JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
9 July 2003 *

In Case T-162/01,

Laboratorios RTB, SL, established in Bigues i Riells (Spain), represented by A. Canela Giménez, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by O. Montalto and J.F. Crespo Carillo, acting as Agents,

defendant,

* Language of the case: Spanish.

the other party to the proceedings before the Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) being:

Giorgio Beverly Hills, Inc., established in Santa Monica, California (United States of America),

ACTION brought against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 30 April 2001 (Case R 122/2000-1),

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

composed of: V. Tiili, President, P. Mengozzi and M. Vilaras, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the written procedure and further to the hearing on 22 January 2003,

gives the following

Judgment

Background to the dispute

1 On 2 January 1997, Giorgio Beverly Hills, Inc. ('the applicant') filed an application for a Community trade mark under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM).

2 The trade mark in respect of which registration was sought was the word mark GIORGIO BEVERLY HILLS.

3 The goods in respect of which registration was sought are in Classes 3, 14, 18 and 25 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

4 The application was published in *Community Trade Marks Bulletin* No 24/98 of 6 April 1998.

5 On 1 July 1998, the applicant filed a notice of opposition under Article 42 of Regulation No 40/94 against the registration of that Community trade mark. The opposition was brought in relation to part of the goods covered by the trade mark application, namely 'Toilet soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices, deodorants for personal use and preparations for the cleaning, care, beautification of the skin, scalp and hair' within Class 3. The ground relied on in support of the opposition was the likelihood of confusion referred to in Article 8(1)(b) of Regulation No 40/94 between the mark claimed and earlier marks owned by the applicant. The earlier marks are the following Spanish registrations:

— No 1 747 375: figurative sign, reproduced below, for 'Perfumery products and cosmetics, especially cosmetic preparations for the hair and bath', within Class 3;



— No 1 160 413: figurative sign, reproduced below, for 'Eau-de-cologne, body deodorant, shampoo, bath gel, hair-spray, hair conditioner cream, hair-cream, body milk, cleansing milk, lipsticks; nail polish, suntan lotions, facial tonics', within Class 3;



— No 1 747 374: figurative sign, reproduced below, for 'Perfumery products and cosmetics, especially cosmetic preparations for the hair and bath', within Class 3;



— No 1 789 484: figurative sign, reproduced below, for 'Perfumery and cosmetics' within Class 3;



6 By a decision of 2 December 1999, OHIM's Opposition Division rejected the opposition on the ground that the differences between the conflicting signs are unlikely to cause confusion in the mind of the public in Spain, where the earlier marks are protected.

7 On 28 January 2000, the applicant filed an appeal against the Opposition Division's decision at OHIM under Article 59 of Regulation No 40/94.

8 The appeal was dismissed by a decision of the First Board of Appeal of 30 April 2001 ('the contested decision').

9 The Board essentially held that, notwithstanding the identity of the goods, there are sufficient differences between the mark claimed GIORGIO BEVERLY HILLS and the earlier figurative marks containing the word signs J GIORGI, GIORGI LINE and MISS GIORGI to exclude any likelihood of confusion.

Procedure and forms of order sought

10 By application lodged at the Registry of the Court on 18 July 2001, the applicant brought this action.

11 On 14 December 2001, OHIM lodged its response at the Registry of the Court.

12 The applicant claims that the Court should:

— annul the contested decision;

— declare the trade mark invalid or, if appropriate, order that it be refused registration;

— order OHIM to pay the costs.

13 OHIM contends that the Court should:

— dismiss the application;

— order the applicant to pay the costs.

14 At the hearing, the applicant withdrew its second head of claim, for a declaration of invalidity in relation to the mark claimed, or, if appropriate, an order that it be refused registration.

Law

15 In support of its application, the applicant advances a single plea in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94.

Arguments of the parties

16 The applicant maintains that the word 'giorgio' in the mark claimed renders that mark incompatible with the earlier marks owned by it. In its view, the introduction on the market of a trade mark which has as its most important element a word that is practically identical to the predominant component of the earlier marks will give rise to a strong likelihood of confusion.

17 On that point, the applicant submits that the predominant element of the earlier marks is the word 'giorgi', since it is that component which the consumer perceives with the greatest force. The applicant argues that all the earlier marks contain the word 'giorgi', which is the ingredient that most forcefully distinguishes the applicant's goods. As to the other aspects of each of the earlier marks, the applicant claims:

— first of all, as regards Spanish trade mark No 1 160 413, that neither the specific design of the letters nor the initial 'J' effectively distinguishes the goods in question;

— secondly, as to Spanish trade mark No 1 747 374, that the word 'miss' designates a generic category and the abstract design does not possess any distinctive character;

— thirdly, with regard to Spanish trade mark No 1 747 375, that the word 'line' is purely secondary in relation to the word 'giorgi' and that the graphic element is unpronounceable;

— finally, with regard to Spanish trade mark No 1 789 484, that the format of the word 'giorgi' is much larger than that of the generic term 'line' and that the design is abstract, purely arbitrary and does not enable the goods designated by the trade mark to be identified.

18 In those circumstances, the applicant contends that the verbal element in the earlier marks, and in particular the word 'giorgi', which occurs in all the earlier marks, predominates over the graphic elements, since consumers ask for the goods by identifying them phonetically. In that regard, the applicant cites a number of judgments of the Tribunal Supremo (Spain) in which, it claims, that line of reasoning was followed.

19 As regards the mark claimed, the applicant submits that particular consideration must be given to the word 'giorgio' when the mark claimed is compared with the earlier marks. According to the applicant, the word 'giorgio' is distinct from the other aspects of the mark, namely the words 'Beverly Hills', which are purely secondary and in no way distinguish the goods covered by the mark claimed. The applicant submits that those words are a geographical designation, which is devoid of any distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, and that they ought therefore not to be taken into account when the mark claimed is compared with other trade marks. To support its argument, the applicant cites a number of judgments of the Tribunal Supremo in which that line of reasoning was followed.

20 The applicant further contends that consumers tend to abbreviate trade marks composed of more than one word and that, in the case of the mark claimed, they will therefore ask for the goods covered by the mark by reference to the word 'giorgio' and not to the full designation 'Giorgio Beverly Hills'.

21 In that context, the applicant claims that the dominant elements of the conflicting signs, namely the words 'giorgi' and 'giorgio', are visually and phonetically similar, or indeed identical. Thus, in the applicant's submission, the almost total phonetic identity between the dominant elements of the signs gives rise to a likelihood of confusion between the conflicting marks, as the additional letter 'o' in the element 'giorgio' of the mark claimed is not sufficient to distinguish that mark from the earlier marks composed of the word 'giorgi'.

22 Finally, the applicant claims that the visual and phonetic similarities between the conflicting marks, together with the fact that they designate goods within the same class, namely Class 3, are liable to create a likelihood of confusion in the mind of the consumer.

23 OHIM submits by way of preliminary observation on the decisions of the Tribunal Supremo cited by the applicant that it is not for the Court to rule on the application of Spanish trade mark law, and that those decisions are thus not relevant to this case because the applicable law is Community law.

24 OHIM concurs with the conclusion reached by the Board of Appeal that there is no likelihood of confusion between the conflicting marks.

25 In that connection, OHIM contests the applicant's contention that the words 'Beverly Hills' are secondary because they are devoid of distinctive character as they constitute a geographical designation within the meaning of Article 7(1)(c) of Regulation No 40/94. It submits that that provision is not applicable to these words, which are not exclusively descriptive for goods such as perfumery and cosmetics. Consequently, in OHIM's submission, it is necessary to take the words 'Beverly Hills' into consideration when comparing the marks in question. In contrast to the applicant, therefore, OHIM contends that the Italian first name 'Giorgio' is not the dominant element of the mark claimed.

26 With regard to the manner in which the goods in question are marketed, OHIM takes the view that cosmetic and perfumery products are relatively expensive goods, which are generally on display to the consumer. In those circumstances, it submits that the applicant's analysis that the consumer asks for the goods orally, and solely by reference to the dominant element of the trade mark, does not reflect the way in which the market operates.

27 As regards the comparison of the marks in question, OHIM contends that all the aspects of each sign must be taken into consideration and in that connection it contests the applicant's analysis, which limits that comparison to the words 'giorgi' and 'giorgio', while ignoring the other figurative and verbal aspects of the conflicting signs.

28 With regard to the analysis of each of the earlier marks in relation to the mark claimed, OHIM contends:

— that the Spanish J GIORGI trade mark differs phonetically from the mark claimed and that there is therefore no likelihood of confusion between them;

— that in the Spanish MISS GIORGI trade mark, the word 'miss' cannot be separated from the word 'giorgi';

— finally, as regards the Spanish trade marks No 1 747 375 and No 1 789 484, that the word 'line' plays a key role in that it distinguishes GIORGI LINE goods from J GIORGI and MISS GIORGI goods.

Findings of the Court

29 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'. Further, under Article 8(2)(a)(ii) of Regulation No 40/94, 'earlier trademarks' 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.

30 According to the case-law of the Court of Justice on 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), a provision which is in essence the same as Article 8(1)(b) of Regulation No 40/94, 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 (Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 29; Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17; and Case T-104/01 *Oberhauser* v *OHIM — Petit Liberto (Fifties)* [2002] ECR II-4359, paragraph 25).

31 According to the same line of case-law, the likelihood of confusion on the part 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; *Canon*, paragraph 16; *Lloyd Schuhfabrik Meyer*, paragraph 18; Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40; and *Fifties*, paragraph 26).

32 That global assessment of the likelihood of confusion implies some interdependence between the factors taken into account, and in particular similarity between the trade marks and between the goods or services. Accordingly, a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa (*Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19). The interdependence of these factors is expressly referred to in the seventh recital in 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, among other factors, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.

33 In addition, the perception of marks in the mind of the average consumer of the 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 (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25). For the purposes of that global assessment, the average consumer of the products concerned is deemed to be reasonably well informed and reasonably observant and circumspect. In addition, 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 has to place his trust in the imperfect image of them that he has retained 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 (*Lloyd Schuhfabrik Meyer*, paragraph 26).

34 In this case, given that the earlier marks are registered in Spain and that the goods in question are everyday consumer items, the targeted public by reference to which the likelihood of confusion must be assessed is composed of average consumers in Spain.

35 In the light of the foregoing considerations, it is appropriate first of all to compare the goods and then the conflicting signs.

36 As regards the comparison of the goods, the earlier Spanish marks designate goods in Class 3. Thus the MISS GIORGI (No 1 747 374) and GIORGI LINE (No 1 747 375) marks are registered for 'Perfumery products and cosmetics, especially cosmetic preparations for the hair and bath' and the GIORGI LINE mark (No 1 789 484) is registered for 'Perfumery and cosmetics', and the J GIORGI mark (No 1 160 413) for 'Eau-de-cologne, body deodorant, shampoo, bath gel, hair-spray, hair conditioner cream, haircream, body milk, cleansing milk, lipsticks; nail polish, suntan lotions, facial tonics'.

37 The Board of Appeal found at paragraph 16 of the contested decision that the goods covered by the Spanish marks GIORGI LINE (No 1 747 375 and No 1 789 484), MISS GIORGI and J GIORGI must be regarded as comparable or identical to 'Toilet soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices, deodorants for personal use and preparations for the cleaning, care, beautification of the skin, scalp and hair', within Class 3, which are covered by the mark claimed GIORGIO BEVERLY HILLS.

38 It is also common ground between the parties that there is identity or similarity between the goods covered by the earlier marks and those designated by the contested mark.

39 As regards the comparison of the signs, it is clear from the case-law that the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components (*SABEL* paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25). In addition, the Court of Justice has found that it is possible that mere aural similarity between trade marks may create a likelihood of confusion (*Lloyd Schuhfabrik Meyer*, paragraph 28).

40 It is therefore necessary to compare the visual, aural and conceptual aspects of the conflicting signs.

41 As regards visual comparison, the Board of Appeal held that, although the mark claimed GIORGIO BEVERLY HILLS bears some resemblance to the earlier marks in that the word 'giorgi' occurs in all the earlier marks and is contained in the word 'giorgio', there are none the less a number of major differences. The earlier marks all contain significant figurative elements and an additional verbal element ('line' or 'miss' or the letter 'j'). The mark claimed also contains an additional verbal element, BEVERLY HILLS, which appears in capital letters of the same size as the word GIORGIO (paragraph 17 of the contested decision).

42 In that connection, it must be observed that the fact that the earlier marks and the mark claimed contain the words 'giorgi' and 'giorgio', which bear a certain resemblance to one another, is of little consequence in the context of a global comparison and is not in itself sufficient to justify the conclusion that the conflicting signs are visually similar.

43 Because the signs contain other word elements, namely the letter 'j', the words 'line' and 'miss' in the earlier marks and the words 'Beverly' and 'Hills' in the mark claimed, the overall impression conveyed by each sign is different. In addition, the earlier marks include figurative elements in an individual and original configuration.

44 It follows that the Board of Appeal was right to hold that the differences between the conflicting signs are sufficient to support the conclusion that they are not visually similar.

45 The Board of Appeal did not specifically evaluate the signs in question with a view to a phonetic comparison. It merely stated that whilst the mark claimed GIORGIO BEVERLY HILLS resembles the earlier marks in so far as the word 'giorgi' occurs in all the earlier marks and is contained within the word 'giorgio', there are none the less important differences between the marks (paragraph 17 of the contested decision).

46 It must be observed in that connection that there are significant differences between the conflicting signs, and that the similarities between them are negligible by comparison with the differences. The contested mark is composed of six syllables (gior-gio-be-ver-ly-hills), of which only one, the syllable 'gior', is the same as the syllables occurring in the earlier marks, which are composed respectively of three syllables (miss-gior-gi and j-gior-gi) and four syllables (gior-gi-li-ne)

47 The conflicting signs accordingly have fewer phonetic elements in common than not. The marks in question must therefore be found to be phonetically dissimilar.

48 As regards the conceptual comparison of the conflicting signs, the Board of Appeal agreed with the opponent (the applicant before this Court) that the conflicting marks cannot be similar from this perspective because the word 'giorgio' is dominant in the contested mark GIORGIO BEVERLY HILLS, while the words 'Beverly Hills' are a geographical designation which at most is descriptive of the qualities of the goods covered by the trade mark and cannot therefore be distinctive in relation to them.

49 In that connection, it must be observed with regard to the mark claimed that the words 'Beverly Hills', which refer to a particular geographical place with which the target public is familiar, apart from being non-descriptive of the goods in question, have a semantic importance which, combined with that of the man's first name Giorgio, produces a whole that is conceptually different from the earlier marks.

50 Secondly, it must be observed that, contrary to the applicant's contention, words such as 'giorgi' and 'giorgio' are not characteristic for perfumery and cosmetics. As the Board of Appeal observed, in view of the prevalence of real or assumed Italian names in the perfume market, and the fact that consumers are used to trade marks which contain common names, they will not assume that every time a particular common name occurs in a trade mark in conjunction with other elements, verbal or figurative, the goods in question all emanate from the same source (paragraph 17 of the contested decision).

51 Consequently, the Board of Appeal was right to conclude that there is no conceptual concurrence between the signs in question.

52 Accordingly, even though there is identity and similarity between the goods covered by the conflicting marks in this case, the visual, aural and conceptual differences between the signs constitute sufficient grounds for holding that there is no likelihood of confusion in the mind of the targeted public (Case T-110/01 *Vedial* v *OHIM — France Distribution (HUBERT)* [2002] ECR II-5275, paragraph 63).

53 Finally, as OHIM stated, the decisions of the Tribunal Supremo cited by the applicant are not relevant to this case. The legality of decisions of the Boards of Appeal must be evaluated solely on the basis of Regulation No 40/94, as interpreted by the Community Courts, and not on the basis of a previous decision-making practice followed by a national court of a Member State.

54 In the light of the foregoing, the Board of Appeal was entitled to conclude that there is no likelihood of confusion between the mark claimed GIORGIO BEVERLY HILLS and the earlier Spanish marks J GIORGI (No 1 160 413), MISS GIORGI (No 1 747 374), GIORGI LINE (No 1 747 375 and No 1 789 484). This plea in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94, must therefore be rejected.

55 It follows that the application must be dismissed.

Costs

56 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since the applicant has been unsuccessful and OHIM has asked for costs, it must be ordered to pay OHIM's costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

1. Dismisses the application;

2. Orders the applicant to pay the costs.

Tiili Mengozzi Vilaras

Delivered in open court in Luxembourg on 9 July 2003.

H. Jung
Registrar

V. Tilli
President