JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
31 March 2004 *

In Case T-20/02,

Interquell GmbH, established in Wehringen (Germany), represented by G. J. Hodapp, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by G. Schneider and U. Pfleghar, acting as Agents,

defendant,

supported by

Provimi Ltd, established in Staffordshire (United Kingdom), represented by M. Kinkeldey, lawyer,

intervener,

* Language of the case: German.

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

SCA Nutrition Ltd, established in Staffordshire, represented by M. Kinkeldey, lawyer,

ACTION brought against the decision of the Second Board of Appeal of OHIM of 27 November 2001 (Case R 264/2000-2) relating to opposition proceedings between Interquell GmbH and SCA Nutrition Ltd,

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

composed of: H. Legal, President, V. Tiili and M. Vilaras, Judges,

Registrar: I. Natsinas, Administrator,

having regard to the written procedure and further to the hearing on 17 December 2003,

gives the following

Judgment

Background to the dispute

1 On 4 July 1996, the applicant filed an application for registration of a Community trade mark with the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under 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 mixed figurative and word mark shown below:



3 The goods and services in respect of which registration of the mark was sought fall within Class 31 of the Nice Agreement on the International Classification of Goods and Services for the purposes of the Registration of Trade Marks of 15 June 1957, as revised and amended, and correspond to the following description: 'foodstuffs for dogs'.

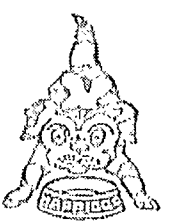
4 The application for a Community trade mark was published in *Community Trade Marks Bulletin* No 29/98 of 20 April 1998.

5 On 20 July 1998, SCA Nutrition Ltd gave notice of opposition under Article 42(1) of Regulation No 40/94. The ground relied on in support of the opposition was, inter alia, the likelihood of confusion, within the meaning of Article 8(1)(b) of Regulation No 40/94, between the mark sought and the following two earlier marks:

— the word mark shown below, which is registered in the United Kingdom under No 1 573 085

HAPPIDOG

— the figurative and word mark shown below, which is registered in the United Kingdom under No B 1 128 306



6 The goods in respect of which the earlier marks are registered fall within Class 31 of the Nice Agreement and are likewise described as foodstuffs for dogs.

7 In its decision of 9 February 2000, the Opposition Division of OHIM allowed the opposition and consequently refused to register the mark sought on account of its similarity to the earlier word mark No 1 573 085 and of the fact that the goods designated by the two marks were identical, which meant that there was a likelihood of confusion on the part of the public in the United Kingdom where the earlier mark is protected.

8 On 13 March 2000, the applicant brought before OHIM an appeal against the decision of the Opposition Division, under Article 59 of Regulation No 40/94.

9 That appeal was dismissed by decision of the Second Board of Appeal of 27 November 2001 ('the contested decision'), which was notified to the applicant on 30 November 2001.

10 The Board of Appeal took the view that the decision of the Opposition Division was well founded. It found, essentially, that there was a likelihood of confusion on the part of the relevant public in the United Kingdom on account of the fact that the goods designated by the sign applied for and the earlier word mark No 1 573 085 were identical and that there were very strong conceptual and visual similarities between the two conflicting signs.

Procedure and forms of order sought by the parties

11 By application lodged at the Registry of the Court of First Instance on 30 January 2002, the applicant brought the present action.

12 In a letter dated 21 June 2002, OHIM stated that the earlier word mark No 1 573 085 had been removed from the British Register of Trade Marks on account of its having expired and requested that proceedings be stayed pending a decision of the competent office on SCA Nutrition's application for re-registration. Following the applicant's objection, the request that proceedings be stayed was rejected.

13 By application lodged at the Registry on 19 August 2002, Provimi Ltd, the company to which the right to the earlier word mark HAPPIDOG had been transferred on 8 July 2002, applied for leave to intervene in support of the form of order sought by OHIM. By order of the President of the Fourth Chamber of 16 October 2002, Provimi's application was granted and Provimi was permitted, under Article 116(6) of the Rules of Procedure of the Court of First Instance, to submit its observations at the hearing.

14 SCA Nutrition and OHIM lodged their replies at the Registry of the Court on 28 and 29 August 2002. In its reply, SCA Nutrition stated that the earlier word mark No 1 573 085 had been the subject of a new national registration on 10 June 2002, prior to the transfer of that mark to Provimi on 8 July 2002.

15 By letter of 4 December 2003, SCA Nutrition and Provimi informed the Court that they would not be present at the hearing fixed for 17 December 2003.

16 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

17 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

18 SCA Nutrition submits that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

19 In support of its action, the applicant relies, essentially, on two pleas in law alleging, first, infringement of Article 8(1)(b) of Regulation No 40/94 and, second, infringement of Article 12 of that regulation.

20 In so far as it contains a general reference to the arguments set out in the written pleadings submitted during the administrative procedure, the application does not satisfy the requirements of Article 44(1) of the Rules of Procedure and, therefore, the reference cannot be taken into account (Case T-84/96 *Cipeke* v *Commission* [1997] ECR II-2081, paragraph 33).

Infringement of Article 8(1)(b) of Regulation No 40/94

Arguments of the parties

21 The applicant submits, first of all, that, when used for foodstuffs for dogs, the expression 'happy dog' is descriptive in that it designates the quality and intended use of those foodstuffs. That combination expresses in a manner understandable for the public, particularly in the United Kingdom, that the foodstuffs are composed in such a healthy and tasty way that, after having eaten them, the dog will be in good health and therefore happy.

22 That assessment, which was not made by the Board of Appeal, is necessary to determine the scope of protection of the earlier word mark and to ascertain whether the mark sought interferes with that protection.

23 According to the applicant, the descriptiveness of the expression 'happy dog' explains why SCA Nutrition was able to obtain registration of its word mark in the United Kingdom only by modifying one of the aforementioned terms and by joining them so as to create a grammatically incorrect expression. The protection of such a mark is limited solely to cases of a likelihood of confusion with identical

signs. To accept a contrary outcome would be to prevent other traders from using in their signs, together with other elements rendering those signs distinctive, terms which are grammatically correct but descriptive because they are phonetically similar to a mark which, as in the present case, consists of a grammatically incorrect variation of those terms.

24 As regards the comparison of the conflicting signs, the applicant argues that those signs are not visually similar. The Board of Appeal failed to examine the figurative elements of the mark sought, which are the only elements allowing that mark to be registered. Moreover, the Board also infringed Article 8(1)(b) of Regulation No 40/94 by finding that, from a typographic point of view, there is a high degree of similarity between the conflicting signs, even though the lettering in the mark sought is clearly more elaborate.

25 Moreover, the applicant submits that, since the scope of protection of the earlier word mark is very limited, a finding that there is a likelihood of confusion between the signs in question cannot be based on a phonetic similarity between them.

26 OHIM points out that the applicant's reasoning consists of removing from each mark in question the constituent element 'happy dog' so that there remains, in the case of the mark sought, only a figurative element and, in the case of the earlier mark, the juxtaposition of the words 'happy' and 'dog' using the letter 'i' instead of 'y' in the first of those words. According to OHIM, this reasoning leads the applicant to claim, mistakenly, that the comparison of the 'remaining' constituent elements shows that the signs in question are too different for it to be possible to find that there is a likelihood of confusion.

27 OHIM disputes that line of argument, arguing that it fails to take account of the overall impression given by each of the marks and is based on the mistaken premiss that the constituent element 'happy dog' is descriptive of the goods concerned.

28 First, it can be concluded from an overall assessment of the signs in question that they are identical both conceptually and aurally, the visual differences alone being insufficient to rule out a likelihood of confusion in view of the fact that the goods to which the signs relate are identical.

29 Second, a combination of words may be regarded as descriptive only where the target public understands it, without further reflection, as an indication of the kind, content and intended use of the goods, which is not the case with respect to the combination 'happy dog', which, when used in relation to dog food, is at most a suggestive mark. To speak of a 'happy' or 'content' dog has no immediate association with the goods in question.

30 Having pointed out that the role of the Court is to review the legality of decisions of the Boards of Appeal, which may be censured only where they have clearly erred in their legal assessment of the facts found, SCA Nutrition submits that the Board of Appeal was right to find that there is a likelihood of confusion in the present case.

31 SCA Nutrition contends that, in arguing that the protection of the mark HAPPIDOG is limited solely to cases of a likelihood of confusion with identical signs, the applicant misinterprets Article 8(1)(b) of Regulation No 40/94, which does not draw a distinction between word marks by giving special treatment to marks composed of known words. Moreover, the combination 'happy dog'

cannot be regarded as descriptive in the light of the wording of the judgment of the Court of Justice in Case C-383/99 P *Procter & Gamble* v *OHIM* [2001] ECR I-6251. In addition, the applicant's line of argument concerning the descriptiveness of the expression 'happy dog' is inconsistent with its own application for registration of a Community trade mark.

32 SCA Nutrition also argues that, even if the scope of protection of the earlier word mark is very limited, there is nevertheless a likelihood of confusion between the conflicting signs in the present case. Those signs are aurally identical and are visually extremely similar. According to SCA Nutrition, the figurative element in the mark sought, which is a common advertising graphic, has no independent meaning and will therefore be perceived by consumers as a variation of the earlier mark. Moreover, given that the goods in question are identical, the conceptual similarity will necessarily give rise to a likelihood of confusion between the conflicting signs.

Findings of the Court

33 Under Article 8(1)(b) of Regulation No 40/94, which concerns opposition by the proprietor of an earlier 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'. Moreover, under Article 8(2)(a)(ii) of Regulation No 40/94, earlier trade mark means a trade mark registered in a Member State with a date of application for registration which is earlier than that of the Community trade mark.

34 First of all, the general wording of the aforementioned provision contradicts the applicant's argument that the protection of certain word marks, such as the earlier mark HAPPIDOG, is limited solely to cases of a likelihood of confusion with identical marks. It is clear from Article 8(1)(b) of Regulation No 40/94 that all properly registered marks are protected not only in the case of identity but also in the case of similarity between the earlier mark and the sign claimed and between the goods or services concerned.

35 Furthermore, the likelihood of confusion on the part of the public, which is a precondition for the application of Article 8(1)(b) and 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 (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), must be assessed globally, taking into account all factors relevant to the circumstances of the case (*Canon*, cited above, paragraph 16; *Lloyd Schuhfabrik Meyer*, cited above, paragraph 18; and *Fifties*, cited above, paragraph 26).

36 This global assessment implies some interdependence between the relevant factors and, in particular, a similarity between the trade marks and between the goods or services concerned. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa (*Canon*, paragraph 17, *Lloyd Schuhfabrik Meyer*, paragraph 19, and *Fifties*, paragraph 27).

37 In addition, the perception of the marks in the minds of consumers of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. In this case, given the nature of the goods concerned (foodstuffs for

dogs), which are everyday consumer items, and the fact that the earlier word mark is registered and protected in the United Kingdom, the target public by reference to which the likelihood of confusion must be assessed is composed of average consumers in the United Kingdom. The average consumer, who is deemed to be reasonably well-informed and reasonably observant and circumspect, normally perceives a mark as a whole and does not analyse its various details (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23; *Lloyd SchuhfabrikMeyer*, paragraph 25, and *Fifties*, paragraph 28). Moreover, 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 and must place his trust in the imperfect image of them which he has retained in his mind (*Lloyd Schuhfabrik Meyer*, paragraph 26).

38 In the light of those considerations, it is appropriate to compare both the goods concerned and the conflicting signs.

39 The parties are agreed that the goods designated by the conflicting signs are identical.

40 With respect to the comparison of the signs, as regards their visual, aural or conceptual similarity, it follows from the case-law that the global assessment of the likelihood of confusion must be based on the overall impression created by them, account being taken, in particular, of their distinctive and dominant components (*SABEL*, cited above, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25).

41 In the contested decision, the Board of Appeal took the view that a detailed assessment was not required to arrive at the conclusion that purchasers of dog food would confuse the two signs in question since the conceptual and visual similarities are very strong. It added that the differences between the two signs, when seen on cans of dog food are barely noticeable, even where the cans are displayed side by side (paragraph 17 of the contested decision).

42 The Court finds that the conflicting signs do have the same conceptual content in that they suggest to the relevant public that, by eating the goods, dogs will become happy.

43 As regards the visual comparison, the word component 'happy dog' predominates in the sign claimed. A comparison of the dominant word component of that sign with the earlier word mark reveals some visual similarity between them (*Fifties*, paragraph 37). The juxtaposition of the terms 'happy' and 'dog' and the replacement of the letter 'y' with the letter 'i' do not give rise to a difference sufficiently great to cancel out any similarity, given that the average consumer only rarely has the chance to make a direct comparison between the different marks and must place his trust in an imperfect image of them. Nevertheless, upon an overall visual assessment of the conflicting signs, the presence of figurative elements in the mark sought, albeit minor ones such as the border around and the particular lettering used in the combination 'happy dog', prevents a finding of a high degree of visual similarity.

44 Even if it could be found that there is no visual similarity between the conflicting signs, the Board of Appeal was right to find that there is a likelihood of confusion in the present case. Given that the goods concerned are identical and that the signs

in question are conceptually similar — to which must be added that, in view of the relevant public, the signs are phonetically identical — visual differences between the signs are incapable of ruling out a likelihood of confusion on the part of that public (see, to that effect, *Fifties*, paragraph 46).

45 The likelihood of confusion thus found to exist between the conflicting signs cannot be called into question by the applicant's argument that the words 'happy dog' are descriptive. To the extent that the applicant intended to rely on the correlation established by the case-law between the degree of distinctiveness of the earlier mark and the scope of protection enjoyed by it (*SABEL*, paragraph 24, *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20) and thus to argue that, in the present case, there is no likelihood of confusion because the earlier word mark is not highly distinctive, that argument must be held to be irrelevant.

46 Even if the combination 'happy dog' could be regarded as descriptive when used in relation to dog food and, consequently, the earlier word mark were itself to be regarded as being distinctive only to a small degree, the Court points out that, as the factors relevant to the assessment of the likelihood of confusion are interdependent, the fact that the goods concerned are identical and that there is a high degree of similarity between the conflicting signs, as established in the present case, is sufficient for a finding that such a likelihood exists (see, to that effect, Case T-99/01 *Mystery Drinks* v *OHIM — Karlsberg Brauerei (MYSTERY)* [2003] ECR II-43, paragraph 36).

47 It follows from these findings that the applicant's first plea must be rejected as unfounded

Failure to apply Article 12 of Regulation No 40/94

Arguments of the parties

48 The applicant states that it follows from Article 12 of Regulation No 40/94 that the rights of the proprietor of a Community trade mark are limited where, in order to designate his goods, a third party uses indications concerning, inter alia, the kind, quality or value of those goods. Under that article, the protection enjoyed by the earlier word mark does not entitle the proprietor to prohibit the use of descriptive terms such as, in the present case, 'happy dog'.

49 The applicant claims to have submitted that argument during the proceedings before OHIM but alleges that OHIM neither considered it 'nor took account of Article 12 of Regulation No 40/94'. OHIM thus infringed that regulation by failing to observe the applicable provisions.

50 OHIM contends that Article 12 of Regulation No 40/94 is inapplicable to registration procedures, as the Court of Justice has already held in connection with the application of the absolute grounds for refusal (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779) on the basis of considerations which are equally valid in the context of opposition proceedings under Article 8(1)(b) of Regulation No 40/94.

51 SCA Nutrition also submits that Article 12 of Regulation No 40/94 is inapplicable to the procedure for registration of a Community trade mark and that the applicant cannot rely on that article because it clearly intends to use the sign applied for as an indication of commercial origin or, in other words, as a trade mark, which is inconsistent with fair use under Article 12 of Regulation No 40/94.

Findings of the Court

52 The applicant submits that, by virtue of Article 12 of Regulation No 40/94, the protection enjoyed by the earlier word mark does not give rise to a prohibition on the use by competitors of descriptive terms such as 'happy dog' to designate their goods.

53 However, an examination of all the written pleadings submitted by the applicant during the administrative procedure shows that at no time did it expressly refer to Article 12 of Regulation No 40/94 or, *a fortiori*, put forward a line of argument based on that specific article of the Regulation.

54 Accordingly, the applicant's complaint that the Board of Appeal failed to rule on the applicability of Article 12 of Regulation No 40/94 to the present case is based on an erroneous premiss and must be rejected.

55 Moreover, even if the argument, set out in the grounds of appeal against the decision of the Opposition Division, that competitors must be entitled to use freely the descriptive expression 'happy dog' ought to have been understood by the Board of Appeal as an implied but necessary reference to Article 12 of Regulation No 40/94, that article is not applicable to the procedure for registration of a Community trade mark.

56 Article 12 of Regulation No 40/94 concerns the limitations on the right conferred by a Community trade mark on its proprietor with respect to use in the course of

trade. Thus, an alleged infringer of the rights of the proprietor of a Community trade mark composed of terms designating the quality or other characteristics of the goods concerned may, where appropriate, rely on that article as a defence against any such infringement proceedings. Account cannot therefore be taken of Article 12 of Regulation No 40/94 during the procedure for registration of a trade mark because it does not, as the applicant argues, entitle third parties to use such terms as a trade mark but merely ensures that they may use them in a descriptive manner, that is to say, as indications concerning the quality or other characteristics of the goods, subject to the condition that they use them in accordance with honest practices in industrial or commercial matters (see, by analogy, *WindsurfingChiemsee*, cited above, paragraph 28, and Case T-295/01 *Nordmilch* v *OHIM (OLDENBURGER)* [2003] ECR II-4365, paragraphs 55 to 57).

57 The applicant's second plea must therefore be rejected.

58 It follows from all of the above findings that the action must be dismissed.

Costs

59 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. Since the applicant has been unsuccessful and OHIM and SCA Nutrition have applied for costs, the applicant must be ordered to pay their costs. However, since Provimi did not apply for costs, it must be ordered to bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

1. **Dismisses the action;**

2. **Orders the applicant to bear its own costs and to pay those incurred by the Office for Harmonisation in the Internal Market (Trade Marks and Designs) and SCA Nutrition Ltd;**

3. **Orders Provimi to bear its own costs.**

Legal Tiili Vilaras

Delivered in open court in Luxembourg on 31 March 2004.

H. Jung H. Legal

Registrar President