



## Reports of Cases

JUDGMENT OF THE GENERAL COURT (Fourth Chamber)

18 July 2017\*

(Community design — Invalidity proceedings — Registered Community design representing ornamentation — Earlier design — Ground for invalidity — No individual character — Product at issue — Degree of freedom of the designer — No different overall impression — Article 6 and Article 25(1)(b) of Regulation (EC) No 6/2002)

In Case T-57/16,

**Chanel SAS**, established in Neuilly-sur-Seine (France), represented by C. Sueiras Villalobos, lawyer,  
applicant,

v

**European Union Intellectual Property Office (EUIPO)**, represented by E. Zaera Cuadrado, acting as Agent,  
defendant,

the other parties to the proceedings before the Board of Appeal of EUIPO being

**Li Jing Zhou**, residing in Fuenlabrada (Spain),

and

**Golden Rose 999 Srl**, established in Rome (Italy),

ACTION brought against the decision of the Third Board of Appeal of EUIPO of 18 November 2015 (Case R 2346/2014-3), relating to invalidity proceedings between, on the one hand, Chanel and, on the other hand, Mr Li Jing Zhou and Golden Rose 999,

THE GENERAL COURT (Fourth Chamber),

composed of H. Kanninen, President, L. Calvo-Sotelo Ibáñez-Martín and I. Reine (Rapporteur), Judges,  
Registrar: J. Palacio González, Principal Administrator,

having regard to the application lodged at the Court Registry on 8 February 2016,

having regard to the response of EUIPO lodged at the Court Registry on 27 April 2016,

further to the hearing on 7 March 2017,

\* Language of the case: Spanish.

gives the following

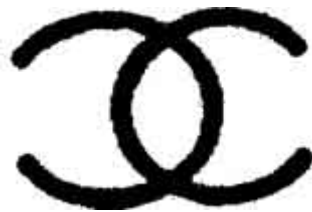
## Judgment

### Background to the dispute

- 1 On 30 March 2010, Mr Li Jing Zhou filed an application for registration of a Community design with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1).
- 2 The design in respect of which registration was sought is represented as follows:



- 3 The design represented in paragraph 2 above, which was registered under the number 1689027-0001 and is intended to be applied to 'ornamentation' in Class 32 of the Locarno Agreement Establishing an International Classification for Industrial Designs of 8 October 1968, as amended, was published in *Community Designs Bulletin* No 97/2010 of 5 May 2010.
- 4 On 24 January 2014, EUIPO was informed that Golden Rose had become the co-owner of the design represented in paragraph 2 above.
- 5 On 4 December 2013, the applicant, Chanel SAS, filed an application for a declaration of invalidity in respect of the contested design with the Cancellation Division of EUIPO pursuant to Article 52 of Regulation No 6/2002. The ground relied on in support of the application was that set out in Article 25(1)(b) of Regulation No 6/2002, read in conjunction with Articles 4 to 9 of that regulation.
- 6 In its statement of grounds for the application for a declaration of invalidity, the applicant submitted that the contested design was not new within the meaning of Article 5 of Regulation No 6/2002. According to the applicant, the contested design was highly similar and almost identical to its own monogram, which has been registered as a trade mark in France since 1989 and is represented as follows:



- 7 Furthermore, it claimed that the contested design lacked individual character under Article 6 of Regulation No 6/2002.
- 8 By decision of 15 July 2014, the Cancellation Division of EUIPO rejected the application for a declaration of invalidity on the ground that the earlier design did not deprive the contested design of novelty or individual character.

- 9 The Cancellation Division found, in essence, as regards the novelty of the contested design, that the differences between the designs at issue were not immaterial. As regards individual character, the Cancellation Division found that the contested design produced an overall impression on informed users which differed from that produced by the earlier design.
- 10 On 10 September 2014, the applicant brought an appeal before the Board of Appeal of EUIPO against the decision of the Cancellation Division.
- 11 By decision of 18 November 2015 ('the contested decision'), the Third Board of Appeal of EUIPO dismissed the appeal. It found, in essence, that the contested design was manifestly not identical to the Chanel monogram, that the differences between the two designs could not be categorised as immaterial details and that, consequently, the contested design was new.
- 12 It also found that the earlier design did not deprive the contested design of its individual character. The Board of Appeal first of all examined the concept of 'the informed user' as applied in the present case. It concluded that the product to which the contested design was applied was ornamentation and that that product was used both by professionals and by end users as ornamentation for other products.
- 13 Next, the Board of Appeal observed that the designer of the contested design had a great degree of freedom in designing that design. However, the difference between the central parts of the two monograms was, in the Board of Appeal's view, a fundamental characteristic, which the informed user, as correctly determined by the Cancellation Division, would remember. Consequently, the Board of Appeal found that the overall impression produced on the informed user by each of the designs at issue differed.

### **Forms of order sought**

- 14 The applicant claims that the Court should:
- annul the contested decision;
  - declare the contested design invalid;
  - order EUIPO, and likewise any main party to, or intervener in, the proceedings which supports the contested decision, to pay the costs.
- 15 EUIPO contends that the Court should:
- dismiss the action;
  - order the applicant to pay the costs.

### **Law**

#### ***Whether the applicant's second head of claim is admissible***

- 16 By its second head of claim, the applicant requests that the Court declare the contested design invalid.
- 17 It should be borne in mind that, under Article 61(3) of Regulation No 6/2002, the Court has jurisdiction to annul or to alter a contested decision. Under Article 61(6) of that regulation, EUIPO is required to take the necessary measures to comply with the judgment of the Court, which means that

it is not for the Court to issue directions to EUIPO; rather, it is for EUIPO to draw the appropriate inferences from the operative part of the Court's judgment and from the grounds stated (judgment of 12 May 2010, *Beifa Group v OHIM — Schwan-Stabilo Schwanhäüßer (Instrument for writing)*, T-148/08, EU:T:2010:190, paragraph 40).

- 18 The applicant's second head of claim must therefore be rejected as inadmissible (see, by analogy, judgment of 11 February 2009, *Bayern Innovativ v OHIM — Life Sciences Partners Perstock (LifeScience)*, T-413/07, not published, EU:T:2009:34, paragraph 17).

### *Substance*

- 19 In support of its action, the applicant relies on a single plea in law, alleging infringement of Article 25(1)(b) of Regulation No 6/2002, which consists of two parts, alleging (i) infringement of Article 6 of that regulation and (ii) infringement of Article 5 of that regulation. It is appropriate to examine the first part of that single plea in law.
- 20 In the context of the first part of the single plea, the applicant submits, in essence, that the Board of Appeal's analysis is manifestly incomplete and that its findings are marred by a number of errors.
- 21 According to the applicant, the Board of Appeal did not, in the context of the analysis of whether the contested design has individual character, make any mention of the product to which that design is intended to be applied. It maintains that it was also not specified who the informed user is in the present case. The applicant submits that the Board of Appeal should have taken into account the evidence provided, which shows that the designs at issue have been reproduced on actual items, and also the fact that there are only minimal differences between those designs. In addition, the applicant claims that the contested design may be used with a change in orientation of 90 degrees as compared with its representation in the application for registration.
- 22 The applicant submits that, consequently, in spite of the finding that the designer of the contested design had a great degree of freedom in designing it, the Board of Appeal nevertheless decided that the designs at issue did not produce the same overall impression, which, in the applicant's view, constitutes an infringement of Article 25(1)(b) of Regulation No 6/2002.
- 23 EUIPO contends that the first part of the single plea should be rejected. In that regard, first of all, it observes that the applicant does not dispute the definition of the informed user or the degree of freedom of the designer of the design and defines the product to which the contested design is intended to be applied as ornamentation.
- 24 Secondly, EUIPO contends that some of the evidence submitted for the first time before the Court is inadmissible and that the argument that the Board of Appeal was required to take into account the designs at issue as represented on products that have been marketed is inadmissible. In its view it is not, in any event, possible to take into account the designs at issue as represented on products that have been marketed, because the conditions in which the designs at issue are used are entirely dependent on the wishes of the parties.
- 25 Lastly, according to EUIPO, the Board of Appeal took account of the great degree of freedom enjoyed by the designer of the contested design. It submits that, in spite of that finding, the Board of Appeal found that there were differences between the central parts of the designs at issue and that those differences have not been disputed by the applicant. Consequently, the Board of Appeal was, in EUIPO's view, right in finding that the designs at issue did not produce the same overall impression on the informed user.

26 Article 6 of Regulation No 6/2002 provides:

‘1. A design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public:

- (a) in the case of an unregistered Community design, before the date on which the design for which protection is claimed has first been made available to the public;
- (b) in the case of a registered Community design, before the date of filing the application for registration or, if a priority is claimed, the date of priority.

2. In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.’

27 It is apparent from that provision that the assessment of the individual character of a Community design involves, in essence, a four-stage examination consisting in deciding upon, first, the sector to which the products in which the design is intended to be incorporated or to which it is intended to be applied belong; secondly, the informed user of those products in accordance with their purpose and, with reference to that informed user, the degree of awareness of the prior art and the level of attention in the comparison, direct if possible, of the designs; thirdly, the designer’s degree of freedom in developing his design; and, fourthly, the outcome of the comparison of the designs at issue, taking into account the sector in question, the designer’s degree of freedom and the overall impressions produced on the informed user by the contested design and by any earlier design which has been made available to the public. A prerequisite to the examination of the individual character of a design and to the examination of its novelty with regard to Article 5 of Regulation No 6/2002 is to establish whether any design relied on in support of the invalidity of the contested design has been disclosed to the public and whether that disclosure is earlier (judgment of 7 November 2013, *Budziewska v OHIM — Puma (Bounding feline)*, T-666/11, not published, EU:T:2013:584, paragraph 21).

28 It is therefore apparent from Article 6(1)(b) of Regulation No 6/2002 and from settled case-law that the assessment of whether a design has individual character is determined by the overall impression that it produces on the informed user (see, to that effect, judgments of 22 June 2010, *Shenzhen Taiden v OHIM — Bosch Security Systems (Communications equipment)*, T-153/08, EU:T:2010:248, paragraph 17, and of 25 October 2013, *Merlin and Others v OHIM — Dusyma (Games)*, T-231/10, not published, EU:T:2013:560, paragraph 28 and the case-law cited).

29 In the specific assessment of the overall impression of the designs at issue on the informed user, who has some awareness of the state of the prior art, the designer’s degree of freedom in developing the contested design must be taken into account (see, to that effect, judgment of 18 March 2010, *Grupo Promer Mon Graphic v OHIM — PepsiCo (Representation of a circular promotional item)*, T-9/07, EU:T:2010:96, paragraph 72).

30 According to the case-law, the greater the designer’s freedom in developing a design, the less likely it is that minor differences between the designs at issue will be sufficient to produce a different overall impression on an informed user. Conversely, the more the designer’s freedom in developing a design is restricted, the more likely it is that minor differences between the designs at issue will be sufficient to produce a different overall impression on an informed user. Consequently, if the designer enjoys a high degree of freedom in developing a design, that reinforces the conclusion that designs that do not have significant differences produce the same overall impression on an informed user (judgment of 9 September 2011, *Kwang Yang Motor v OHIM — Honda Giken Kogyo (Internal combustion engine)*, T-11/08, not published, EU:T:2011:447, paragraph 33).

- 31 However, it must be borne in mind that the factor relating to the freedom of the designer cannot on its own determine the assessment of the individual character of a design, but that it is, however, a factor which has to be taken into consideration in that assessment. It is a factor which makes it possible to moderate the assessment of the individual character of the contested design, rather than an independent factor which determines how different two designs have to be for one of them to demonstrate individual character. Consequently, the factor relating to the designer's degree of freedom may reinforce or, *a contrario*, moderate the conclusion as regards the overall impression produced by each design at issue (see, to that effect, judgment of 10 September 2015, *H&M Hennes & Mauritz v OHIM — Yves Saint Laurent (Handbags)*, T-526/13, not published, EU:T:2015:614, paragraphs 33 and 35).
- 32 The design must not, therefore, be regarded as a reproduction of the earlier design or of the original idea that was developed for the first time in that earlier design (see, to that effect, judgments of 6 June 2013, *Kastenholz v OHIM — Qwatchme (Watch dials)*, T-68/11, EU:T:2013:298, paragraph 71, and of 4 February 2014, *Gandia Blasco v OHIM — Sachi Premium-Outdoor Furniture (Cuboid Armchair)*, T-339/12, not published, EU:T:2014:54, paragraph 40).
- 33 Lastly, it must be borne in mind that it is apparent from the case-law that the comparison of the overall impressions produced by the designs must be synthetic and may not be limited to an analytic comparison of a list of similarities and differences (judgment of 29 October 2015, *Roca Sanitario v OHIM — Villeroy & Boch (Single control handle faucet)*, T-334/14, not published, EU:T:2015:817, paragraph 58).
- 34 It is in the light of those principles that the first part of the single plea put forward in the present action must be examined.
- 35 It must be stated that, in the present case, the parties do not dispute that the Chanel monogram is the earlier design.
- 36 Furthermore, the applicant does not dispute that the contested design is ornamentation in Class 32, but maintains that the Board of Appeal did not identify the products to which that ornamentation is intended to be applied.
- 37 In addition, it is common ground between the parties and was reaffirmed at the hearing that the informed user in the present case is to be understood as meaning both professionals and end users.
- 38 The parties also agree on the fact that the designer of the contested design had a great degree of freedom in designing it.
- 39 Consequently, in connection with the analysis of the individual character of the contested design carried out by the Board of Appeal, it is necessary to examine whether the Board of Appeal erred as regards, first, the determination of the nature of the product to which the contested design is intended to be applied and, secondly, the comparison of the overall impressions produced on the informed user by the designs at issue.

*The nature of the product to which the contested design is intended to be applied*

- 40 In the present case, the applicant submits that the contested decision did not, as it should have, identify the product to which the contested design is intended to be applied.

- 41 In order to ascertain the product in which a contested design is intended to be incorporated or to which it is intended to be applied, the relevant indication in the application for registration of that design should be taken into account, but also, where necessary, the design itself, in so far as it makes clear the nature of the product, its intended purpose or its function (judgment of 18 March 2010, *Representation of a circular promotional item*, T-9/07, EU:T:2010:96, paragraph 56).
- 42 It should be noted at the outset that a design may be registered as ornamentation as in the case which gave rise to the judgment of 7 November 2013, *Bounding feline* (T-666/11, not published, EU:T:2013:584), which related to a design that was registered as a logo in Class 32.
- 43 In the present case, the contested design does not provide any information with regard to its intended purpose or function. Furthermore, by contrast with the case which gave rise to the judgment of 7 November 2013 (*Bounding feline*, T-666/11, not published, EU:T:2013:584), cited in paragraph 42 above, in which the designs at issue related generally to the clothing and sports equipment sector, in the present case, the Chanel monogram is registered in respect of a very large number of products and the contested design is registered as ornamentation, without any information regarding the products to which that ornamentation is intended to be applied. It follows that, in the present case, it was not possible to establish the sector to which the products in which the design was intended to be incorporated or to which it was intended to be applied belong or to compare it with that of the Chanel monogram.
- 44 Consequently, the Board of Appeal was right in finding that the product to which the contested design was intended to be applied was ornamentation, a finding which is not disputed by the parties. Contrary to what the applicant submits, the Board of Appeal was not required to identify the product to which that ornamentation was intended to be applied.
- 45 That finding must therefore be taken into account in comparing the overall impressions produced on the informed user by the designs at issue.

*The comparison of the overall impressions produced by the designs at issue*

- 46 The applicant submits, in particular, that the Board of Appeal erroneously and without providing sufficient reasoning found that the designs at issue produced a different overall impression, in spite of the great degree of freedom of the designer, by disregarding the evidence provided, which showed that the designs at issue had been reproduced on actual items, and by also disregarding the fact that there were only minimal differences between those designs.
- 47 EUIPO takes the view that the Board of Appeal was right in finding that the designs at issue produced a different overall impression and that it did not fail to have regard to the great degree of freedom of the designer. Furthermore, it contends that certain items of evidence and the argument regarding the necessity of taking account of products that have been marketed, which were submitted for the first time before the Court, are inadmissible.
- 48 It is true that the applicant has produced before the Court photographs of sunglasses by way of a comparison of items to which the contested design, on the one hand, and the Chanel monogram, on the other hand, are affixed, in order to provide examples of products bearing the design at issue that have actually been marketed, photographs that were presented during the administrative stage in support of the part of the plea relating to the lack of novelty of the contested design, but not in support of the present part of the plea. It is also true that the applicant submitted, for the first time before the Court, other photographs in the application and at the hearing in order to illustrate the use of the contested design on products which have been marketed, and, also for the first time before the Court, submitted the argument regarding the necessity of taking account of products which have been marketed.

- 49 First of all, it must be pointed out that the documents and the argument referred to in paragraph 48 above, which have been submitted for the first time before the Court, cannot be taken into consideration. The purpose of actions before the Court is to review the legality of decisions of the Boards of Appeal of EUIPO for the purposes of Article 61 of Regulation No 6/2002, so it is not the Court's function to review the facts in the light of documents produced for the first time before it. Accordingly, the abovementioned documents must be excluded and there is no need to assess their evidential value (see, to that effect and by analogy, judgments of 18 March 2010, *Representation of a circular promotional item*, T-9/07, EU:T:2010:96, paragraph 24, and of 13 November 2012, *Antrax It v OHIM — THC (Radiators for heating)*, T-83/11 and T-84/11, EU:T:2012:592, paragraph 28).
- 50 Furthermore, as regards the photographs of sunglasses which have already been submitted before EUIPO, it must be held that those photographs may, in any event, be taken into account only as an example of a possible use of the contested design and that that is so also as regards the orientation or size of the designs at issue when they are being used; the photographs cannot therefore be perceived as the only point of reference (see, to that effect, judgments of 7 November 2013, *Bounding feline*, T-666/11, not published, EU:T:2013:584, paragraph 30, and of 29 October 2015, *Single control handle faucet*, T-334/14, not published, EU:T:2015:817, paragraph 78). That finding is borne out by the fact that, in the present case, the contested design represents ornamentation in Class 32, which is capable of being applied to a vast number of products.
- 51 Furthermore, the variations in the orientation of the contested design were illustrated during the proceedings before the Board of Appeal by a representation of the designs at issue superimposed on one another. EUIPO confirmed in the response and at the hearing that that possibility of use had been taken into account by the Board of Appeal.
- 52 In that regard, it must be pointed out that, according to the case-law, the overall impression must necessarily be determined also in the light of the manner in which the product at issue is used, in particular on the basis of the handling to which it is normally subject on that occasion (see, to that effect, judgment of 22 June 2010, *Communications equipment*, T-153/08, EU:T:2010:248, paragraph 66).
- 53 In the present case, in the context of its specific analysis regarding the comparison of the overall impressions, the Board of Appeal, while admitting that the designer had a great degree of freedom, decided that the designs at issue produced a different overall impression on the informed user. In that regard, it essentially based its decision on the differences between the central parts of the designs at issue. In particular, first, the Board of Appeal found that the contested design consists of 'two "3"s which are mirror images of each other', whereas the Chanel monogram consists of 'two "C"s which are mirror images of each other'. Secondly, it found that the contested design represents a horizontal bow with pointed ends and slightly thicker lines, whereas the Chanel monogram has a vertical oval central space with pointed ends. Thirdly, it pointed out an analogy with the infinity symbol as far as the contested design was concerned and with an ellipse as far as the Chanel monogram was concerned.
- 54 It is therefore apparent from the contested decision that the Board of Appeal confined itself to pointing out that, in spite of the great degree of creative freedom, the differences in the central part of the designs at issue, as described in paragraph 53 above, constituted a fundamental characteristic which the informed user would remember.
- 55 However, it must be stated that, in the present case, there are remarkable similarities between the earlier design and the contested design. The latter may be perceived, to a certain extent, as a creation inspired by the idea of the Chanel monogram, particularly because the choice of the contested design was not in any way determined by any considerations and because its designer did not sufficiently differentiate that design from the Chanel monogram. Consequently, for the purposes of determining whether the designs at issue produce a different overall impression, it must be held that the informed



user will perceive those designs as a whole. Even though there are differences between the central parts of the two designs, the fact remains that the overall impression is not different, since the outer parts, which considerably determine the outline and overall impression produced by the designs at issue, are highly similar and almost identical. Furthermore, the central parts, even though there are some differences between them, both consist of similar oval shapes which dissolve into the overall image of the designs. In particular, the central part of the contested design consists of two ellipses which are similar to the single ellipse in the Chanel monogram. Those differences are particularly unlikely to be noticed by the informed user because it is possible to use the contested design with a 90 degree variation in orientation and in various sizes.

- 56 In the light of the similarities between the designs at issue, the great degree of creative freedom cannot but reinforce, in accordance with the case-law, the fact that those designs do not produce a different overall impression, particularly because the differences will be noticed only when those designs are compared directly, which is not always immediately possible (see, to that effect, judgment of 20 October 2011, *PepsiCo v Grupo Promer Mon Graphic*, C-281/10 P, EU:C:2011:679, paragraph 55).
- 57 It must also be pointed out that, in the present case, no constraint of any features imposed by the technical function of the ornamentation or an element of the ornamentation or by any applicable statutory requirements has been found to exist (see, to that effect, judgment of 9 September 2011, *Internal combustion engine*, T-11/08, not published, EU:T:2011:447, paragraph 32).
- 58 Lastly, it must be borne in mind that the contested design is ornamentation in Class 32 and that such ornamentation may be applied to a wide range of products, which makes it almost impossible to determine in advance how that ornamentation will be used. That therefore reinforces the necessity for a meticulous analysis of the overall impressions produced by the designs at issue.
- 59 Consequently, taking into account the great degree of creative freedom of the designer of the contested design and the existence of a great degree of freedom to use that design on products which may vary, the differences between the designs at issue would not be capable of producing a different overall impression on the informed user.
- 60 It follows that the Board of Appeal erred in finding that the contested design had individual character vis-à-vis the Chanel monogram.
- 61 Consequently, the first part of the single plea, alleging infringement of Article 6 of Regulation No 6/2002, must be upheld.
- 62 It is not necessary to examine the second part of the single plea, since Article 4(1) of Regulation No 6/2002 provides that a design is to be protected only if that design is both new and has individual character.
- 63 It follows from all of the foregoing considerations that the contested decision must be annulled.

### **Costs**

- 64 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. Since EUIPO has essentially been unsuccessful, it must be ordered to pay the costs, in accordance with the form of order sought by the applicant.

On those grounds,

THE GENERAL COURT (Fourth Chamber)

hereby:

- 1. Annuls the decision of the Third Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 18 November 2015 (Case R 2346/2014-3);**
- 2. Dismisses the action as to the remainder;**
- 3. Orders EUIPO to pay the costs.**

Kanninen

Calvo-Sotelo Ibáñez-Martín

Reine

Delivered in open court in Luxembourg on 18 July 2017.

[Signatures]