JUDGMENT OF THE COURT (Second Chamber)

12 October 2004 *

In Case C-106/03 P,

APPEAL under Article 56 of the Statute of the Court of Justice,

lodged at the Court on 27 February 2003,

Vedial SA, established in Ludres (France), represented by T. van Innis, G. Glas and F. Herbert, lawyers, with an address for service in Luxembourg,

appellant,

the other party to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by O. Montalto and P. Geroulakos, acting as Agents,

defendant at first instance,

* Language of the case: French.

THE COURT (Second Chamber),

composed of: C.W.A. Timmermans, President of the Chamber, C. Gulmann, R. Schintgen, F. Macken (Rapporteur), and N. Colneric, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,
Registrar: R. Grass,

having regard to the written procedure,

after hearing the Opinion of the Advocate General at the sitting on 15 July 2004,

gives the following

Judgment

1 In its appeal Vedial SA ('Vedial') seeks to have set aside the judgment of the Court of First Instance in Case T-110/01 (*Vedial* v *OHIM — France Distribution (HUBERT)* [2002] ECR II-5275, 'the judgment under appeal'), dismissing its action for annulment of the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 9 March 2001 (Case R 127/2000-1) in which the opposition by Vedial to registration of the word and figurative mark HUBERT sought by France Distribution was rejected ('the contested decision').

Legal framework

2 Article 8(1)(b) and (2)(a)(ii) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) provides:

'1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

...;

(b) 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.

2. for the purposes of paragraph 1, "Earlier trade marks" means:

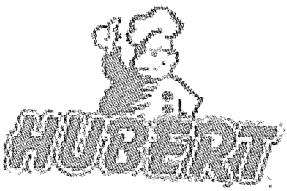
(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:

...

(ii) trade marks registered in a Member State ... .'

Background to the dispute

3 On 1 April 1996, France Distribution filed with OHIM an application for registration of a composite word and figurative mark comprising the name 'HUBERT' in black stylised capital letters bordered with white, surmounted by a bust of a chef of jovial appearance raising his right arm with upturned thumb.



4 The goods in respect of which registration was sought are in Classes 29, 30 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.

5 On 6 January 1998, Vedial filed a notice of opposition under Article 42 of Regulation No 40/94 against the mark applied for in respect of some of the products covered by the mark, namely, 'milk and milk products' in Class 29 and 'vinegar, sauces' in Class 30.

6 The earlier mark is the national word mark SAINT-HUBERT 41 for 'butters, edible fats, cheeses and all dairy products' in Class 29. It is composed of two words connected by a hyphen and including the number 41.

7 Upon rejection of its opposition by a decision of 1 December 1999 by the Opposition Division, Vedial filed an appeal with OHIM against the decision of the Opposition Division pursuant to Article 59 of Regulation No 40/94. In support of its appeal, the applicant annexed to its statement of grounds several documents intended to establish the reputation of its mark in France.

8 That appeal was dismissed by the contested decision. The First Board of Appeal of OHIM essentially considered that, even though there was a high degree of similarity between the goods in question and even though, for the purposes of the application of that provision, it was possible to take account of the reputation of the earlier mark demonstrated to it by Vedial, there was no likelihood of confusion in the mind of the public concerned since the conflicting marks did not display strong similarities.

Procedure before the Court of First Instance and judgment under appeal

9 By an application lodged with the Registry of the Court of First Instance on 23 May 2001, Vedial brought an action for the annulment of the contested decision on the sole ground of infringement of the concept of likelihood of confusion for the purposes of Article 8(1)(b) of Regulation No 40/94.

10 Before the Court of First Instance, OHIM acknowledged that if it were legitimate to regard the earlier mark as reputed, it would be appropriate to conclude that there was a likelihood of confusion with the mark applied for. None the less, since it was not possible, in OHIM's view, to accept the reputation of the earlier mark owing to the appellant's failure to provide evidence of such reputation within the period granted for that purpose by the Opposition Division, it was appropriate to examine the case without the adjunction of that factual element.

11 In that regard OHIM considered that, if the Court of First Instance were to find that the dominant component of the earlier mark is the Christian name 'HUBERT', it would be difficult to deny the existence of a likelihood of confusion between the marks in question. Conversely, if the Court of First Instance were to hold that the earlier mark is not particularly distinctive and forms a whole in which no component is dominant, the differences between the marks should be sufficient to demonstrate that there is no likelihood of confusion. OHIM leaves it to the discretion of the Court of First Instance to resolve that point of law brought before it.

12 France Distribution, which was a lawfully constituted party to the proceedings before the Opposition Division and the Board of Appeal, did not intervene in the proceedings before the Court of First Instance.

13 The Court of First Instance first recalled, at paragraphs 35 to 39 of the judgment under appeal, the Court's case-law concerning likelihood of confusion between the mark applied for and the earlier mark.

14 The Court of First Instance then went on, at paragraphs 40 to 59 of the judgment under appeal, to compare on the one hand the goods concerned and on the other the conflicting signs. Thus it found that the 'dairy products' and 'edible fats' in respect of which the earlier mark had been registered were identical, respectively, with 'milk and milk products' and similar to 'vinegar, sauces' covered by the trade

mark application in question. On the other hand, it considered that the earlier mark and the mark applied for 'are not similar visually', that they are 'dissimilar from an aural point of view' and that there 'is no conceptual similarity between the conflicting marks'.

15 Finally, at paragraphs 60 to 66 of the judgment under appeal, the Court of First Instance adjudged there to be no risk of confusion between the earlier mark and the mark applied for. It held in particular at paragraph 63 that 'even though there is identity and similarity between the goods covered by the conflicting marks, 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'. At paragraphs 65 and 66, it went on to state that, 'in this case, the conflicting signs cannot in any way be regarded as identical or similar from the visual, aural or conceptual points of view' and that, consequently, 'one of the essential conditions for applying Article 8(1)(b) of Regulation No 40/94 has not been satisfied'.

16 Accordingly, the Court of First Instance dismissed the action for annulment of the contested decision.

The appeal

17 In its appeal, in support of which it raises three pleas, Vedial claims that the Court should:

— set aside the judgment under appeal;

— give final judgment on the dispute by granting the forms of order sought at first instance or, in the alternative, remit the case to the Court of First Instance;

— order OHIM to pay the costs.

18 OHIM contends that the Court should dismiss the appeal and order Vedial to pay the costs.

First plea

Parties' arguments

19 In its first plea Vedial submits that in the judgment under appeal the Court of First Instance infringed the general principle of Community law under which the parties delimit the subject-matter of a case, which was upheld by the Court in its judgment in Joined Cases C-430/93 and C-431/93 *Van Schijndel and Van Veen* [1995] ECR I-4705).

20 It states that, under that principle it is for the parties alone to determine the scope of the dispute. It precludes the court from raising an issue not referred to in the parties' submissions. Thus, where on a given point there is no dispute between the parties or where they expressly acknowledge the existence of a legal, relevant and specific fact, the court cannot act of its own motion except if the agreement between the parties on the specific point is contrary to public policy.

21 In the present case, during the procedure before the Court of First Instance, Vedial and OHIM were agreed as to a similarity, if only a phonetic one, between the earlier mark and the mark applied for, and as to a risk of confusion if it were not possible to criticise the Board of Appeal for taking the view that the earlier mark was very distinctive, if only owing to the reputation gained by it in France. According to Vedial, that delimitation of the dispute was not contrary to public policy.

22 Accordingly, the Court of First Instance, it is claimed, infringed the principle under which the parties delimit the subject-matter of a case by considering, contrary to the agreement between the parties on that point, that the conflicting marks displayed no similarities.

23 OHIM contends that the first plea is unfounded. The abovementioned principle applies in civil law but not to the predominantly administrative law disputes concerning the Community trade mark. Moreover, OHIM has no *locus standi* of its own, since it was not a party to the proceedings before the Board of Appeal. When an action comes before the Court of First Instance it must determine whether OHIM, that is to say the Board of Appeal, correctly applied Regulation No 40/94 and, if it concludes that OHIM infringed that regulation, it must set the decision aside.

24 OHIM points out that in its action before the Court of First Instance Vedial maintained that the contested decision infringed the concept of likelihood of confusion and expressly requested the Court of First Instance to examine the conflicting marks and to determine that there was a likelihood of confusion. Accordingly, the Court of First Instance was right to examine that concept and to apply Regulation No 40/94. It cannot therefore be said to have infringed the principle under which the parties delimit the subject-matter of a case.

25 Moreover, OHIM contends that in the present case there was no agreement between Vedial and itself. In its view, apart from the fact that the view of OHIM is expressed in the view taken by the Board of Appeal, as was adjudged by the Court of First

Instance in the judgment under appeal, France Distribution, which could have acted as an intervener before the Court of First Instance, in no way assented to Vedial's interpretation of the likelihood of confusion. However, in disputes relating to industrial and commercial property the Rules of Procedure of the Court of First Instance confer on the intervener a position which is almost identical to that of the other parties.

Findings of the Court

26 Even on the supposition that the principle under which the parties delimit the subject-matter of a case applies in proceedings such as those at first instance concerning an action against a decision of an appeal board of OHIM on an opposition to registration of a mark based on the likelihood of confusion with an earlier mark, OHIM does not in any event have the power to alter before the Court of First Instance the terms of the dispute, as delimited in the respective claims and allegations of the applicant for registration and of the opposing party.

27 In fact, although under Article 133(2) of the Rules of Procedure of the Court of First Instance, OHIM is the defendant in proceedings before the Court of First Instance, the proceedings before that Court are intended to resolve a dispute between the claimant for registration and the holder of an earlier mark, as is borne out by the following provisions in Regulation No 40/94 and the Rules of Procedure of the Court of First Instance.

28 First, under Article 63(2) and (3) of Regulation No 40/94, that action seeks to examine the lawfulness of the decision of the Board of Appeal which decided the dispute concerning registration of the mark applied for and to obtain, in an appropriate case, the annulment or alteration of that decision.

29 Yet before both the Opposition Division and the Board of Appeal, the dispute is between the applicant for registration and the party opposing it, without OHIM being a party to the dispute.

30 It is important to note, in particular, that under Article 42(1)(a) of Regulation No 40/94, only owners of earlier marks may oppose registration of a mark on the relative ground of refusal provided for in Article 8(1)(b) thereof. Thus, OHIM does not have the power to oppose registration of a mark on such a ground.

31 Nor, secondly, is the action before the Court of First Instance against the decision of a Board of Appeal on an opposition open to OHIM. In fact, under Article 63(4) of Regulation No 40/94 such an action 'shall be open to any party to proceedings before the Board of Appeal adversely affected by its decision'.

32 Thirdly, the capacity of defendant conferred on OHIM is limited in its effects. Conversely, the parties to the proceedings before the Board of Appeal, other than the applicant, entitled, under Article 134(1) of the Rules of Procedure of the Court of First Instance, to participate in the proceedings before the Court of First Instance as interveners, are accorded in that connection extensive rights such as to assimilate them to actual defendants.

33 Thus, Article 134(2) of the Rules of Procedure states that: 'The interveners referred to in paragraph 1 shall have the same procedural rights as the main parties.'

34 Moreover, contrary to the ordinary rule in regard to intervention set out in Article 116(4)(a) of the Rules of Procedure, Article 134(3) thereof provides that '[a]n intervener ... may, in his response ..., seek an order annulling or altering the decision of the Board of Appeal on a point not raised in the application'. By dint of *a contrario* reasoning under the latter provision OHIM is not entitled, for its part, to formulate such forms of order.

35 Finally it is clear from Article 134(4) thereof that, in derogation from Article 122 of the Rules of Procedure, even if OHIM does not respond to the application in the manner and within the period prescribed, the default procedure is not to apply where a party to the proceedings before the Board of Appeal other than the applicant intervenes before the Court of First Instance.

36 Therefore OHIM cannot be granted power, by partially concurring with the analysis put forward by the applicant, or acquiescing in its appeal, to alter the terms of the dispute before the Court of First Instance. Any other finding would defeat the legitimate expectation of the party which was successful before the Board of Appeal, in so far as the purpose of proceedings before the Court of First Instance is, pursuant to Article 63(2) of Regulation No 40/94, to review the legality of the decision of the Board of Appeal.

37 In this case the Court of First Instance was in no way bound by the agreement between Vedial and OHIM as to the similarity or even the likelihood of confusion between the conflicting marks. The Court was therefore correct to consider, in the judgment under appeal, whether the contested decision infringed the concept of likelihood of confusion, as Vedial alleged in its application, and to apply Regulation No 40/94.

38 The first ground of appeal must therefore be dismissed.

Second ground of appeal

Arguments of the parties

39 In its second ground of appeal Vedial argues that the Court of First Instance infringed the rights of the defence by failing to act in accordance with its legitimate expectation as to the parameters of the dispute agreed by the parties. Having regard to the position adopted by OHIM in its response submitted to the Court of First Instance, it withdrew its request to be permitted to submit a response and limited its arguments to the parameters defined by OHIM's statement of its position.

40 According to Vedial, even if the Court of First Instance was not bound by the principle under which the parties delimit the scope of the case, it should have ordered that the matter be reopened and notified the parties that it did not concur with their view as to the aural similarity of the conflicting marks.

41 OHIM considers that the second ground of appeal presupposes that the Court of First Instance infringed the abovementioned principle, which in its view it did not. It adds that, both in its application and at the hearing, Vedial set out its views at length, as well as explaining its interpretation of the regulatory provisions and relevant case-law.

Findings of the Court

42 As regards the second ground of appeal, even on the assumption that Vedial and OHIM were agreed that there was some similarity between the conflicting marks or even that there was a likelihood of confusion, it must be borne in mind first of all

that, as analysis of the first ground of appeal makes clear, the Court of First Instance was in no way bound by that view, but had a duty to determine whether, by finding that there was no similarity between the two marks, the Board of Appeal had infringed Regulation No 40/94 in the contested decision. Secondly, the Court of First Instance did not base its decision on facts or arguments extraneous to the issue.

43 Accordingly, the Court of First Instance in no way failed to act in accordance with the legitimate expectations of Vedial, nor was it bound to reopen the matter in order to notify it that it did not agree that there was aural similarity between the earlier mark and the mark applied for.

44 The second ground of appeal must therefore be dismissed.

Third ground of appeal

Arguments of the parties

45 In its third ground of appeal, which was submitted in the alternative, Vedial argues that the Court of First Instance infringed the concept of likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94.

46 By the first limb of this plea, Vedial claims that the Court of First Instance erred in finding, at paragraph 62 of the judgment under appeal, that there was no likelihood of confusion between the earlier mark and the mark applied for without establishing,

as it should have done, whether there was a risk that the public might believe that the goods or services in question originate from undertakings which are linked economically only.

47 By the second limb of the same plea, Vedial alleges that the Court of First Instance was wrong to find, at paragraph 63 of the judgment under appeal, that the visual, aural and conceptual differences between the earlier mark and the mark applied for constituted sufficient grounds to discount any likelihood of confusion. According to Vedial, the question is not whether there are differences between the conflicting marks, but whether those marks are identical or similar and whether, taken together with the identity or similarity of the goods or services concerned, the extent of those similarities is such that there is a likelihood of confusion.

48 By the third limb of this plea, Vedial argues that the Court of First Instance did not apply the rule of interdependence in a clear manner. It erred in failing to state that the alleged slight degree of similarity between the earlier mark and the mark applied for was counteracted by the high degree of similarity between the goods concerned and by the strong distinctiveness of the earlier mark.

49 By the final limb of the third plea Vedial argues that the Court of First Instance was wrong, at paragraph 62 of the contested decision, to restrict the relevant persons to the 'target public', which is to say purely to consumers likely to purchase the marked goods. In Vedial's submission, the relevant public for the purposes of assessing the likelihood of confusion is composed of all persons likely to come across the mark.

50 OHIM argues that the third ground of appeal should be dismissed as unfounded in regard to all limbs.

Findings of the Court

51 For the purposes of applying Article 8 (1)(b) of Regulation No 40/94, the likelihood of confusion presupposes both that the mark applied for and the earlier mark are identical or similar, and that the goods or services covered in the application for registration are identical or similar to those in respect of which the earlier mark is registered. Those conditions are cumulative (see to that effect, on the identical provisions 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), Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 22).

52 Contrary to Vedial's claim, the Court of First Instance did not rely on the visual, aural and conceptual differences between the earlier mark and the mark applied for in deciding that there was no likelihood of confusion.

53 After making a comparative study, at paragraphs 48 to 59 of the judgment under appeal, of the two marks in the visual, aural and conceptual senses, the Court of First Instance concluded, as stated at paragraph 65 of the judgment, that the marks could in no way be regarded as identical or similar for the purposes of Article 8(1)(b) of Regulation No 40/94.

54 Having found that there was no similarity between the earlier mark and the mark applied for, the Court of First Instance correctly concluded that there was no likelihood of confusion, whatever the reputation of the earlier mark and regardless of the degree of identity or similarity of the goods or services concerned.

55 The third ground of appeal is therefore unfounded in regard to each of its limbs and must be dismissed.

56 Accordingly, the appeal must be dismissed in its entirety.

Costs

57 Under Article 69(2) of the Rules of Procedure of the Court, applicable to appeal proceedings by virtue of Article 118 of those rules, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since OHIM sought such an order and Vedial has failed in its appeal it must be ordered to pay the costs.

On those grounds, the Court (Second Chamber) hereby:

1. Dismisses the appeal;

2. Orders Vedial SA to pay the costs.

Signatures.