

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

25 May 2005 *

In Case T-67/04,

Spa Monopole, compagnie fermière de Spa SA/NV, established at Spa (Belgium),
represented by L. de Brouwer, E. Cornu, E. De Gryse and D. Moreau, lawyers,

applicant,

v

**Office for Harmonisation in the Internal Market (Trade Marks and Designs)
(OHIM)**, represented by A. Folliard-Monguiral, acting as Agent,

defendant,

* Language of the case: English.

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

Spa-Finders Travel Arrangements Ltd, established in New York (United States),

ACTION brought against the decision of the First Board of Appeal of OHIM of 10 December 2003 (Case R 131/2003-1), relating to the opposition proceedings between Spa Monopole, compagnie fermière de Spa SA/NV and Spa-Finders Travel Arrangements Ltd,

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

composed of J. Pirrung, President, N.J. Forwood and S. S. Papasavvas, Judges,
Registrar: C. Kristensen, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 12 February 2004,

having regard to the response of OHIM lodged at the Court Registry on 26 May 2004,

further to the hearing on 18 January 2005,

gives the following

Judgment

Background to the dispute

- 1 On 14 October 1996 the company Spa-Finders Travel Arrangements 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 trade mark in respect of which registration was sought is the word sign SPA-FINDERS.
- 3 The goods and services in respect of which registration was sought are in Classes 16 and 39 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. These goods and services correspond to the following descriptions:
 - 'printed publications including catalogues, magazines, newsletters' in Class 16;

— ‘travel agency services’, in Class 39.

4 On 19 January 1998, the trade mark application was published in *Community Trade Marks Bulletin* No 5/1998.

5 On 17 April 1998, Spa Monopole, compagnie fermière de Spa SA/NV, (hereinafter ‘Spa Monopole’ or ‘the applicant’), filed a notice of opposition against the registration of the mark applied for.

6 The opposition was based on the earlier marks SPA and LES THERMES DE SPA, covered by the following registrations:

— Benelux registration No 389 230 of the mark SPA, for the goods ‘mineral and aerated waters and other non-alcoholic drinks; syrups and other preparations for making beverages’, in Class 32;

— Benelux registration No 372 307 of the mark SPA, for the goods ‘bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps, perfumery, essential oils, cosmetics, hair lotions; dentifrices’, in Class 3;

- German registration No 54 721 of the mark SPA, for goods and services in the abovementioned Class 3 and ‘lodging and boarding services; public bath, swimming bath and sauna services; organisation of fairs and exhibitions; reservations of rooms’ in Class 42;

 - Benelux registration No 501 661 of the mark LES THERMES DE SPA, for goods in Class 3.
- 7 The opposition filed by the applicant was also based on a non-registered sign, namely the company name and trade name SA Spa Monopole, compagnie fermière de Spa, abbreviated as ‘SA Spa Monopole NV’, used in the course of trade in relation to mineral waters and thermal institutes.
- 8 In support of its opposition, the applicant relied on Article 8(4) and (5) of Regulation No 40/94. The opposition was directed against all the goods and services covered by the mark applied for.
- 9 By decision of 28 November 2002, the Opposition Division rejected the opposition, taking the view that it had not been demonstrated that the use of the mark SPA-FINDERS would take unfair advantage of the repute of the earlier SPA trade marks or would be detrimental to their distinctive character.
- 10 On 28 January 2003, the applicant filed notice of appeal against that decision at OHIM pursuant to Articles 57 to 59 of Regulation No 40/94.

11 By decision of 10 December 2003 ('the contested decision'), the First Board of Appeal of OHIM dismissed the applicant's appeal. The Board of Appeal recognised the similarity of the marks in question and the extent of the repute of the mark SPA with regard to mineral waters in Belgium and throughout the Benelux. However, the Board of Appeal found that it was not established that registration of the mark SPA-FINDERS, applied to goods in Class 16 and services in Class 39, would be detrimental to the mark SPA, within the meaning of Article 8(5) of Regulation No 40/94.

Forms of order sought

12 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

13 OHIM contends that the Court should:

— dismiss the present application;

— order the applicant to pay the costs.

Law

- 14 In support of its application, the applicant puts forward a single plea in law alleging infringement of Article 8(5) of Regulation No 40/94.

Arguments of the parties

Admissibility of the elements of fact and of law put forward before the Court

- 15 As a preliminary point, OHIM pleads the inadmissibility of the applicant's arguments relating to the mark LES THERMES DE SPA, registered in the Benelux under number 466 130 in respect of 'thermal institution services including healthcare services; baths, showers, massage', in Class 42. OHIM submits in that connection that, since the opposition proceedings and the proceedings before the OHIM Board of Appeal did not concern that mark, the applicant's arguments relating to it are inadmissible.
- 16 At the hearing, the applicant confirmed that it had referred for the first time before the Court of First Instance to the mark LES THERMES DE SPA, registered in the Benelux under number 466 130 in respect of services in Class 42.

Application of Article 8(5) of Regulation No 40/94

— Reputation of the earlier marks

- 17 The applicant submits that the various SPA trade marks have a wide reputation in the Benelux, which stems, first, from the exclusive right to exploit the waters of the town of Spa which it has enjoyed since 1921 and the fact that, under the trade mark SPA, it has produced and marketed mineral waters from those springs. Second, the trade mark SPA is the leader for bottled mineral waters on the Benelux market. Third, SPA is a mineral water with positive effects on health which have been recognised by the Belgian Royal Medicine Academy. Finally, SPA bottled water is sold in a number of countries in Europe and around the world. The applicant adds that the reputation which the trade mark SPA enjoys for mineral water in the Benelux was recognised by the Opposition Division as well as by the Board of Appeal of OHIM in the contested decision and in another case (decision of the Second Board of Appeal of 12 December 2003, *SA SPA Monopole, compagnie fermière de Spa v Cosmetics Limited*, Case R 168/2003-2).
- 18 The applicant asserts in addition that the trade mark LES THERMES DE SPA also has a wide reputation in the Benelux as regards services in Class 42. It refers to the therapeutic properties of Spa water and of its thermal establishments which have been famous since the 19th century, since when LES THERMES DE SPA has acquired an extremely wide reputation and attracts many tourists and consumers.
- 19 OHIM submits that the mark SPA registered under number 389 230 relating to goods in Class 32 is the only one with a wide reputation in the Benelux and must be the only mark taken into account in the present action.

— Similarity or identity of the marks in question

20 The applicant does not dispute the Board of Appeal's finding on the similarity of the marks SPA and SPA-FINDERS. It also considers that the marks LES THERMES DE SPA and SPA-FINDERS are similar.

21 OHIM agrees with the applicant as regards the similarity of the marks SPA-FINDERS and SPA. The Benelux public might, on account of this similarity, establish a link between the sign and the mark, within the meaning of the judgment in *Adidas* (Case C-408/01 *Adidas-Salomon and Adidas Benelux* [2003] ECR I-12537, '*Adidas*'). OHIM submits, however, that the existence of such a link does not of itself establish detriment to the repute or the distinctive character of the earlier mark or that unfair advantage might be taken of it.

— Method of assessing the condition laid down by Article 8(5), in fine, of Regulation No 40/94

22 The applicant relies on the case-law of the Court of Justice in relation to the application of Article 5(2) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) in order to argue that the important point is whether the public can establish a link between the earlier mark and the mark applied for (*Adidas*, paragraphs 38 and 39). According to the applicant, the existence of this link would, first, be detrimental to the distinctive character and the repute of the earlier mark

and, second, enable the mark applied for to take unfair advantage of the repute of the earlier mark. Spa Monopole adds that the greater the reputation of the earlier mark, the more detrimental the use of a similar mark for different goods or services will be to the distinctive character or the repute of the earlier mark.

23 The applicant relies on the *Claeryn* judgment of the Benelux Court of Justice of 1 March 1975 according to which the distinctive character of a well-known trade mark can be measured by its capacity to provoke, in the public's mind, an immediate association with the product for which it is registered. Finally, Spa Monopole emphasises the existence of a link in the public's mind between the mark applied for and the earlier mark, which will take unfair advantage of, and be detrimental to, the repute of the earlier mark. The public will thus consider that an economic link exists between the undertakings offering the goods and services concerned.

24 OHIM rejects those arguments.

— Application of the conditions laid down by Article 8(5) of Regulation No 40/94

25 As regards the application to the present case of the conditions laid down by Article 8(5) of Regulation No 40/94, the applicant points out first of all that the trade mark SPA-FINDERS concerns publications relating to health and beauty as well as travel agency services in relation to thermal establishments in Europe. According to the applicant, since the trade mark SPA enjoys an extensive reputation in the Benelux, the public in this region will immediately establish a link between SPA-FINDERS and the mineral waters covered by the trade mark SPA as well as the thermal

establishments using this water. Consequently, this association between the mark SPA and the mark SPA-FINDERS relating to travel agency services and publications will be detrimental to the distinctive character of the earlier mark by diluting it.

26 Spa Monopole next contends that by associating the marks SPA and SPA-FINDERS the public will think that an economic link exists between the undertakings offering these goods and services. More specifically, the public might suppose that SPA-FINDERS travel agency services are provided by Spa Monopole or are covered by a licence granted by it. Consequently, SPA-FINDERS will take unfair advantage of the repute of the mark SPA. The applicant relies in this regard on the decision of the Second Board of Appeal of OHIM of 12 December 2003, cited above (paragraph 28).

27 Spa Monopole also argues on the basis of the economic link which the public is likely to establish between the undertakings offering SPA and SPA-FINDERS goods in order to demonstrate the risk of detriment to the repute of the mark SPA. The risk of detriment would be real since Spa Monopole would not be able to control the quality of the goods and services sold under the mark SPA-FINDERS. In support of this argument, the applicant again refers to the decision of the Second Board of Appeal of OHIM of 12 December 2003, cited above (paragraph 28).

28 OHIM submits that the applicant has not adduced any evidence to support the application of Article 8(5) of Regulation No 40/94. OHIM emphasises that the work 'spa' is not known only because of mineral waters: it also evokes the town of Spa, its Formula 1 circuit and its countryside. The word 'spa' is also commonly used to designate aquatic equipment and treatments (hydrotherapy, saunas, and so on). OHIM adds that the consumer will associate the mark SPA-FINDERS with looking for places with the characteristics of spas (hydrotherapy, hammams, saunas, and so on). Consequently there is nothing suspicious in using the word 'spa' in its descriptive and generic meaning as long as this use makes no direct or indirect reference to mineral waters.

Findings of the Court

- 29 Article 8(5) of Regulation No 40/94 provides that '[f]urthermore, upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where in the case of an earlier Community trade mark the trade mark has a reputation in the Community and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark'.
- 30 In order to determine whether the Board of Appeal infringed that provision, it is necessary to assess whether the requirements for its application are satisfied in the present case. In that connection, the Court notes that the earlier trade marks on which the opposition is based are marks registered in the Benelux and a national mark. Accordingly, it must be determined, first, whether the mark in respect of which registration is sought is identical with those earlier marks or is similar to them; second, whether those marks have a reputation in the Benelux or in the Member State concerned; and, third, whether the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade marks. Since those conditions are cumulative, failure to satisfy one of them is sufficient to render inapplicable the provisions of Article 8(5) of Regulation No 40/94.
- 31 Furthermore, the Court finds, as was confirmed at the hearing, that the notice of opposition filed by the applicant did not refer to the mark LES THERMES DE SPA, registered in the Benelux under number 466 130 and relied on for the first time before the Court. In accordance with settled case-law, facts which are pleaded before the Court without having previously been brought before the departments of OHIM can affect the legality of a decision only if OHIM should have taken them into

account of its own motion. It follows from the concluding words of Article 74(1) of Regulation No 40/94, according to which, in proceedings relating to relative grounds for refusal of registration, OHIM is to be restricted in its examination to the facts, evidence and arguments provided by the parties and the relief sought, that OHIM is not required to take into account of its own motion facts which have not been put forward by the parties. Therefore, such facts cannot affect the legality of a decision of the Board of Appeal (Case T-115/03 *Samar v OHIM — Grotto (GAS STATION)* [2004] ECR II-2939, paragraph 13).

- 32 Accordingly, the applicant's arguments must be rejected in so far as they relate to the registration in the Benelux under number 466 130 of the mark LES THERMES DE SPA and analysis must be confined to the SPA marks, registered under numbers 389 230, 372 307 and 54 721, and the mark LES THERMES DE SPA, registered under number 501 661.

Similarity or identity of the marks in question

- 33 The Court finds, first of all, that the parties rightly agree in acknowledging the similarity of the marks in question. The outcome of the proceedings thus depends on the other two requirements laid down by Article 8(5) of Regulation No 40/94 (see paragraph 30 above).

Reputation of the earlier marks

- 34 The Court notes next that, according to the case-law, in order to satisfy the requirement of reputation, the earlier national mark must be known by a significant

part of the public concerned by the goods or services covered by that trade mark (Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 31, and Case T-8/03 *El Corte Inglés v OHIM — Pucci (EMILIO PUCCI)* [2004] ECR II-4297, paragraph 67).

35 In the present case, it is common ground that the reputation of the mark SPA, registered in the Benelux under number 389 230, in respect of goods in Class 32, is established in the Benelux.

36 By contrast, the applicant has not put forward any argument to support the conclusion that the mark SPA registered in the Benelux under number 372 307, in respect of goods in Class 3, has a reputation in the Benelux.

37 Furthermore, the Court notes that the reputation in Germany of the mark SPA, registered in Germany under number 54 721 in respect of goods and services in Classes 3 and 42, is not established. In that connection, the contested decision expressly found that no evidence at all had been put forward by the applicant which made it possible to establish the reputation of that mark in that territory. The applicant has not adduced before the Court any evidence to call in question the findings of the Board of Appeal. The fact that bottles of SPA mineral water are sold in Germany does not of itself establish that the mark SPA has a reputation in respect of the goods in question in Classes 3 and 42.

38 Finally, the Court finds that there is no evidence to support the conclusion that the mark LES THERMES DE SPA, registered in the Benelux under number 501 661 in

respect of goods in Class 3, has a reputation. In that connection, the applicant has put forward only evidence relating to the reputation of the mark LES THERMES DE SPA in respect of goods and services in Class 42, on the basis of the operation of thermal establishments.

- 39 Accordingly, for the purposes of applying Article 8(5) of Regulation No 40/94 in the present case, the Court will take account solely of the reputation, in the Benelux, of the mark SPA registered under number 389 230 which relates to goods in Class 32. It is therefore necessary to determine whether the use without due cause of the trade mark SPA-FINDERS would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the mark SPA registered in the Benelux under number 389 230 which relates to goods in Class 32.

Unfair advantage taken of, and detriment to, the distinctive character or the repute of the earlier mark

- 40 The Court notes, as a preliminary point, that the purpose of Article 8(5) of Regulation No 40/94 is not to prevent registration of any mark which is identical with a mark with a reputation or similar to it. The objective of that provision is, notably, to enable the proprietor of an earlier national mark with a reputation to oppose the registration of marks which are likely either to be detrimental to the repute or the distinctive character of the earlier mark, or to take unfair advantage of that repute or distinctive character. In that connection, it should be made clear that the proprietor of the earlier mark is not required to demonstrate actual and present harm to his mark. He must however adduce prima facie evidence of a future risk, which is not hypothetical, of unfair advantage or detriment.

41 The Court notes, furthermore, that the existence of a link between the mark applied for and the earlier mark is an essential condition for the application of Article 8(5) of Regulation No 40/94. The infringements referred to in that provision, where they occur, are the consequence of a certain degree of similarity between the mark applied for and the earlier mark, by virtue of which the public concerned makes a connection between them, that is, establishes a link between them. The existence of such a link must be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, by analogy, *Adidas*, paragraphs 29 and 30). In that regard, the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (*General Motors*, paragraph 30).

42 It is in the light of the foregoing considerations that the Court must determine whether the mark SPA-FINDERS is likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the mark SPA.

— Detriment to the distinctive character of the earlier mark

43 There is detriment where the earlier mark is no longer capable of arousing immediate association with the goods for which it is registered and used (see to that effect the Opinion of Advocate General Jacobs in *Adidas*, ECR I-12540, point 37).

44 In the present case, the Court finds that the applicant does not put forward any evidence to support the conclusion that there is a risk of detriment to the distinctive character of the mark SPA by the use of the mark SPA-FINDERS. The applicant stresses the alleged immediate link which the public will establish between SPA and SPA-FINDERS. It infers from that link that there is detriment to the distinctive

character. As the applicant acknowledged at the hearing, the existence of such a link is not sufficient to demonstrate the risk of detriment to the distinctive character. The Court notes, moreover, that since the term 'spa' is frequently used to designate, for example, the Belgian town of Spa and the Belgian racing circuit of Spa-Francorchamps or, in general, places for hydrotherapy such as hammams or saunas, the risk of detriment to the distinctive character of the mark SPA seems to be limited.

⁴⁵ Therefore the applicant has not demonstrated that the use of the mark SPA-FINDERS is likely to be detrimental to the distinctive character of the mark SPA.

— Detriment to the repute of the earlier mark

⁴⁶ This detriment is made out where the goods for which the mark applied for is used appeal to the public's senses in such a way that the earlier mark's power of attraction is diminished (see, to that effect, the Opinion of Advocate General Jacobs in *Adidas*, point 38).

⁴⁷ In the present case, the applicant has not adduced any evidence, during the proceedings before the departments of OHIM or even before the Court, to establish that registration of the mark SPA-FINDERS would be likely to be detrimental to the repute of the mark SPA.

⁴⁸ In that regard, as OHIM rightly points out, there is no 'antagonism' between the goods and services covered by the marks SPA and SPA-FINDERS which might be

detrimental to the repute of SPA mineral waters. Similarly, the Court notes that it is unlikely that the mark SPA-FINDERS will tarnish the image of the SPA mark.

49 The applicant's argument based on the decision of the Second Board of Appeal of OHIM of 12 December 2003, cited above, does not contradict that conclusion since, in that decision, the Board of Appeal of OHIM found, in point 28, that there was a risk of detriment to repute and of unfair advantage linked to that repute by virtue of the proximity between the goods concerned. In the present case, SPA and SPA-FINDERS designate very different goods consisting, on the one hand, in mineral waters and, on the other, in publications and travel agency services. The Court finds that it is therefore unlikely that the goods and services covered by the mark SPA-FINDERS, even if they turn out to be of lower quality, would diminish the power of attraction of the mark SPA.

50 Consequently, the applicant has not demonstrated that the use of the mark SPA-FINDERS is likely to be detrimental to the repute of the mark SPA.

— Unfair advantage taken of the distinctive character or the repute of the earlier mark

51 The concept of taking unfair advantage of the distinctive character or the repute of the earlier mark must be intended to encompass instances where there is clear exploitation and free-riding on the coattails of a famous mark or an attempt to trade upon its reputation (see to that effect Opinion of Advocate General Jacobs in *Adidas*, point 39).

52 In the present case, the Court finds that there is no evidence that the mark SPA-FINDERS would enable its owner to take unfair advantage of the distinctive character or the repute of the mark SPA. There is no evidence to support any risk of exploitation and free-riding on the coattails of the mark SPA or of an attempt to trade upon its reputation.

53 Accordingly, it is not established that the mark applied for is likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark. It is not therefore necessary for the Court to adjudicate on whether there is a risk of use without due cause of the mark applied for.

54 Since one of the requirements necessary for the application of Article 8(5) of Regulation No 40/94 is not satisfied, the plea alleging infringement of that provision is unfounded. Accordingly, the application must be dismissed.

Costs

55 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, 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 in accordance with the form of order sought by OHIM.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

- 1. Dismisses the application;**

- 2. Orders the applicant to pay the costs.**

Pirrung

Forwood

Papasavvas

Delivered in open court in Luxembourg on 25 May 2005.

H. Jung

Registrar

J. Pirrung

President