JUDGMENT OF THE COURT OF FIRST INSTANCE (Fifth Chamber)

25 March 2009 *

In Case T-109/07,

L'Oréal SA, established in Paris (France), represented by E. Baud, lawyer,

applicant,

v

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

defendant,

* Language of the case: French.

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

Spa Monopole, compagnie fermière de Spa SA/NV, established in Spa (Belgium), represented by E. Cornu, L. De Brouwer and D. Moreau, lawyers,

ACTION brought against the decision of the Fourth Board of Appeal of OHIM of 24 January 2007 (Case R 468/2005-4), concerning opposition proceedings between Spa Monopole, compagnie fermière de Spa SA/NV and L'Oréal SA,

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

composed of M. Vilaras, President, M. Prek (Rapporteur) and V. Ciucă, Judges,

Registrar: N. Rosner, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 11 April 2007,

having regard to the response of OHIM lodged at the Registry of the Court on 25 June 2007,

having regard to the response of the intervener lodged at the Registry of the Court on 17 July 2007,

further to the hearing on 6 November 2008,

gives the following

Judgment

Background to the dispute

1 On 28 November 2000, the applicant, L'Oréal SA, filed an application for registration of a Community trade mark with the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) pursuant to 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 mark in respect of which registration was sought is the word mark SPA THERAPY.

3 The goods in respect of which registration was sought come within Class 3 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks, as revised and amended, and correspond to the following description: 'Perfumes, eaux de toilette; bath and shower gels and salts not for medical purposes; toilet soaps; deodorants for personal use; cosmetics, in particular creams, milks, lotions, gels and powders for the face, body and hands; sun-tanning milks, gels and oils and after-sun preparations (cosmetics); make-up preparations; shampoos; gels, mousses, balms and preparations in aerosol form for hairdressing and hair care; hair lacquers; hair-colouring and hair-decolorising preparations; permanent waving and curling preparations; essential oils'.

4 The application for registration was published in *Community Trade Marks Bulletin* No 55/2002 of 15 July 2002.

5 On 14 October 2002, the intervener, Spa Monopole, compagnie fermière de Spa SA/NV, filed a notice of opposition, pursuant to Article 42 of Regulation No 40/94, against the registration of the mark applied for, with respect to all of the goods covered by the latter.

6 In support of its opposition, the intervener invoked, in particular, the existence of a likelihood of confusion, within the meaning of Article 8(1)(b) of Regulation No 40/94, with a number of earlier marks, including the word mark SPA, which had been registered with the Benelux Trade Mark Office on 11 March 1981 under number 372307, with respect to 'bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; toothpastes' in Class 3. The intervener also invoked Article 8(4) and (5) of Regulation No 40/94, relying on a number of previous registrations.

7 By decision of 29 March 2005, the Opposition Division of OHIM upheld the opposition, taking the view that the conditions set out in Article 8(1)(b) of Regulation No 40/94 had been fulfilled. The Opposition Division did not examine the grounds for refusal derived from Article 8(4) and (5) of Regulation No 40/94, and relied solely on the likelihood of confusion with the earlier word mark SPA ('the earlier mark').

8 On 22 April 2005, the applicant filed an appeal with OHIM against the decision of the Opposition Division.

9 By decision of 24 January 2007 ('the contested decision'), the Fourth Board of Appeal of OHIM dismissed the appeal on the ground that the conditions set out in Article 8(1)(b) of Regulation No 40/94 were satisfied. With regard, first of all, to the comparison of the goods in question, the Board of Appeal observed that the parties did not dispute their identity. With regard, next, to the comparison of the signs in conflict, the Board of Appeal held that it was necessary to take into account the enhanced distinctive character of the word 'spa' for the relevant public consisting of average consumers in the Benelux countries, and it did not accept the applicant's argument that the word 'spa' was descriptive of the cosmetic products in Class 3. On that basis, the Board of Appeal took the view that the word element 'spa' was the principal attractive element of the mark applied for and that, therefore, the conflicting signs were similar, notwithstanding visual, aural and conceptual differences connected to the presence of the word element 'therapy' in the mark applied for. Finally, the Board of Appeal noted that, in the field of cosmetic products, manufacturers frequently put several lines of products on the market under different sub-brands. The Board of Appeal deduced from that that it was likely that consumers would think that the goods covered by the mark applied for were marketed under the control of the intervener. The Board of Appeal also refused to allow the applicant's request that the intervener provide proof of genuine use of its mark, on the ground that that request had been made out of time.

Forms of order sought

10 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM and, in so far as is necessary, the intervener to pay the costs.

11 OHIM and the intervener contend that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

12 As a preliminary point, it must be noted that the intervener challenges the admissibility of numerous annexes to the application, on the ground that they include documents which were presented for the first time before the Court. In the present case, however, it is not necessary to verify the admissibility of each of the annexes disputed by the intervener, since the Court of First Instance is able to appraise the applicant's arguments in light of the documents presented during the administrative procedure and contained in the case-file before OHIM, which the latter has forwarded to the Court in accordance with Article 133 of the Rules of Procedure.

13 The applicant relies on a single plea, alleging breach of Article 8(1)(b) of Regulation No 40/94.

14 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.

15 In the present case, the protection of the earlier trade mark extends to the Benelux countries. It is thus the perception of the conflicting marks by consumers of the goods in question in the territory of those Member States which must be examined. Furthermore, taking the nature of the goods in question into account, the Board of Appeal held in paragraph 12 of the contested decision that the relevant public consisted of average consumers. That analysis appears to be correct and has not, in any event, been disputed by the applicant.

16 According to settled case-law, the likelihood of confusion on the part of the public, which is defined as the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, must be assessed globally, taking into account all factors relevant to the circumstances of the case (Case T-104/01 *Oberhauser* v *OHIM — Petit Liberto* (Fifties) [2002] ECR II-4359, paragraphs 25 and 26; see also, by analogy, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 29).

17 The global appreciation 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 which they create, bearing in mind, in particular, their distinctive and dominant components. 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 appreciation of that likelihood. In that respect, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see, by analogy, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 25).

18 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole,

which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components. It is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (Case C-334/05 P *OHIM* v *Shaker* [2007] ECR I-4529, paragraphs 41 and 42, and Case C-193/06 P *Nestlé* v *OHIM*, not published in the ECR, paragraphs 42 and 43).

19 However, beyond the usual case in which the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element, and that, therefore, the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from economically-linked undertakings, in which case the likelihood of confusion must be held to be established. In such a context, the finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark (see, to that effect, and by analogy, Case C-120/04 *Medion* [2005] ECR I-8551, paragraphs 30 to 33).

20 In the present case, as was pointed out by the Board of Appeal in paragraph 11 of the contested decision, the identity of the goods covered by the conflicting marks is not in dispute between the parties.

21 With regard to the comparison of the signs at issue, it must be observed that the trade mark applied for is made up of the earlier mark, to which is added the word 'therapy'.

22 It must also be noted that the earlier mark, without making up the dominant element of the trade mark applied for, retains an independent distinctive role within the latter.

23 First, the trade mark applied for does not consist of a new word with an independent meaning different from that of the simple juxtaposition of its constituent elements, but of two clearly distinct words: 'spa' and 'therapy'.

24 Second, it appears that the word 'spa', which constitutes both the earlier mark and the element common to both marks, has an average distinctive character with regard to the cosmetic products covered by the marks at issue.

25 The applicant's assertions based on the alleged descriptive or generic character of the word 'spa' in respect of cosmetic products are not convincing. The evidence provided by the applicant during the administrative procedure and included in the case-file before OHIM points only to the existence of a possible descriptive and generic character of that term in respect of places for hydrotherapy such as hammams or saunas and not to the existence of a descriptive and generic character in respect of the cosmetic products covered by the mark applied for. The only element which would appear to support the applicant's argument is a decision of the Tribunal de grande instance de Paris (Regional Court, Paris). However, the probative value of that decision is limited. First, that decision is likely to relate to the perception of only one part of the relevant public, namely the French-speaking public of the Benelux countries. Second, it would seem that the position taken in that decision has been contradicted by other courts, including the Cour d'appel de Paris (Court of Appeal, Paris).

26 The other elements adduced by the applicant during the administrative procedure before OHIM, such as the extracts from dictionaries, evidence based on the use of the word 'spa' in the press and on the Internet, or also the survey carried out in the

Netherlands on how the word 'spa' is understood, serve only to demonstrate the descriptive and generic character of the word 'spa' in respect of places for hydrotherapy such as hammams or saunas.

27 As for the references to OHIM's decision-making practice, suffice it to note that, according to settled case-law, the legality of the decisions of Boards of Appeal must be assessed 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 of those boards (see Case T-112/03 *L'Oréal* v *OHIM — Revlon* (FLEXI AIR) [2005] ECR II-949, paragraph 68 and the case-law cited).

28 Furthermore, while the applicant's assertion during the hearing that the word 'spa' is descriptive and generic in respect of one of the places in which cosmetic products are used or marketed, that is to say, places for hydrotherapy such as hammams or saunas, appears to be correct, it cannot, however, be deduced from this that that word is, consequently, devoid of distinctive character with respect to cosmetic products or that that distinctive character is too weak to support the conclusion that the earlier mark has an independent distinctive role within the mark applied for. The links connecting cosmetic products to places for hydrotherapy are, because of their use in that context, not such that the conclusion regarding the descriptive or generic character of the word 'spa' can be extended to them.

29 It is thus necessary to establish whether, as a result of that independent distinctive role, the overall impression made by the mark applied for may lead the public to believe that the goods in question come, at least, from economically-linked undertakings and that, therefore, there exists a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94.

30 First of all, it must be noted that the consumer generally pays greater attention to the beginning of a mark than to the end (Case T-133/05 *Meric* v *OHIM — Arbora & Ausonia* (PAM-PIM'S BABY PROP) [2006] ECR II-2737, paragraph 51). The earlier

mark is at the beginning of the mark applied for. Consequently, the independent distinctive role that it has within that mark is all the more likely to cause confusion among the relevant public as to the commercial origin of the goods.

31 Next, it must also be noted that the word 'therapy' is not a widely-known commercial name as in *Medion*, cited in paragraph 19 above, but a term which, without being descriptive of cosmetic products, does not have a particularly strong distinctive character with respect to those goods, such that it could be understood as referring to the benefits of those goods.

32 Finally, as the Board of Appeal correctly observed in paragraph 13 of the contested decision, cosmetics manufacturers frequently put several lines of products on the market under different sub-brands. Consequently, the fact that the mark applied for consists of the earlier mark SPA followed by the word 'therapy' could lead consumers to believe that it relates to a line of products marketed by the intervener.

33 It follows from all of the foregoing that the differences between the signs as a result of the presence of the word 'therapy' in the mark applied for are not such as to outweigh the significant similarities between the signs at issue resulting from the presence of the earlier mark at the beginning of the mark applied for and from the independent distinctive role that it has there. Furthermore, since the goods covered by the marks at issue are identical, it must be concluded that the relevant public will believe that they come, at least, from economically-linked undertakings.

34 Consequently, the Board of Appeal's conclusion, in paragraph 13 of the contested decision, that there is a likelihood of confusion between the marks at issue must be upheld.

35 Accordingly, the single plea in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94, must be rejected and the action therefore dismissed.

Costs

36 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. As the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by OHIM and the intervener.

On those grounds,

THE COURT OF FIRST INSTANCE (Fifth Chamber)

hereby:

1. Dismisses the action;

2. Orders L'Oréal SA to pay the costs.

Vilaras Prek Ciucă

Delivered in open court in Luxembourg on 25 March 2009.

[Signatures]