

JUDGMENT OF THE COURT OF FIRST INSTANCE
(Fourth Chamber, Extended Composition)

11 July 2007*

In Case T-443/05,

El Corte Inglés SA, established in Madrid (Spain), represented by J. Rivas Zurdo,
lawyer,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs)
(OHIM), represented by J. García Murillo, acting as Agent,

defendant,

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

Juan Bolaños Sabri, residing in Torellano (Spain), represented by P. López Ronda
and G. Marín Raigal, lawyers,

* Language of the case: Spanish.

ACTION against the decision of the First Board of Appeal of OHIM of 21 September 2005 (Case R 1191/2004-1), relating to opposition proceedings between El Corte Inglés SA and Juan Bolaños Sabri,

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

composed of H. Legal, President, I. Wyszniowska-Białecka, V. Vadapalas, E. Moavero Milanesi and N. Wahl, Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 16 December 2005,

having regard to the response lodged at the Registry on 24 July 2006,

further to the hearing on 10 May 2007,

gives the following

Judgment

Background to the dispute

- ¹ On 9 November 2001, the intervener filed an application for registration of a Community trade mark at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), pursuant to

Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

- 2 The mark in respect of which registration was sought is the figurative mark including the word elements ‘pirañam diseño original juan bolaños’, reproduced below:



- 3 The goods in respect of which registration of the mark was sought are in classes 16, 21 and 25 of the Nice Agreement concerning the Classification of Goods and Services for the Purposes of the Registration of Marks, of 15 June 1957, as revised and amended (‘the Nice Agreement’), and correspond to the following descriptions:

- class 16: ‘Paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists’ materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers’ type; printing blocks’;

- class 21: ‘Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; materials for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes’;

 - class 25: ‘Clothing, footwear, headgear’.
- 4 On 23 September 2002 that application was published in the *Community Trade Marks Bulletin* No 76/2002.
- 5 On 28 November 2002, the applicant brought opposition proceedings against the registration of the mark applied for. The opposition was based on the Spanish registrations of the word marks PIRANHA, namely:
- Mark No 790520 registered on 28 February 1978 for goods in class 25: ‘Clothing; footwear; headgear’;

 - Mark No 2116007 registered on 20 March 1998 for goods in class 18: ‘Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery’.
- 6 The opposition was directed against all the goods covered by the trade mark application.

- 7 The grounds put forward in support of the opposition were those referred to in Article 8(1)(b) and Article 8(5) of Regulation No 40/94. The applicant claims there is a likelihood of confusion by reason of the similarity between the marks at issue and the similarity between the goods designated by the mark for which registration is sought and the earlier mark, and by reason of the latter's reputation.
- 8 On 1 July 2004 OHIM requested the applicant to provide evidence of the use of the earlier mark No 790520. Since it did not receive that evidence within the prescribed period, the Opposition Division gave a ruling solely on the basis of the evidence before it.
- 9 By decision of 29 October 2004, the Opposition Division partially upheld the opposition in respect of 'clothing; footwear' and 'headgear' in class 25 and rejected the application for registration of those goods. It held that there was a certain degree of similarity between the goods for which the Community mark had been sought in class 25, and the goods covered by the earlier mark No 2116007 in class 18. The comparison of the signs at issue highlighted obvious visual and conceptual similarities and the fact that the two marks are phonetically identical. Therefore, the Opposition Division found there to be a likelihood of confusion.
- 10 The Opposition Division rejected the opposition as regards the goods in classes 16 and 21 since there was no evidence to establish the reputation of the earlier mark within the meaning of Article 8(5) of Regulation No 40/94.
- 11 On 15 December 2004, the intervener brought an action before OHIM against the Opposition Division's decision.

- 12 By decision of 21 September 2005 ('the contested decision'), the First Board of Appeal of OHIM upheld the action and dismissed the opposition in its entirety. It held that the goods concerned had a different nature and purpose, that they were produced by different manufacturers, and were sold through different distribution channels. According to the Board of Appeal, there was no competitive relationship between the goods and they could not be substituted for one another and, therefore, they could not be regarded as similar. Furthermore, any 'aesthetic complementarity' between the goods concerned is too subjective to be taken into account. Since the requirement that the goods are similar — which is necessary to establish the existence of a likelihood of confusion on the territory concerned — was not satisfied, the Board of Appeal did not consider it necessary to examine the degree of similarity or whether the signs at issue were identical.

Forms of order sought

- 13 The applicant claims that the Court of First Instance should:
- annul the contested decision;

 - order OHIM to dismiss the application for registration of the Community trade mark PiraÑAM diseño original Juan Bolaños for goods in class 25;

 - order OHIM to pay the costs.

14 OHIM, in its written submissions, contended principally that the Court should:

- annul the contested decision;

- remit the case to the Boards of Appeal in order for them to determine the importance of the relationship between the goods concerned in the assessment of the likelihood of confusion in this case;

- order each party to bear its own costs,

or, alternatively, that the Court should:

- dismiss the action;

- order the applicant to pay the costs.

15 At the hearing OHIM stated that its form of order should be interpreted as meaning that it left the decision to the discretion of the Court.

16 At the hearing the intervener contended that the Court should dismiss the action.

Law

The admissibility of certain heads of claims

Arguments of the parties

17 OHIM contends that the applicant's head of claim seeking an order that OHIM dismiss the application for registration of the Community trade mark PiraÑAM diseño original Juan Bolaños is inadmissible. It points out that the Court is not entitled to issue directions to OHIM, but that it is for OHIM to draw the appropriate inferences from the operative part and grounds of the judgment.

18 As regards its own form of order, OHIM submits that nothing precludes it from endorsing one of the applicant's heads of claim or leaving the decision to the discretion of the Court, while putting forward all the arguments that it considers appropriate for giving guidance to the latter.

Findings of the Court

- 19 By its second head of claim, the applicant asks the Court to order OHIM to reject the application for registration of the Community trade mark PiraÑAM diseño original Juan Bolaños for goods in class 25.
- 20 It is clear from settled case-law that, in an action before the Community Courts against the decision of a Board of Appeal of OHIM, OHIM is required, under Article 63(6) of Regulation No 40/94, to take the measures necessary to comply with judgments of the Community judicature. Accordingly, it is not for the Court of First Instance to issue directions to OHIM. It is for the latter to draw the appropriate inferences from the operative part and grounds of the Court's judgments (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld v OHIM (Giroform)* [2001] ECR II-433, paragraph 33, and Case T-202/04 *Madaus v OHIM — Optima Healthcare (ECHINAID)* [2006] ECR II-1115, paragraph 14). Therefore, the applicant's head of claim requesting the Court to issue directions to OHIM to refuse the application for registration is inadmissible.
- 21 As regards the form of order sought by OHIM which leaves the decision to the discretion of the Court, there is nothing to prevent the Office from endorsing one of the applicant's heads of claim or from simply leaving the decision to the discretion of the Court, while putting forward all the arguments that it considers appropriate for giving guidance to the Court (Case T-107/2002 *GE Betz v OHIM — Atofina Chemicals (BIOMATE)* [2004] ECR II-1845, paragraph 36, and Case T-53/05 *Calavo Growers v OHIM — Calvo Sanz (Calvo)* [2007] ECR II-37, paragraph 27). On the other hand, it may not seek an order annulling or altering the decision of the Board of Appeal on a point not raised in the application or put forward pleas in law not

raised in the application (Case T-379/03 *Peek & Cloppenburg v OHIM (Cloppenburg)* [2005] ECR II-4633, paragraph 22).

- 22 Therefore, since OHIM merely leaves the decision to the discretion of the Court, its form of order is admissible.

The substance

- 23 In support of its claim for annulment of the contested decision, the applicant puts forward a single plea alleging infringement of Article 8(1)(b) of Regulation No 40/94.

Arguments of the parties

- 24 The applicant claims that the Board of Appeal wrongly held that there was no similarity between the goods designated by the mark for which registration is sought in class 25 and the goods designated by the earlier mark in class 18. It recalls that the classification of goods and services is solely for administrative purposes and that it is the substantial connections between the goods and not their formal classification which are decisive in assessing their similarity. In this case, the Board of Appeal automatically used criteria which were too general and too abstract. The factors which indicate similarity of products, namely their nature, their method of use or their intended purpose and whether they are in competition with each other or are complementary, are neither absolute nor exclusive of the existence of other factors.

25 In light of the particular facts of this case, and the fact that the goods concerned belong to the fashion sector, the similarity of the goods should be assessed by reference to the point of view of the relevant consumers. Consumers may establish close connections between the goods concerned on account of their common aesthetic function. In that connection, the applicant takes the view that the Board of Appeal failed to give due weight to the importance in modern society of aesthetic necessities. Furthermore, the perception by consumers of the similarity between the goods concerned is reinforced by the fact that they frequently share the same distribution channels and sales outlets and are often made from the same material in class 18, leather.

26 Accordingly, the links between the goods concerned are sufficient for them to be regarded as similar. The applicant recalls that OHIM, in earlier judicial proceedings, itself defended the view that the goods in class 25 and leather and imitation leather goods not included in other classes covered by class 18 are complementary on account of their common aesthetic dimension. That complementarity extends to all the goods in class 18.

27 The applicant notes that the signs at issue are also similar and infers from that that Article 8(1)(b) of Regulation No 40/94 is applicable.

28 For the purpose of examining the similarity of the goods in class 25 to those in class 18, OHIM distinguishes two groups of goods covered by class 18.

29 First, as regards leather and imitation leather goods not included in other classes covered by class 18, such as personal accessories, OHIM considers that, in addition to their basic function, those goods have a significant decorative, ornamental and aesthetic function, which plays a decisive role when they are purchased.

Furthermore, those goods are often made from the same material and distributed at the same sales outlets as goods in class 25. Therefore, the relevant goods have more than one point in common and are therefore at least slightly similar. The Board of Appeal therefore infringed Article 8(1)(b) of Regulation No 40/94 by holding that the differences between the goods were such that they were sufficient in themselves to exclude any likelihood of confusion on the part of the relevant public.

30 OHIM also asks the Court to state whether an abstract examination of those goods can establish that some similarity exists, or may exist, between them as a result of any complementary relationship they may have and, if appropriate, to indicate the necessary conditions as regards the other factors establishing the existence of a likelihood of confusion in the relevant territories.

31 OHIM confirms that, in earlier judicial proceedings, it defended the view that there was a high degree of complementarity between certain goods in class 18 such as bags, wallets, purses and other leather or imitation leather accessories (which are among the leather and imitation leather goods not included in other classes designated by the earlier mark) and clothing, footwear and headgear covered by the mark for which registration is sought. The case-law of the Court does not exclude that argument.

32 Second, as regards the other goods in class 18 (leather and imitations of leather, animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery), OHIM takes the view that they are not so closely related to goods in class 25 and that their aesthetic element is not paramount.

33 At the hearing, the intervener maintained that the Board of Appeal had made a proper assessment of the case-law in holding that the goods at issue were not similar. Essentially, it takes the view that in general the sales outlets for the goods at issue are different. Furthermore, the criterion of aesthetic complementarity is a criterion too vague to be taken into consideration. In addition, it takes the view that, since the signs at issue are only slightly similar, there cannot, in any event, be a likelihood of confusion on the part of the relevant public.

Findings of the Court

34 Under Article 8(1)(b) of Regulation No 40/94, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for is not to be registered 'if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark'. Furthermore, under Article 8(2)(a)(ii) of Regulation No 40/94, 'earlier trade marks' means trade marks registered in a Member State with a date of application for registration which is earlier than the date of application for registration of the Community trade mark.

35 According to settled case-law, the likelihood of confusion on the part of the public, which is defined as the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, as regards the interpretation of Article 4(1)(b) 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), the legislative content of which is substantially identical to Article 8(1)(b) of Regulation No 40/94, Case C-39/97 *Canon* [1998] ECR I-5507,

paragraph 29, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17; and as regards the interpretation of Article 8(1)(b) of Regulation No 40/94, Case T-104/01 *Oberhauser v OHIM — Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 25 and 26).

³⁶ That global assessment implies some interdependence between the relevant factors and, in particular, a similarity between the trade marks and between the goods or services covered. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa (*Canon*, cited in paragraph 35 above, paragraph 17; *Lloyd Schuhfabrik Meyer*, cited in paragraph 35 above, paragraph 19, and *Fifties*, cited in paragraph 35 above, paragraph 27).

³⁷ In assessing the similarity of the goods, all the relevant factors relating to those goods should be taken into account, including, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (*Canon*, cited in paragraph 35 above, paragraph 23). Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (Case T-164/03 *Ampafrance v OHIM — Johnson & Johnson (monBeBé)* [2005] ECR II-1401, paragraph 53).

³⁸ According to Rule 2(4) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1), as amended, the classification of goods and services under the Nice Agreement is to serve exclusively administrative purposes. Goods and services may not therefore be regarded as being different from each other solely on the ground that they appear in different classes.

39 It is in the light of those considerations that the legality of the contested decision must be determined.

40 It should be noted that the Board of Appeal held that there was no likelihood of confusion on the part of the relevant public solely on the basis of a comparison of the goods concerned. However, even a slight similarity between the goods concerned would have required the Board of Appeal to ascertain whether a high degree of similarity between the signs could have given rise, in the mind of a consumer, to a likelihood of confusion as to the origin of the goods.

41 It is therefore appropriate to determine whether the assessment of the Board of Appeal that the goods at issue are not similar is founded.

42 First, the goods in class 25 and those in class 18 are often made of the same raw material, namely leather or imitation leather. That fact may be taken into account when assessing the similarity between the goods. However, given the wide variety of goods which can be made of leather or imitation leather, that factor alone is not sufficient to establish that the goods are similar (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM — Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 55).

43 Second, it is apparent that the distribution channels of some of the goods at issue are identical. However, a distinction must be made according to whether the goods in class 25 are compared to one or other of the groups of goods in class 18 identified by OHIM.

- 44 On the one hand, as regards the second group of goods in class 18 (leather and imitations of leather, animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery), the Board of Appeal rightly held that the distribution channels were different from those used for the distribution of goods in class 25. The fact that those two categories of goods may be sold in the same commercial establishments, such as department stores or supermarkets, is not particularly significant since very different kinds of goods may be found in such shops, without consumers automatically believing that they have the same origin (see, to that effect, Case T-8/03 *El Corte Inglés v OHIM — Pucci (EMILIO PUCCI)* [2004] ECR II-4297, paragraph 43).
- 45 On the other hand, as regards the first group of goods in class 18, namely leather and imitation leather goods not included in other classes such as, for example, handbags, purses or wallets, it should be noted that those goods are often sold with goods in class 25 at points of sale in both major retail establishments and more specialised shops. That is a factor which must be taken into account in assessing the similarity of those goods.
- 46 It must be recalled that the Court has also confirmed the existence of a slight similarity between ‘ladies’ bags’ and ‘ladies’ shoes’ (*SISSI ROSSI*, cited in paragraph 42 above, paragraph 68). That finding must be extended to the relationships between all the goods in class 25 designated by the mark applied for and the leather and imitation leather goods not included in other classes, in class 18, designated by the earlier mark.
- 47 In light of the foregoing, it must be held that there is a slight similarity between the goods in class 25 and the first group of goods in class 18. Consequently, the Board of

Appeal could not conclude that there was no likelihood of confusion on the part of the relevant public solely on the basis of a comparison of the goods concerned.

48 As to whether clothing, footwear and headgear in class 25 are complementary to 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18, it must be recalled that, according to the case-law, goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods lies with the same undertaking (*SISSI ROSSI*, cited in paragraph 42 above, paragraph 60).

49 Goods such as shoes, clothing, hats or handbags may, in addition to their basic function, have a common aesthetic function by jointly contributing to the external image ('look') of the consumer concerned.

50 The perception of the connections between them must therefore be assessed by taking account of any attempt at coordinating presentation of that look, that is to say coordination of its various components at the design stage or when they are purchased. That coordination may exist in particular between clothing, footwear and headgear in class 25 and the various clothing accessories which complement them such as handbags in class 18. Any such coordination depends on the consumer concerned, the type of activity for which that look is put together (work, sport or leisure in particular), or the marketing strategies of the businesses in the sector. Furthermore, the fact that the goods are often sold in the same specialist sales outlets is likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the perception that the same undertaking is responsible for the production of those goods.

- 51 It is clear that some consumers may perceive a close connection between clothing, footwear and headgear in class 25 and certain 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18 which are clothing accessories, and that they may therefore be led to believe that the same undertaking is responsible for the production of those goods. Therefore, the goods designated by the mark applied for in class 25 show a degree of similarity with the clothing accessories included in 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18 which cannot be classified as slight.
- 52 Therefore, the Board of Appeal was wrong to hold that in this case there was no likelihood of confusion without having carried out a preliminary examination as to any similarity between the signs.
- 53 In light of the foregoing the single plea alleging infringement of Article 8(1)(b) of Regulation No 40/94 must be upheld and, therefore, the contested decision must be annulled.

Costs

- 54 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, the unsuccessful party is to be ordered to pay the costs, if they have been applied for in the successful party's pleadings.
- 55 Since the decision of the Board of Appeal has been annulled and OHIM must on that basis be regarded as having been unsuccessful, notwithstanding the form of order sought, it must be ordered to pay the applicant's costs in accordance with the form of order sought by the applicant. Since the intervener has been unsuccessful, it must be ordered to bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE
(Fourth Chamber, Extended Composition)

hereby:

- 1. Annuls the decision of the First Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) of 21 September 2005 (Case R 1191/2004-1);**
- 2. Orders OHIM to bear its own costs and to pay the costs incurred by El Corte Inglés SA;**
- 3. Orders the intervener to bear its own costs.**

Legal

Wiszniewska-Białecka

Vadapalas

Moavero Milanesi

Wahl

Delivered in open court in Luxembourg on 11 July 2007.

E. Coulon

H. Legal

Registrar

President