



Reports of Cases

JUDGMENT OF THE GENERAL COURT (Second Chamber)

15 October 2018*

(EU trade mark — Opposition proceedings — Application for EU word mark MINERAL MAGIC — Earlier national word mark MAGIC MINERALS BY JEROME ALEXANDER — Relative ground for refusal — Article 8(3) of Regulation (EC) No 207/2009 (now Article 8(3) of Regulation (EU) 2017/1001))

In Case T-7/17,

John Mills Ltd, established in London (United Kingdom), represented by S. Malynicz QC,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by A. Lukošiūtė and D. Hanf, acting as Agents,

defendant,

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

Jerome Alexander Consulting Corp., established in Surfside, Florida (United States), represented by T. Bamford and C. Rani, Solicitors,

ACTION brought against the decision of the First Board of Appeal of EUIPO of 5 October 2016 (Case R 2087/2015-1), relating to opposition proceedings between Jerome Alexander Consulting and John Mills,

THE GENERAL COURT (Second Chamber),

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

Registrar: X. Lopez Bancalari, Administrator,

having regard to the application lodged at the Court Registry on 5 January 2017,

having regard to the response of EUIPO lodged at the Court Registry on 31 March 2017,

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

further to the hearing on 5 February 2018,

* Language of the case: English.

having regard to the order of 13 March 2018 reopening the oral part of the procedure,

having regard to the Court's written question to the parties and their replies to that question lodged at the Court Registry on 30 March and 4 April 2018,

having regard to the decision of 11 April 2018 ending the oral part of the procedure,

gives the following

Judgment

Background to the dispute

- 1 On 18 September 2013, the applicant, John Mills Ltd, filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).
- 2 The mark in respect of which registration was sought is the following word sign:

MINERAL MAGIC

- 3 The goods in respect of which registration was sought are in 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: 'Hair lotions; abrasive preparations; soaps; perfumery; essential oils; cosmetics; preparations for cleaning and care of the skin, scalp and hair; deodorants for personal use'.
- 4 The EU trade mark application was published in *Community Trade Marks Bulletin* No 2014/14 of 23 January 2014.
- 5 On 23 April 2015, the intervener, Jerome Alexander Consulting Corp., filed a notice of opposition pursuant to Article 41 of Regulation No 207/2009 (now Article 46 of Regulation 2017/1001) to registration of the mark applied for in respect of the goods referred to in paragraph 3 above.
- 6 The opposition was based on the following earlier marks:
 - American word mark No 4274584 MAGIC MINERALS BY JEROME ALEXANDER, designating the following goods: 'Face powder featuring mineral enhancements';
 - American non-registered word mark MAGIC MINERALS, designating the following goods: 'Cosmetics'.
- 7 The grounds relied on in support of the opposition were those referred to in Article 8(3) of Regulation No 207/2009 (now Article 8(3) of Regulation 2017/1001).
- 8 On 18 August 2015, the Opposition Division rejected the opposition.
- 9 On 15 October 2015, the intervener filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009 (now Articles 66 to 71 of Regulation 2017/1001), against the Opposition Division's decision.

- 10 By its decision of 5 October 2016 ('the contested decision'), the First Board of Appeal annulled the Opposition Division's decision and, on the basis of Article 8(3) of Regulation No 207/2009, rejected the mark for which registration was sought.
- 11 First, the Board of Appeal took note of the fact that the intervener was no longer basing its opposition on the non-registered American trade mark MAGIC MINERALS and that it was thus relying only on the word mark MAGIC MINERALS BY JEROME ALEXANDER.
- 12 Secondly, the Board of Appeal recalled the purpose of Article 8(3) of Regulation No 207/2009 — which is to prevent the misuse of a trade mark by the trade mark proprietor's agent — and also the conditions which, in its view, must be fulfilled for an opposition on that basis to succeed: namely, the opposing party must be the proprietor of the earlier mark; the applicant for the mark must be or have been the agent or representative of the proprietor of the mark; the application must have been filed in the name of the agent or representative without the proprietor's consent and without there being legitimate reasons to justify the agent's or representative's action; and the application must relate in essence to identical or similar signs and goods.
- 13 Thirdly, the Board of Appeal examined in detail whether the test for upholding an opposition on the basis of Article 8(3) of Regulation No 207/2009 was satisfied. First, where an agent/representative relationship is concerned, the Board of Appeal stated that the terms 'agent' and 'representative' should be interpreted broadly. In the present case, the Board found that the distribution agreement between the parties provided that the applicant would be responsible for distributing the products of the intervener within the European Union. The Board of Appeal also noted that provisions on the exclusivity of the distribution agreement, a non-competition clause and provisions regarding the intervener's intellectual property rights were to be found in the agreement. It concluded that the evidence presented by the intervener, namely purchase orders one of which bore a date that preceded by two months the date on which application for the contested trade mark was filed, demonstrates the existence of a significant commercial relationship which goes beyond a simple supplier/distributor relationship. The Board of Appeal thus concluded that there existed, at the time of the filing of the trade mark application, an actual, ongoing, non-transient business relationship between the parties which gave rise to a general duty of trust and loyalty and that the applicant was an agent within the meaning of Article 8(3) of Regulation No 207/2009.
- 14 Fourthly, the Board of Appeal pointed out that Article 8(3) of Regulation No 207/2009 relates not only to cases where the goods or services compared are identical, but also to cases where they are similar. In the present case, it noted that the goods covered by the signs at issue were identical — the 'cosmetics' covered by the mark applied for encompassing 'face powder featuring mineral enhancements' covered by the earlier mark — or similar — the remaining goods covered by the trade mark applied for having various links with those covered by the earlier mark because of the fact that they may contain the same ingredients, are often produced by the same companies and are offered together in drug stores or the same retail store aisles.
- 15 As for the signs, the Board of Appeal found them to be similar. First, it noted the striking resemblance between the first two word elements ('magic' and 'minerals') of the earlier mark and the word elements of the mark applied for. Secondly, it stated that the earlier mark is likely to be perceived by the relevant public in the European Union as consisting of two components: the component 'by Jerome Alexander' is likely to be perceived as a so-called 'house mark', in other words as identifying the entity responsible for the product, and the component 'magic minerals' is likely to be perceived as an identification of the product itself or the product line. Finally, it noted that the fact that the United States Patent and Trademark Office (USPTO) did not object to the registration of the trade mark MAGIC MINERALS BY JEROME ALEXANDER despite the existence of the trade mark MINERAL MAGIC COSMETICS does not mean that there is no likelihood of confusion between those marks. The Board noted that

the proprietor of the trade mark MINERAL MAGIC COSMETICS would have had to file an opposition in this regard. Taking into account all of these factors, the Board of Appeal upheld the opposition under Article 8(3) of Regulation No 207/2009.

Procedure and forms of order sought

16 The applicant claims that the Court should:

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

17 EUIPO contends that the Court should:

- dismiss the action in its entirety;
- order the applicant to pay the costs incurred by EUIPO.

18 The intervener claims that the Court should:

- dismiss the action in its entirety;
- uphold the contested decision;
- order the applicant to bear its own costs and to pay those of the intervener and of EUIPO.

Law

19 In support of its action, the applicant essentially relies on a single plea in law, alleging infringement of Article 8(3) of Regulation No 207/2009, which is subdivided into three complaints. The first alleges that the Board of Appeal wrongly held that the applicant was an agent or representative of the proprietor of the earlier trade mark for the purposes of the aforementioned provision. In the context of the second complaint, it submits that the Board of Appeal made an error in law in finding that Article 8(3) of Regulation No 207/2009 was applicable even though the signs in question were merely similar and not identical. The third complaint alleges that the Board of Appeal wrongly held that Article 8(3) of Regulation No 207/2009 was applicable even though the goods encompassed by the earlier trade mark were not identical to the goods covered by the trade mark applied for.

20 The Court considers it appropriate to begin by examining the second complaint, which alleges that Article 8(3) of Regulation No 207/2009 was erroneously applied in a case concerning similar signs.

21 The applicant claims that the Board of Appeal erroneously held that it is sufficient for the earlier mark to be merely similar -- rather than identical -- to the trade mark applied for in order for Article 8(3) of Regulation No 207/2009 to be invoked. It also submits that the Board of Appeal mistakenly took into account the perspective of the public in the European Union whereas it is the American public which is concerned by the earlier American word mark.

22 EUIPO, supported by the intervener, disputes the applicant's arguments. EUIPO takes the view that a strictly literal interpretation of Article 8(3) of Regulation No 207/2009 would mean that this provision could be applied only if the signs are identical and would render it ineffective. EUIPO submits that a trade-mark applicant could avoid application of the provision by slightly modifying the earlier trade mark and that in such a case the interests of the proprietor of the earlier trade mark would be seriously

prejudiced. It contends that if the trade mark was registered despite the similarity between the two signs, the applicant for the contested trade mark would then be able to prevent all subsequent registration and usage of the earlier trade mark by the original proprietor. It submits that Article 8(3) of Regulation No 207/2009 is designed to prevent the misuse of a mark by the trade mark proprietor's agent, since the agent may exploit the knowledge and experience acquired during their business relationship and therefore improperly benefit from the effort and investment made by the proprietor of the earlier trade mark. According to EUIPO, that provision should be interpreted in a nuanced manner in order to protect the legitimate proprietor effectively against unfair practices of its representatives by extending the application of this provision beyond cases involving strictly identical trade marks. The comparison of the signs carried out under Article 8(1)(b) of Regulation No 207/2009 (now Article 8(1)(b) of Regulation 2017/1001) and that carried out under Article 8(3) of that regulation are not necessarily the same. EUIPO maintains that with regard to the latter comparison, Article 8(3) of Regulation No 207/2009 focuses on the interests of the proprietor of the earlier mark. In the present case, the Board of Appeal did not apply the test of similarity attributable to Article 8(1)(b) of Regulation No 207/2009, but rather considered, in view of the specific nature of the signs, whether they could be deemed similar 'in essence' so that legitimate interests of the proprietor of the trade mark could be undermined and the applicant could improperly benefit from its prior relation with that proprietor. Therefore, it is the specific nature of the signs in the present case that warrants application of Article 8(3) of Regulation No 207/2009 beyond the identity of the signs.

- 23 It should be recalled that according to Article 8(3) of Regulation No 207/2009 'upon opposition by the proprietor of the trade mark, a trade mark shall not be registered where an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's consent'.
- 24 That provision does not explicitly mention a condition of identity or one of similarity between the proprietor's trade mark and the trade mark applied for by the agent or representative.
- 25 However, Article 8(3) of Regulation No 207/2009 is to be understood as intended to prevent the misuse of the proprietor's trade mark by his agent or representative as such agents or representatives may exploit the knowledge and experience acquired during their business relationship with the proprietor and therefore improperly benefit from the effort and investment which the trade mark proprietor himself made (see judgment of 29 November 2012, *Adamowski v OHIM — Fagumit (FAGUMIT)*, T-537/10 and T-538/10, EU:T:2012:634, paragraph 22). This provision in essence thus requires that there should be a direct link between the proprietor's trade mark and the trade mark requested to be registered by the agent or representative in his own name. Such a link can exist only if the trade marks in question match.
- 26 That proposition is supported by the *travaux préparatoires* of the regulation on the Community trade mark. They provide a useful insight into the legislature's intentions and suggest an interpretation whereby the earlier trade mark and the trade mark applied for must be identical -- not merely similar -- in order for Article 8(3) of Regulation No 207/2009 to apply.
- 27 As is recalled by the applicant, the EU legislature originally envisaged in the pre-draft of the regulation relating to the Community trade mark that the provision at issue could also be applied in a case where the signs are similar. However, this option was not included in the final version of Article 8(3) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).
- 28 Likewise, in the Council of the European Union's Document No 11035/82 of 1 December 1982, which contains a summary of the conclusions of the Working Group on the regulation on the Community trade mark within the Council, the Working Group expressly indicated that it had not adopted the suggestion of a delegation that the provision concerned should also apply in cases of 'similar' trade marks for 'similar' products.

- 29 In this regard, in its response to the written question put by the Court, EUIPO argued, first, that this extract from the *travaux préparatoires* can only be interpreted as meaning that the Council simply refused to establish ‘in positive terms’ that the provision in question should apply where the trade marks are identical or similar and, secondly, that this extract should be considered against the background of the fact that the services of the European Commission had suggested using the wording ‘identical or similar’ in the pre-draft version of the regulation. Such arguments must be rejected.
- 30 First, the fact that the legislature twice refrained from making express mention of the fact that the provision at issue should also apply in cases where the trade marks are similar — first by amending the pre-draft of the regulation on this point and, second, by specifically rejecting a request made by a delegation — sufficiently demonstrates its intention with regard to this matter.
- 31 Secondly, it is clear from the wording in Document No 11035/82 that it was the suggestion, as such, of the relevant delegation that the provision should apply to trade marks that are similar which was rejected and not, as EUIPO claims, merely the proposal that the words ‘identical or similar’ be included in this provision.
- 32 Thirdly, again in Document No 11035/82, the Working Group noted that it had agreed that the provision at issue should be interpreted as applying internationally within the meaning of Article 6 *septies* of the Paris Convention for the Protection of Industrial Property of 20 March 1883, as revised and amended.
- 33 In this regard, it should be noted that the European Union is party to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of 15 April 1994 (OJ 1994 L 336, p. 214), which is found in Annex 1C of the Agreement Establishing the World Trade Organisation (WTO) (OJ 1994 L 336, p. 3), and that Article 2 of this agreement makes reference to several substantive provisions of the Paris Convention for the Protection of Industrial Property of 20 March 1883, including Article 6 *septies*. Consequently, indeed as noted by EUIPO in its response to the Court’s question, the European Union is required to interpret Article 8(3) of Regulation No 207/2009, as far as possible, in the light of the wording and purpose of that agreement (see judgment of 16 November 2004, *Anheuser-Busch*, C-245/02, EU:C:2004:717, paragraph 42) and thus of Article 6 *septies* of the Paris Convention.
- 34 The French version of that article provides that if the agent or representative of the person who is the proprietor of ‘une marque’ (‘a mark’) in one of the countries of the Union for the protection of industrial property applies, without the proprietor’s authorisation, for the registration of ‘cette marque’ (‘this mark’) in his own name, in one or more countries of the Union, the proprietor shall be entitled to oppose the registration applied for. The wording of that provision can be interpreted only as meaning that the proprietor’s trade mark and the mark filed by the agent or representative are the same. It should be noted that the English version of this provision also indicates that the proprietor’s trade mark and the mark filed by the agent or representative must be identical. Indeed, this version refers to the proprietor of ‘a mark’ and subsequently mentions the registration of ‘the mark’, the latter having no other possible interpretation than the trade mark of the proprietor.
- 35 Taking into account the fact that there is no ambiguity in the wording of Article 6 *septies* of the Paris Convention, EUIPO cannot base an argument on the *travaux préparatoires* of this convention to support the claim that this article should also be interpreted as encompassing cases where the signs are merely similar.
- 36 Fourthly, EUIPO seeks to base an argument on the inclusion of the words ‘identical or similar’ in Article 8(1)(b) of Regulation 207/2009 and the absence of such words in paragraph 3 of that provision to suggest that its scope is not limited to cases concerning strictly identical trade marks. However, the absence of such wording should rather be seen as suggesting that it appeared obvious to the legislature

that the provision related to cases in which the trade mark applied for by the agent was the mark of the proprietor and so, by definition, identical, meaning that it seemed unnecessary to the legislature to state this specifically.

- 37 It follows from the above that the intention of the EU legislature was that Article 8(3) of Regulation No 207/2009 can be applied only if the proprietor's trade mark and the mark applied for by the agent or representative of the proprietor are identical and not merely similar.
- 38 It is useful to recall in this regard that, when it comes to the level required in order for signs to be considered identical, the case-law indicates that a sign is identical with another where it reproduces, without any modification or addition, all the elements constituting that other sign or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer, who rarely has the opportunity to make a direct comparison of the signs, but rather has to rely on his imperfect recollection of them (judgment of 3 December 2015, *TrekStor v OHIM — Scanlab (iDrive)*, T-105/14, not published, EU:T:2015:924, paragraph 62).
- 39 In the same vein, the issue of the identical nature of the signs has also been examined, in a more indirect way, in the context of the assessment of the genuine use of a trade mark. Article 15 of Regulation No 207/2009 (now Article 18 of Regulation 2017/1001) provides that the use of a trade mark in a form differing from the form in which it was registered also constitutes use, provided that the elements that differ do not alter the distinctive character of the mark, irrespective of whether the trade mark is registered in the name of the proprietor in the form in which it is used. The aim of this provision is to allow the proprietor to make variations in the sign which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned. However, the difference must be in negligible elements and the signs, as they are used and registered, must be broadly equivalent (see judgment of 23 February 2006, *Il Ponte Finanziaria v OHIM — Marine Enterprise Projects (BAINBRIDGE)*, T-194/03, EU:T:2006:65, paragraph 50).
- 40 It should therefore be determined whether the signs at issue are identical within the meaning of the judgment of 3 December 2015, *iDrive* (T-105/14, not published, EU:T:2015:924), cited in paragraph 38 above, taking into consideration the criteria set out in the judgment of 23 February 2006, *BAINBRIDGE* (T-194/03, EU:T:2006:65), cited in paragraph 29 above.
- 41 In this regard, as can be seen from paragraph 33 of the contested decision, the Board of Appeal was of the opinion that the trade mark applied for differed from the earlier trade mark in that the order of the words 'mineral' and 'magic' was reversed and in that it contains neither the letter 's' nor the expression 'by Jerome Alexander'. The Board held on this basis that the signs should be considered similar. That conclusion must be upheld. It is clear that in the present case the signs at issue are not identical, which was confirmed moreover by all the parties in their written submissions. The conclusion that the signs are not identical is, moreover, so obvious that it applies irrespective of any difference in perception that the average consumer may have depending on the territory in which he is established.
- 42 Since the signs at issue are not identical, it should be concluded that the Board of Appeal erroneously held that it could rely on Article 8(3) of Regulation No 207/2009 to refuse the registration of the trade mark applied for.
- 43 Taking into account all of the above and without it being necessary to rule on the first and third complaints, the single plea alleging infringement of Article 8(3) of Regulation No 207/2009 must be upheld, and consequently the contested decision must be annulled.

Costs

- 44 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party shall be ordered to pay the costs if they have been applied for in the successful party's pleadings. Under Article 134(2) of those rules, where there is more than one unsuccessful party, the Court is to decide how the costs are to be shared.
- 45 Since EUIPO and the intervener have been unsuccessful, they must each be ordered to pay, in addition to their own costs, half of those incurred by the applicant.

On those grounds,

THE GENERAL COURT (Second Chamber)

hereby:

- 1. Annuls the decision of the First Chamber of the Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 5 October 2016 (Case R 2087/2015-1);**
- 2. Orders EUIPO to pay, in addition to its own costs, half of the costs incurred by John Mills Ltd;**
- 3. Orders Jerome Alexander Consulting Corp. to pay, in addition to its own costs, half of the costs incurred by John Mills.**

Prek

Buttigieg

Berke

Delivered in open court in Luxembourg on 15 October 2018.

E. Coulon
Registrar

M. Prek
President