying other messages concerning, inter alia, the qualities or particular characteristics of the goods or services which it covers or the images and feelings which it conveys, such as luxury, lifestyle, exclusivity, adventure or youth. To that effect, the mark has an inherent economic value which is independent of and separate from that of the goods and services for which it is registered. The messages in question which are conveyed by a mark with a reputation or which are associated with it confer on that mark a significant value which deserves protection, particularly because, in most cases, the reputation of a mark is the result of considerable effort and investment on the part of its proprietor. Consequently, Article 8(5) of Regulation No 207/2009 ensures that a mark with a reputation is protected with regard to any application for an identical or similar mark which might adversely affect its image, even if the goods or services covered by the mark applied for are not similar to those for which the earlier mark with a reputation has been registered (judgment in *VIPS*, paragraph 22 above, EU:T:2007:93, paragraph 35).
- 25 It is in the light of the principles laid down in the case-law cited above that it must be considered whether the Board of Appeal was correct in finding, in essence, that the third and fourth conditions of application of Article 8(5) of Regulation No 207/2009, reiterated in paragraph 22 above, were not satisfied in the present case.
- 26 In the contested decision, first, the Board of Appeal found that the applicant had not made out proof of the reputation of the word mark SPA covering goods in Class 32. It observed in that regard that the documents provided by the applicant made out proof only of the reputation of the figurative mark SPA with the Pierrot device. Thus, in its view and as evidenced by paragraph 41 of the contested decision, in the light of the judgment of 13 September 2007 in *Il Ponte Finanziaria v OHIM* (C-234/06 P, ECR, EU:C:2007:514, paragraph 86), the reputation of the figurative mark SPA with the Pierrot device could not be ‘extended’ to encompass the word mark SPA covering goods in Class 32. In paragraph 42 of that decision, it held that, contrary to what the Opposition Division had found, the documents provided by the applicant showed the use of the word ‘spa’ only in association with a figurative component representing a Pierrot device, which had an important impact on the distinctive character of the figurative mark in question and, therefore, on its reputation. In the Board of Appeal’s view, that assessment was supported by the statements of a representative of the applicant’s parent company referred to in the Board of Appeal’s decision of 9 October 2008 in *Gerwin Arnetzel v Spa Monopole, Compagnie fermière de SPA (DENTAL SPA)* (Joined Cases R 1368/2007-1 and R 1412/2007-1) (‘the DENTAL SPA decision’). Secondly, the Board of Appeal held, in paragraphs 45 and 46 of the contested decision, that the applicant had not established to the requisite legal standard that registration of the mark applied for would cause detriment to the distinctive character or reputation of the word mark SPA covering goods in Class 32 and stated, in paragraph 47 of that decision, that the applicant had not put forward any argument to show that the mark applied for would take unfair advantage of the earlier word mark in question.
- 27 Yet inasmuch as each of the four conditions referred to in paragraph 22 above must be fulfilled under Article 8(5) of Regulation No 207/2009 in order for registration of the mark applied for to be refused, it is only if the Board of Appeal’s assessment in the contested decision relating to the third and fourth conditions were incorrect that the contested decision must be annulled. It should be noted that it is common ground that the first condition referred to in paragraph 22 above, relating to registration of the word mark in question, is fulfilled and that the Board of Appeal did not rule in the contested decision — at least not explicitly — on the second condition, under which the mark applied for must be identical or similar to the word mark SPA covering goods in Class 32.

Consideration of the first part of the single plea in law: challenging the lack of evidence of the reputation of the word mark SPA covering goods in Class 32

- 28 The applicant submits that the Board of Appeal was incorrect in holding that proof of the reputation of the word mark SPA covering goods in Class 32 had not been made out in the present case. It argues, first of all, that the contested decision is vitiated by contradictory reasoning, in that the Board of Appeal found that the evidence of the reputation concerned only the figurative mark SPA with the Pierrot device, whereas the opposition had been confined to the three earlier marks referred to in paragraph 12 above, which did not include the figurative mark. Secondly, it submits that the Board of Appeal in essence erred in law and made an error of assessment. The error of law arises from an inaccurate application of the case-law on proof of use of an earlier mark, particularly the judgment in *Il Ponte Finanziaria v OHIM*, paragraph 26 above (EU:C:2007:514) and lies in the fact that the Board of Appeal did not recognise that the earlier word mark in question, when used together with the figurative component representing the image of a Pierrot figure, retains ‘independent distinctive character’ and is ‘dominant in the eyes of the public’. Moreover, that figurative component ‘does not therefore in any way affect the distinctive character’ of the earlier word mark in question, since the mark will still always be clearly recognised by the mineral water consuming public of the Benelux. The applicant accordingly submits that the Board of Appeal ought to have found that the documents provided in the course of the administrative procedure sufficed to make out proof of the reputation of the word mark SPA covering goods in Class 32, which has, moreover, been recognised in the case-law of the General Court and the decisions of OHIM and the national courts in the Benelux countries. It adds that the Board of Appeal misinterpreted the statements by the parent company’s representative, referred to in the DENTAL SPA decision, in failing to find that the document containing those statements showed that the word component ‘spa’ retained its particular distinctive character in relation to the goods at issue.
- 29 First of all, as a preliminary point, it is appropriate to dismiss the complaint that there is contradictory reasoning in the contested decision in that the Board of Appeal found that the evidence of the reputation concerned the figurative mark SPA with the Pierrot device, whereas the opposition had been confined to the three earlier marks referred to in paragraph 12 above, which did not include that figurative mark. It is clear from paragraphs 41 and 42 of the contested decision that although the Board of Appeal found that the applicant had made out proof of the reputation of the figurative mark SPA with the Pierrot device, it was only in order to determine whether the reputation of that figurative mark also made out proof of the reputation of the word mark SPA covering goods in Class 32. As stated in paragraph 23 of the contested decision, the Board of Appeal restricted its examination of the opposition to the three marks referred to in paragraph 12 above.
- 30 Secondly, inasmuch as the Board of Appeal found that the documents provided made out proof of the reputation of the figurative mark SPA with the Pierrot device — a point not challenged by the parties — it is appropriate to consider whether in the present case the Board of Appeal was correct in holding, in paragraph 43 of the contested decision, that the reputation of that figurative mark did not make out proof of the reputation of the word mark SPA covering goods in Class 32.
- 31 It should be noted at the outset in that regard, as rightly pointed out by the applicant, that the present case does not involve proving use of the earlier word mark in question within the meaning of Article 42 of Regulation No 207/2009. First of all, no such request was made before OHIM and, secondly, in accordance with the case-law, an earlier mark is presumed to have been put to genuine use as long as the applicant does not request proof of such use, which request must be made expressly and timeously to OHIM (judgment of 17 March 2004 in *El Corte Inglés v OHIM — González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)*, T-183/02 and T-184/02, ECR, EU:T:2004:79, paragraphs 38 and 39).

- 32 Moreover, the Court has held that a mark's acquisition of distinctive character may also occur as a result of its use as part of another registered trade mark (see, to that effect, judgment of 17 July 2008 in *L & D v OHIM*, C-488/06 P, ECR, EU:C:2008:420, paragraph 49). It held that, in such a scenario, in order for the distinctive character to be transferred from one registered mark to another which forms a part of the first mark, the relevant public must continue to perceive the goods at issue as originating from a particular undertaking (judgment of 7 July 2005 in *Nestlé*, C-353/03, ECR, EU:C:2005:432, paragraphs 30 and 32).
- 33 Therefore, in the light of the case-law referred to in paragraph 32 above, the proprietor of a registered mark may, in order to make out proof of the particular distinctive character and reputation of that mark, rely on evidence of its use in a different form, as part of another registered mark and reputation, provided that the relevant public continues to perceive the goods at issue as originating from the same undertaking.
- 34 It follows from the considerations set out in paragraphs 32 and 33 above that, as rightly pointed out by the applicant and contrary to the assertions of OHIM and the intervener, the Board of Appeal erred in law in finding, on the basis of the judgment in *Il Ponte Finanziaria v OHIM*, paragraph 26 above (EU:C:2007:514), that the reputation of the figurative mark SPA with the Pierrot device could not be 'extended' to the word mark SPA covering goods in Class 32. It is clear from the case-law (judgment of 25 October 2012 in *Rintisch*, C-553/11, ECR, EU:C:2012:671, paragraph 29) that the Court's statement in paragraph 86 of the judgment in *Il Ponte Finanziaria v OHIM*, paragraph 26 above (EU:C:2007:514), to the effect that under Article 10(2)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) (and, by analogy, Article 15(2)(a) of Regulation No 207/2009) it is not possible to extend, by means of proof of use, the protection enjoyed by a registered trade mark to another registered mark, the use of which has not been established, on the ground that the latter is merely a slight variation on the former, must be construed in the specific context of an alleged 'family' or 'series' of marks. According to that judgment, use of a mark may not be relied on in order to substantiate use of another mark, since the purpose is to establish use of a sufficient number of marks of the same 'family'. In the present case it is clear, as rightly observed by the applicant, that it did not seek to make out proof of use of marks of a same SPA family, but rather to demonstrate, in essence, that the word mark SPA covering goods in Class 32 enjoyed a certain reputation, since its use in the figurative mark SPA with the Pierrot device had not altered its distinctive character and that, on the contrary, that earlier word mark remained highly visible and was readily recognisable within the figurative mark in question.
- 35 In the light of the foregoing observations and contrary to the Board of Appeal's findings and the assertions of OHIM and the intervener, the conclusion must be that, provided that the condition laid down in the case-law referred to in paragraph 32 above is observed, the applicant could in the present case make out proof of the reputation of the word mark SPA covering goods in Class 32 by using evidence concerning the figurative mark SPA with the Pierrot device, of which the earlier word mark forms a part. Consequently, it remains to be ascertained whether, in the present case, the condition laid down in the aforementioned case-law is observed, that being that the components which differentiate the word mark from the figurative mark used in trade do not prevent the relevant public from continuing to perceive the goods at issue as originating from a particular undertaking.
- 36 It is accordingly necessary to determine whether, as observed by the Board of Appeal in paragraph 42 of the contested decision, the figurative component representing a Pierrot figure which is part of the figurative mark SPA with the Pierrot device has an important impact on the distinctive character of that mark and, therefore, on its reputation, arising from its consistent association with the term 'spa' in the documents submitted by the applicant. The Court must also examine whether that point was confirmed by the representative of the applicant's parent company, as the Board of Appeal held that it was, as set out in the *DENTAL SPA* decision, to the effect that the Pierrot figure is 'the ambassador of the mark', an integral part of it and 'one of the few ... emblems with a human face' which must be put 'in relief'.

- 37 As a preliminary point and as duly recorded at the hearing, the applicant withdrew its complaint to the effect that the Board of Appeal, in basing itself on the statements by a representative of the applicant's parent company, referred to in the DENTAL SPA decision cited in paragraph 26 above, had not observed its rights of defence, as provided for in Articles 75 and 76 of Regulation No 207/2009, on the ground that the document containing those statements was part of a different procedure from the one which led to the contested decision.
- 38 All the same, it must be observed that, contrary to what the Board of Appeal held in paragraph 42 of the contested decision, it is not clear from the statements by the representative of the applicant's parent company, referred to in the DENTAL SPA decision cited in paragraph 26 above, that the figurative component consisting in a Pierrot figure has a fundamental influence on the distinctive character of the figurative mark in question. Although those statements indicate inter alia that that figurative component is aimed at 'facilitating recognition of the mark' as it involves a 'favourite character', which is 'the ambassador of the mark', it is nevertheless clear that that figurative component does not appear on the label of bottles of water reproduced in the press article quoting those statements. In fact, the marks appearing on the bottle of water reproduced in that article all include the word component 'spa', as the predominant component, to which the word component 'reine' [pure] is added but without the figurative component consisting in the Pierrot device. Those same statements indicate that the Pierrot image was created in particular to be the ambassador of an already-existing mark covering goods in Class 32, for advertising purposes and to enhance its recognisability amongst the relevant public. Thus, it cannot be inferred from those statements that the figurative component representing a Pierrot figure, rather than generating advertising value for the word mark in question as a mark reproduced within the figurative mark SPA with the Pierrot device and enhancing its reputation in the relevant sector, had the contrary effect of negating that reputation in the mind of the target public.
- 39 It must be noted that the word component 'spa' appears in a distinct and predominant manner in the figurative mark SPA with the Pierrot device. It is clear that the Pierrot image appears in an almost transparent light blue colour, in the background behind the word component 'spa', which, by contrast, is juxtaposed and highlighted by its dark blue colour on a white background and its central position within the figurative mark in question.
- 40 It should also be noted that OHIM recognises that the documents submitted by the applicant during the administrative procedure include a press article from the newspaper *Het Laatste Nieuws* of 13 March 2003, stating that, on the relevant territory, 'SPA is the most popular water brand (31%)'. Yet, contrary to OHIM's assertions, the fact that the photos of water bottles, including the word component 'spa' and the figurative component consisting in a Pierrot, appear in that article (and in other documents provided by the applicant) has no bearing on the finding that that article indicates that the word mark SPA covering goods in Class 32 has a reputation by reason of the word component 'spa' being recognised by the public as distinctive for the goods marketed by the applicant. It follows that the presence or the absence of the Pierrot image has no bearing on the fact that the relevant public continues to perceive the goods at issue as originating from a particular undertaking.
- 41 Lastly, it is apparent from certain documents provided by the applicant that the term 'spa' is often used in connection with the applicant's various marks using that term and covering goods in Class 32 marketed by it. A few examples include:
- an extract from the Belgian newspaper *De Financieel-Economische Tijd* of 17 March 2003, which indicates that 'Spa is the most well-known spring water brand in our country' (Annex K (third part) to the letter of 16 May 2011 from Spa Monopole to OHIM);

- an extract from the Belgian newspaper *La Libre Belgique* of 22 July 2000 entitled ‘Que d’eaux que d’eaux’, showing the image of bottles with different labels bearing, variously, the term ‘spa’, ‘Bru’ and ‘Chaudefontaine’, with the caption ‘despite fiercer competition from distributors’ brands, the Belgian mineral waters (Spa, Bru and Chaudfontaine) remain popular with Belgian consumers’ (Annex 5S to the letter of 26 August 2005 from Spa Monopole to OHIM);
- an extract from a book entitled *Le grand livre de l’eau, Histoire Traditions Environnement, Art de vivre* by the Belgian author Jacques Mercier, indicating that the mark using the term ‘spa’ holds the highest share — 23.6% — of the Belgian mineral water market (Annex 5Q to the letter of 26 August 2005 from Spa Monopole to OHIM);
- an article of 13 March 2003 entitled ‘À vos marques. BMW, Coca-cola, Jupiler et encore Ikea plébiscitées par les consommateurs’, taken from the website of the Belgian newspaper *La dernière Heure*, in which it is stated that, following a survey of 17 800 Belgians conducted from 27 January to 7 February 2003 on favourite brands of 33 different categories of products, ‘SPA was the water brand chosen’ (Annex K (second part) to the letter of 16 May 2011 from Spa Monopole to OHIM).

- 42 In the light of all the foregoing observations, the conclusion must be that, contrary to the assertions of OHIM and the intervener, the Board of Appeal was incorrect in holding that the applicant had not made out proof of the reputation of the word mark SPA covering goods in Class 32 in that the documents provided by it established only the reputation of another mark incorporating the term ‘spa’ associated with the figurative component representing a Pierrot figure.
- 43 Consequently, as stated by the Opposition Division and as evidenced by paragraph 12 of the contested decision, the applicant did make out proof of the reputation of the word mark SPA covering goods in Class 32 in the Benelux countries for mineral waters.
- 44 Moreover, as rightly observed by the applicant, the reputation of the word mark SPA covering goods in Class 32 has also been recognised by the General Court in the judgment of 19 June 2008 in *Mühlhens v OHIM — Spa Monopole (MINERAL SPA)* (T-93/06, EU:T:2008:215, paragraph 34). In that judgment, the Court held that that mark had been used continuously in the Benelux for a number of years, had been distributed throughout the territory of the Benelux with a strong presence in both mass and small-scale distribution, had been the leader on the market for mineral water with a market share of 23.6%, had made significant advertising investments and sponsored a number of sports events, and that those facts demonstrated that that trade mark had a reputation, which was, at the very least, very significant in the Benelux for mineral water. It is therefore apparent from paragraph 34 of the judgment in *MINERAL SPA* (EU:T:2008:215) that, contrary to the assertions of OHIM and the intervener, the General Court has not always confined itself to holding that the reputation of the mark in question was not challenged, but reached that conclusion of its own volition, for the reasons set out in that paragraph. The fact that the mark has been marketed using the Pierrot image since 1924, when it was created, has had no bearing on the findings as to the reputation of the word mark SPA covering goods in Class 32.
- 45 Since, as evidenced by the case-law referred to in paragraph 22 above, the protection granted to the earlier mark by Article 8(5) of Regulation No 207/2009 presupposes the fulfilment of four conditions and that if even one of them is not fulfilled that provision will be inapplicable, it is appropriate to determine whether the Board of Appeal also erred in its assessment of the fourth condition, referred to in paragraph 22 above.

Consideration of the second part of the single plea in law: challenging the lack of analysis of the risk of free-riding of the word mark SPA covering goods in Class 32

- 46 The applicant submits that the Board of Appeal held, incorrectly, in paragraph 47 of the contested decision, that the argument that there was a risk of free-riding of the word mark SPA covering goods in Class 32 had not been substantiated. Consequently, it maintains that the Board of Appeal was also incorrect in failing to analyse that risk.
- 47 It should be borne in mind that, in paragraph 47 of the contested decision, the Board of Appeal took the view that the applicant had not substantiated its arguments to the effect that use without due cause of the mark applied for will take unfair advantage of the earlier mark, on the ground that it was merely a general statement, put forward as a simple conclusion drawn from its previous arguments concerning the detriment caused to the distinctive character and reputation of the earlier word mark in question. The Board of Appeal based its finding on the arguments put forward by the applicant in its letter of 8 September 2005, setting out the grounds of opposition to registration of the mark applied for.
- 48 According to the case-law, the infringements referred to in Article 8(5) of Regulation No 207/2009, where they occur, are the consequence of a certain degree of similarity between the conflicting signs, by virtue of which the relevant public makes a connection between those signs, even though it does not confuse them. The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case, in particular the degree of similarity between the marks at issue; the nature of the goods or services for which the marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant public; the strength of the earlier mark's reputation and the existence of a likelihood of confusion on the part of the public (see, by analogy, judgment of 27 November 2008 in *Intel Corporation, C-252/07*, ECR, EU:C:2008:655, paragraphs 41 and 42).
- 49 It should be noted that, under Article 8(5) of Regulation No 207/2009, the proprietor of an earlier national mark with a reputation may oppose registration of signs which are similar or identical to it which are liable to cause detriment caused to the reputation or distinctive character of the earlier mark or take unfair advantage of that reputation or distinctive character (see, to that effect, judgments of 22 September 2011 in *Interflora and Interflora British Unit, C-323/09*, ECR, EU:C:2011:604, paragraph 70, and 25 May 2005 in *Spa Monopole v OHIM — Spa-Finders Travel Arrangements (SPA-FINDERS)*, T-67/04, ECR, EU:T:2005:179, paragraph 40).
- 50 The types of harm against which Article 8(5) of Regulation No 207/2009 provides protection are, first, the risk of detriment to the distinctive character of the trade mark; second, the risk of detriment to the reputation of that mark; and, third, the risk of unfair advantage being taken of the distinctive character or the reputation of the mark, the presence of just one of those types of harm sufficing for the protection to be triggered (see, to that effect and by analogy, judgments in *Intel Corporation*, paragraph 48 above, EU:C:2008:655, paragraph 28, and *Interflora and Interflora British Unit*, paragraph 49 above, EU:C:2011:604, paragraph 72 and the case-law cited).
- 51 The concept of taking unfair advantage of the distinctive character or the reputation of the trade mark, also referred to as 'free-riding', relates not to the detriment caused to the earlier mark but to the advantage taken by the third party as a result of the use without due cause of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (see, by analogy, judgment in *Interflora and Interflora British Unit*, paragraph 49 above, EU:C:2011:604, paragraph 74 and the case-law cited).

- 52 In that regard it is apparent from the Court of Justice's case-law that the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that the current or future use of the later mark is taking unfair advantage of, or is detrimental to, the distinctive character or the reputation of the earlier mark (judgment in *Intel Corporation*, paragraph 48 above, EU:C:2008:655, paragraph 67). The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (judgment in *General Motors*, paragraph 20 above, EU:C:1999:408, paragraph 30). The General Court, for its part, has stated that it was possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment or of unfair advantage being taken by the mark applied for was so obvious that the opposing party did not need to put forward and prove any other fact to that end (see, to that effect, judgment in *VIPS*, paragraph 22 above, EU:T:2007:93, paragraph 48). It has also held the proprietor of the earlier mark was not required to demonstrate actual and present harm to his mark. He did however have to adduce prima facie evidence of a future risk, which was not hypothetical, of unfair advantage or detriment (see, to that effect, judgment in *SPA-FINDERS*, paragraph 49 above, EU:T:2005:179, paragraphs 40 and 41).
- 53 In the present case, given that, according to the case-law referred to in paragraph 50 above, only one of the types of harm referred to in the fourth condition set out in paragraph 22 above need be present in order for the proprietor of an earlier mark to be able to prohibit use of the mark applied for, it must be ascertained whether the applicant had put forward arguments during the administrative procedure establishing the risk that use without due cause of the mark applied for would take unfair advantage of the earlier word mark, with the result that the Board of Appeal ought to have examined them and ruled on the existence of the risk in question.
- 54 First of all, it is apparent from paragraph 12 of the contested decision that the Opposition Division had considered that the documents submitted by the applicant proved the reputation of the word mark SPA covering goods in Class 32 for mineral waters and that that mark carried an image of 'purity, health [and] beauty'. Regarding the risk of free-riding of that mark, the Opposition Division had stated that the conflicting signs were similar because the word 'sparitual' included the word 'spa' and, for that reason, consumers in the Benelux were liable to make a link between the two signs. The Opposition Division had also found that there was a link between the cosmetic products covered by the mark applied for and the mineral waters covered by the earlier mark (since cosmetic products can include mineral water and be used together with mineral water) and that, for that reason, a transfer of the image of purity, health and beauty from one product to the other was possible.
- 55 As a second point, the evidence on the file indicates that, in its observations of 24 May 2011, lodged before the Board of Appeal, the applicant referred explicitly to the arguments it had put forward previously before the Opposition Division. It should also be noted that those arguments had been upheld and reproduced by the Opposition Division in its decision of 8 October 2010, which had, as a result, upheld its opposition, as stated in paragraph 10 above. Those arguments consisted, in essence, in stating that, given the similarity between the conflicting signs, the similar nature of the goods covered by them and the considerable reputation of the earlier word mark in question, the relevant public was liable to make a connection between the conflicting signs, as a result of which the mark applied for could take advantage of the image of health, purity and beauty attaching to the earlier mark. The same arguments were to be found inter alia in the various sets of observations lodged before the Opposition Division and the Board of Appeal (observations of 8 September 2005, 18 April 2006, 16 January 2007, 13 May and 16 September 2008). A reading of those observations shows that the applicant had substantiated its argument to establish the existence of a risk of free-riding of the word mark SPA covering goods in Class 32 before the Opposition Division and that the grounds underlying that argument could be easily identified by the Board of Appeal on the basis of the applicant's statements and the Opposition Division's decision, which was being reviewed by the Board of Appeal.

- 56 It must be borne in mind that it follows from the principle of continuity of functions between the different bodies of OHIM that, in matters within the scope of Article 76 of Regulation No 207/2009, the Board of Appeal is required to base its decision on all the matters of fact and of law contained in the decision contested before it which the party or parties introduced either in the proceedings before the department which heard the application at first instance or, subject only to Article 76(2), in the appeal. In particular, the extent of the examination which the Board of Appeal must conduct is not, in principle, determined solely by the grounds relied on by the party who has brought the appeal (see, to that effect, judgment of 1 February 2005 in *SPAG v OHIM — Dann and Backer (HOOLIGAN)*, T-57/03, ECR, EU:T:2005:29, paragraph 18 and the case-law cited).
- 57 Consequently, the conclusion is that the question whether the risk that the mark applied for might take unfair advantage of the word mark SPA covering goods in Class 32 was part of the factual and legal framework before the Board of Appeal. It had been addressed by the Opposition Division in its decision in response to the applicant's arguments because it necessarily had to be resolved in order for the Opposition Division to rule on the opposition proceedings. Accordingly, the Board of Appeal ought to have reached its decision taking into consideration all documents containing the applicant's arguments which led to the decision contested before it. It follows that the Board of Appeal was incorrect in holding that the applicant's arguments pertaining to the risk that use without due cause of the mark applied for will take unfair advantage of the earlier mark had not been substantiated and in basing itself solely on the applicant's letter of 8 September 2005.
- 58 In the light of the foregoing considerations, it is appropriate to reject OHIM's argument to the effect that the complaints put forward by the applicant before the General Court alleging a risk of free-riding of the word mark SPA covering goods in Class 32 are inadmissible because they alter the subject-matter of the dispute as brought before the Board of Appeal. It is also apparent from the foregoing considerations that, as rightly pointed out by the applicant, in essence, the Board of Appeal erred in failing to analyse the arguments put forward by the applicant before the Opposition Division in support of its complaint alleging a risk of free-riding of that earlier mark, although it was required to do so.
- 59 Moreover, in accordance with the case-law referred to in paragraph 52 above, in the light of the considerable reputation of the word mark SPA covering goods in Class 32, as established in the present case and, moreover, recognised previously by the General Court, as observed by the applicant in its observations of 24 May 2011 (judgment in *MINERAL SPA*, paragraph 44 above, EU:T:2008:215, paragraphs 41 to 43), a risk of free-riding cannot prima facie be ruled out.
- 60 In those circumstances, the conclusion is that, in so far as the Board of Appeal dismissed the opposition proceedings based on the word mark SPA covering goods in Class 32, without examining the merits of the question whether all the conditions of application of Article 8(5) of Regulation No 207/2009, set out in paragraph 22 above, in order to dismiss those opposition proceedings were met, in particular the condition of similarity of the conflicting signs and the condition of there being a risk of free-riding of the earlier mark, which must be assessed inter alia having regard to the strength of the mark's reputation, the second part of the plea put forward by the applicant must be upheld.
- 61 In so far as the Board of Appeal failed to analyse the risk that the mark applied for would take unfair advantage of the earlier mark at issue, the conclusion must be, in accordance with settled case-law, that it is not for the General Court to substitute its own reasoning for that of a Board of Appeal or to carry out an assessment on which that Board of Appeal has not yet adopted a position (see, to that effect, judgment of 5 July 2011 in *Edwin v OHIM*, C-263/09 P, ECR, EU:C:2011:452, paragraph 72).
- 62 In the light of all the foregoing considerations, the Court finds that the Board of Appeal was incorrect in finding that the condition relating to the reputation of the earlier mark had not been fulfilled in the present case and that it was also incorrect in failing to ascertain whether there was a risk that the mark

applied for would take unfair advantage of the earlier mark, whereas, as demonstrated above, it was required to do so. Therefore, the single plea in law must be upheld as well founded and the contested decision must be annulled.

Costs

- ⁶³ Under Article 87(2) 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. Since OHIM and the intervener have been unsuccessful, they must, in accordance with the forms of order sought by the applicant, be ordered to pay, in addition to their own costs, the costs incurred by the applicant.

On those grounds,

THE GENERAL COURT (Second Chamber)

hereby:

- 1. Annuls the decision of 9 January 2012 (Case R 2396/2010-1) of the First Board Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM);**
- 2. Orders OHIM and Orly International, Inc. to each bear their costs and to pay the costs of Spa Monopole, compagnie fermière de Spa SA/NV.**

Martins Ribeiro

Gervasoni

Madise

Delivered in open court in Luxembourg on 5 May 2015.

[Signatures]