Reports of Cases

JUDGMENT OF THE GENERAL COURT (Fourth Chamber)

21 November 2018*

(EU trade mark — Invalidity proceedings — EU word mark Exxtra Deep — Absolute ground for refusal — Descriptive character — Article 7(1)(c) of Regulation (EC) No 207/2009 (now Article 7(1)(c) of Regulation (EU) 2017/1001))

In Case T-82/17,

PepsiCo, Inc., established in New York, New York (United States), represented by V. von Bomhard and J. Fuhrmann, lawyers,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by M. Rajh and D. Walicka, acting as Agents,

defendant,

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

Intersnack Group GmbH & Co. KG, established in Düsseldorf (Germany), represented by T. Lampel and M. Pfaff, lawyers,

ACTION brought against the decision of the Fourth Board of Appeal of EUIPO of 24 November 2016 (Case R 482/2016-4), concerning invalidity proceedings between PepsiCo and Intersnack Group,

THE GENERAL COURT (Fourth Chamber),

composed of H. Kanninen (Rapporteur), President, J. Schwarcz and C. Iliopoulos, Judges,

Registrar: I. Dragan, Administrator,

having regard to the application lodged at the Court Registry on 7 February 2017,

having regard to the response of EUIPO lodged at the Court Registry on 2 May 2017,

having regard to the response of the intervener lodged at the Court Registry on 27 April 2017,

further to the hearing on 17 November 2017,

* Language of the case: English.

gives the following

Judgment

Background to the dispute

1 On 23 September 2013, the intervener, Intersnack Group GmbH & Co. KG, 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 Community trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).

2 Registration as a mark was sought for the word sign Exxtra Deep.

3 The goods in respect of which registration was sought are in Classes 29, 30 and 31 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, for each of those classes, to the following description:

– Class 29: 'Extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks; Roasted, dried, salted, spiced, coated and processed nuts, cashew kernels, pistachios, almonds, peanuts, coconuts (dried); Preserved, dried, and cooked fruits and vegetables; Seaweed extracts for food; Ginger products being dried fruit';

– Class 30: 'Extruded and pelletised or otherwise manufactured or processed tapioca, manioc, rice, maize, wheat or other cereal products and ginger products being confectionery and jelly fruits for snacks; Savoury biscuits and pretzels; Muesli bars, mainly consisting of nuts, dried fruits, processed cereal grains; Chocolate and chocolate products; Sauces';

– Class 31: 'Unprocessed nuts, cashew kernels, pistachios, almonds, peanuts and seeds; Algae for human consumption'.

4 The word sign Exxtra Deep was registered as an EU trade mark on 3 February 2014 under number 012161981 in respect of the goods referred to in paragraph 3 above ('the contested mark').

5 On 24 November 2014, the applicant, PepsiCo, Inc., filed an application for a declaration of invalidity against the contested mark, on the basis of Article 52(1)(a) of Regulation No 207/2009 (now Article 59(1)(a) of Regulation 2017/1001), on the ground that that mark had been registered in breach of Article 7(1)(b) and (c) of that regulation (now Article 7(1)(b) and (c) of Regulation 2017/1001).

6 By decision of 11 February 2016, the Cancellation Division granted the application for a declaration of invalidity for 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks; Roasted, dried, salted, spiced, coated and processed nuts, cashew kernels, pistachios, almonds, peanuts, coconuts (dried)' in Class 29 and for 'extruded and pelletised or otherwise manufactured or processed tapioca, manioc, rice, maize, wheat or other cereal products; Savoury biscuits and pretzels' in Class 30.

7 The Cancellation Division indicated, in particular, that the word 'deep' is used in relation to crisps to describe their deep ridges, which is a shape applied by a variety of crisp manufacturers to their products. It therefore found that the expression 'exxtra deep' would be understood by the relevant public as a description of the ridge-cut shape of the crisps. However, it took the view that that finding was true only for crisps and for goods similar to crisps which could be sold in a ridge-cut shape. By

contrast, for the other goods, it took the view that the contested mark was not descriptive. It noted that, in particular, dried fruits and vegetables were not sold cut in ridges in the same way as crisps. It therefore concluded that registration of the contested mark had to be maintained for 'preserved, dried, and cooked fruits and vegetables' in Class 29.

8 On 11 March 2016, the applicant brought an appeal before EUIPO against the decision of the Cancellation Division. It requested that that decision be annulled to the extent that it had not declared the contested mark invalid in respect of 'preserved, dried, and cooked fruits and vegetables' in Class 29.

9 By decision of 24 November 2016 ('the contested decision'), the Fourth Board of Appeal of EUIPO dismissed the applicant's appeal. It found that the contested mark was neither descriptive nor devoid of distinctive character for 'preserved, dried, and cooked fruits and vegetables' in Class 29. In that regard, it first pointed out that, unlike potato crisps, vegetables and fruits were generally not ridge-cut. It further recalled that a potato crisp or snack may be made from vegetables without being a vegetable itself. Accordingly, the relevant public could, at most, view the contested mark as an allusion to a particular cut of vegetables or fruits, but not as a description of the characteristics of those goods. Thus, there is nothing that would indicate that the term 'deep' is intrinsically descriptive of vegetables or fruits. For the relevant public to draw the conclusion that that term describes a certain cut of preserved, dried, and cooked fruits or vegetables, a second mental step would therefore be required.

Forms of order sought

10 The applicant claims that the Court should:

– annul the contested decision;

– order EUIPO and the intervener to pay the costs.

11 EUIPO contends that the Court should order each party to bear its own costs.

12 The intervener claims that the Court should:

– dismiss the action;

– order the applicant to pay its costs.

Law

The admissibility of the annexes produced before the Court by the applicant

13 It is agreed between the parties that Annexes A.7 to A.17, attached to the application, were produced for the first time before the Court.

14 The admissibility of Annex A.7, consisting of a decision of the Opposition Division of EUIPO, is not disputed by the parties. By contrast, the admissibility of various extracts from the Wikipedia website (Annexes A.10, A.13 and A.16), from a cooking blog (Annex A.15), from an online discussion forum (Annex A.14) and from a website dedicated to food (Annex A.17) is disputed both by the intervener and by EUIPO. The same is true, from the point of view of the intervener, in regard to the admissibility of three extracts from the online dictionaries 'dictionary.com' (Annexes A.9 and A.12) and *Cambridge English Dictionary* (Annex A.11), produced by the applicant. That is also the case,

finally, with regard to Annex A.8, consisting of an extract from the website of EUIPO, produced by the applicant, which illustrates EUIPO's practice when applying Article 28(8) of Regulation No 207/2009 (now Article 33(8) of Regulation 2017/1001).

15 In the first place, Annex A.7 must be declared admissible, in so far as it is not strictly evidence, since it concerns EUIPO's decision-making practice, to which a party has the right to refer. That conclusion also holds good for Annex A.8, which documents the implementation, by EUIPO, of Article 28(8) of Regulation No 207/2009, in the present case by way of the publication of a second non-exhaustive list of terms regarded as not being clearly covered by the literal meaning of the class headings for the purpose of declarations provided for by that article (see, to that effect, judgments of 2 July 2015, *BH Stores* v *OHIM — Alex Toys (ALEX)*, T-657/13, EU:T:2015:449, paragraph 26, and of 18 March 2016, *Karl-May-Verlag* v *OHIM — Constantin Film Produktion* (*WINNETOU*), T-501/13, EU:T:2016:161, paragraph 18).

16 In the second place, the other annexes to the application produced for the first time before the Court cannot be taken into consideration. The purpose of an action before the Court is to review the legality of decisions of the Boards of Appeal of EUIPO for the purposes of Article 65 of Regulation No 207/2009 (now Article 72 of Regulation 2017/1001), with the result that it is not the Court's function to review the facts in the light of documents produced for the first time before it. The abovementioned documents must therefore be disregarded, and there is no need to assess their probative value (see, to that effect, judgment of 2 July 2015, *ALEX*, T-657/13, EU:T:2015:449, paragraph 25).

17 That conclusion cannot be invalidated by the circumstance, alleged by the applicant, that the evidence produced for the first time before the Court merely complements the evidence already submitted to EUIPO and illustrates well known facts.

18 First, the claim, as the case may be, that the annexes in question merely 'complement' the evidence previously submitted has no effect on the fact that the information contained in those documents was not available to the Board of Appeal (judgment of 26 July 2017, *Staatliche Porzellan-Manufaktur Meissen* v *EUIPO*, C-471/16 P, not published, EU:C:2017:602, paragraphs 26 and 27; see also, to that effect, judgments of 23 March 2017, *Vignerons de la Méditerranée* v *EUIPO — Bodegas Grupo Yllera (LE VAL FRANCE)*, T-216/16, not published, EU:T:2017:201, paragraph 42, and of 14 December 2017, *GeoClimaDesign* v *EUIPO — GEO (GEO)*, T-280/16, not published, EU:T:2017:913, paragraphs 19 and 20).

19 Next, as regards the argument claiming that the facts invoked by the applicant before the Court are well known, it is clear from the case-law that, first, the bodies of EUIPO may base their decisions on well-known facts which have not been put forward by the applicant, without having to establish the accuracy of such facts, and, second, an applicant against whom EUIPO relies on such well-known facts may challenge their accuracy before the Court (judgment of 22 June 2006, *Storck* v *OHIM*, C-25/05 P, EU:C:2006:422, paragraphs 50 to 52), EUIPO thus being, in such a situation and with regard to the principle of equality of arms, entitled to present documents to the Court in order to support the accuracy of a matter of common knowledge which was not established in the contested decision (judgment of 10 November 2011, *LG Electronics* v *OHIM*, C-88/11 P, not published, EU:C:2011:727, paragraph 29). By contrast, the applicant cannot be recognised as having the right to submit documents for the first time before the Court on the sole ground that they illustrate well-known facts which, moreover, are not alleged to have been put forward in the contested decision (see, to that effect, order of 17 July 2014, *MOL* v *OHIM*, C-468/13 P, not published, EU:C:2014:2116, paragraph 42, and judgment of 5 February 2016, *Kicktipp* v *OHIM — Italiana Calzature (kicktipp)*, T-135/14, EU:T:2016:69, paragraphs 113 and 114). Allowing such a right would limit the scope of the applicant's obligation to provide, from the stage of the proceedings before EUIPO, all evidence in support of its pleas in law and arguments. In the present case, by the applicant's very admission, the allegedly well-known fact that potato crisps are a dried, cooked and preserved vegetable had already

been put forward by the applicant before the Board of Appeal, with the documents presented for the first time to the Court, for the most part and according to the applicant's words, constituting a 'complement' to the evidence already submitted.

20 Consequently, Annexes A.9 to A.17 must be rejected.

Substance

21 As a preliminary point, it should be stated that, before the Court, as was already the case before the Board of Appeal, the dispute is limited to the goods in respect of which the invalidity of the contested mark was not declared by the departments of EUIPO, namely 'preserved, dried, and cooked fruits and vegetables' in Class 29.

22 In support of the action, the applicant puts forward two pleas in law. The first plea alleges infringement of Article 7(1)(b) and (c) of Regulation No 207/2009. The second plea alleges infringement of Article 28(2), (4) and (5) of Regulation No 207/2009 (now Article 33(2), (4) and (5) of Regulation 2017/1001).

23 In support of its first plea in law, the applicant first argues that it is 'incoherent and outright wrong' to conclude that the expression 'exxtra deep' is descriptive for potato crisps and other vegetable crisps but not for 'preserved, dried and cooked fruits and vegetables'. The latter goods, it submits, correspond to the general indication listed in the heading of Class 29 of the Nice Classification, which has always been considered to include potato crisps and other vegetable crisps.

24 The applicant adds that, in 1999, the Opposition Division had taken the view, in opposition proceedings between the applicant and the intervener, that the term 'potato chips' was covered by the term 'dried vegetables' and that those goods were therefore identical. That decision, it submits, was confirmed by the Board of Appeal of EUIPO and by the Court in the judgment of 21 April 2005, *PepsiCo* v *OHIM — Intersnack Knabber-Gebäck (RUFFLES)* (T-269/02, EU:T:2005:138). By evidence produced before the end of the oral procedure, it also refers to a decision of the Fourth Board of Appeal of EUIPO of 22 March 2017 (Case R 1659/2016-4), which, in the context of an action brought by the intervener against a refusal of registration, held that 'preserved, dried and cooked fruits and vegetables' could take the form of crisps.

25 The applicant also indicates, first, that potato crisps are mentioned separately in the alphabetical list of Class 29 of the Nice Classification and, second, that they are not included in any of the lists published by EUIPO referring to the terms of that alphabetical list which are not covered by the general indications in the class headings of the Nice Classification. In that regard, the applicant refers to Communication No 1/2016 of the Executive Director of EUIPO of 8 February 2016, the document headed 'Declarations in accordance with Article 28(8) of Regulation No 207/2009', on the EUIPO website, and the lists, annexed thereto, of terms regarded as not being clearly covered by the literal meaning of the respective class headings.

26 According to the applicant, the fact that potato crisps were not included in any of the abovementioned lists means that EUIPO considered them to be 'clearly covered' by the general indications in the heading of Class 29 of the Nice Classification.

27 Again, in order to demonstrate that potato crisps are covered by 'preserved, dried and cooked fruits and vegetables' in Class 29, the applicant claims, first, that potatoes are vegetables, second, that deep ridged crisps or crackers can be made from vegetables other than potatoes or fruits and, third, that crisps can be fried, dried or cooked, irrespective of whether they are crisps made from potatoes, other vegetables or fruits.

28 According to the applicant, there can therefore be little doubt that potato crisps are dried and cooked vegetables. Therefore, the Board of Appeal's finding that the contested mark is descriptive of potato crisps should also have applied to dried and cooked vegetables. The applicant adds that drying and cooking are preservation methods and that the term 'preserved' should not be understood as narrowly referring to 'preserves' within the meaning of canned food or jam.

29 Consequently, the applicant contends, the distinction applied by the Board of Appeal between, on the one hand, a 'crisp or snack made from vegetables' and, on the other hand, 'vegetables and fruits', is difficult to understand. The applicant indicates, in this regard, that 'preserved, dried and cooked fruits and vegetables' in Class 29 are processed and are therefore not fresh vegetables or fruits, which come within Class 31. According to the applicant, if potato crisps are identical to 'preserved, dried and cooked vegetables', and if having deep ridges, or even extra deep ridges, is a relevant characteristic of potato crisps, as the Board of Appeal recognised, it cannot be stated that having 'deep' ridges is not a characteristic of 'preserved, dried or cooked fruits and vegetables'. The error of the Board of Appeal was to reduce those goods to their raw materials rather than taking into account the finished product.

30 Lastly, the applicant argues that the mere fact that the contested mark also covers specific snacks does not mean that those goods are not included in the general indications in the heading of Class 29 of the Nice Classification. It is common practice to include both general indications and specific goods that fall within those general indications in the lists of goods in trade mark applications. In such a case, if the mark is clearly descriptive of the specific goods, it is also not capable of registration for the general indication containing those goods.

31 EUIPO recalls, first, its settled practice that an objection based on descriptive character applies not only to those goods and services for which the terms making up the trade mark applied for are directly descriptive, but also to the broader category which, at least potentially, contains an identifiable subcategory or specific goods or services for which the mark applied for is directly descriptive. In the absence of a suitable restriction by the trade mark applicant, an objection based on descriptive character will necessarily concern the broader category as such. That practice, it is submitted, has been consistently confirmed by the EU Courts.

32 EUIPO notes, furthermore, that the core question in the present case is whether the general category of 'preserved, dried and cooked fruits and vegetables' in Class 29 incorporates the specific goods 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks; Roasted, dried, salted, spiced, coated and processed nuts, cashew kernels, pistachios, almonds, peanuts, coconuts (dried)' in the same class, in relation to which the contested mark was declared invalid on the ground that it was descriptive and consequently non-distinctive.

33 According to EUIPO:

– either the Court finds that 'preserved, dried and cooked vegetables' in Class 29 do not cover 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks', in the same class and, in that case, the contested decision should be upheld and the plea in law alleging infringement of Article 7(1)(b) and (c) of Regulation No 207/2009 should be rejected;

– or the Court finds that 'preserved, dried and cooked vegetables' in Class 29 do cover 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks', in the same class and, in that case, the contested decision should be annulled and the plea in law alleging infringement of Article 7(1)(b) and (c) of Regulation No 207/2009 should be upheld.

34 The intervener notes, first, that the contested mark was registered for 'potato products for snacks' and for 'preserved, dried and cooked fruits and vegetables'. It further argues that there is a difference in nature and in manufacturing between the former and the latter goods. On the one hand, there is a

difference in nature between vegetables and vegetable products. On the other hand, 'potato products for snacks' are manufactured by being 'extruded and pelletised or otherwise manufactured or processed', whereas 'fruits and vegetables' are 'preserved, dried and cooked'.

35 Potato crisps, it argues, clearly come under the category of extruded and pelletised or otherwise manufactured or processed potato products. As the Board of Appeal correctly observed in paragraph 17 of the contested decision, potato crisps are not vegetables but rather are goods made from vegetables. Thus, it is wrong to say that potato crisps come under the category of 'preserved, dried and cooked fruits and vegetables'.

36 Consequently, the intervener argues that the Board of Appeal acted correctly in taking the view that the relevant public would not immediately perceive, without further thought, the contested mark as being descriptive of the goods at issue. A potato, irrespective of whether it is preserved, dried or cooked, may be sliced, chopped or prepared in different ways, but it will not, as a vegetable, be described in itself as being 'deep'. To draw the conclusion that the term 'deep' describes a certain cut of the goods at issue requires a second mental step which is by no means immediate. The expression 'Exxtra Deep' is imprecise in relation to the goods at issue and remains, at most, allusive of a particular kind of cut of vegetables or fruits.

37 By way of evidence produced at the hearing, the intervener relies on a decision of 30 August 2004 of the Opposition Division of EUIPO (Case 2940/2004) in which the Opposition Division held, as part of the examination of similarity, within the meaning of Article 8(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) (now Article 8(1)(b) of Regulation No 207/2009, itself now Article (8)(1)(b) of Regulation 2017/1001), of dried fruit and vegetables, on the one hand, and of potato crisps, on the other hand, that those two goods differ in terms of their nature and intended purpose.

38 Under Article 7(1)(c) of Regulation No 207/2009, 'trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service' cannot to be registered.

39 According to settled case-law, Article 7(1)(c) of Regulation No 207/2009 pursues an aim in the public interest, which requires descriptive indications or signs relating to the characteristics of goods or services in respect of which registration is sought to be able to be freely used by all (see judgment of 12 June 2007, *MacLean-Fogg* v *OHIM (LOKTHREAD)*, T-339/05, not published, EU:T:2007:172, paragraph 27 and the case-law cited).

40 Furthermore, signs or indications which may serve, in trade, to designate the characteristics of the goods or services in respect of which registration is sought are, by virtue of Article 7(1)(c) of Regulation No 207/2009, regarded as incapable of performing the essential function of a trade mark, namely that of identifying the commercial origin of the goods or services, in order thereby to enable the consumer who acquired the goods or services designated by the mark to repeat the experience, if it proves to be positive, or to make another choice, if it proves to be negative, on the occasion of a subsequent acquisition (see judgment of 12 June 2007, *LOKTHREAD*, T-339/05, not published, EU:T:2007:172, paragraph 28 and the case-law cited).

41 It follows that, for a sign to be caught by the prohibition set out in that provision, there must be a link between the sign and the goods or services in question that is sufficiently direct and specific to enable the public concerned immediately to perceive, without further thought, a description of the goods and services in question or of one of their characteristics (judgments of 12 June 2007, *LOKTHREAD*, T-339/05, not published, EU:T:2007:172, paragraph 29; of 7 July 2011, *Cree* v *OHIM (TRUEWHITE)*, T-208/10, not published, EU:T:2011:340, paragraph 14; and of 14 January 2016, *Zitro IP* v *OHIM (TRIPLE BONUS)*, T-318/15, not published, EU:T:2016:1, paragraph 20).

42 In the light of the provisions and the case-law referred to in paragraphs 39 to 41 above, a sign's descriptive character cannot be assessed other than by reference to the goods or services concerned, on the one hand, and by reference to the understanding which the relevant persons have of it, on the other (see judgment of 15 January 2015, *MEM* v *OHIM (MONACO)*, T-197/13, EU:T:2015:16, paragraph 50 and the case-law cited).

43 In that respect, it should be recalled that, according to settled case-law, the finding that a mark has descriptive character applies not only to goods for which it is directly descriptive, but also to the more general category to which those goods belong in the absence of a suitable restriction of the trade mark by the applicant (see, to that effect, judgments of 15 September 2009, *Wella* v *OHIM (TAME IT)*, T-471/07, EU:T:2009:328, paragraph 18; of 16 December 2010, *Fidelio* v *OHIM (Hallux)*, T-286/08, EU:T:2010:528, paragraph 37; and of 15 July 2015, *Australian Gold* v *OHIM — Effect Management & Holding (HOT)*, T-611/13, EU:T:2015:492, paragraph 44).

44 Finally, it should be borne in mind that there is a measure of overlap between the scope of Article 7(1)(c) of Regulation No 207/2009 and that of Article 7(1)(b) of that regulation inasmuch as signs that are descriptive of certain goods or services referred to in Article 7(1)(c) of that regulation are also necessarily devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation, in respect of the same goods and services (see judgment of 3 July 2013, *Airbus* v *OHIM (NEO)*, T-236/12, EU:T:2013:343, paragraphs 42 and 44 and the case-law cited).

45 As a preliminary point, it must be held that the applicant does not dispute the assessment of the Board of Appeal, in paragraph 14 of the contested decision, concerning the relevant public, which is, in the light of the goods at issue and the English-language word elements of which the contested mark consists, the English-speaking general public of European Union, which will display a low level of attention. Nor does the applicant dispute the meaning of the expression 'exxtra deep', as is apparent from paragraph 14 of the contested decision, namely 'exceptionally deep'.

46 The applicant criticises the Board of Appeal for having acknowledged the descriptive character of the contested mark for 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks', in Class 29, while excluding it for 'preserved, dried and cooked fruits and vegetables' in the same class, although the former goods are covered by the general category comprising the latter goods. Thus, the applicant alleges that the Board of Appeal failed to draw the necessary inferences from the finding of the descriptive character of the contested mark in respect of certain specific goods for the assessment of its descriptive character for other goods in a broader category of goods.

47 As EUIPO explicitly points out, the central question which must be answered in the present case is therefore whether 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks' are covered by the category 'preserved, dried and cooked fruits and vegetables'.

48 In the description of the goods in Class 29 in respect of which the contested mark was registered (see paragraph 3 above), there is in principle no reason to consider that 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks' are covered by the category 'preserved, dried and cooked fruits and vegetables'. First, those two categories of goods are separated by a semi-colon. A semi-colon establishes a distinction between two different categories of goods falling within the same class, unlike commas, which serve to separate items within the same category of goods (judgment of 15 May 2014, *Louis Vuitton Malletier* v *OHIM*, C-97/12 P, not published, EU:C:2014:324, paragraph 96). Second, a word or expression such as, for example, 'including' or 'in particular' does not justify one of the categories being included in the other (see, as regards the term 'including', judgment of 15 July 2015, *HOT*, T-611/13, EU:T:2015:492, paragraph 45; see also, as regards the term 'in particular', judgments of 8 June 2005, *Wilfer* v *OHIM* (*ROCKBASS*), T-315/03, EU:T:2005:211, paragraphs 3 and 64, and of 12 November 2008, *Scil proteins* v *OHIM* —

Indena (affilene), T-87/07, not published, EU:T:2008:487, paragraphs 38 and 39; see finally, as regards the term 'including', judgment of 15 May 2014, *Louis Vuitton Malletier* v *OHIM*, C-97/12 P, not published, EU:C:2014:324, paragraph 97).

49 Next, as the applicant submits, it must be found that the category 'preserved, dried and cooked fruits and vegetables' corresponds to one of the general indications of the heading of Class 29 of the Nice Classification ('Meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats').

50 However, that consideration alone does not support the conclusion that 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks' are covered by the category 'preserved, dried and cooked fruits and vegetables'.

51 In that regard, it should be noted that, on the date upon which the application for registration of the contested mark was made, Communication No 4/03 of the Executive Director of EUIPO of 16 June 2003 concerning the use of class headings in the lists of goods and services in respect of Community trade mark applications and registrations was no longer in force, under which, in particular, 'the use of a particular general indication found in the class heading [would embrace] all of the individual goods or services falling under that general indication and properly classified in the same class' (second paragraph of point IV of that communication).

52 Communication No 2/12 of the Executive Director of EUIPO of 20 June 2012 concerning the use of class headings in lists of goods and services in respect of Community trade mark applications and registrations, while repealing Communication No 4/03, defined a literal approach, in point VIII, consisting of giving the terms of a general indication their natural and usual meaning. The second paragraph of Part II(i) of Communication No 1/13 of the Executive Director of EUIPO of 26 November 2013 confirmed that that approach applied including when the application for registration covered only some of the general indications of a class heading. Finally, the legislature confirmed that so-called 'literal' approach by the amendment made to Article 28(5) of Regulation No 207/2009 by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Regulation No 207/2009 and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OJ 2015 L 341, p. 21), which provides that 'the use of ... general indications of the class headings of the Nice Classification ... shall be interpreted as including all the goods ... clearly covered by the literal meaning of the indication'.

53 Thus, with regard to the contested mark, the use of a general indication of a heading of Class 29 cannot be interpreted, in particular, as including all the goods or services, identified in the alphabetical list of Class 29 in the edition of the Nice Classification in force at the time of the submission of the application, which are covered by that general indication. It is, by contrast, in the context of an approach such as that set out in paragraph 52 above that the assessment should be made as to whether the 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks' are covered by the category 'preserved, dried and cooked fruits and vegetables', designated by the contested mark.

54 First, as is expressly indicated in the description of the goods in Class 29 covered by the contested mark, snack products (in particular crisps) are made from potatoes, which, it cannot be denied, are vegetables, as demonstrated in particular by the definition in the *Oxford English Dictionary*, produced by the applicant before EUIPO, according to which a vegetable is 'any living organism that is not an animal; specifically one belonging to the plant kingdom'. That fact is not disputed by the intervener.

55 Second, crisps can be made from vegetables other than potatoes, or from fruit, as the applicant points out.

56 Third, there is nothing to prevent crisps made from vegetables or from fruit from being regarded as dried or cooked vegetables or fruits. As the applicant notes, crisps can be fried or dried or cooked.

57 Fourth, as the applicant correctly states, fruit and vegetables in Class 29 are 'preserved, dried and cooked'. They are not fresh fruit, which comes under Class 31. Crisps, or more broadly, 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks', are produced from preserved, dried or cooked vegetables and fruits.

58 Thus, on the grounds put forward by the applicant, which are not disputed by EUIPO, 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks', in Class 29, are covered by the category of 'preserved, dried and cooked fruit and vegetables' in the same class.

59 Furthermore, although the legality of the decisions of the Boards of Appeal is assessed solely on the basis of Regulation No 207/2009, and not on the basis of EUIPO's previous decision-making practice (see, to that effect, judgments of 26 April 2007, *Alcon* v *OHIM*, C-412/05 P, EU:C:2007:252, paragraph 65; of 2 May 2012, *Universal Display* v *OHIM* (*UniversalPHOLED*), T-435/11, not published, EU:T:2012:210, paragraph 37; and of 22 March 2017, *Intercontinental Exchange Holdings* v *EUIPO (BRENT INDEX)*, T-430/16, not published, EU:T:2017:198, paragraph 43), it should nevertheless be recalled that, having regard to the principles of equal treatment and good administration, EUIPO must take account of the decisions already taken and consider with special care whether it should decide in the same way or not (see, to that effect, judgment of 11 May 2017, *Bammer* v *EUIPO — mydays (MÄNNERSPIELPLATZ)*, T-372/16, not published, EU:T:2017:331, paragraph 60).

60 In the present case, the Opposition Division's decision of 23 November 1999 (see paragraph 24 above), referred to by the applicant, addresses factual circumstances which are very similar to those of the present case. First, as in the present case, those were proceedings between the applicant and the intervener. Second, as in the present case, the question was whether potato crisps came within the more general category of dried vegetables.

61 The Opposition Division had held that 'potato chips' were covered by dried vegetables and that those products were therefore identical. As the applicant indicates, without being contradicted by EUIPO, that decision of the Opposition Division was not set aside either by the Board of Appeal or by the Court in the judgment of 21 April 2005, *RUFFLES* (T-269/02, EU:T:2005:138).

62 As regards the decision of the Fourth Board of Appeal of EUIPO of 22 March 2017 (see paragraph 24 above), given after the contested decision, it must admittedly be noted, as pointed out by EUIPO at the hearing, that the Board of Appeal does not take a position on whether 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks' are covered by the category 'preserved, dried or cooked fruits and vegetables'. By contrast, it concludes that the sign #CHIPS is descriptive, in particular, of 'preserved, dried or cooked fruits and vegetables' in so far as they may take the form of crisps. It is therefore in the light of the relevant public's perception of an allusion to a particular kind of cut on those fruit or vegetables, in the form of crisps, that the Board of Appeal found that the sign #CHIPS had distinctive character, whereas, in the contested decision, that same Board of Appeal had ruled out that that particular kind of cut could constitute a 'characteristic' of the products at issue, as referred to in Article 7(1)(c) of Regulation No 207/2009. The decision of the Fourth Board of Appeal of EUIPO of 22 March 2017 referred to by the applicant therefore points to, at least, a certain inconsistency in EUIPO's recent decision-making practice in regard to 'preserved, dried, and cooked fruits and vegetables'.

63 With regard to the Opposition Division's decision of 30 August 2004 referred to by the intervener for the first time at the hearing (see paragraph 37 above), that decision was annulled by the decision of the First Board of Appeal of EUIPO of 1 July 2005 (Case R 804/2004-1) precisely on the ground that the Opposition Division had made an incorrect assessment by ruling out the similarity of dried fruits and vegetables, on the one hand, and potato crisps, on the other.

64 In the light of the foregoing, it must therefore be held that the Board of Appeal erred in failing to draw the consequences of the finding that the contested mark had descriptive character for 'extruded and pelletised or otherwise manufactured or processed vegetable and potato products for snacks' in Class 29, for the assessment of its descriptive character for 'preserved, dried or cooked fruits and vegetables' in the same class.

65 Furthermore, as has been noted in paragraph 44 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 207/2009 are also devoid of any distinctive character within the meaning of Article 7(1)(b) of that regulation.

66 Consequently, the first plea in law must be upheld in its entirety and, without it being necessary to rule on the second plea in law, the contested decision must be annulled in so far as it dismissed the applicant's appeal seeking annulment of the decision of the Opposition Division inasmuch as it had not annulled the contested mark in respect of 'preserved, dried and cooked fruits and vegetables' in Class 29.

Costs

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

68 Since EUIPO has been unsuccessful, in so far as the contested decision is annulled, and since the applicant has sought an order for costs against it, EUIPO must be ordered to bear its own costs and to pay those incurred by the applicant.

69 Since the intervener has been unsuccessful, it must be ordered to bear its own costs.

On those grounds,

THE GENERAL COURT (Fourth Chamber)

hereby:

1. **Annuls the decision of the Fourth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 24 November 2016 (Case R 482/2016-4);**

2. **Orders EUIPO to bear its own costs and to pay those incurred by PepsiCo, Inc.;**

3. **Orders Intersnack Group GmbH & Co. KG to bear its own costs.**

Kanninen Schwarcz Iliopoulos

Delivered in open court in Luxembourg on 21 November 2018.

E. Coulon
Registrar

H. Kanninen
President