

JUDGMENT OF THE COURT OF FIRST INSTANCE (Eighth Chamber)

24 September 2008^{*}

In Case T-116/06,

Oakley, Inc., established in One Icon, Foothill Ranch (United States), represented by M. Huth-Dierig and M. Nentwig, lawyers,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, 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

Venticinque Ltd, established in Hailsham, East Sussex (United Kingdom), represented by D. Caneva, lawyer,

^{*} Language of the case: English.

ACTION brought against the decision of the First Board of Appeal of OHIM of 17 January 2006 (Joined Cases R 682/2004-1 and R 685/2004-1) concerning invalidity proceedings between Venticinque Ltd and Oakley, Inc.,

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

composed of M.E. Martins Ribeiro (Rapporteur), President, S. Papasavvas and N. Wahl, Judges,

Registrar: C. Kristensen, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 13 April 2006,

having regard to the response of OHIM lodged at the Registry of the Court of First Instance on 23 June 2006,

having regard to the response of the intervener lodged at the Registry of the Court of First Instance on 25 July 2006,

further to the hearing on 10 January 2008,

gives the following

Judgment

Background to the dispute

- 1 On 7 February 2001 the applicant, Oakley, Inc., filed an application for a Community trade mark with the Office for Harmonization 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.

- 2 The trade mark for which registration was sought is the word mark O STORE.

- 3 The services in respect of which registration was sought fall within Class 35 of the Nice Agreement of 15 June 1957 on the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended, and are as follows: ‘Retail and wholesale services, including on-line retail store services; retail and wholesale of eyewear, sunglasses, optical goods and accessories, clothing, headwear, footwear, watches, timepieces, jewellery, decals, posters, athletic bags, backpacks and knapsacks, and wallets’.

4 The application was published in the *Community Trade Marks Bulletin* No 77/01 of 3 September 2001.

5 On 11 February 2002, the applicant was granted registration of the Community trade mark O STORE with the number 2 074 599.

6 On 14 October 2002, the intervener, Venticinque Ltd, applied for a declaration of invalidity in respect of all the services protected by the registration of the Community trade mark, pursuant to Article 52(1)(a) and Article 8(1)(b) of Council Regulation No 40/94. That application was based on the existence of a likelihood of confusion between the Community trade mark and the earlier word mark THE O STORE, which was registered on 28 December 2000 in France with the number 3 073 591 for goods in Classes 18 and 25 of the Nice Classification:

- Class 18: ‘Leather and imitations of leather, and goods made of these materials and not included in other classes, namely suitcases, cosmetic cases sold empty, evening bags, handbags, shopping bags, rucksacks, all-purpose sport bags, draw-string pouches, zippered pouches, felt pouches, document holders, briefcases, wallets, and purses; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery’;

- Class 25: ‘Clothing, namely suits, dress shirts, trousers, jackets, sport jackets, pull-overs, skirts, blouses, sweaters, cardigans, overcoats, coats, mantles, sport shirts, blousons, raincoats, evening dresses, dress-coats, scarves, shawls, foulards, neckties, gloves, fur jackets, fur coats, fur stoles, Bermuda shorts, t-shirts, polo shirts, chemises, pareus, pyjamas, nightgowns, dressing gowns, bathrobes, stockings, socks, petticoats, bathing suits, swimming costumes, panties, bras and singlets; headwear, footwear’.

- 7 By decision of 18 June 2004, the Cancellation Division upheld the application for a declaration of invalidity in relation, first, to services consisting of ‘retail and wholesale of clothing, headwear, footwear, athletic bags, backpacks and knapsacks and wallets’, on the ground that, even if the nature, intended purpose and method of use of those services differed from those of the goods covered by the earlier national mark, they might share the same distribution channels, and, second, to ‘retail and wholesale services, including online retail store services’, on the ground that, the wording of those services being general, it includes the sale of any sort of goods, including those covered by the earlier mark. On the other hand, the Cancellation Division dismissed the application for a declaration of invalidity with regard to services consisting of ‘retail and wholesale of eyewear, sunglasses, optical goods and accessories, watches, timepieces, jewellery, decals, posters’, because it took the view that retail services relating to those products did not share the same distribution channels as leather goods and clothing covered by the earlier mark.
- 8 On 5 and 6 August 2004, the applicant and the intervener each filed an appeal against the decision of the Cancellation Division.
- 9 By decision of 17 January 2006 (‘the contested decision’), the First Board of Appeal upheld the decision of the Cancellation Division and accordingly dismissed the two appeals.
- 10 The Board of Appeal found, essentially, that:
- the services consisting of the ‘retail and wholesale of clothing, headwear, footwear, athletic bags, backpacks, knapsacks and wallets’ covered by the Community trade mark were very similar in nature and in purpose and identical in method of use and in distribution channels to the goods in Classes 18 and 25 covered by the earlier trade mark. Furthermore, those goods and services were complementary.

There was therefore a clear similarity in respect of the goods retailed which were identical or similar to those sold under the earlier mark. Finally, the signs were also very similar, the only difference being the omission, in one of the two signs, of the non-distinctive article ‘the’, with the result that there was a likelihood of confusion;

- there was no likelihood of confusion with regard to ‘retail and wholesale of eyewear, sunglasses, optical goods and accessories, watches, timepieces, jewellery, decals, posters’ because, despite the similarity of the trade marks in question, those services differed from the goods in Classes 18 and 25 covered by the earlier mark;

- as regards ‘retail and wholesale services, including on-line retail store services’, the proprietor of the Community trade mark had not limited those services to specific goods, with the result that that general wording must include the goods covered by the earlier mark. Therefore, those services being similar to the goods covered by the earlier mark, there was a likelihood of confusion.

Forms of order sought by the parties

¹¹ The applicant claims that the Court should:

- annul the contested decision;

— order OHIM to pay the costs.

¹² OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

¹³ The intervener contends that the Court should:

— dismiss the action;

— alter the contested decision to the extent that it denies the likelihood of confusion between the goods covered by the mark THE O STORE and the services consisting of 'retail and wholesale of eyewear, sunglasses, optical goods and accessories, watches, timepieces, jewellery, decals, posters' for which the mark O STORE was registered;

— alter the contested decision to the extent that it does not declare the complete invalidity of the Community trade mark O STORE, registered on 11 February 2002, in the light of the existence of the French trade mark THE O STORE registered on 28 December 2000.

14 At the hearing, OHIM declared that it was withdrawing the plea of inadmissibility which it had raised in its response to the applicant's request also seeking the annulment of the contested decision, in so far as the Board of Appeal upheld the decision of the Cancellation Division rejecting the application for a declaration of the invalidity of the Community trade mark O STORE for services consisting of 'retail and wholesale of eyewear, sunglasses, optical goods and accessories, watches, timepieces, jewellery, decals, and posters'; formal notice of this was taken in the minute of the hearing.

Law

15 The applicant relies on a single plea in law alleging infringement of Article 8(1)(b) of Regulation No 40/94. The intervener has made an application under Article 134(3) of the Court's Rules of Procedure.

Plea alleging infringement of Article 8(1)(b) of Regulation No 40/94

Arguments of the parties

16 The first branch of the applicant's argument is that there is absolutely no similarity between the goods and services concerned, with the result that the Board of Appeal was wrong to affirm the existence of such similarity. First, the Board of Appeal

misinterpreted the nature of the retail services provided. Second, it misapplied the judgment of the Court in Case C-39/97 *Canon* [1998] ECR I-5507. Finally, it wrongly rejected the applicant's argument that similarity between the goods and services should be denied in order to preclude an overly broad scope of protection for retail service marks in general.

17 First, regarding the nature of the services provided in connection with retail trade, the applicant considers that the Board of Appeal regards them as a mere act of sale of goods, thereby equating them with the goods being retailed. That is contrary to the Court's judgment in Case C-418/02 *Praktiker Bau- und Heimwerkermärkte* [2005] ECR I-5873. The applicant points out that during the last decade it has in fact become more and more commonly accepted that retail service is a distinct service and that retail services may constitute services separate from the mere act of selling a product.

18 Second, the applicant claims that the Board of Appeal misapplied the criteria for the assessment of the similarity of the goods and services in question. Thus, the Board of Appeal was wrong, in paragraph 20 of the contested decision, to point to a strong similarity in the nature of the goods and services in question, on the ground that they concern the same thing, that is to say, they offer a product to the end consumer, for the goods and services are different in nature, goods being tangible products and services not. Having regard to their composition, methods of use and respective physical characteristics, the services and goods concerned are quite different, so there is no similarity at all.

19 Likewise, the goods and services in question have different functions. The intended use of the goods covered by the mark THE O STORE is protection from the elements and as articles of fashion, whereas the intended use of the retail services covered by

the mark O STORE is to enable consumers conveniently to view, select and purchase goods. The Board of Appeal's conclusion in paragraph 19 of the contested decision that 'the purpose of retailing and that of the goods that are being retailed is very similar, i.e. to offer a product to the end consumer' is erroneous and confuses the distinct categories of 'retail services' and 'the good itself'.

20 The applicant explains that the method of use defines how the good is used to achieve its purpose and can usually be inferred from how the goods function or from the function that the goods or services fulfil on the market, that is, their intended purpose. It points out that the main function of the goods covered by the earlier mark is to provide protection from the elements and as fashion articles, whereas, by contrast, retail services satisfy consumers' need of advice regarding various items and their need to be able to choose and purchase various goods. The Board of Appeal is therefore wrong in paragraph 21 of the contested decision to state that consumers will not use the retail services and the goods in different ways.

21 With regard to the criterion whether the goods and services are in competition with each other, the applicant points out that that is the case when they are considered by consumers to be interchangeable, which is not the case here. Concerning their complementary nature, the applicant considers that to exist where one is indispensable or important for the use of the other, and not merely auxiliary or ancillary, which is the case here.

22 The applicant concludes from this that the goods and services at issue are dissimilar in nature, purpose and method of use. Furthermore, they are neither complementary

nor in competition with each other. The only similarity is that the goods are sold and the retail services offered at the same points of sale.

23 Nevertheless, that single factor cannot render the goods and services similar for the purposes of the criteria laid down in *Canon*, since the Court does not refer to ‘similar distribution channels’ as a criterion for assessing the similarity of the goods and/or the services. According to the applicant, as the majority of the goods are sold in supermarkets, consumers do not attach too much importance to the point of sale when making up their mind whether goods share a common origin. In addition, with regard to the seventh recital in the preamble to Regulation No 40/94 and to the case-law, the applicant points out that the fine line between similar and dissimilar goods and services must be based on an assessment of the similarity of the goods and services, which cannot be reduced to an abstract and artificial test; the commercial perspective is of paramount importance. Therefore, the fact that goods and services are sold at the same place does not make them similar in the view of the public; the goods and services are similar only if, supposing identical signs are used, the public could possibly believe that they come from the same undertakings or from economically linked undertakings. However, the public knows that it is not the companies running retail stores, such as Marks & Spencer or Galeries Lafayette, which manufacture the products that they sell. Thus, even if certain goods are offered at the same place as certain retail services, the end consumer will know that they are fundamentally different in nature and that they do not originate from the same undertaking or from economically-linked undertakings.

24 Third, the applicant is of the view that the Board of Appeal wrongly rejected its argument that the similarity of the goods covered by the earlier trade mark and the retail services in question should be denied, in order to prevent an overly broad protection of the retail service marks in general. Otherwise, the proprietor of a mark registered in respect of services provided in connection with retail trade could claim protection for all goods which might possibly be retailed. That risk of overly broad protection has not been ruled out, as is however required by the criteria laid down by the Court

in *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, in which it stated that details must be provided with regard to the goods or types of goods to which those services relate. It is still possible to obtain registration of a trade mark that covers retail services relating to all goods in Classes 1 to 34.

25 As to the second branch of its argument, the applicant complains that the Board of Appeal did not take into account the very low degree of distinctiveness of the earlier trade mark. The element 'store' is understood by all European consumers, including the French, as plainly descriptive. The elements 'the' and 'o' have no, or only minimal, distinctiveness. It follows that the earlier word mark THE O STORE must be regarded as a trade mark with a low degree of distinctiveness, the more so because the intervener has failed to prove that that mark is well established on the French market.

26 Concerning the third branch of its argument, on comparison of the signs, the applicant recalls the case-law according to which the visual, aural or conceptual comparison of the marks in question must be based on the overall impression created by those marks, bearing in mind, in particular, their distinctive and dominant elements. In that regard, the applicant points out that, while the marks at issue display certain similarities, the Board of Appeal disregarded the dissimilarities of their distinctive elements. Owing to its purely descriptive character, the element 'store' would be overlooked by the relevant public when forming its overall impression, so that the elements to be compared are 'the o' and 'o'. Visually, there is a considerable difference between those elements (number of letters and pronunciation). Even supposing that the public would not completely ignore the element 'store' in forming its overall impression of the marks, the article 'the' characterises the earlier trade mark sufficiently and distinguishes it from the contested trade mark. Therefore, there are perceptible differences between the two marks, owing to the presence of the article 'the', which is absent from the Community trade mark, and on account of the low degree or even complete lack of distinctiveness of the other elements of the earlier trade mark, that is, the letter 'o' and the word 'store'.

27 As to the fourth branch of the argument, after recalling the case-law on the likelihood of confusion, the applicant points out that opposing each other in this case are retail services and goods. An overly broad scope of protection of retail marks must be avoided. Conversely, it is necessary to protect retail marks from unwarranted claims of proprietors of marks registered in respect of certain goods, in the present case goods in Classes 18 and 25. According to the applicant, the Court of Justice expressly held in *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, that the assessment of the likelihood of confusion must take into consideration the special characteristics of retail marks which require a restrictive interpretation of the concept of likelihood of confusion.

28 The applicant concludes by recalling that it follows from Communication No 3/01 of the President of OHIM that '[t]he risk of confusion is unlikely between retail services on the one hand and particularly goods on the other except in very particular circumstances, such as when the respective trademarks are identical or almost so and well established in the market'.

29 OHIM contends that the single plea in law should be dismissed and explains, making reference to paragraphs 19 and 23 of the contested decision, that in any case, retail services being ancillary to or dependent on goods, their respective nature, intended purpose and methods of use are linked — if not objectively, then at least in the subjective perception of consumers.

30 The intervener also contends that the abovementioned plea in law should be dismissed.

Findings of the Court

31 Article 52 of Regulation No 40/94 provides inter alia:

‘1 A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

(a) where there is an earlier trade mark as referred to in Article 8(2) and the conditions set out in paragraph 1 or 5 of that Article are fulfilled;

...’

32 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’.

33 In addition, under Article 8(2)(a)(i) and (ii) of Regulation No 40/94, by earlier trade marks are meant Community trade marks and trade marks registered in a Member

State with a date of application for registration which is earlier than that of the Community trade mark.

³⁴ According to settled case-law, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion (*Canon*, paragraph 29, and Case C-193/06 P *Nestlé v OHIM*, not published in the ECR, paragraph 32; and judgments of the Court of First Instance in Case T-104/01 *Oberhauser v OHIM — Petit Liberto (Fifties)*, [2002] ECR II-4359, paragraph 25, and Case T-150/04 *Mühlens v OHIM — Minoronzoni (TOSCA BLU)* [2007] ECR II-2353, paragraph 25).

³⁵ In addition, according to settled case-law, the likelihood of confusion in the mind of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22; *Nestlé v OHIM*, paragraph 34 above, paragraph 33; *Fifties*, paragraph 26; and *TOSCA BLU*, paragraph 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 the goods or services covered may be offset by a greater degree of similarity between the marks, and vice versa (*Canon*, paragraph 16 above, paragraph 17; Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40; Case T-6/01 *Matratzen Concord v OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 25, upheld on appeal by order of the Court of 28 April 2004 in Case C-3/03 P *Matratzen Concord v OHIM* [2004] ECR I-3657). The interdependence of those factors is expressly referred to in the seventh recital in the preamble to Regulation No 40/94, according to which the concept of similarity is to be interpreted in relation to the likelihood of confusion, the assessment of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made

with the used or registered sign, the degree of similarity between the mark and the sign and between the goods or services identified (see Case T-186/02 *BMI Bertollo v OHIM — Diesel (DIESELIT)* [2004] ECR II-1887, paragraph 36, and case-law cited).

37 Moreover, that global assessment of the visual, aural or conceptual similarity of the marks in dispute must be based on the overall impression given by them, bearing in mind, in particular, their distinctive and dominant elements. The wording of Article 8(1)(b) of Regulation No 40/94 — ‘... there exists a likelihood of confusion on the part of the public ...’ — shows that the perception of the marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see, to that effect, *SABEL*, paragraph 23; *Nestlé v OHIM*, paragraph 34; *DIESELIT*, paragraph 38).

38 For the purposes of that global assessment, the average consumer of the category of goods concerned is deemed to be reasonably well informed and reasonably observant and circumspect. Furthermore, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer’s level of attention is likely to vary according to the category of goods or services in question (Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26; *Fifties*, paragraph 34 above, paragraph 28; and *DIESELIT*, paragraph 36 above, paragraph 38).

39 In the present case, since the earlier trade mark on which the application for a declaration of the invalidity of the Community trade mark is based is a national mark registered in France, the examination must be confined to French territory.

40 The relevant public is, having regard to the nature of the goods and services concerned, constituted by the average consumer who is deemed to be reasonably well informed and reasonably observant and circumspect, as the Board of Appeal confirmed in paragraph 18 of the contested decision.

41 It is in the light of the foregoing considerations that the Board of Appeal's assessment of the likelihood of confusion between the signs in dispute should be examined.

— Similarity of the goods and services

42 According to settled case-law, in assessing the similarity between goods or services, all the relevant factors which characterise the relationship which may exist between them should be taken into account. Those factors include their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (*Canon*, paragraph 23; Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237, paragraph 85; Case T-99/01 *Mystery Drinks v OHIM — Karlsberg Brauerei (MYSTERY)* [2003] ECR II-43, paragraph 39, and case-law cited; and Case T-31/04 *Eurodrive Services and Distribution v OHIM — Gómez Frías (euro-MASTER)*, not published in the ECR, paragraph 31).

43 With regard, in particular, to the registration of a trade mark covering retail services, the Court held, in paragraph 34 of the judgment in *Praktiker Bau- und Heimwerkermärkte*, that the objective of retail trade is the sale of goods to consumers, which includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction, and that that activity consists, inter alia, in selecting an assortment of goods offered for sale and in offering a variety of services aimed at inducing the consumer to conclude the above-mentioned transaction with the trader in question rather than with a competitor.

The Court stated, in paragraph 35 of that judgment, that no overriding reason based on 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) or on general principles of Community law precludes those services from being covered by the concept of ‘services’ within the meaning of the directive or, therefore, the trader from having the right to obtain, through the registration of his trade mark, protection of that mark as an indication of the origin of the services provided by him.

⁴⁴ The Court stated furthermore in *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above (paragraphs 49 and 50), that, for the purposes of registration of a trade mark covering services provided in connection with retail trade, it is not necessary to specify in detail the service(s) for which that registration is sought. However, the applicant must be required to specify the goods or types of goods to which those services relate.

⁴⁵ In the first place, with regard to the assessment of the similarity of services consisting of ‘retail and wholesale of clothing, headwear, footwear, athletic bags, backpacks and knapsacks and wallets’ covered by the contested Community trade mark, on the one hand, and goods covered by the earlier trade mark, that is ‘clothing, headwear, footwear, rucksacks, all-purpose sports bags, travelling bags, wallets’, on the other, the Board of Appeal found, in paragraphs 18 to 23 of the contested decision, that there was a strong similarity between those services and goods on account of their nature, their purpose, their method of use, their distribution channels and their complementary nature.

⁴⁶ With regard, first, to the nature, purpose and method of use of the services and products in question, it cannot be held that those services and products are similar.

47 Indeed — as also pointed out by the Cancellation Division in paragraphs 21 and 22 of the decision of 18 June 2004 — the nature of the goods and services in question is different, because the former are fungible and the latter are not. Their purpose is also different, since the retail service precedes the purpose served by the product and concerns the activity carried out by the trader for the purpose of encouraging the conclusion of the sales transaction for the product in question. So, for example, an item of clothing is intended in particular to clothe the person who purchases it, whereas a service linked to the sale of clothes is intended, *inter alia*, to offer assistance to the person interested in the purchase of that clothing. The same applies to their method of use, which for clothes means the fact of wearing them, whereas the use of a service linked to the sale of the clothes consists, *inter alia*, in obtaining information about the clothes before proceeding to buy them.

48 With regard, second, to the distribution channels of the services and the goods in question, it is correct, as rightly pointed out by the Board of Appeal in paragraph 22 of the contested decision, that retail services can be offered in the same places as those in which the goods in question are sold, as the applicant has also recognised. The Board of Appeal's finding that retail services are rarely offered in places other than those where the goods are retailed and that consumers need not go to different places to obtain the retail service and the product they buy, must therefore be upheld.

49 Contrary to what is claimed by the applicant, the fact that the retail services are provided at the same sales points as the goods is a relevant criterion for the purposes of the examination of the similarity between the services and goods concerned. In that regard, it should be pointed out that the Court has held, in paragraph 23 of *Canon*, paragraph 16 above, that, in assessing the similarity of the goods and services in question, all the relevant factors characterising the relationship between the goods or services should be taken into account. It stated that those factors include their nature, purpose, method of use, and whether they are in competition with each other or are complementary, meaning that it did not in any way regard those factors as the only ones which may be taken into account, their enumeration being merely illustrative. The Court of First Instance therefore concluded from this that

other factors relevant to the characterisation of the relationship which may exist between the goods or services in question may also be taken into account, such as the channels of distribution of the goods concerned (Case T-443/05 *El Corte Inglés v OHIM — Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR II-2579, paragraph 37; see also, to that effect, Case T-169/03 *Sergio Rossi v OHIM — Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 65, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; and Case T-364/05 *Saint-Gobain Pam v OHIM — Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 95).

50 Furthermore, contrary to the applicant's assertion, which is moreover unsubstantiated, that, as the majority of the goods are sold in supermarkets, consumers do not attach too much importance to the point of sale when making up their mind whether goods share a common origin, it must be held that, as contended by OHIM, the manufacturers of the goods in question often have their own sales outlets for their goods or resort to distribution agreements which authorise the provider of the retail services to use the same mark as that affixed to the goods sold.

51 It was therefore correct, in paragraph 22 of the contested decision, to take into account, when comparing the goods and the services covered by the trade marks in dispute, the fact that those goods and services are generally sold in the same sales outlets (see, in that regard, *SISSI ROSSI*, paragraph 49 above, paragraph 68, and *PiraÑAM diseño original Juan Bolaños*, paragraph 49 above, paragraph 37).

52 Regarding, third, the complementary nature of the services and goods in question, found to exist by the Board of Appeal in paragraph 23 of the contested decision, it should be pointed out that, according to settled case-law, complementary goods are those which are closely connected in the sense that one is indispensable or important for the use of the other, so that consumers may think that the same undertaking is responsible for both (see, to that effect, *SISSI ROSSI*, paragraph 49 above, para-

graph 60; *PAM PLUVIAL*, paragraph 49 above, paragraph 94; and *PiraÑAM diseño original Juan Bolaños*, paragraph 49 above, paragraph 48).

53 In that regard, it must be pointed out that the goods covered by the earlier mark, that is, clothing, headwear, footwear, rucksacks, all-purpose sports bags, travelling bags and wallets, are identical to those to which the applicant's services relate.

54 Clearly, in the present case, the relationship between the retail services and the goods covered by the earlier trade mark is close in the sense that the goods are indispensable to or at the very least, important for the provision of those services, which are specifically provided when those goods are sold. As the Court held in paragraph 34 of *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, the objective of retail trade is the sale of goods to consumers, the Court having also pointed out that that trade includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction. Such services, which are provided with the aim of selling certain specific goods, would make no sense without the goods.

55 Furthermore, the relationship between the goods covered by the earlier trade mark and the services provided in connection with retail trade in respect of goods identical to those covered by the earlier trade mark is also characterised by the fact that those services play, from the point of view of the relevant consumer, an important role when he comes to buy the goods offered for sale.

56 It follows that, because the services provided in connection with retail trade, which concern, as in the present case, goods identical to those covered by the earlier mark, are closely connected to those goods, the relationship between those services and those goods is complementary within the meaning of paragraphs 54 and 55 above. Those services cannot therefore be regarded, as the applicant claims, as being auxiliary or ancillary to the goods in question.

57 Thus, notwithstanding the incorrect finding of the Board of Appeal to the effect that the services and goods in question have the same nature, purpose and method of use, it is indisputable that those services and goods display similarities, having regard to the fact that they are complementary and that those services are generally offered in the same places as those where the goods are offered for sale.

58 It therefore follows from all of the foregoing that the goods and services in question resemble each other to a certain degree, with the result that the finding in paragraph 24 of the contested decision that such a similarity exists must be upheld.

59 In the second place, with regard to the comparison of ‘retail and wholesale services, including on-line retail store services’ with the goods in question, it must be recalled that the Court held, in paragraph 50 of *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, that the applicant for the Community trade mark must be required to specify the goods or types of goods to which those services relate.

60 In that regard, it must be pointed out that the applicant has, as correctly stated by the Board of Appeal in paragraph 32 of the contested decision, failed to provide

any specification whatsoever of the goods or types of goods to which the ‘retail and wholesale services, including on-line retail store services’ relate.

61 Thus, it must be held that ‘retail and wholesale services, including on-line retail store services’, on account of the very general wording, can include all goods, including those covered by the earlier trade mark. Therefore, it must be held that ‘retail and wholesale services, including on-line retail store services’, display similarities to the goods concerned.

62 It follows from all of the foregoing that the Board of Appeal was right to consider that services consisting of ‘retail and wholesale of clothing, headwear, footwear, athletic bags, backpacks and knapsacks and wallets’, and ‘retail and wholesale services, including on-line retail store services’, are similar to the goods covered by the earlier trade mark.

— Similarity of the signs

63 As has already been stated in paragraph 37 above, the global assessment of the likelihood of confusion, with regard to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by them, bearing in mind, in particular, their distinctive and dominant components (*SABEL*, paragraph 35 above, paragraph 23; Case C-234/06 P *Il Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraph 33; Case T-292/01 *Phillips-Van Heusen v OHIM — Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 47; and Case T-256/04 *Mundipharma v OHIM — Altana Pharma (RESPICUR)* [2007] ECR II-449, paragraph 52).

64 In general terms, two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects (*MATRATZEN*, paragraph 30, and Case T-363/04 *Koipe v OHIM — Aceites del Sur (La Española)* [2007] ECR II-3355, paragraph 98).

65 In that regard, the signs to be compared are the following:

Earlier national trade mark	Contested Community trade mark
THE O STORE	O STORE

66 With regard to the visual comparison, it must be held that the Board of Appeal was correct to find, in paragraph 25 of the contested decision, that the signs in dispute are very similar, on the ground that they both contain the name O STORE, the only difference being the omission, in one of the two signs, of the non-distinctive article ‘the’. The sign O STORE is entirely included in the earlier national trade mark THE O STORE.

67 It follows that the contested Community trade mark displays strong visual similarities to the earlier national trade mark.

68 With regard to the aural comparison of the signs in question, the latter have the sign O STORE in common. While the earlier national trade mark also contains the

non-distinctive article ‘the’, the pronunciation of those two signs is virtually identical and certainly does not permit the inference that there is an aural difference between them.

69 The signs in dispute are therefore also aurally similar.

70 With regard to the conceptual comparison, it must be held that those two signs also refer, in the English language, to the concept of store and that they cannot be differentiated from each other.

71 Consequently, the Board of Appeal was correct to find that the signs in dispute are very similar since they contain the identical element ‘o store’, the only difference being the omission, in the contested Community trade mark, of the non-distinctive article ‘the’.

— The likelihood of confusion

72 As has been held in paragraphs 42 to 62 above, the services in question and the goods covered by the earlier trade mark are similar. Furthermore, the overall impression created by the signs in dispute is capable of, having regard to their considerable similarity, creating in consumers’ minds.

73 In that regard, the Court recalled, in paragraph 48 of *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, that according to the case-law, the likelihood of confusion must be assessed globally, taking into account all the factors relevant to the circumstances of the case, and pointed out that, in the context of that global assessment, it is possible to take into consideration, if need be, the particular features of the concept of ‘retail services’ that are connected with its wide scope, having due regard to the legitimate interests of all interested parties.

74 In the present case, it cannot be excluded that the goods in question are sold in the same sales outlets as those in which the retail services are offered; that could in particular be the case if the goods covered by the trade mark THE O STORE are sold by means of O STORE services covered by the contested Community trade mark, thereby creating a likelihood of confusion in consumers’ minds.

75 Even supposing that, in the present case, the goods covered by the earlier trade mark THE O STORE are not sold by means of the O STORE services covered by the contested Community trade mark, the fact remains that the relevant public, when presented with retail services, concerning clothes or shoes in particular, and covered by the trade mark O STORE, could believe that those services are offered by the same undertaking as that which sells those same goods under the trade mark THE O STORE or by a related undertaking. In that regard, it must be recalled that, in the global assessment of the likelihood of confusion, the ‘usual’ circumstances in which the goods covered by the marks in dispute are marketed must be taken as a benchmark, that is, those which it is usual to expect for the category of goods or services covered by the marks in question (see, to that effect, T-147/03 *Devinlec v OHIM — TIME ART (QUANTUM)* [2006] ECR II-11, paragraph 103, upheld on appeal in Case C-171/06 P *T.I.M.E. ART/Devinlec v OHIM*, not published in the ECR).

76 Consideration of the objective circumstances in which the goods and services covered by the marks in dispute are marketed is fully justified. The examination

of the likelihood of confusion which the OHIM authorities are called on to carry out is prospective. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not — and which are naturally subjective — of the trade mark proprietors (*QUANTUM*, paragraph 75 above, paragraph 104, and *T.I.M.E. ART/Devinlec v OHIM*, paragraph 75 above, paragraph 59).

77 With regard, finally, to the applicant's argument that the likelihood of confusion must be excluded on account of the minimal or even non-existent degree of distinctiveness of the elements 'the' and 'o' of the earlier trade mark THE O STORE, allied to the fact that the intervener has failed to show that that mark was well established on the French market, it must be pointed out that, as OHIM has correctly stated, while those elements taken individually are barely distinctive, the fact remains that the combination of those elements, two of which come from English, usually proves to be distinctive for French consumers with regard to the goods in question. Since the earlier trade mark is usually distinctive, the applicant's argument must be dismissed as lacking any factual basis.

78 It follows from all of the foregoing that the Board of Appeal was correct to find that there is a likelihood of confusion and to uphold the invalidity of the Community trade mark O STORE for 'retail and wholesale of clothing, headwear, footwear, athletic bags, backpacks and knapsacks and wallets' and 'retail and wholesale services, including on-line retail store services'.

79 In those circumstances, the single plea in law put forward by the applicant in support of its action must be dismissed.

The intervener's application under Article 134(3) of the Rules of Procedure

Arguments of the parties

80 The intervener seeks the alteration of the contested decision in so far as the Board of Appeal found therein that there was no similarity whatsoever between the clothes and items covered by the trade mark THE O STORE and the retail services relating to eyewear and other goods sold under the brand name O STORE. A specific analysis of the similarity of the goods and services in question must be carried out, in accordance with the judgment in *Canon*, paragraph 16 above. The eyewear, jewellery and watches could be similar or complementary to items of clothing. Undertakings operating in the fashion sector now apply their trade mark not only to clothes, but also to bags, eyewear and watches; this applies to all fashion houses. There is therefore a similarity between the eyewear and clothing sectors.

Findings of the Court

81 By asking the Court to alter the contested decision to the extent that the Board of Appeal upheld the decision of the Cancellation Division rejecting the application for a declaration of the invalidity of the Community trade mark with regard to 'retail and wholesale services, of eyewear, sunglasses, optical goods and accessories, watches, timepieces, jewellery, decals, posters', the intervener makes use of the opportunity afforded to it by Article 134(3) of the Rules of Procedure to seek, in its response, a form of order altering the decision of the Board of Appeal on a point not raised in the application (see, to that effect, Case T-214/04 *Royal County of Berkshire Polo Club v OHIM — Polo/Lauren (ROYAL COUNTY OF BERKSHIRE POLO CLUB)* [2006] ECR II-239, paragraph 50).

82 In such a case, the other parties may, in accordance with Article 135(3) of the Rules of Procedure, within a period of two months of service upon them of the response, submit a pleading confined to responding to the form of order sought for the first time in the intervener's response (see, to that effect, *ROYAL COUNTY OF BERKSHIRE POLO CLUB*, paragraph 81 above, paragraph 51). Neither the applicant nor OHIM has made use of that possibility, OHIM having already, however, adopted a position on the point in its response, contending that the contested decision should be upheld in its entirety. By contrast, at the hearing, both the applicant and OHIM adopted a position on the intervener's application and requested the Court to reject it as unfounded.

83 The Board of Appeal found, in paragraph 26 of the contested decision, that there was little likelihood of confusion with regard to services consisting of 'retail and wholesale of eyewear, sunglasses, optical goods and accessories, watches, timepieces, jewellery, decals, posters'. The nature of retailing of those goods and of items of clothing and leather goods was different, their sale did not satisfy the same needs, they were not of a complementary nature, and the channels of distribution were different.

84 That conclusion must be upheld.

85 Notwithstanding the fact that, as held in paragraphs 63 to 70 above, the signs are very similar, there is no similarity whatsoever between, in particular, retail services concerning eyewear, on the one hand, and items of clothing and leather goods, on the other hand. The earlier trade mark does not cover, directly or indirectly, goods similar to 'eyewear, sunglasses, optical goods and accessories, watches, timepieces, jewellery, decals, and posters'.

86 The intervener's argument that eyewear, jewellery and watches could be similar or complementary to items of clothing cannot succeed, since, as correctly pointed out by OHIM, the relationship between those goods is too indirect to be regarded as

conclusive. It must be borne in mind that the search for a certain aesthetic harmony in clothing is a common feature in the entire fashion and clothing sector and is too general a factor to justify, by itself, a finding that all the goods concerned are complementary and, thus, similar (*SISSI ROSSI*, paragraph 49 above, paragraph 62).

87 Thus, the goods to which the relevant services provided in connection with retail trade relate and the goods covered by the earlier trade mark, referred to in paragraph 85 above, cannot be considered to be similar in the light of the criteria stated by the Court in *Canon*. In that regard, it must be held that advice given in relation to eyewear cannot be regarded as complementary to clothes. In addition, the channels of distribution of the retail services in question and those of the goods concerned are different; for consumers do not, moreover, expect, as OHIM rightly pointed out, that a manufacturer of clothes and leather goods will operate directly or indirectly sales outlets for eyewear, sunglasses or optical goods, not corresponding to his principal activity.

88 It follows that the intervener's application based on Article 134(3) of the Rules of Procedure must be dismissed.

Costs

89 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since the applicant has failed in its pleas, it must be ordered to pay the costs incurred by OHIM, as applied for by the latter. The intervener, who has not applied for the applicant to be ordered to pay the costs, is to bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Eighth Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Oakley, Inc., to pay the costs, except those incurred by the intervener;**
- 3. Orders Venticinque Ltd to pay its own costs.**

Martins Ribeiro

Papasavvas

Wahl

Delivered in open court in Luxembourg on 24 September 2008.

Registrar

President

E. Coulon

M.E. Martins Ribeiro