Reports of Cases

JUDGMENT OF THE COURT (Seventh Chamber)

17 October 2013 *

(Appeal — Community trade mark — Opposition proceedings — Application for Community word mark ZEBEXIR — Earlier word mark ZEBINIX — Relative grounds for refusal — Regulation (EC) No 207/2009 — Article 8(1)(b) — Obligation to state reasons)

In Case C-597/12 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 18 December 2012,

Isdin SA, established in Barcelona (Spain), represented by G. Marín Raigal and P. López Ronda, abogados,

appellant,

the other parties to the proceedings being:

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

defendant at first instance,

Bial-Portela & C[a] SA, established in São Mamede do Coronado (Portugal),

applicant at first instance,

THE COURT (Seventh Chamber),

composed of G. Arestis, J.-C. Bonichot and A. Arabadjiev (Rapporteur), Judges,

Advocate General: P. Cruz Villalón,

Registrar: A. Calot Escobar,

having regard to the written procedure,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

* Language of the case: English.

Judgment

1 By its appeal, Isdin SA ('Isdin') seeks to have set aside the judgment of the General Court of the European Union of 9 October 2012 in Case T-366/11 *Bial-Portela* v *OHIM – Isdin (ZEBEXIR)* ('the judgment under appeal'), by which the General Court annulled the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 6 April 2011 (Case R 1212/2009-1) concerning opposition proceedings between Bial-Portela & C[a] SA ('Bial-Portela') and Isdin ('the contested decision').

Background to the dispute

2 The background to the dispute is summarised as follows in paragraphs 1 to 9 of the judgment under appeal:

'1 On 4 April 2008 [Isdin] filed an application for registration of a Community trade mark at [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 (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)). The application related to the registration of the word sign ZEBEXIR.

2 The goods in respect of which registration was sought fall within Classes 3 and 5 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended ["the Nice Agreement"], and correspond to the following description:

— Class 3: "Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; (abrasive preparations) soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices";

— Class 5: "Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides."

3 The Community trade mark application was published in *Community Trade Marks Bulletin* No 24/2008 of 16 June 2008.

4 On 9 September 2008, [Bial-Portela] filed a notice of opposition to the registration of the mark applied for on the basis of Article 8(1)(b) of Regulation No 40/94 (now Article 8(1)(b) of Regulation No 207/2009).

5 The opposition was based on the earlier Community word mark ZEBINIX, filed on 28 October 2003 and registered on 14 March 2005 for the goods and services in Classes 3, 5 and 42 corresponding, for each of those classes, to the following description:

— Class 3: "Bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices";

— Class 5: "Pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides";

— Class 42: “Scientific and technological services and research and design relating thereto, industrial analysis and research services.”

6 The opposition was directed against all the goods in respect of which registration had been sought.

7 By decision of 3 September 2009, the Opposition Division rejected the opposition for all the goods, finding that there was no likelihood of confusion between the signs within the meaning of Article 8(1)(b) of Regulation No 207/2009.

8 On 13 October 2009, [Bial-Portela] filed an appeal with OHIM, under Articles 58 to 64 of Regulation No 207/2009, against the Opposition Division’s decision.

9 By [the contested decision], the First Board of Appeal of OHIM dismissed [Bial-Portela’s] opposition in its entirety. In particular, it found that the relevant public is composed of all European Union consumers and that the goods designated by the earlier mark and those designated by the mark applied for are identical. It was of the opinion that, notwithstanding the common elements, in particular the first syllable and the first three letters, the global phonetic and visual impressions produced by the signs at issue are different. The Board of Appeal considered that, as the conceptual comparison does not influence the assessment of the similarity of the signs, the visual and phonetic differences are sufficiently relevant to exclude a likelihood of confusion, even for identical goods.’

The procedure before the General Court and the judgment under appeal

3 By application lodged at the Registry of the General Court on 6 July 2011, Bial-Portela brought an action seeking, first, annulment of the contested decision and, second, an order requiring OHIM to refuse registration of the mark at issue.

4 In support of its action, Bial-Portela raised a single plea in law, alleging infringement of Article 8(1)(b) of Regulation No 207/2009.

5 By the judgment under appeal, the General Court, first, found that Bial-Portela’s request for the Court to issue an order to OHIM was inadmissible and, second, upheld Bial-Portela’s single plea in law and annulled the contested decision. In that regard, it found, inter alia:

— at paragraph 18 of that judgment, that the relevant public is composed of the average consumer in the European Union, who is reasonably well informed and reasonably observant and circumspect;

— at paragraph 19 of that judgment, that the goods designated by the marks at issue are identical;

— at paragraphs 26 and 27 of the judgment under appeal, that the visual differences created by the central and end parts of the signs at issue are not sufficient to cancel out the impression of similarity created by the common first part of those signs and that, therefore, contrary to the finding of the Board of Appeal, those signs, taken as a whole, are visually similar;

— at paragraphs 32 to 34 of that judgment, that the first syllable is identical in the two marks at issue, that the second syllables are different but close in their sound, and that the third syllables are distinct but contain the common letters ‘i’ and ‘x’, the second of which has a clearly recognisable sound; that therefore, assessed globally, the phonetic differences between the marks at issue do not preclude some phonetic similarity;

— at paragraph 35 of that judgment, that neither sign has a meaning in the relevant languages and that the conceptual comparison does not therefore influence the comparison of the signs.

6 With regard, more particularly, to the global assessment of the likelihood of confusion, the General Court held as follows in paragraph 40 of the judgment under appeal:

'However, contrary to what the Board of Appeal found, the signs at issue have an average degree of similarity, particularly visually. In that respect, account must also be taken of the fact that the goods in Class 3 and a large proportion of the goods in Class 5 (namely food for babies, materials for dressings, disinfectants; preparations for destroying vermin; fungicides, herbicides), designated by the marks at issue, are normally marketed on display in supermarkets and therefore chosen by the consumers after a visual examination of their packaging, which means that the visual similarity of the signs is especially important. It must therefore be found that there is a likelihood of confusion between the mark applied for and the earlier mark.'

Forms of order sought by the parties

7 Isdin and OHIM ask the Court to set aside the judgment under appeal and to order Bial-Portela to pay the costs of the appeal. In addition, Isdin asks the Court to confirm the contested decision in so far as it rejected Bial-Portela's opposition in its entirety.

The appeal

8 Isdin raises, in essence, five grounds against the judgment under appeal; these allege a distortion of the contested decision, a distortion of the facts, breach of the rights of the defence and two infringements of Article 8(1)(b) of Regulation No 207/2009. In its response to the notice of appeal, OHIM supports the second and fifth grounds of appeal, although it classifies the fifth ground of appeal as challenging a breach of the General Court's duty to state reasons.

9 It is appropriate to examine, first of all, the fifth ground raised by Isdin in support of its appeal.

Arguments of the parties

10 By its fifth ground of appeal, Isdin claims that the General Court infringed Article 8(1)(b) of Regulation No 207/2009 by failing to apply correctly, at paragraph 40 of the judgment under appeal, the case-law relating to the global assessment of the likelihood of confusion.

11 In this respect, Isdin maintains that the General Court found that the visual similarity of the signs was important for some of the goods in Class 5 of the Nice Agreement designated by the mark for which registration was sought, but that it was not important for other goods, and it found that there was a likelihood of confusion based on that visual similarity for all of the goods in that class designated by that mark.

12 According to Isdin, the General Court did not, however, refer to the importance of the visual similarity or lack thereof for the other goods in that Class 5 covered by the mark for which registration was sought, with the result that the finding relating to the likelihood of confusion cannot be considered to include those goods. Consequently, it submits, the General Court assessed the likelihood of confusion between the marks at issue without taking into account all the factors involved.

13 OHIM endorses Isdin's argument. It states that, even if the reasoning of the General Court were considered to be correct and relevant for the goods expressly referred to by the General Court, it is not correct and relevant for the other goods in Class 5 of the Nice Agreement, namely

'pharmaceutical, veterinary and sanitary preparations, dietetic substances adapted for medical use, plasters, material for stopping teeth, dental wax', which are marketed not in supermarkets but in pharmacies, where the visual similarity is not important.

14 Consequently, OHIM takes the view that, for a significant portion of the goods in that Class 5, the only reason provided in the judgment under appeal when assessing the global likelihood of confusion is that 'the signs at issue have an average degree of similarity, particularly visually'. That reason, however, is excessively general and abstract and, therefore, insufficient to explain why that average degree of similarity may lead consumers to confuse the origin of the goods in question. OHIM thus contends that there was a failure to state reasons in the judgment under appeal with regard to the likelihood of confusion.

Findings of the Court

15 It must be stated from the outset that, by its fifth ground of appeal, Isdin is in fact asking the Court, as OHIM correctly pointed out, to rule that the General Court failed to provide reasons when it applied Article 8(1)(b) of Regulation No 207/2009.

16 According to that provision, 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.

17 In that respect, it follows from settled case-law of the Court that 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 within the meaning of Article 8(1)(b) of Regulation No 207/2009 (see Case C-334/05 P *OHIM* v *Shaker* [2007] ECR I-4529, paragraph 33; judgment of 20 September 2007 in Case C-193/06 P *Nestlé* v *OHIM*, paragraph 32; and Case C-317/10 P *Union Investment Privatfonds* v *UniCredito Italiano* [2011] ECR I-5471, paragraph 53).

18 The existence of a 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 (see, to that effect, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22; *OHIM* v *Shaker*, paragraph 34; and *Nestlé* v *OHIM*, paragraph 33).

19 According to equally settled case-law, the global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by those marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global assessment of that likelihood of confusion. In this regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see, to that effect, *SABEL*, paragraph 23; *OHIM* v *Shak*er, paragraph 35; and *Nestlé* v *OHIM*, paragraph 34).

20 In particular, in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to assess the importance to be attached to those various factors, taking account of the category of goods or services in question and the circumstances in which they are marketed (*OHIM* v *Shake*r, paragraph 36, and Case C-552/09 P *Ferrero* v *OHIM* [2011] ECR I-2063, paragraph 85).

21 Furthermore, according to settled case-law of the Court, the duty incumbent upon the General Court under Article 36 and the first paragraph of Article 53 of the Statute of the Court of Justice of the European Union to state reasons for its judgments does not require the General Court to provide an account that follows exhaustively and one by one all the arguments articulated by the parties to the case. The reasoning may therefore be implicit, on condition that it enables the persons concerned to know the grounds on which the General Court has based itself and provides the Court of Justice with sufficient material for it to exercise its powers of review on appeal (see, inter alia, judgment of 21 December 2011 in Case C-320/09 P *A2A* v *Commission*, paragraph 97).

22 In the present case, it is apparent from the judgment under appeal, and in particular from paragraph 40 thereof, that, in order to assess the degree of similarity between the marks at issue, the General Court took account of the marketing conditions which prevail, according to it, in respect of food for babies, materials for dressings, disinfectants, preparations for destroying vermin, fungicides and herbicides in Class 5 of the Nice Agreement.

23 However, even if it is assumed that those marketing conditions do in fact prevail in respect of those goods, something which is disputed in detail by both Isdin and OHIM, it must be held that such an assessment is lacking as regards the other goods in that Class 5 which are covered by the trade mark application at issue, as Isdin and OHIM rightly observe.

24 It is apparent from the wording of paragraph 40 of the judgment under appeal, in so far as it refers solely to 'a large proportion of the goods in Class 5 (namely food for babies, materials for dressings, disinfectants; preparations for destroying vermin, fungicides, herbicides)', that the General Court did not extend the reasoning followed in relation to the goods thus specified to the other goods in that class. However, the General Court nevertheless annulled the contested decision in respect of all of the goods in that Class 5 of the Nice Agreement.

25 It follows from the Court's case-law that an examination of the grounds for refusal must be carried out in relation to each of the goods or services for which trade mark registration is sought (see, to that effect, Case C-239/05 *BVBA Management, Training en Consultancy* [2007] ECR I-1455, paragraph 34).

26 The Court has, it is true, acknowledged that, where the same ground of refusal is given for a category or group of goods or services, the reasoning may be general for all of the goods or services concerned (see, to that effect, *BVBA Management, Training en Consultancy*, paragraph 37, and order of 21 March 2012 in Case C-87/11 P *Fidelio* v *OHIM*, paragraph 43).

27 However, such a power extends only to goods and services which are interlinked in a sufficiently direct and specific way, to the point where they form a sufficiently homogeneous category or group of goods or services. The mere fact that the goods or services concerned are within the same class of the Nice Agreement is not sufficient for a finding that such homogeneity exists, as those classes often contain a large variety of goods and services which are not necessarily interlinked in a sufficiently direct and specific way (see, to that effect, order in Case C-282/09 P *CFCMCEE* v *OHIM* [2010] ECR I-2395, paragraph 40).

28 In the present case, the General Court itself drew a distinction between goods within the same class of the Nice Agreement on the basis of the conditions under which they are marketed. Consequently, it was incumbent on the General Court to set out reasons for its decision with regard to each group of goods which it had established within that class.

29 Since such reasoning is lacking with regard to the goods in Class 5 other than those listed in paragraph 40 of the judgment under appeal – namely food for babies, materials for dressings, disinfectants, preparations for destroying vermin, fungicides, herbicides – that judgment does not

enable the persons concerned to know the grounds on which the General Court based, in that regard, its annulment of the contested decision or provide the Court of Justice with sufficient material for it to exercise its powers of review within the context of the present appeal.

30 Accordingly, and without it being necessary to examine the other grounds relied on by Isdin in support of its appeal, the appeal must be allowed and the judgment under appeal set aside.

31 In accordance with the first paragraph of Article 61 of the Statute of the Court of Justice, the latter may, if it quashes a decision of the General Court, itself give final judgment in the matter, where the state of the proceedings so permits, or refer the case back to the General Court for judgment. In the present case, the state of the proceedings does not permit the Court to give final judgment.

32 Consequently, it is necessary to refer the case back to the General Court and to reserve the costs.

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

1. **Sets aside the judgment of the General Court of the European Union of 9 October 2012 in Case T-366/11 *Bial-Portela* v *OHIM – Isdin (ZEBEXIR);***

2. **Refers the case back to the General Court of the European Union;**

3. **Reserves the costs.**

[Signatures]