Reports of Cases

JUDGMENT OF THE GENERAL COURT (Sixth Chamber)

5 October 2016*

(EU trade mark — Invalidity proceedings — EU word mark T.G.R. ENERGY DRINK — Bad faith — Article 52(1)(b) of Regulation (EC) No 207/2009)

In Case T-456/15,

Foodcare sp. z o.o., established in Zabierzów (Poland), represented by A. Matusik, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by S. Palmero Cabezas, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being

Dariusz Michalczewski, residing in Gdańsk (Poland), represented by B. Matusiewicz-Kulig, M. Czerwińska and M. Marek, lawyers,

ACTION brought against the decision of the Second Board of Appeal of EUIPO of 12 May 2015 (Case R 265/2014-2), relating to invalidity proceedings between Mr Michalczewski and Foodcare,

THE GENERAL COURT (Sixth Chamber),

composed of S. Frimodt Nielsen, President, A.M. Collins and V. Valančius (Rapporteur), Judges,

Registrar: J. Weychert, Administrator,

having regard to the application lodged at the Court Registry on 10 August 2015,

having regard to the response of EUIPO lodged at the Court Registry on 29 October 2015,

having regard to the response of the intervener lodged at the Court Registry on 26 October 2015,

further to the hearing on 7 July 2016,

gives the following

* Language of the case: English.

Judgment

Background to the dispute

1 On 31 July 2003, the intervener, Mr Dariusz Michalczewski, a former professional boxer, and the applicant, Foodcare sp. z o.o., concluded an agreement under which the latter was authorised to use the image, the nickname (that is, 'Tiger') and the word and figurative marks owned by the intervener in order to promote the marketing of energy drinks. On the packaging of the energy drinks marketed by the applicant appeared, in particular, the sign Tiger Energy Drink. On 1 July 2005, a second agreement of the same type was concluded between the intervener and the applicant.

2 On 14 February 2007, the applicant filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) 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 European Union trade mark (OJ 2009 L 78, p. 1)).

3 Registration as a mark was sought for the word sign T.G.R. ENERGY DRINK.

4 The goods in respect of which registration was sought are in Class 32 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, and correspond to the following description: 'Essences for making beverages, lemonades, lemonade powder, non-alcoholic beverages, effervescing beverages, powders for effervescing beverages, fruit nectars, pastilles for effervescing beverages, powders for effervescing beverages, preparations for making sparkling water, preparations for making sparkling water, powdered preparations for making energy drinks, invigorating drinks and drinks enriched with microelements, preparations for making mineral water, fruit juices, vegetable juices, sorbets (beverages), syrups for beverages, sparkling water, table waters, mineral water, cooling and energy drinks'.

5 The EU trade mark application was published in *Community Trade Marks Bulletin* No 56/2007 of 1 October 2007.

6 On 6 March 2008, the word sign was registered as an EU trade mark under the number 5 689 237.

7 On 17 November 2011, the intervener submitted an application for a declaration of invalidity of the applicant's word mark for all of the goods for which it had been registered.

8 The grounds of invalidity raised in support of that application were based on the absolute ground for invalidity referred to in Article 52(1)(b) of Regulation No 207/2009 and on the relative grounds for invalidity referred to in Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) and Article 8(3) of that regulation.

9 The application for a declaration of invalidity was based, as to the relative grounds for invalidity, on the following earlier marks:

— the earlier EU word mark Dariusz Tiger Michalczewski, registered on 3 April 2001 under number 1 219 732, covering, inter alia, goods in Class 32 corresponding to the following description: 'Mineral water, isotonic drinks';

— the following Polish figurative marks, registered respectively on 11 June 2003 and 27 April 2007 under numbers R 145 637 and R 191 973, covering, inter alia, for the latter only, goods in Class 32:





10 The application for a declaration of invalidity was based, as regards the ground set out in Article 52(1)(b) of Regulation No 207/2009, on the bad faith of the applicant when it filed the application for the trade mark.

11 By decision of 25 November 2013, the Cancellation Division rejected the application for a declaration of invalidity, taking the view that there was no likelihood of confusion between the earlier marks and the contested mark, that the differences between the earlier marks and the contested mark excluded the possibility of an opposition based on an alleged unauthorised filing by an agent or representative of the intervener, and that the applicant's bad faith at the time of filing had not been proven.

12 On 20 January 2014, the intervener filed a notice of appeal with EUIPO against the decision of the Cancellation Division, pursuant to Articles 58 to 64 of Regulation No 207/2009.

13 By decision of 12 May 2015 ('the contested decision'), the Second Board of Appeal of EUIPO annulled the decision of the Cancellation Division and upheld the application for a declaration of invalidity. In particular, it considered that the Cancellation Division had not made an overall assessment taking account of all the relevant factors in assessing the applicant's possible bad faith at the time of filing the application for registration of the contested mark and found, after such an assessment, that it had been established that the applicant had acted in bad faith when it filed the application for registration of the contested mark.

Forms of order sought

14 The applicant claims that the Court should:

— annul the contested decision;

— order EUIPO to pay the costs.

15 EUIPO and the intervener contend that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

16 In support of its action, the applicant raises a single plea in law, alleging infringement of Article 52(1)(b) of Regulation No 207/2009.

17 The applicant submits, in essence, that the Board of Appeal failed to take account of all relevant factors in order to determine its possible bad faith when it filed the application for registration of the contested mark. According to the applicant, to assess bad faith when filing the application for

registration of the contested mark, it was appropriate to consider the following circumstances: (i) the intervener's earlier legal situation, (ii) the nature of the contractual relationship between the applicant and the intervener and, (iii) the use the applicant made of the contested mark.

18 First of all, as regards the intervener's earlier legal situation, the applicant claims that he was not the proprietor, in Poland, of rights to the marks containing the word element 'tiger' covering the products in Class 32 when, in 2003, they entered into a contractual relationship. In those circumstances, the contractual relationship between the applicant and the intervener cannot be analysed as a trademark licence agreement, since the intervener was not the proprietor of earlier rights to the marks containing the word element 'tiger'. The applicant also notes that, before the start of that contractual relationship, the intervener had never used a mark containing the word element 'tiger' for marketing energy drinks.

19 Next, as regards the nature of the contractual relationship at issue, the applicant claims that that relationship should be analysed as a promotional agreement whereby it agreed with the intervener that the applicant could use the intervener's name, nickname and image in return for payment, to advertise products, including energy drinks, the applicant marketed on its own initiative. The applicant accordingly claims that it was up to it to develop new products and new marks, such that it was legitimate for it to apply to register the contested mark.

20 Lastly, the applicant argues that, in an advertising campaign in 2011, to which the contested decision refers, the contested mark is not used, but only the word element 'tiger', accompanied by figurative elements representing scratches.

21 EUIPO and the intervener dispute the applicant's arguments.

22 The Court notes, first of all, that Article 52(1)(b) of Regulation No 207/2009 provides that an EU trade mark must be declared invalid on application to EUIPO or on the basis of a counterclaim in infringement proceedings, where the applicant was acting in bad faith when it filed the application for registration of the contested mark.

23 In that regard, it is for the applicant for a declaration of invalidity seeking to rely upon that ground to prove the circumstances which substantiate a finding that the EU trade mark proprietor had been acting in bad faith when it filed the application to register that mark (see judgment of 21 May 2015, *Urb Rulmenti Suceava* v *OHIM — Adiguzel (URB)*, T-635/14, not published, EU:T:2015:297, paragraph 30 and the case-law cited).

24 As Advocate General Sharpston observed in point 36 of her Opinion in *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:148), the concept of 'bad faith' referred to in Article 52(1)(b) of Regulation No 207/2009 is not defined, delimited or even described in any way in the legislation.

25 It is apparent from Article 52(1)(b) of Regulation No 207/2009 that the relevant time for determining whether there was bad faith on the part of the applicant is the time of filing the application for registration (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 35).

26 In addition, in its judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361, paragraph 53), the Court of Justice stated that, in order to determine whether the applicant was acting in bad faith within the meaning of Article 52(1)(b) of Regulation No 207/2009, all the relevant factors specific to the particular case had to be taken into account, in particular:

— the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought;

— the applicant's intention to prevent that third party from continuing to use such a sign;

— the degree of protection enjoyed by the third party's sign and by the sign for which registration is sought.

27 That being so, as the Board of Appeal rightly stated in paragraph 21 of the contested decision, it is apparent from the wording used in the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361), that the factors set out in paragraph 26 above are only examples drawn from a number of factors which can be taken into account in order to decide whether the applicant acted in bad faith at the time of filing the application for registration (judgment of 14 February 2012, *Peeters Landbouwmachines* v *OHIM — Fors MW (BIGAB)*, T-33/11, EU:T:2012:77, paragraph 20).

28 It must therefore be considered that, in the context of the overall analysis undertaken pursuant to Article 52(1)(b) of Regulation No 207/2009, account may also be taken of the origin of the sign at issue and of its use since its creation, and of the commercial logic underlying the filing of the application for registration of that sign as an EU trade mark, and the chronology of events leading up to that filing (see, to that effect, judgments of 14 February 2012, *BIGAB*, T-33/11, EU:T:2012:77, paragraph 21, and 11 July 2013, *SA.PAR.* v *OHIM — Salini Costruttori (GRUPPO SALINI)*, T-321/10, EU:T:2013:372, paragraph 30).

29 The lawfulness of the contested decision must be assessed in particular in the light of the foregoing considerations, in so far as they apply to the present case, inasmuch as the Board of Appeal concluded that the applicant acted in bad faith at the time of filing the application for registration of the contested mark, that is, on 14 February 2007.

30 First, it is established, as the Board of Appeal found in paragraph 34 of the contested decision, read in conjunction with paragraphs 27 to 29 thereof, that on 31 July 2003 the intervener and the applicant concluded an agreement under which the applicant was authorised to use the image, nickname and the word and figurative marks owned by the intervener in order to promote the marketing of energy drinks the packaging of which displayed, inter alia, the sign Tiger. At the hearing, in answer to a question from the Court, the applicant stated that that agreement had initially been concluded for a period of 50 years. The agreement between the applicant and the intervener was, as the parties concur, concluded on the basis of the image projected by the intervener, a former professional boxer known by the pseudonym 'Tiger'. On 1 July 2005, a second agreement of the same type was concluded between the intervener and the applicant. Consequently, it may be held that those contracts make clear the applicant's intention to develop its commercial activity relying, in particular, on the image projected by the intervener and his reputation.

31 In addition, it is apparent from the documents before the Court that those agreements required the applicant to pay the intervener for the use of his image, name, nickname and word and figurative marks. The provisions of the agreements at issue leave no doubt as to the applicant's knowledge, when the application for registration of the contested mark was filed, of the existence of the earlier marks owned by the intervener.

32 It is also apparent from the documents before the Court that any actual use by the applicant of the intervener's rights and the marks owned by him required the intervener's prior written consent.

33 The Board of Appeal did not, therefore, err in taking into account the existence of direct contractual relations between the applicant and the intervener before the application to register the contested mark was filed, as one of the relevant factors in assessing whether the applicant had acted in bad faith (see, to that effect, judgment of 1 February 2012, *Carrols* v *OHIM — Gambettola (Pollo Tropical CHICKEN ON THE GRILL)*, T-291/09, EU:T:2012:39, paragraphs 85 to 87).

34 Secondly, it is also established, as the Board of Appeal found in paragraph 36 of the contested decision, read in conjunction with paragraph 12 thereof, that the sign Tiger in particular, but also on several occasions the intervener's image, appeared on the packaging of the energy drinks marketed by the applicant. In that regard, the Court points out that the following images were used, in 2004, 2006 and 2007 respectively, on the packaging of energy drinks marketed by the applicant:



35 Consequently, it must be found that the get-up of the packaging of the products marketed by the applicant supports the conclusion, drawn from the contents of the promotional agreements, that the applicant wished to develop its commercial activity by associating it with the image projected by the intervener and his reputation. The Board of Appeal did not, therefore, err in taking that fact into consideration, in paragraph 35 of the contested decision, as one of the relevant factors in assessing whether the applicant had acted in bad faith.

36 Thirdly, even though there is no need, in the context of an application for a declaration of invalidity on the basis of the ground laid down in Article 52(1)(b) of Regulation No 207/2009, to carry out a detailed examination of the visual, phonetic and conceptual similarities between the contested mark and the earlier marks owned by the intervener, it must be found, in the particular circumstances of the case, that the contested mark is *prima facie* similar to the Tiger Energy Drink sign used by the applicant, on account of the applicant's contractual relations with the intervener for the marketing of its products.

37 In that regard, it should be borne in mind that, in general terms, two marks are similar when, from the point of view of the relevant public, they are at least partially identical in one or more relevant aspects (judgment of 23 October 2002, *Matratzen Concord* v *OHIM — Hukla Germany (MATRATZEN)*, T-6/01, EU:T:2002:261, paragraph 30). In the present case, it cannot seriously be denied that the sign Tiger Energy Drink and the contested mark T.G.R. ENERGY DRINK are partially identical, at least visually and phonetically, whatever the relevant public. The only difference that exists, in particular visually, between the contested mark and the sign Tiger Energy Drink is that the latter has two additional vowels, which cannot be sufficient to preclude those signs from producing the same overall impression.

38 That strong similarity between the sign Tiger Energy Drink and the contested mark cannot be the product of chance. Contrary to the applicant's claims, therefore, it may be held that that similarity shows its intention to create, in the mind of the consumer, if not confusion, at least an association between the contested mark and the sign Tiger Energy Drink. Moreover, that conclusion is borne out by the following images:



39 Consequently, the Board of Appeal did not err in finding, in paragraph 38 of the contested decision, that the contested mark T.G.R. ENERGY DRINK could be regarded as a modified version of the sign Tiger. The same is true *a fortiori* of the sign Tiger Energy Drink.

40 Indeed, it must be found that if, as the applicant claims, its intention was not to create in the consumer's mind an association between the contested mark and the sign Tiger Energy Drink, which, as is apparent from the documents before the Court, enjoyed a high degree of reputation, it would have been open to it, as it subsequently did from 2011 onwards by using the sign Black Energy Drink, to market its products by affixing to their packaging a sign totally different from the sign Tiger Energy Drink.

41 Consequently, the Board of Appeal did not err in taking into consideration the applicant's intention to create, if not confusion, at least an association between the sign Tiger Energy Drink, which enjoyed a considerable reputation, and the contested mark, as one of the factors relevant in assessing whether the applicant had acted in bad faith (see, to that effect, judgments of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 40, and 1 February 2012 *Pollo Tropical CHICKEN ON THE GRILL*, T-291/09, EU:T:2012:39, paragraph 90).

42 Fourthly, it is apparent from the contractual provisions in the agreements concluded between the intervener and the applicant that the applicant was required to pay the intervener for the use of his image, name, nickname and the word and figurative marks that he owned. It is, however, established that, in no longer using the Tiger sign but, where appropriate, the contested mark, to market its products, the applicant is indeed relieved of making any payment to the intervener.

43 It may, therefore, be found that in filing the application for registration of the contested mark, the applicant intended to continue benefiting from the extent of the reputation enjoyed by the sign Tiger Energy Drink, while circumventing the contractual obligations arising from the agreements concluded with the intervener.

44 Consequently, the Board of Appeal did not err in taking into consideration, by reference to the objective circumstances of the particular case, the applicant's intention — which amounts to the willingness to circumvent its contractual obligations — as one of the relevant factors in assessing whether the applicant had acted in bad faith (see, to that effect, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 41 and 42).

45 It follows from all the foregoing that the Board of Appeal did not err, after carrying out an overall assessment taking account of all the relevant factors, in concluding that the applicant had acted in bad faith when he filed the application for registration of the contested mark, within the meaning of Article 52(1)(b) of Regulation No 207/2009.

46 That conclusion is not invalidated by the applicant's various claims.

47 In the first place, the applicant's line of argument criticising the Board of Appeal for failing to take into consideration the fact that in 2003, when they entered into a contractual relationship, the intervener was not the proprietor of earlier rights to the marks containing the word element 'tiger' covering energy drinks in Poland and had never marketed such drinks by using that word element, must be rejected.

48 First, it must be borne in mind out that the relevant time for determining whether there was bad faith on the part of the applicant is the time of filing the application for registration of the contested mark, that is, 14 February 2007 (see, to that effect, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 35). Consequently, the issue of which marks were owned by the intervener on the date on which the first promotional agreement was signed with the applicant, namely 31 July 2003, is irrelevant.

49 Secondly, it is established, as noted in paragraph 9 above, that the intervener is the proprietor, in particular, of the earlier EU word mark Dariusz Tiger Michalczewski, registered on 3 April 2001, covering goods in Class 32. Accordingly, following the accession of Poland to the European Union on 1 May 2004, the protection of the intervener's EU mark, containing the word element 'tiger', covering energy drinks, was extended to that Member State (see, to that effect, judgment of 22 April 2015, *Rezon* v *OHIM — mobile.international (mobile.de proMotor)*, T-337/14, not published, EU:T:2015:220, paragraph 32).

50 Consequently, the Board of Appeal did not err in taking into consideration as one of the factors relevant in assessing whether the applicant had acted in bad faith the fact that when the application for registration of the contested mark was filed, the intervener was the proprietor of marks, in particular of the earlier EU word mark Dariusz Tiger Michalczewski, containing the word element 'Tiger' and covering the goods in Class 32.

51 Moreover, even if by its line of argument the applicant seeks to assert, in essence, that the EU word mark Dariusz Tiger Michalczewski has not been put to genuine use by the intervener in the European Union in connection with the goods or services in respect of which it is registered, so that it could be revoked pursuant to Article 51(1) of Regulation No 207/2009, it must be borne in mind that, as set out in Article 188 of the Rules of Procedure of the General Court, the pleadings lodged by the parties in proceedings before the General Court may not change the subject-matter of the proceedings before the Board of Appeal.

52 In the present case, the dispute brought before the Board of Appeal concerned an application for a declaration that the contested mark was invalid, so that the Board of Appeal was not adjudicating on the issue of the genuine use of the intervener's mark. In those circumstances, it must be found that the applicant cannot properly request the Court to examine an issue which the Board of Appeal did not examine in the contested decision.

53 In the second place, as regards the applicant's claims relating to the nature of the contractual relationship between itself and the intervener, it must be found that by those claims the applicant does not develop any ground of challenge against the contested decision, but simply reiterates the different obligations arising from the agreements concluded concerning the use of the image, name, nickname and word and figurative marks owned by the intervener in order to promote the marketing of energy drinks. By those claims, however, the applicant seeks to assert that, in essence, the agreements at issue cannot be analysed as the granting by the intervener of one or more licences over the marks he owned.

54 There is no need to adjudicate on whether those claims are correct or on the precise nature of the agreements concluded between the applicant and the intervener, since it is sufficient, in order to reject the claims, to note that in the contested decision the Board of Appeal did not take into account the nature of those agreements as a relevant factor in establishing, in the context of the overall assessment it carried out, bad faith on the part of the applicant.

55 In any event, whatever the exact nature of the agreements concluded between the applicant and the intervener, the existence of those agreements is sufficient to evidence the fact that, prior to the date of filing of the application for registration of the contested mark, the parties were linked by direct contractual relations. Those direct contractual relations are, in the present case, as has been established, one of the relevant factors in assessing whether the applicant had acted in bad faith (see, to that effect, judgment of 1 February 2012, *Pollo Tropical CHICKEN ON THE GRILL*, T-291/09, EU:T:2012:39, paragraphs 85 to 87).

56 In the third place, the applicant's claims as to whether the contested mark was used in a 2011 advertising campaign must also be rejected.

57 Indeed, it has been noted that the relevant time for determining whether there was bad faith on the part of the applicant is the time of filing the application to register the contested mark, that is, 14 February 2007 (see, to that effect, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 35). Consequently, the question of whether or not the contested mark was used in the context of a 2011 marketing campaign is, in the present case, irrelevant.

58 It follows from all of the foregoing considerations that the single plea in law must be rejected and the action must, therefore, be dismissed in its entirety.

Costs

59 Under Article 134(1) 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.

60 In the present case, since the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by EUIPO and the intervener.

On those grounds,

THE GENERAL COURT (Sixth Chamber)

hereby:

1. **Dismisses the action;**

2. **Orders Foodcare sp. z o.o. to bear its own costs and to pay those incurred by the European Union Intellectual Property Office (EUIPO) and by Mr Dariusz Michalczewski.**

Frimodt Nielsen Collins Valančius

Delivered in open court in Luxembourg on 5 October 2016.

[Signatures]