JUDGMENT OF THE COURT OF FIRST INSTANCE (Third Chamber)

14 July 2005 *

In Case T-312/03,

Wassen International Ltd, established in Leatherhead (United Kingdom), represented by M. Edenborough, Barrister, and S. Mayer, Solicitor,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by S. Laitinen and M. Capostagno, acting as Agents,

defendant,

* Language of the case: English.

the other party to the proceedings before the Board of Appeal of OHIM being

Stroschein Gesundkost GmbH, established in Hamburg (Germany),

ACTION for annulment of the decision of the Fourth Board of Appeal of OHIM of 18 June 2003 (Case R 121/2002-4), relating to opposition proceedings between Wassen International Ltd and Stroschein Gesundkost GmbH,

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

composed of M. Jaeger, President, V. Tiili and O. Czúcz, Judges,

Registrar: B. Pastor, Assistant Registrar,

having regard to the application lodged at the Registry of the Court of First Instance on 12 September 2003,

having regard to the response lodged at the Court Registry on 18 December 2003,

further to the hearing on 14 March 2005,

gives the following

Judgment

Background

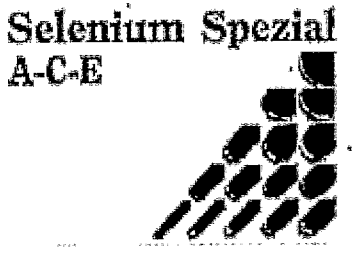
1 On 16 February 1999, Wassen International Ltd filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

2 The mark for which registration was sought is the word mark SELENIUM-ACE.

3 The products and services in respect of which registration of the trade mark was sought are in classes 3 (cosmetics; face creams; soaps; anti-ageing creams and lotions), 5 (nutritional supplements; vitamins and minerals) and 42 (beauty treatment and salons) 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 application was published in the *Community Trade Marks Bulletin*, No 81/99, on 11 October 1999.

5 On 16 December 1999, Stroschein Gesundkost GmbH ('the opponent') filed a notice of opposition under Article 42 of Regulation No 40/94 against registration of the trade mark applied for, on the basis of German registration No 39519649 of 27 September 1995 of the following figurative mark:



6 That mark was registered for the following products in both class 5 and class 30:

'Non-medical and non-pharmaceutical preparations on the basis of starch, calciumsalts, magnesium stearate and yeast, or combinations thereof as nutritional additives'.

7 The opposition was based on all the goods for which the earlier trade mark was registered and was directed against the goods in classes 3 and 5 claimed under the Community trade mark application. The ground advanced in support of that opposition was the likelihood of confusion referred to in Article 8(1)(b) of Regulation No 40/94.

8 By decision of 30 November 2001, OHIM's Opposition Division upheld the opposition and, consequently, refused registration of the mark requested. It took the

view, essentially, that the signs in question are visually very similar and aurally similar or even identical. Given the identity of the Class 5 goods and certain similarities between the Class 3 goods claimed in the Community trade mark application, on the one hand, and the goods covered by the earlier trade mark, on the other, the Opposition Division concluded that a likelihood of confusion existed.

9 On 30 January 2002 the applicant filed with OHIM a notice of appeal against the decision of the Opposition Division.

10 By decision of 18 June 2003 ('the contested decision'), the Fourth Board of Appeal dismissed the appeal. Essentially, it considered that the verbal elements are the dominant elements of the earlier trade mark and, more particularly, that the term 'selenium' constitutes the most distinctive element, that the separation of the letters 'A', 'C' and 'E' by dashes does not alter the perception of the letters and that the term 'spezial' would be perceived by consumers as an indication descriptive of a particular line of goods. It found that the Opposition Division had been correct in finding the signs similar and the goods identical or similar, as the case may be, and had rightly concluded that a likelihood of confusion existed for all the goods in question.

Forms of order sought

11 The applicant claims that the Court should:

— allow the appeal;

— remit the Community trade mark application to OHIM to allow it to proceed to registration;

— annul the decision of the Opposition Division;

— annul the contested decision;

— order the opponent to pay the applicant's costs incurred in connection with this action, the appeal before the Board of Appeal and the opposition proceedings before the Opposition Division.

12 The defendant contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Admissibility of the application for the case to be remitted to OHIM for registration

13 The applicant is asking the Court to remit the case to OHIM and direct OHIM to proceed with registration of the Community trade mark in question.

14 Pursuant to Article 63(6) of Regulation No 40/94, OHIM is required to take the necessary measures to comply with the judgment of the Community Courts. It is not, therefore, for the Court of First Instance to give directions to OHIM. It is for OHIM to give due effect to the operative part and grounds of this judgment (Case T-106/00 *Streamserve* v *OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 18). That application is thus inadmissible.

The substance

15 In support of its application, the applicant relies on one main plea, alleging infringement of Article 8(1)(b) of Regulation No 40/94.

Arguments of the parties

16 The applicant submits that the Opposition Division and the Board of Appeal both erred in their assessment of the two trade marks in question. It states that there should be a global assessment of the earlier trade mark and of the Community trade mark, taking into consideration the trade marks as a whole, including any figurative elements. It is not possible to limit the assessment to specific elements of the trade mark, especially where there is no evidence that the relevant members of the public would rely upon certain elements and where the trade marks in question comprise some elements that individually have a low distinctive character, with the result that the distinctiveness of the trade marks emerges only when a global assessment is made of them.

17 The applicant considers that it was an error to ignore the effect of the word 'spezial', the fact that there are dashes between the letters 'A', 'C' and 'E', and the figurative element of the earlier trade mark, because even though each of these individual elements might have only a small effect, their cumulative effect is considerable when assessed globally.

18 The applicant submits that the Board of Appeal was wrong in considering the word 'selenium' to be the most distinctive element within the earlier trade mark. Both the Opposition Division and the Board of Appeal ignored or failed to give sufficient weight to the fact that the goods in question are not casual purchases, but instead are bought only after careful examination of the ingredients of the various products bearing the trade marks in question. Moreover, the relevant public for those goods is interested only in goods that contain selenium, without according any importance to or even being unaware of the fact that the word 'selenium' might be the foreign name or the scientific name of the product sought. Consequently, the word 'selenium' cannot be regarded by the relevant public as 'sufficiently distinctive'.

19 The applicant notes that, with no gaps or dashes between the letters 'a', 'c' and 'e', it is natural for a consumer to pronounce them as a word, even if the word so formed is not part of the native language of the relevant consumer. Accordingly, the earlier trade mark comprises the group of letters 'ACE', pronounced separately, whereas the trade mark for which registration is sought contains the word 'ace' pronounced as a word.

20 Consequently, the applicant takes the view that the proper comparison between the conflicting trade marks is as follows: SELENIUM-ACE, with regard to the trade mark for which registration is sought, and the verbal element 'Selenium Spezial A-C-E' together with a figurative element, with regard to the earlier trade mark. Even though of low distinctiveness, the word 'spezial' and the figurative element must be taken into account. Furthermore, to a member of the public who wants to buy a

product that contains selenium, the word 'selenium' is also of low distinctiveness. With regard to the word 'ace' and the group of letters 'ACE' separated by dashes, the applicant submits that the first is fancy and probably meaningless to the average German consumer, and that the second is clearly just letters of the alphabet.

21 The applicant infers from this that the verbal element of the trade marks in question are aurally different, since the trade mark for which registration is sought comprises one word separated by a hyphen and the earlier trade mark comprises two words together with three separate letters. Visually, the trade marks are also different, the earlier trade mark comprising a figurative element and separate letters and not the foreign or fancy word 'ace'. Conceptually, the proposed mark has no meaning beyond that conveyed by the word 'selenium', which is the ingredient desired by the relevant public, whilst the earlier trade mark has an additional meaning linked to the group of letters 'ACE'.

22 The applicant points out that the German Patent and Trade Mark Office reached the same conclusion in its decision of 21 August 2002. The Opposition Division and the Board of Appeal should have followed that decision, even if the goods in question are identical.

23 Finally, the applicant submits that both the Opposition Division and the Board of Appeal incorrectly placed on the applicant the burden of proof that there exists a likelihood of confusion. It is for the opponent to allege the existence of that likelihood and to substantiate that allegation. In the present case, the opponent adduced no evidence to substantiate its allegation that there was, in fact, some confusion in the German market. Accordingly, in the absence of evidence either way, the matter should have been decided by a hypothetical comparison between the conflicting trade marks.

24 OHIM submits that the Board of Appeal was correct in holding that there was a likelihood of confusion because of the similarity of the signs in question, assessed globally, and the identity and similarity of the goods concerned.

Findings of the Court

25 Article 8(1)(b) of Regulation No 40/94 provides that, 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. Furthermore, Article 8(2)(a)(ii) of Regulation No 40/94 provides that an earlier trade mark is 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.

26 According to settled 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.

27 According to the same case-law, the likelihood of confusion must be assessed globally, according to the perception that the relevant public has of the signs and the goods or the services in question and taking into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the signs and the similarity of the goods or services designated (see 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).

28 In the present case, the earlier trade mark on which the opposition is based is registered in Germany. Furthermore, the goods in question are goods for immediate consumption. The relevant public in respect of which the likelihood of confusion must be assessed therefore comprises average consumers in Germany.

29 Furthermore, even though Article 8 of Regulation No 40/94 does not contain a provision similar to Article 7(2) to the effect that an application to register a trade mark may be refused where the absolute ground for refusal obtains in only part of the Community, the same approach should be applied in the present case. It follows that registration must also be refused even where the relative ground for refusal obtains in only part of the Community (Case T-355/02 *Mülhens* v *OHIM — Zirh International (ZIRH)* [2004] ECR II-791, paragraph 36).

30 The comparison made by the Board of Appeal with regard, firstly, to the goods concerned and, secondly, to the conflicting signs must be examined in the light of these considerations.

Comparison of the goods

31 Firstly, the applicant does not advance any argument concerning the assessment of the Board of Appeal in that regard. Moreover, at the hearing, following a question from the Court, the applicant explained that it did not apply for limitation of its trade mark application. Secondly, the Court observes that the opposition was based on all the goods for which the earlier trade mark was registered and was directed at the goods included in Classes 3 and 5 claimed in the trade mark application. The Board of Appeal took the view that the goods covered by the mark applied for are

partly identical to the goods covered by the earlier trade mark and partly similar. In those circumstances, it must be held that the goods claimed in the trade mark application are partly identical to the goods covered by the earlier trade mark and partly similar.

Comparison of the signs

32 It is established case-law that the global assessment of the likelihood of confusion, as far as concerns the visual, aural or conceptual similarity of the conflicting signs, must be based on the overall impression given by them, bearing in mind, inter alia, their distinctive and dominant components (see Case T-292/01 *Phillips-Van Heusen* v *OHIM — Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 47, and the case-law cited).

33 With regard to the applicant's allegations as to the the Board of Appeal's failure to make a global assessment of the trade marks in question, the Court finds that the Board carried out an analytical evaluation of each of the specific elements of the signs at issue and then correctly interpreted the results obtained, by carrying out a global assessment based on a summary of all the factors.

34 In that regard, it should be noted, first, that, contrary to the applicant's allegations, the Board of Appeal ignored neither the effect of the word 'spezial', nor the separation of the letters A, C, E by dashes, nor the figurative element of the earlier trade mark.

35 The Board of Appeal correctly took the view that the word 'spezial' corresponds to a German adjective which means 'special' and which is likely to be understood by the consumers in the reference territory as a descriptive indication of a particular range of goods.

36 Moreover, the Board of Appeal also examined the effect of the group of letters 'ACE'. It took the view that the relevant public would probably understand those letters as a reference to other substances commonly contained in nutritional supplements, such as, for example, vitamins. Furthermore, it considered that the fact that those letters are represented with or without dashes makes no difference, the absence of the separating dash being unlikely, on the facts of the case, significantly to change the perception which the consumer may have of those three letters placed in the same order.

37 Finally, with regard to the figurative element, the Board of Appeal observed, in the contested decision, that, where a trade mark is composed of verbal and figurative elements, the former should, in principle, be considered more distinctive than the latter, because the average consumer will more easily refer to the goods in question by quoting their name than by describing the figurative element of the trade mark. It correctly takes the view that that general line of reasoning could reasonably be applied in the present case. According to the Board of Appeal, it is reasonable to assume that the average consumer will perceive the verbal element as the trade mark and the figurative element as a decorative element. Moreover, the figurative element is placed below the verbal elements, i.e. in a less visible position.

38 It follows that the applicant's arguments that the Board of Appeal failed to take into consideration elements other than the word 'selenium' must be rejected.

39 Secondly, it should be noted that in the contested decision the Board of Appeal correctly took the view that the word 'selenium' constituted the dominant element of the earlier trade mark.

40 Since the earlier trade mark is composed of verbal elements (the words 'selenium', 'spezial' and the group of letters 'ACE') and of a figurative element, the Board of Appeal rightly considered that the verbal part is more distinctive than the figurative part. Moreover, the word 'selenium' is an English word corresponding to the German noun 'Selen' which denotes a chemical element. In that regard, it should be observed that, if the reference consumers are not capable of understanding that the word 'selenium' denotes an ingredient of the product which they wish to buy, that word will be particularly distinctive, since it will be perceived as the name of the product and not as an indication describing its contents. Furthermore, even if, as the Board of Appeal notes, it is possible that the consumers might identify that element as an ingredient of the goods marketed and sold under the earlier trade mark, the fact remains that, because of its position in the earlier trade mark and compared to the other elements of the earlier sign, the word 'selenium' plays a preponderant role when the relevant public identifies the sign and recalls it.

41 The word 'selenium' plays an important role in the visual and aural assessment of the earlier trade mark, given its initial position, i.e. in the most visible place. For that reason, it is the first to be noticed. In addition, the German word 'spezial' means 'special'. The Board of Appeal was therefore able correctly to take the view that the relevant public would perceive it as a purely laudatory and descriptive element. Finally, the combination of letters 'ACE' may be perceived by the consumers as referring to certain substances commonly contained in nutritional supplements, such as vitamins.

42 It follows that the applicant's argument alleging an error on the part of the Board of Appeal in that it considered the word 'selenium' to be the most distinctive element of the earlier trade mark must be rejected.

43 Thirdly, it should be noted that the Board of Appeal carried out a global assessment on the basis of a summary of all the factors which emerged from its evaluations. It was thus able correctly to take the view that the sign applied for and the earlier sign were very similar, in that the former reproduces almost entirely the verbal element of the latter.

44 The Board of Appeal was fully entitled to hold that the conflicting signs, taken as a whole, were similar, their similarities being greater than their differences. Indeed, the earlier sign is reproduced almost identically in the Community trade mark application, the two signs differing only in the less distinctive elements of the earlier sign, namely the word 'spezial', the figurative element and the two dashes separating the three letters 'A', 'C' and 'E', placed, however, in an identical order in the sign for which registration is sought. Furthermore, since the trade mark applied for is a word mark, it may be used by the party applying for it in any typography, including that used in the earlier trade mark. The Court therefore finds that the signs in question give an overall impression of similarity at a visual, aural and conceptual level.

45 It follows that the argument alleging that the Board of Appeal did not carry out a global assessment of the trade marks in question must also be rejected.

46 With regard to the applicant's argument that the Board of Appeal ignored the decision of the German Patent and Trade Mark Office regarding the same trade marks and the same goods, despite the fact that the Federal Republic of Germany was the country concerned by the opposition proceedings, it is sufficient to note that, according to case-law, the Community trade mark regime is an autonomous system with its own set of objectives and rules peculiar to it; it is self-sufficient and applies independently of any national system (Case T-32/00 *Messe München* v *OHIM (electronica)* [2000] ECR II-3829, paragraph 47). Consequently, although the Board of Appeal may take account of decisions of national authorities, the power to do so cannot relieve the Board of Appeal of its obligation to carry out its own assessment on the basis of the relevant Community legislation alone. Consequently, neither OHIM nor, where relevant, the Community Court is bound by decisions adopted at Member State level. It follows that the applicant's argument cannot succeed.

47 With regard to the applicant's claim that the Board of Appeal incorrectly placed on the applicant the burden of proof as to the absence of a likelihood of confusion, it is appropriate to note that, pursuant to Article 74(1), *in fine*, of Regulation No 40/94, in proceedings relating to relative grounds for refusal of registration, the examination to be carried out by OHIM is to be limited to the facts, evidence and arguments provided by the parties. It follows from that provision that both the opponent and the applicant must provide OHIM with facts, evidence and arguments in support of their respective claims. In that regard, it is apparent from the decision of the Opposition Division that the opponent submitted that there was a likelihood of confusion between the trade marks in question because of the identity of their distinctive elements and because the goods covered by the trade mark applied for, namely goods included in Classes 3 and 5, are identical to those covered by the earlier trade mark and similar thereto respectively. It follows that the opponent submitted a plea in support of its opposition, i.e. the existence of the likelihood of confusion, in support of which it put forward several arguments which, moreover, were taken into account by OHIM. It follows that the latter's decision is not based on the applicant's submissions alone. Consequently, the applicant's argument must be rejected.

48 In the light of the foregoing considerations, the Board of Appeal did not make an error of assessment in finding that there existed a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 because, firstly, of the similarity of the signs in question, assessed globally, and, secondly, of the identical nature and similarity of the goods covered by the trade marks in question. In that regard, it should be noted that a lesser degree of similarity between the trade marks may be offset by a greater degree of similarity between the goods or services covered, and vice versa (see Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 19). In the present case, the goods are partly identical and partly similar. It follows from that identity and that similarity that the differences between the signs in question are attenuated in a global assessment of the likelihood of confusion.

49 Accordingly, the sole plea advanced by the applicant must be rejected and the action dismissed in its entirety without it being necessary for the Court to rule on the admissibility of the applicant's action for annulment of the decision of the Opposition Division.

Costs

50 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, it must be ordered to pay the costs incurred by OHIM in accordance with the form of order sought by the latter.

On those grounds,

THE COURT OF FIRST INSTANCE (Third Chamber)

hereby:

1. Dismisses the action;

2. Orders the applicant to pay the costs.

Jaeger Tiili Czúcz

Delivered in open court in Luxembourg on 14 July 2005.

H. Jung M. Jaeger

Registrar President