JUDGMENT OF THE GENERAL COURT (Sixth Chamber)

2 December 2009 *

In Case T-434/07,

Volvo Trademark Holding AB, established in Gothenburg (Sweden), represented by T. Dolde, V. von Bomhard and A. Renck, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by S. Laitinen and A. Folliard-Monguiral, acting as Agents,

defendant,

* Language of the case: English.

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

Elena Grebenshikova, residing in Saint Petersburg (Russia), represented by M. Björkenfeldt, lawyer,

ACTION brought against the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 2 August 2007 (Case R 1240/2006-2), concerning opposition proceedings between Volvo Trademark Holding AB and Ms Elena Grebenshikova,

THE GENERAL COURT (Sixth Chamber),

composed of A.W.H. Meij (Rapporteur), President, V. Vadapalas and T. Tchipev, Judges,

Registrar: N. Rosner, Administrator,

having regard to the application lodged at the Registry of the Court on 28 November 2007,

having regard to the response of the intervener lodged at the Court Registry on 3 March 2008,

having regard to the response of the Office lodged at the Court Registry on 18 March 2008,

further to the hearing on 4 June 2009,

gives the following

Judgment

Background to the proceedings

1 On 26 November 2003, the intervener, Ms Elena Grebenshikova, filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office') under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).

2 The trade mark application concerned the following figurative sign:



3 The goods and services for which registration of the mark was sought are in Classes 9, 39 and 42 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 Community trade mark application was published in *Community Trade Marks Bulletin* No 47/2004 of 22 November 2004.

5 On 17 February 2005, the applicant, Volvo Trademark Holding AB, filed a notice of opposition under Article 42 of Regulation No 40/94 (now Article 41 of Regulation No 207/2009) to registration of the trade mark applied for.

6 The opposition was based on the two earlier Community trade mark registrations Nos 2347193 and 2361087, and on the four earlier United Kingdom registrations Nos 747362, 1102971, 1552528 and 1552529, relating to the word sign VOLVO.

7 The opposition was also based on the earlier United Kingdom registration No 747 361, relating to the following figurative sign:



8 The earlier marks, which the applicant claimed had a reputation in the European Community, covered a wide range of goods and services. In particular, Community trade mark No 2361087 covered, inter alia, 'computer software' in Class 9.

9 The opposition was based on all the goods and services designated by the earlier marks and was directed against all the goods and services covered by the Community trade mark application.

10 The grounds of the opposition were those referred to in Article 8(1)(b) and (5) of Regulation No 40/94 (now Article 8(1)(b) and (5) of Regulation No 207/2009).

11 On 1 June 2005, the intervener restricted her Community trade mark application to 'computer programs for warehouse management systems and computer programs for container terminal systems' in Class 9.

12 By decision of 23 August 2006, the Opposition Division rejected the opposition on the ground that the signs at issue were not similar. For that purpose, it examined the opposition taking into consideration only the earlier Community trade mark No 2361087, which related to the word sign VOLVO and covered goods and services in Classes 9 and 42, holding that that did not adversely affect the applicant's position.

13 On 21 September 2006, the applicant lodged an appeal against the Opposition Division's decision.

14 By decision of 2 August 2007 ('the contested decision') the Second Board of Appeal dismissed the appeal. Like the Opposition Division, the Board of Appeal examined whether the opposition was well founded taking into account only the earlier Community trade mark No 2361087, relating to the word sign VOLVO.

15 As regards Article 8(1)(b) of Regulation No 40/94, it held that the marks at issue were not similar and that, consequently, one of the conditions referred to in that provision was not fulfilled. As regards Article 8(5) of Regulation No 40/94, the Board of Appeal held that, besides the fact that the marks at issue were not similar, there was no factor common to both signs which might lead to the belief that there was an economic link between them.

Forms of order sought

16 The applicant claims that the Court should:

— annul the contested decision;

— order the Office to pay the costs.

17 At the hearing, the applicant also claimed that the Court should order the intervener to pay the costs.

18 The Office contends that the Court should:

— dismiss the application;

— order the applicant to pay the costs.

19 The intervener contends that the Court should:

— dismiss the application;

— order the applicant to pay the costs incurred for the purposes of the proceedings before the Court and those incurred for the purposes of the proceedings before the Board of Appeal.

Law

20 The applicant puts forward two pleas in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94 and of Article 8(5) of that regulation respectively.

The first plea, alleging infringement of Article 8(1)(b) of Regulation No 40/94

Arguments of the parties

21 The applicant claims that the Board of Appeal wrongly held that the signs at issue were not similar and puts forward four arguments in this connection. First, the difference of the initial letter of the signs at issue is not sufficient to rule out any similarity between those signs, having regard to the fact that four of the five letters of which they consist are identical and in the same position. Secondly, the Board of Appeal focused on the repetition of the letter 'v' in the earlier marks without attaching any value to the repetition of the vowel 'o', nevertheless present in the signs at issue. Thirdly, the Board of Appeal incorrectly relied on the different script type of the trade mark applied for, without taking into consideration the fact that the earlier word marks might also exist in a similar script type. Fourthly and finally, the Board of Appeal granted inappropriate importance to the figurative element of the mark applied for. The applicant consequently submits that the Board of Appeal should have undertaken an overall assessment of the likelihood of confusion.

22 The Office contends, first of all, that software dedicated to the field of warehouse management and container terminal systems is aimed at professionals, who will display a relatively high degree of attentiveness.

23 It secondly submits, essentially, that the visual and phonetic differences justify the finding that the signs at issue are not similar. Thus, so far as the visual similarity of the signs at issue is concerned, the Office observes that the first letter of the signs is different and that the script type of the trade mark applied for is striking and plays an important role in the overall impression produced by it. It also observes that the trade mark applied for is dominated by an impression of dissymmetry, while the earlier word sign gives an impression of symmetry because of the repetition of the group of letters 'vo'. Furthermore, the figurative element in the trade mark applied for is an important element of visual differentiation. As regards the phonetic similarity, the

Office submits that the difference of the first letter of the signs at issue is sufficient for them not to be considered to be similar.

24 The intervener contends, essentially, that the Board of Appeal carried out a correct analysis. She draws attention, inter alia, to the phenomenon whereby if a trade mark is very well known by consumers, they are, paradoxically, more likely to distinguish it from other marks by noting their slight differences from it, which has the effect of reducing the likelihood of confusion. The intervener moreover maintains that the marks at issue are conceptually dissimilar on account of the different meanings which the terms 'solvo' and 'volvo' are likely to suggest in Latin. At the hearing, the applicant dwelt on the fact that those words were derived from Latin.

Findings of the Court

25 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 an 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.

26 According to established 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. According to the same line of case-law, the likelihood of confusion must be assessed globally, according to the relevant public's perception of the signs and goods or services concerned, taking into account all factors relevant to the circumstances of the case (Case T-162/01 *Laboratorios RTB* v *OHIM — Giorgio Beverly Hills (GIORGIO BEVERLY HILLS)* [2003] ECR II-2821, paragraphs 31 to 33 and the case-law cited).

27 That global assessment takes account, in particular, of recognition of the mark on the market, and of the degree of similarity between the marks and between the goods or services covered. In that respect, it implies some interdependence between the factors taken into account, so that a low degree of similarity between the goods or services covered may be offset by a high degree of similarity between the marks, and vice versa (Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 17, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 19).

28 In the present case, the Court notes, first of all, that the applicant relies in support of its opposition on seven earlier marks, relating to both the word sign VOLVO and the figurative sign referred to in paragraph 7 above. However, the applicant does not contest the approach of the Opposition Division and of the Board of Appeal which was to examine whether there is a likelihood of confusion by taking into consideration only the earlier Community trade mark No 2361087, relating to the word sign VOLVO. Since that word sign is the one which is closest to the mark applied for and that registration covers, amongst other goods and services, computer software, and thus also goods identical to those covered by the mark applied for, namely computer programs for warehouse management and container terminal systems, the Court finds that the fact that only that earlier mark was taken into account was not such as to prejudice the applicant's interests.

29 The Court notes, next, that the identity of the goods in question is not contested. Only the similarity of the signs is disputed by the parties.

30 In this respect, it should be recalled that, as far as concerns the visual, phonetic or conceptual similarity of the signs at issue, the global assessment of the likelihood of confusion must be based on the overall impression given by the signs, bearing in mind, in particular, their distinctive and dominant elements (Case T-292/01 *Phillips-Van Heusen* v *OHIM — Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 47, and Case T-153/03 *Inex* v *OHIM — Wiseman (Representation of a cowhide)* [2006] ECR II-1677, paragraph 26).

31 It has moreover been held that 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 visual, phonetic and conceptual aspects (Case T-6/01 *Matratzen Concord* v *OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 30, and Case T-211/03 *Faber Chimica* v *OHIM — Nabersa (Faber)* [2005] ECR II-1297, paragraph 26).

32 At issue in the present case are, on the one hand, a figurative sign consisting of a word element, 'solvo', depicted in a stylised font, as well as a graphic element to the right of the word element and, on the other hand, the word sign VOLVO.

33 As regards visual similarity, the Court finds that the word element of the mark applied for dominates, by itself, the image of that sign which the relevant public keeps in mind, with the result that the figurative element to the right of the word element is not predominant within the global impression created by that sign.

34 The Board of Appeal essentially found that the dissimilarity of the first letter of the signs at issue together with the stylised font of the mark applied for gave rise to considerable differences which preclude any visual similarity.

35 The Court observes in this respect that the Board of Appeal was right to find that the stylised font of the mark applied for was a highly distinctive element, which distances that mark considerably from the earlier word mark VOLVO. It must be stated that that font influences to a large extent the overall impression created by the mark applied for, since it characterises its dominant word element.

36 The significant difference created by that specific font is, as the Board of Appeal rightly observed, reinforced by the presence of the figurative element of the mark applied for. The applicant cannot in this respect submit that the Board of Appeal attached inappropriate importance to that figurative element. It is apparent from the contested decision that the Board of Appeal's finding regarding the visual dissimilarity of the signs at issue is not based primarily on the presence of that figurative element, since the assessment regarding that dissimilarity is first and foremost — and rightly — based on the stylised font used to present the word element of the mark applied for.

37 The applicant cannot, moreover, assert that the earlier word sign might exist in a script type comparable to that of the mark applied for. It is important to point out that the examination of the similarity of the marks at issue takes into consideration those marks in their entirety, as they have been registered or as they have been applied for. A word mark is a mark consisting entirely of letters, of words or of groups of words, written in printed characters in normal font, without any specific figurative element. The protection which results from registration of a word mark relates to the word mentioned in the application for registration and not the specific figurative or stylistic aspects which that mark might have. The graphic form which the earlier word sign might have in the future must not, therefore, be taken into account for the purposes of the examination of similarity (see to that effect, *Faber*, paragraphs 36 and 37; judgment of 13 February 2007 in Case T-353/04 *Ontex* v *OHIM — Curon Medical (CURON)*, not published in the ECR, paragraph 74; and judgment of 22 May 2008 in Case T-254/06 *Radio Regenbogen Hörfunk in Baden* v *OHIM (RadioCom)*, not published in the ECR, paragraph 43).

38 As regards phonetic similarity, the Board of Appeal found that the signs at issue were different on account of the difference in the way that their first letter was sounded, since the 's' of the 'solvo' element of the mark applied for is a sibilant, whereas the 'v' of the mark VOLVO is a fricative.

39 It must nevertheless be stated, as the applicant claims, that, although the difference in the first letter of the signs at issue creates a phonetic dissimilarity, the pronunciation of the group of the following four letters, 'olvo', remains strictly identical and thus necessarily maintains a degree of similarity (see, to that effect, Case T-388/00 *Institut*

für Lernsysteme v *OHIM — ELS Educational Services (ELS)* [2002] ECR II-4301, paragraphs 69 to 73).

40 Although it is correct, as the Board of Appeal observed, that the beginning of a sign is of importance in the global impression created by that sign, it cannot be denied in the present case that there is a degree of similarity, in view of the identical pronunciation to which a very large part of each of the signs at issue gives rise, namely four of their five letters.

41 The Board of Appeal therefore made an error of assessment in not recognising that there is a certain degree of phonetic similarity between the signs at issue.

42 As regards conceptual similarity, the applicant agrees with the Board of Appeal's analysis that consumers are unlikely to have sufficient knowledge to discern the Latin roots of the signs at issue. Only the intervener contends that the Latin roots of the marks in question tend to create a conceptual dissimilarity.

43 The Court considers none the less that it is unlikely that the consumer in question will perceive the meaning that the marks at issue might have in the light of their Latin roots, since it is in general unlikely that a significant proportion of consumers would make the connection between the terms referred to by those marks and Latin. The Court therefore holds that conceptual similarity plays only a very minor role in the present case in the assessment of the similarity of the signs at issue.

44 It therefore follows from the foregoing that, although the Board of Appeal was right to find that the mark applied for SOLVO and the earlier word sign VOLVO are not

visually and conceptually similar, it made an error of assessment in precluding any phonetic similarity.

45 The Office claims however that, in the present case, the goods in question, namely software dedicated to the field of warehouse management and container terminal systems, are aimed at a professional public; in this respect, account should be taken of their relatively high degree of attention for the purposes of the review of the legality of the Board of Appeal's assessment regarding the similarity of the signs at issue.

46 The Court observes however that the Board of Appeal failed to take into consideration the target public for the purposes of assessing the similarity of the signs at issue. By its argument, the Office seeks therefore not to produce evidence of such a kind as to clarify an existing statement of reasons in the decision in question, but to put forward an additional ground in support of the Board of Appeal's conclusion in the contested decision — a ground which does not appear in that decision. However, it should be recalled that the legality of a Community measure must be assessed on the basis of the elements of fact and of law existing at the time when the measure was adopted (Case T-16/02 *Audi* v *OHIM (TDI)* [2003] ECR II-5167, paragraph 63, and Case T-247/01 *eCopy* v *OHIM (ECOPY)* [2002] ECR II-5301, paragraph 46).

47 In this respect, it is not possible to take the view, as the Office contended at the hearing, that the issue of the definition of the relevant public is a legal requirement that can be examined by the Court of its own motion and for the first time. The definition of the relevant public is based on facts which must be assessed in the first place by the Office in compliance with Article 74(1) of Regulation No 40/94, and which may, in some circumstances, be subject to a review of legality by the Community Courts in the light of the arguments and evidence put forward by the parties.

48 Furthermore, the Court observes that although, according to the case-law, the analysis of the similarity between the signs in question, which constitutes an essential element of the global assessment of the likelihood of confusion, must, like that assessment,

be done in relation to the perception of the relevant public (Case T-185/02 *Ruiz-Picasso and Others* v *OHIM — DaimlerChrysler (PICARO)* [2004] ECR II-1739, paragraph 53; see also Case T-256/04 *Mundipharma* v *OHIM — Altana Pharma (RESPICUR)* [2007] ECR II-449, paragraph 58), that applies essentially only to the extent that the specific nature of the consumers in question might influence their perception of the similarity of the signs at issue. That is thus inter alia the case as regards the perception of the degree of phonetic and conceptual similarity, which is likely to vary according to the language and the cultural context of those consumers, or according to their level of knowledge of certain specialist terms, which is sometimes determined by whether they are members of a professional public.

49 On the other hand, in so far as it might have an influence on whether there is a likelihood of confusion, that is to say on whether the goods or services in question are ascribed to the same undertaking or to economically-linked undertakings, the perception of the target public must be taken into consideration at the stage of the global assessment of the likelihood of confusion. That is the case inter alia as regards the higher degree of attention normally displayed by the professional public.

50 In the present case, the existence of a degree of similarity between the signs at issue as regards one of the relevant aspects examined, namely phonetic similarity, precludes the conclusion that one of the essential conditions for the application of Article 8(1)(b) is lacking. In those circumstances, the Board of Appeal is required to carry out a global assessment of the likelihood of confusion, in order to determine whether, in view of the degree of phonetic similarity found between the signs at issue, of the identity of the goods covered and of the reputation of the earlier sign, the public at which the goods in question are aimed might believe that those goods come from the same undertaking or from economically-linked undertakings.

51 The intervener asserts, however, that if a trade mark is very well known by consumers, they are, paradoxically, more likely to distinguish it from other marks by noting their slight differences from it, which has the effect of reducing the likelihood of confusion.

52 In this respect, it should be recalled, first of all, that, in principle, the more distinctive the earlier mark, the greater will be the likelihood of confusion (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 24, and Case T-85/02 *Díaz* v *OHIM — Granjas Castelló (CASTILLO)* [2003] ECR II-4835, paragraph 44). That said, and without the merits of the intervener's proposition in this case having to be prejudged, it must in any event be pointed out that that argument should be taken into consideration at the stage of the global assessment of the likelihood of confusion and that it is not capable of casting doubt on the finding that the marks at issue are not devoid of any similarity.

53 In the present case, since the Board of Appeal refrained from carrying out a global assessment of the likelihood of confusion, it must be held that it infringed Article 8(1)(b) of Regulation No 40/94. It is therefore necessary to uphold the first plea and annul the contested decision on that basis.

The second plea, alleging infringement of Article 8(5) of Regulation No 40/94

Arguments of the parties

54 The applicant claims, for the reasons set out in the first plea, that the Board of Appeal made an error of assessment in holding that the signs at issue were not sufficiently similar. It adds that, even on the assumption that the signs at issue are not sufficiently similar to warrant the application of Article 8(1)(b) of Regulation No 40/94, they are in any event sufficiently similar for the purposes of the application of Article 8(5) of Regulation No 40/94.

55 The Office contends that, even if Article 8(5) of Regulation No 40/94 were to require a lower degree of similarity of the signs than does Article 8(1)(b) of Regulation No 40/94, it is in any event impossible, in the present case, to establish a link between the marks at issue, since they are dissimilar for the purposes of Article 8(1)(b) of Regulation No 40/94 and therefore do not present the slightest similarity.

56 The intervener disputes the merits of the second plea and contends that the marks at issue are not in the same market. She adds that a link between the marks must have an effect on the economic behaviour of the consumer and that it is not sufficient that a sign calls to mind an earlier mark.

Findings of the Court

57 Article 8(5) of Regulation No 40/94 provides that, 'upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where in the case of an earlier Community trade mark the trade mark has a reputation in the Community and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark'.

58 It is clear from the case-law of the Court of Justice in relation to the interpretation of Article 5(2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) (the legislative content of which is, essentially, identical to that of Article 8(5) of Regulation No 40/94) that, to satisfy the condition concerning similarity, it is not necessary to prove that there exists, on the part of the relevant section of the public, a likelihood of confusion between the earlier mark with a reputation and the mark applied for. It

is sufficient for the degree of similarity between those marks to have the effect that the relevant section of the public establishes a link between them (Case C-408/01 *Adidas-Salomon and Adidas Benelux* [2003] ECR I-12537, paragraph 31; see also Case T-181/05 *Citigroup and Citibank* v *OHIM — Citi (CITI)* [2008] ECR II-669, paragraph 64).

59 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case (*Adidas-Salomon and Adidas Benelux*, paragraph 30). In that respect, the Court of Justice has held that relevant factors include the degree of similarity between the marks at issue, the nature and degree of similarity of the goods or services in question, the strength of the earlier mark's reputation, the degree of the earlier mark's distinctive character, whether inherent or acquired through use, and the existence of a likelihood of confusion on the part of the public (Case C-252/07 *Intel Corporation* [2008] ECR I-8823, paragraph 42).

60 The Board of Appeal held that there was not a sufficient degree of similarity between the signs at issue for the public to be able to establish a link between them and for Article 8(5) of Regulation No 40/94 to be applicable.

61 However, that conclusion stems in part from the Board of Appeal's assessment regarding the similarity of the signs in question for the purposes of the application of Article 8(1)(b) of Regulation No 40/94. It is apparent from the examination of the first plea that the Board of Appeal made an error of assessment in finding that the signs at issue were devoid of any similarity, since they share a degree of phonetic similarity.

62 Since that error of assessment is liable to influence the assessment of whether, in view of the degree of similarity between the signs at issue, the relevant public might establish a link between them, it must be held that the Board of Appeal misapplied Article 8(5) of Regulation No 40/94.

63 It is therefore necessary to uphold the second plea and to annul the contested decision on that basis also.

Costs

64 Under Article 87(2) of the Rules of Procedure of the 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 the Office and the intervener have been unsuccessful, they must be ordered to pay the costs, in accordance with the form of order sought by the applicant.

On those grounds,

THE GENERAL COURT (Sixth Chamber)

hereby:

1. **Annuls the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 2 August 2007 (Case R 1240/2006-2), relating to opposition proceedings between Volvo Trademark Holding AB and Ms Elena Grebenshikova;**

2. **Orders the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) to bear its own costs and to pay half of those incurred by Volvo Trademark Holding;**

3. Orders MsGrebenshikova to bear her own costs and to pay half of those incurred by Volvo Trademark Holding.

Meij Vadapalas Tchipev

Delivered in open court in Luxembourg on 2 December 2009.

[Signatures]