Reports of Cases

JUDGMENT OF THE GENERAL COURT (Third Chamber)

2 June 2021 *

(EU trade mark – Opposition proceedings – Application for EU word mark Hispano Suiza – Earlier EU word mark HISPANO SUIZA – Relative ground for refusal – Likelihood of confusion – Article 8(1)(b) of Regulation (EC) No 207/2009 (now Article 8(1)(b) of Regulation (EU) 2017/1001))

In Case T-177/20,

Erwin Leo Himmel, residing in Walchwil (Switzerland), represented by A. Gomoll, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by M. Fischer, acting as Agent,

defendant,

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

Gonzalo Andres Ramirez Monfort, residing in Barcelona (Spain),

ACTION brought against the decision of the First Board of Appeal of EUIPO of 21 January 2020 (Case R 67/2019-1), relating to opposition proceedings between Mr Himmel and Mr Ramirez Monfort,

THE GENERAL COURT (Third Chamber),

composed of A.M. Collins, President, Z. Csehi and G. Steinfatt (Rapporteur), Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Court Registry on 30 March 2020,

having regard to the response lodged at the Court Registry on 21 July 2020,

having regard to the fact that no request for a hearing was submitted by the parties within three weeks after service of notification of the close of the written part of the procedure, and having decided to rule on the action without an oral part of the procedure, pursuant to Article 106(3) of the Rules of Procedure of the General Court,

gives the following

* Language of the case: English.

Judgment

Background to the dispute

1 On 18 February 2017, the other party to the proceedings before the European Union Intellectual Property Office (EUIPO), Mr Gonzalo Andres Ramirez Monfort, filed an application for registration of an EU trade mark with EUIPO pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).

2 Registration as a mark was sought for the word sign Hispano Suiza.

3 The goods in respect of which registration was sought are in Class 12 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: 'Cars'.

4 The trade mark application was published in *European Union Trade Marks Bulletin* No 2017/038 of 24 February 2017.

5 On 17 May 2017, the applicant, Mr Erwin Leo Himmel, filed a notice of opposition pursuant to Article 41 of Regulation No 207/2009 (now Article 46 of Regulation 2017/1001) to registration of the mark applied for in respect of the goods referred to in paragraph 3 above.

6 The opposition was based on the earlier EU word mark HISPANO SUIZA, registered on 1 August 2016 under number 9184003, covering goods in Classes 14 and 25 and corresponding, inter alia, for each of those classes, to the following description:

– Class 14: 'Horological and chronometric instruments';

– Class 25: 'Clothing, footwear, headgear'.

7 The grounds relied on in support of the opposition were those set out in Article 8(1)(b) of Regulation No 207/2009 (now Article 8(1)(b) of Regulation 2017/1001).

8 By decision of 12 November 2018, the Opposition Division rejected the opposition on the ground that, there being no similarity between the contested goods and those covered by the earlier mark, there could be no likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 207/2009.

9 On 10 January 2019, the applicant filed a notice of appeal with EUIPO, pursuant to Articles 66 to 68 of Regulation 2017/1001, against the Opposition Division's decision.

10 By decision of 21 January 2020 ('the contested decision'), the First Board of Appeal of EUIPO dismissed the appeal.

11 The Board of Appeal stated that, as the Opposition Division had explained, vehicles such as cars can by no means be regarded as similar to watches, chronometers, clothing, footwear and headgear (paragraph 18 of the contested decision). It found that vehicles, which are means of transportation, differ in all respects from the other goods, which are instruments for measuring time and articles made to cover and protect the body (paragraph 19 of the contested decision). Those two categories of goods obviously differ in nature, intended purpose and method of use (paragraph 20 of the contested decision). They are not competing goods since they manifestly satisfy different needs, nor are they complementary since, inter alia, driving a car is not indispensable for someone who has to dress

himself or herself or wishes to know the time (paragraph 21 of the contested decision). Furthermore, the applicant had not argued that the goods at issue are similar in nature, intended purpose or method of use, or even that they are in competition with each other or are complementary (paragraph 22 of the contested decision).

12 In addition, the Board of Appeal rejected the applicant's arguments that (i) there is a 'market practice' consisting, for car manufacturers, in extending use of their well-known brand to other goods, such as clothing, watches and other accessories; (ii) the general public is aware of that practice; (iii) the general public will thus assume that use of the same brand for the goods at issue indicates that they originate from the same undertaking; and (iv) those goods will therefore be perceived as being 'similar' (paragraphs 23 and 26 of the contested decision). According to the Board of Appeal, the applicant is attempting to substitute a new criterion of similarity, namely 'market practices', for the criteria established by case-law, namely nature, intended purpose, method of use, potential competition and complementary relationship (paragraph 24 of the contested decision). However, the applicant has not denied that when the latter criteria are applied, cars, on the one hand, and the goods covered by the earlier mark, on the other, bear no similarity whatsoever (paragraph 25 of the contested decision).

13 According to the Board of Appeal, market practices may have some relevance only for the purpose of establishing the existence of a 'link' between the marks and the goods covered by them, in the context of the ground for refusal envisaged in Article 8(5) of Regulation 2017/1001, which the applicant did not plead before the Board of Appeal (paragraph 27 of the contested decision).

14 The Board of Appeal concluded that use of the contested mark for cars will generate no likelihood of confusion or association with the earlier mark registered for goods in Classes 14 and 25, and consequently found that the opposition was 'manifestly unfounded'.

Forms of order sought

15 The applicant claims that the Court should:

– annul the contested decision;

– order EUIPO to pay the costs.

16 EUIPO contends that the Court should:

– dismiss the action;

– order the applicant to pay the costs.

Law

17 In support of its action, the applicant relies on a single plea in law, alleging infringement of, first, Article 46(1)(a) of Regulation 2017/1001, in conjunction with Article 8(1)(b) thereof, and, second, the obligation to state reasons.

18 As a preliminary observation, it should be pointed out that, given the date on which the application for registration at issue was filed, namely 18 February 2017, which is determinative for the purpose of identifying the applicable substantive law, the facts of the present case are governed by the substantive provisions of Regulation No 207/2009 (see, to that effect, judgments of 8 May 2014, *Bimbo* v *OHIM*, C-591/12 P, EU:C:2014:305, paragraph 12, and of 18 June 2020, *Primart* v *EUIPO*, C-702/18 P, EU:C:2020:489, paragraph 2 and the case-law cited). In addition, procedural rules are generally held to

apply on the date on which they enter into force (see judgment of 11 December 2012, *Commission* v *Spain*, C-610/10, EU:C:2012:781, paragraph 45 and the case-law cited). Consequently, in the present case, as regards the substantive rules, the references to Article 8(1) and (5) of Regulation 2017/1001 made by the Board of Appeal in the contested decision and by the applicant and EUIPO in the arguments raised should be understood as referring to Article 8(1) and (5) of Regulation No 207/2009, the wording of which is identical. As regards the procedural rules, since the notice of opposition was filed on 17 May 2017, the references made by the applicant to Article 46(1)(a) of Regulation 2017/1001, relating, inter alia, to the period within which the notice of opposition is to be given, should be understood as referring to the identical wording of Article 41(1)(a) of Regulation No 207/2009 that was in force at the date of the opposition.

19 The applicant claims, in essence, that the Board of Appeal erred in finding that there is no similarity between the goods at issue. According to the applicant, the Board of Appeal neither took into account all factors relevant to the comparison of those goods, in the light of the circumstances of the present case, nor addressed all relevant arguments put forward by the applicant which support a finding that the goods are similar.

20 In the first place, the applicant submits that the list of factors developed by the case-law for the purpose of assessing the similarity between goods or services is not exhaustive.

21 It is apparent from paragraph 23 of the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442), that, in assessing the similarity of the goods or services at issue, all the relevant factors should be taken into account. Those factors include, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary ('the Canon criteria'). The expression 'inter alia' shows that the enumeration of those factors is purely indicative and that there may be other relevant factors in addition to or instead of them, as is the case here. Similarity between goods and services does not depend on any specific number of criteria that might be determined in advance and applied in all cases.

22 According to settled case-law, it is also necessary to take into account, besides the Canon criteria, other factors, namely distribution channels, the relevant public and the usual origin of the goods, or that the producers are the same. When assessing the similarity of goods, the comparison should focus on identifying the relevant factors that specifically characterise the goods to be compared, in particular taking into account the commercial reality with regard to that specific product. The relevance of a particular factor depends, therefore, on the respective goods to be compared. In the present case, the usual origin of the goods and a certain well-established market practice amongst car manufacturers in the European Union will be the decisive factors. However, the Board of Appeal did not take into account any factor other than the Canon criteria and merely stated that the market practices factor, relied on by the applicant, is a new factor that is not in the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442) and is therefore inadmissible.

23 The applicant submits that the assessment of the similarity between the goods at issue cannot, in the present case, be limited to the Canon criteria alone, otherwise factors that are relevant to the assessment of the similarity between the goods would be disregarded, such as the fact that it is common practice for the majority of car manufacturers across the European Union to produce and sell clothing on a large scale and that consumers are aware of, and used to, that practice. Moreover, that market practice has led, in the present case, to a certain cognitive behaviour, a certain mindset.

24 In addition, a certain market practice in a specific area of trade is generally regarded as a decisive factor, as illustrated by the decisions of the Fifth Board of Appeal of EUIPO of 8 June 2017 (Case R 1447/2016-5, paragraph 54), the Fifth Board of Appeal of EUIPO of 16 November 2017 (Case R 968/2015-5, paragraph 49), and the Second Board of Appeal of EUIPO of 15 December 2017 (Case R 1527/2017-2, paragraph 26).

25 In the second place, the applicant submits that, had the Board of Appeal assessed the similarity between the goods at issue in the light of the criterion relating to the market practice that involves car manufacturers across the European Union offering not only cars, car parts and fittings, but also a wide range of clothing and accessories, a practice of which consumers are aware, it would have concluded that the goods at issue are similar. According to the applicant, actual and potential buyers of clothing and accessories bearing a trade mark that is also used for cars generally intend to convey that they own a car from a particular manufacturer or that they have an interest in, or admiration for, cars from that manufacturer, and therefore to associate those various product categories. Furthermore, where the same trade mark is used for cars as well as for horological and chronometric instruments, clothing, footwear and headgear, the relevant public will be convinced that all of those goods are manufactured or marketed under the control of a single undertaking or, at the very least, economically linked undertakings, even though they are neither in competition with one another nor complementary.

26 In the third place, the applicant submits that it is also because the Board of Appeal failed to take account of the fact that the goods at issue come from the same producers and are sold through the same distribution channels that the Board of Appeal erred in finding that the goods are not similar. In that regard, first, the applicant claims that the actual place of production is not as decisive as the question of whether the relevant public takes into consideration the identity of the entity which manages or controls the production or provision of the goods and states that the Opposition Division found that, nowadays, car manufacturers also offer goods such as those in Classes 14 and 25 under their brands. The Opposition Division also acknowledged that cars, clothing and horological instruments are regularly produced and provided under the responsibility of the same producers, namely car manufacturers. Second, the applicant submits that the website printouts annexed to the application show that the clothing and accessories offered by car manufacturers are available on their websites, which often also contain detailed information regarding the cars that are offered. In addition, many producers offer their clothing through their usual car dealers.

27 Consequently, similarity between the goods at issue also results from the fact that they come from the same producer and are offered or sold through the same distribution channels. Use for cars of the mark applied for will therefore give rise to a likelihood of confusion and association with the earlier mark registered in respect of goods in Classes 14 and 25.

28 EUIPO disputes the applicant's arguments.

29 First, EUIPO contends that, while case-law does not provide an exhaustive list of relevant factors, it nevertheless establishes some that should always be taken into account in order to assess the similarity of the goods or services concerned, namely the Canon criteria. Depending on the particularities of the case, 'additional' factors, such as the distribution channels, the relevant public or the usual origin of the goods or services might also be of relevance.

30 The applicant does not dispute that application of the Canon criteria does not lead to any degree of similarity between cars, on the one hand, and horological and chronometric instruments, clothing, footwear, and headgear, on the other.

31 Second, EUIPO disputes the relevance of the particular market practice in the car industry relied on by the applicant. Market practices might be of certain relevance in the evaluation of a link under Article 8(5) of Regulation No 207/2009. However, they do not constitute a relevant, let alone decisive, factor in the assessment of the similarity of goods under Article 8(1)(b) of that regulation. The concept of a link, for the establishment of which market practices might play a role, is broader than the concept of similarity of goods or services within the meaning of Article 8(1)(b) of Regulation No 207/2009. EUIPO observes, in that regard, that the decision of the Fifth Board of Appeal of EUIPO of 8 June 2017 (Case R 1447/2016-5), on which the applicant relies, does not concern the similarity of goods under Article 8(1)(b) of Regulation No 207/2009, but the establishment of a link in the context of

Article 8(5) of that regulation. Since, in the present case, the applicant has not claimed infringement of Article 8(5) of Regulation No 207/2009, his argument based on the alleged importance of market practices as a decisive factor for the present case should be rejected.

32 Third, as regards, in the first place, the additional criterion relating to the usual origin of the goods, EUIPO submits that a restrictive approach should be taken in order to avoid diluting it. In the present case, if all kinds of goods or services originating from one large company or holding were found to have the same origin, that criterion would lose its significance. EUIPO takes the view that, while it might not be uncommon for car manufacturers to license their car brand for various other products, the public is well aware that this is usually done in the context of ancillary merchandise produced by other companies with the intention of promoting the main product – cars – and not as a genuine commercial activity of the licensing car manufacturer. The public is fully aware that the market for clothing and watches differs fundamentally from the market for cars and will therefore generally not expect the goods at issue to be manufactured and offered by the same undertaking.

33 In the second place, EUIPO states that it is true that all the goods at issue might be addressed to end consumers. Watches or clothing might also occasionally share the same distribution channels as cars, in so far as they could be offered on car dealer websites or even in physical car outlets as merchandise. However, that potential connection implies neither that goods such as clothing or watches form a homogeneous group with cars nor that they are usually offered and sold side by side with cars. In any event, even possible connections regarding relatively weak additional factors such as the relevant public or distribution channels cannot, by any means, outweigh the lack of similarities with regard to the nature of the goods, their intended purpose, method of use, or any other Canon criterion.

34 According to EUIPO, it follows that, since one of the conditions of Article 8(1)(b) of Regulation No 207/2009 is not fulfilled, namely the similarity of goods, the Board of Appeal was right to dismiss the appeal as manifestly unfounded.

35 As a preliminary observation, it should be noted that, while the applicant relies in support of his action not only on Article 8(1)(b) of Regulation No 207/2009, but also on Article 41(1)(a) of Regulation No 207/2009, he puts forward no specific argument concerning the latter provision, which essentially lays down certain rules on giving notice of opposition to registration of a trade mark. The present plea should therefore be regarded as alleging infringement only of Article 8(1)(b) of Regulation No 207/2009.

36 Pursuant to that provision, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for cannot be registered if, because of its identity with, or similarity to, an 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.

37 The concept of a likelihood of association is not an alternative to that of a likelihood of confusion, but serves to define its scope. The very terms of Article 8(1)(b) of Regulation No 207/2009 therefore preclude the concept of likelihood of association from being applied where there is no likelihood of confusion on the part of the relevant public (see judgment of 11 September 2014, *Continental Wind Partners* v *OHIM – Continental Reifen Deutschland (CONTINENTAL WIND PARTNERS)*, T-185/13, not published, EU:T:2014:769, paragraph 75 and the case-law cited).

38 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 from economically linked undertakings constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 207/2009. The existence of a likelihood of confusion on the part of the relevant public must be assessed globally,

account being taken of all factors relevant to the circumstances of the case, which include inter alia the degree of similarity between the signs at issue and the goods or services covered by those signs, and also the strength of the earlier mark's reputation and degree of distinctive character, whether inherent or acquired through use (judgments of 24 March 2011, *Ferrero* v *OHIM*, C-552/09 P, EU:C:2011:177, paragraph 64, and of 8 May 2014, *Bimbo* v *OHIM*, C-591/12 P, EU:C:2014:305, paragraph 20; see also judgment of 9 July 2003, *Laboratorios RTB* v *OHIM – Giorgio Beverly Hills (GIORGIO BEVERLY HILLS)*, T-162/01, EU:T:2003:199, paragraphs 30 to 32 and the case-law cited).

39 That global assessment of the likelihood of confusion implies some interdependence between the factors taken into account and, in particular, between the similarity of the signs at issue and that of the goods or services concerned. Accordingly, a low degree of similarity between the goods or services may be offset by a high degree of similarity between the signs, and vice versa (see judgment of 18 December 2008, *Les Éditions Albert René* v *OHIM*, C-16/06 P, EU:C:2008:739, paragraph 46 and the case-law cited).

40 Nevertheless, for the purposes of applying Article 8(1)(b) of Regulation No 207/2009, a likelihood of confusion presupposes both that the marks at issue are identical or similar and that the goods or services which they cover are identical or similar. Those conditions are cumulative (see judgment of 22 January 2009, *Commercy* v *OHIM – easyGroup IP Licensing (easyHotel)*, T-316/07, EU:T:2009:14, paragraph 42 and the case-law cited).

41 Accordingly, even where a mark is identical to another with a particularly high distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered (order of 9 March 2007, *Alecansan* v *OHIM*, C-196/06 P, not published, EU:C:2007:159, paragraph 24). Contrary to what is set out in, for example, Article 8(5) of Regulation No 207/2009, which expressly refers to the situation where the goods or services are not similar, Article 8(1)(b) of that regulation provides that a likelihood of confusion presupposes that the goods or services covered are identical or similar (judgment of 7 May 2009, *Waterford Wedgwood* v *Assembled Investments (Proprietary) and OHIM*, C-398/07 P, not published, EU:C:2009:288, paragraph 34).

42 In the present case, the Board of Appeal found that there is no likelihood of confusion on the part of the relevant public based solely on a comparison of the goods at issue without examining the other conditions referred to in paragraph 38 above, including, in particular, the similarity between the signs and without carrying out a global assessment of whether there is a likelihood of confusion taking into account all the relevant factors. However, even a slight similarity between the goods concerned would have required the Board of Appeal to ascertain whether a high degree of similarity between the signs could have given rise, in the mind of a consumer, to a likelihood of confusion as to the origin of the goods (judgment of 11 July 2007, *El Corte Inglés* v *OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)*, T-443/05, EU:T:2007:219, paragraph 40).

43 It is therefore necessary to examine whether the Board of Appeal was right to conclude that there is no similarity between the goods covered by the marks at issue.

Relevance of the 'market practice' criterion

44 According to the case-law arising from paragraph 23 of the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442), in order to compare the goods or services covered by the marks at issue, all the relevant factors relating to those goods and services should be taken into account. Those factors include, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary. Other factors may also be taken into account, such as the distribution channels of the goods or services concerned or the fact that those goods or services are often sold in the same specialist sales outlets, which is likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the impression that the

same undertaking is responsible for the production of those goods or provision of those services (judgments of 21 January 2016, *Hesse* v *OHIM*, C-50/15 P, EU:C:2016:34, paragraphs 21 to 23, and of 10 June 2015, *AgriCapital* v *OHIM – agri.capital (AGRI.CAPITAL)*, T-514/13, EU:T:2015:372, paragraph 29; see also judgment of 2 October 2015, *The Tea Board* v *OHIM – Delta Lingerie (Darjeeling)*, T-627/13, not published, EU:T:2015:740, paragraph 37 and the case-law cited).

45 The formulation to the effect that 'all the relevant factors relating to the goods or services should be taken into account' and 'those factors include, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary', clearly indicates, as the applicant rightly submits, that that list of criteria is not exhaustive. That list was supplemented after the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442), by the addition of other criteria (judgment of 21 July 2016, *Ogrodnik* v *EUIPO – Aviário Tropical (Tropical)*, T-804/14, not published, EU:T:2016:431, paragraph 58), including the usual origin of the goods concerned (judgments of 26 September 2017, *Banca Monte dei Paschi di Siena and Banca Widiba* v *EUIPO – ING-DIBa (WIDIBA)*, T-83/16, not published, EU:T:2017:662, paragraph 64, and of 13 November 2018, *Camomilla* v *EUIPO – CMT (CAMOMILLA)*, T-44/17, not published, EU:T:2018:775, paragraphs 76 and 91) and, as indicated in paragraph 44 above, their distribution channels. Furthermore, it has been held that the fact that the goods at issue are promoted by the same specialised magazines is also a factor likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the impression that the same undertaking is responsible for the production of those goods (judgment of 13 February 2014, *Demon International* v *OHIM – Big Line (DEMON)*, T-380/12, not published, EU:T:2014:76, paragraph 42).

46 Against that background, the Board of Appeal erred in law, in paragraphs 24 and 27 of the contested decision, by ruling out, as a matter of principle, an assessment of the similarity of the goods at issue in the light of the market practices criterion put forward by the applicant. It cannot be ruled out that criteria other than those referred to by the Board of Appeal in paragraph 17 of the contested decision, namely, besides the Canon criteria, the distribution channels and the fact that the sales outlets are the same, may be relevant in assessing the similarity of goods or services in general and of the goods at issue in particular.

47 It is true that, in paragraph 17 of the contested decision, the Board of Appeal set out the relevant criteria for assessing the similarity of the goods, while stating that other factors may also be taken into account. However, it failed to assess the similarity of the goods at issue in the light of those other factors. As regards, specifically, the market practice relied on by the applicant, the Board of Appeal explained, in paragraph 24 of the contested decision, that the applicant's reasoning cannot be followed because it attempts to substitute a new criterion of similarity – market practices – for those established by case-law, namely the nature, intended purpose, method of use, competition and complementary relationship. According to the Board of Appeal, since there is no similarity when those latter criteria are applied, the applicant's argument based on market practice had to be rejected (paragraphs 25 and 26 of the contested decision). According to the Board of Appeal, market practices might have some relevance only for the purpose of establishing the existence of a link between the marks in the context of the ground for refusal in Article 8(5) of Regulation No 207/2009 (paragraph 27 of the contested decision).

48 Paragraphs 24 to 27 of the contested decision cannot be interpreted as meaning that the Board of Appeal considered that its analysis, based on an application of the Canon criteria, cannot be called in question by the market practice factor alone. Such a finding would run counter to the conclusion in paragraphs 21 and 23 of the judgment of 21 January 2016, *Hesse* v *OHIM* (C-50/15 P, EU:C:2016:34), according to which it cannot be ruled out that a relevant criterion may be capable of being the sole basis for the existence of a similarity between the goods or services, despite the fact that application of other criteria would indicate that there is no such similarity. In any event, it is impossible to assess the impact of an additional criterion, such as market practice, on the analysis already carried out on

the basis of the factors arising from the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442), before that criterion is properly examined. The Board of Appeal carried out no such examination.

49 Furthermore, there is nothing in the wording of paragraph 27 of the contested decision to support the conclusion that the Board of Appeal intended to limit to the circumstances of the present case the finding that 'market practices might only have some relevance for the purpose of establishing the existence of a "link" between the marks (and the goods covered thereby), namely in the context of the ground for refusal envisaged in Article 8(5) of [Regulation No 207/2009]'. Accordingly, that finding, formulated in such a way that it is incontrovertible, expresses clearly that, according to the Board of Appeal, market practices cannot, under any circumstances, be relevant to the assessment of the similarity of goods under Article 8(1)(b) of Regulation No 207/2009. It should be pointed out that, in its response, EUIPO confirmed that, according to its understanding, market practices do not constitute a relevant factor in the assessment of the similarity of goods under Article 8(1)(b) of Regulation No 207/2009.

50 The applicant is indeed wrong to rely on three decisions of the Boards of Appeal of EUIPO in order to maintain that EUIPO's decision-making practice has previously accepted that criterion as relevant for assessing the similarity of goods under Article 8(1)(b) of Regulation No 207/2009 (see paragraph 24 above). First, as EUIPO correctly contends, the decision of the Fifth Board of Appeal of EUIPO of 8 June 2017 (Case R 1447/2016-5) was adopted not pursuant to Article 8(1)(b) of Regulation No 207/2009, but on the basis of paragraph 5 of that article. Second, in the decisions of the Fifth Board of Appeal of EUIPO of 16 November 2017 (Case R 968/2015-5, paragraph 49) and the Second Board of Appeal of EUIPO of 15 December 2017 (Case R 1527/2017-2, paragraph 26) market practice was taken into account in the global assessment of whether there was a likelihood of confusion and not in the global assessment of the similarity of the goods.

51 Although not expressly mentioned, the market practice criterion has previously been taken into account in assessing the similarity of contested goods or services. Thus, for example, the fact that the goods or services at issue were often sold together was taken into account to conclude that those goods and services were similar (judgment of 4 June 2015, *Yoo Holdings* v *OHIM – Eckes-Granini Group (YOO)*, T-562/14, not published, EU:T:2015:363, paragraph 27). It has also been pointed out that it is important to assess whether consumers would consider it usual for the goods at issue to be sold under the same trade mark, which normally implies that a large number of producers or distributors of those products are the same (judgments of 9 July 2015, *Nanu-Nanu Joachim Hoepp* v *OHIM – Vincci Hoteles (NANU)*, T-89/11, not published, EU:T:2015:479, paragraph 35, and of 10 October 2018, *Cuervo y Sobrinos 1882* v *EUIPO – A. Salgado Nespereira (Cuervo y Sobrinos LA HABANA 1882)*, T-374/17, not published, EU:T:2018:669, paragraph 41; see also judgment of 13 February 2020, *Delta-Sport* v *EUIPO – Delta Enterprise (DELTA SPORT)*, T-387/18, not published, EU:T:2020:65, paragraphs 59 and 60 and the case-law cited).

52 Moreover, contrary to what is suggested in paragraph 27 of the contested decision and EUIPO's arguments set out in paragraph 31 above, the fact that a criterion is considered relevant in the application of Article 8(5) of Regulation No 207/2009 does not in itself mean that it is not relevant in the application of paragraph 1(b) of that article (see, to that effect, judgment of 12 February 2015, *Compagnie des montres Longines, Francillon* v *OHIM – Cheng (B)*, T-505/12, EU:T:2015:95, paragraphs 47 and 48).

53 Similarly, it is necessary to reject EUIPO's arguments that, first, it is apparent from the case-law that the Canon criteria must always be taken into account in order to assess the similarity of goods or services, whereas additional criteria may be relevant depending on the particularities of the case, and, second, those additional criteria are 'weak' and therefore cannot, by any means, outweigh the lack of similarity with regard to the Canon criteria. It is apparent from the judgment of 21 January 2016, *Hesse* v *OHIM* (C-50/15 P, EU:C:2016:34, paragraph 23) that, first, each criterion developed by the

case-law, irrespective of whether it is one of the original or the additional criteria, is only one criterion among others, second, the criteria are autonomous, and third, the similarity between the goods or services at issue may be based on a single criterion (see paragraph 48 above). Furthermore, although EUIPO is required to take into account all the relevant factors relating to the goods concerned, it may disregard factors which are irrelevant to the relationship between them (see judgment of 23 November 2011, *Pukka Luggage* v *OHIM – Azpiroz Arruti (PUKKA)*, T-483/10, not published, EU:T:2011:692, paragraph 28 and the case-law cited).

54 It should be added that it is also apparent from the EUIPO guidelines for examination of EU trade marks that established trade custom, such as when manufacturers expand their businesses to adjacent markets, is of particular importance for concluding whether goods or services of a different nature have the same origin. According to those guidelines, in such situations it is necessary to determine whether such expansion is common in the industry.

55 It follows that the existence of a certain market practice may constitute a relevant criterion for the purpose of examining the similarity between goods or services in the context of Article 8(1)(b) of Regulation No 207/2009.

56 Accordingly, the Board of Appeal was wrong to rule out, as a matter of principle, the relevance of the market practice criterion in its examination of the similarity of the goods at issue. Since, owing to its error, the Board of Appeal did not specifically examine the relevance and then, if necessary, the impact of that criterion in its assessment of the similarity between the goods at issue, the Court cannot itself give a ruling on that issue (judgments of 5 July 2011, *Edwin* v *OHIM*, C-263/09 P, EU:C:2011:452, paragraph 72; of 12 July 2018, *Lotte* v *EUIPO – Nestlé Unternehmungen Deutschland (Representation of a koala)*, T-41/17, not published, EU:T:2018:438, paragraphs 54 and 55; and of 5 December 2019, *Idea Groupe* v *EUIPO – The Logistical Approach (Idealogistic Verhoeven Greatest care in getting it there)*, T-29/19, not published, EU:T:2019:841, paragraph 91).

Criteria relating to the fact that the producers and distribution channels are the same

57 The applicant submitted before the Board of Appeal that the goods at issue are also similar when one applies criteria such as the usual origin of the goods or the fact that the producers and distribution channels are the same. However, although those two criteria have been acknowledged by case-law (see, inter alia, the case-law cited in paragraph 45 above) and by the Board of Appeal itself in paragraph 17 of the contested decision as relevant in assessing the similarity of goods or services pursuant to Article 8(1)(b) of Regulation No 207/2009, the Board of Appeal in the present case neither examined those two criteria nor, moreover, explained why they could not be of relevance in that assessment, as the applicant rightly submits (see paragraph 19 above).

58 Although paragraph 17 of the contested decision makes a 'standard' reference to the case-law on the relevant factors to be taken into account in the assessment of the similarity of goods, it is clear that, in paragraph 24 of that decision, when the rules are applied to the present case, the Board of Appeal refers only to the five Canon criteria without mentioning the criteria specifically relied on by the applicant. It is apparent from paragraphs 23 and 24 of the contested decision in particular that the Board of Appeal assessed the arguments submitted to it by the applicant solely from the perspective of whether the market practice relied on by the applicant could be regarded as a relevant factor to be taken into consideration in assessing the similarity of the goods at issue.

59 The fact that the Board of Appeal did not take into consideration criteria relating to the usual origin of the goods or the fact that the producers and distribution channels are the same in the analysis that led to the adoption of the contested decision is also borne out by paragraph 7 of that decision, which summarises the arguments put forward by the applicant in support of his appeal. That summary makes no reference to the applicant's arguments relating to those criteria.

60 Furthermore, in paragraphs 19 to 21 of the contested decision, the Board of Appeal itself assessed the similarity of the goods at issue, but only in the light of the Canon criteria, notwithstanding that the applicant had not disputed the outcome of that assessment. In those circumstances, and also in the absence of any argument submitted by EUIPO to this effect, the contested decision cannot be interpreted as meaning that the Board of Appeal intended to endorse the Opposition Division's decision in the light of the two criteria in question specifically put forward by the applicant, namely the usual origin of the goods and the fact that the producers and distribution channels are the same, while at the same time developing its analysis solely in the light of criteria not referred to in the appeal brought before it, without carrying out its own explicit assessment in relation specifically to the criteria on which the applicant's arguments are based. Although the Board of Appeal referred, in paragraph 18 of the contested decision, to the final conclusion reached by the Opposition Division in its decision, it made no reference to any specific paragraph or passage of that decision, which could have led to the conclusion that it intended to incorporate the Opposition Division's findings in its own decision in order to avoid repetition.

61 In paragraph 19 of the response, EUIPO maintains that factors additional to the Canon criteria, such as distribution channels, are 'relatively weak' and cannot outweigh the fact that none of the Canon criteria is fulfilled in the present case. First, as pointed out in paragraph 45 above, the list of criteria expressly mentioned in the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442), is not exhaustive. Second, each criterion identified in the line of case-law arising from that judgment is independent, so that the assessment of the similarity between the goods or services at issue may be based on one of those criteria alone (paragraph 53 above).

62 Consequently, it should be held that, by not stating the reasons why criteria relating to the usual origin of the goods or the fact that the producers and distribution channels are the same were not taken into account, the Board of Appeal failed to set out all the facts and legal considerations that are crucial for finding that the goods are not similar, with the result that the contested decision is vitiated by a failure to state reasons (see, to that effect, judgment of 21 July 2016, *Tropical*, T-804/14, not published, EU:T:2016:431, paragraph 178).

63 EUIPO raises before the Court various arguments to the effect that the application of those criteria would not lead, in the present case, to a finding that the goods at issue are similar (see paragraphs 32 and 33 above).

64 In that regard, it should be pointed out that no such assessment appears in the contested decision. First, it is not for the Court, in its review of the legality of the contested decision, to carry out an assessment on which the Board of Appeal has not adopted a position (judgment of 5 July 2011, *Edwin* v *OHIM*, C-263/09 P, EU:C:2011:452, paragraph 72) and, second, EUIPO cannot substantiate the contested decision before the Court with evidence that was not taken into account for the purposes of that decision (see judgment of 8 September 2017, *Aldi* v *EUIPO – Rouard (GOURMET)*, T-572/15, not published, EU:T:2017:591, paragraph 36 and the case-law cited).

65 That line of argument is therefore inadmissible (judgment of 24 September 2019, *Volvo Trademark* v *EUIPO – Paalupaikka (V V-WHEELS)*, T-356/18, EU:T:2019:690, paragraph 49).

66 The error of law and the failure to state reasons established respectively in paragraphs 56 and 62 above have the consequence that the single plea in law is well founded.

67 It follows that the contested decision must be annulled.

Costs

68 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since EUIPO has been unsuccessful, it must be ordered to bear its own costs and to pay those incurred by the applicant, in accordance with the form of order sought by the applicant.

On those grounds,

THE GENERAL COURT (Third Chamber)

hereby:

1. **Annuls the decision of the First Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 21 January 2020 (Case R 67/2019-1);**

2. **Orders EUIPO to pay the costs.**

Collins Csehi Steinfatt

Delivered in open court in Luxembourg on 2 June 2021.

E. Coulon
Registrar

M. van der Woude
President