

JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

12 September 2007*

In Case T-363/04,

Koipe Corporación SL, established in San Sebastián (Spain), represented by
M. Fernández de Béthencourt, lawyer,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs)
(OHIM), represented by J. García Murillo, acting as Agent,

defendant,

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

* Language of the case: Spanish.

Aceites del Sur SA, established in Seville (Spain), represented by C.L. Fernández-Palacios and R. Jiménez Díaz, lawyers,

ACTION against the decision of the Fourth Board of Appeal of OHIM of 11 May 2004 (Case R 1109/2000-4), relating to opposition proceedings between Koipe Corporación SL and Aceites del Sur SA,

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

composed of J.D. Cooke, President, R. García-Valdecasas and V. Ciucă, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the written procedure and further to the hearing on 14 March 2007,

gives the following

Judgment

Legal background

- 1 Article 8(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) provides:

‘1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

...

(b) if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.’

2 Article 8(2) of Regulation No 40/94 provides:

‘For the purposes of paragraph 1, “earlier trade marks” means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:

(i) Community trade marks

(ii) trade marks registered in a Member State, or, in the case of Belgium, the Netherlands or Luxembourg, at the Benelux Trade Mark Office ...’

3 Article 8(5) of Regulation No 40/94 states:

‘Furthermore, 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.’

4 Article 55(3) of Regulation No 40/94 states:

‘An application for revocation or for a declaration of invalidity shall be inadmissible if an application relating to the same subject matter and cause of action, and involving the same parties, has been adjudicated on by a court in a Member State and has acquired the authority of a final decision.’

Background to the dispute

5 On 23 April 1996, Aceites del Sur SA filed an application for a Community trade mark at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) pursuant to Regulation No 40/94.

- 6 The mark in respect of which registration was sought ('the mark applied for' or 'the La Española mark') is the figurative mark depicted below:



- 7 The goods in respect of which registration were sought are in classes 29 and 30 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 ('the Nice Agreement'), and correspond, for each of those classes, to the following descriptions:

- class 29: 'Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats';

- class 30: 'Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice'.

- 8 On 23 November 1998, the trade mark application was published in *Community Trade Marks Bulletin* No 89/98.
- 9 On 19 February 1999, La Española Alimentaria Alcoyana SA gave notice of opposition to registration of the Community trade mark applied for ('the first opposition' or 'the first opposition proceedings'). The first opposition covered all the goods designated in the Community trade mark application.
- 10 The ground relied on in support of that opposition was the likelihood of confusion under Article 8(1)(b) of Regulation No 40/94 between the mark applied for and an earlier figurative mark belonging to La Española Alimentaria Alcoyana, consisting in a figurative element and the word element 'la española', protected by Community registration No 15909 and Spanish registration No 1816147. Community trade mark No 15909 was registered for a number of goods in class 29 of the Nice Agreement, which did not include edible oils and fats. Community mark No 15909 was also registered, like Spanish mark No 1816147, for a number of goods in class 30 of the Nice Agreement.
- 11 On 23 February 1999, Aceites Carbonell, now Koipe Corporation SL, filed a notice of opposition to the registration of the mark applied for in respect of all the goods it covered. The ground relied on in support of the opposition was the likelihood of confusion, as provided for in Articles 8(1)(b), 8(2)(c) and 8(5) of Regulation No

40/94, between the mark applied for and the applicant's earlier figurative mark Carbonell ('the earlier mark' or 'the Carbonell mark'), depicted below:



¹² As evidence of the existence of the earlier mark, the applicant relied on Spanish registrations Nos 994364, 1238745, 1698613, 28270, 252783, 994365, Community registration No 338681, International registrations Nos 244428 and 528639 and Irish, Danish, Swedish and United Kingdom national registrations. Having examined the documents intended to prove the existence and the validity of the rights relied on, the Opposition Division of OHIM held that the applicant had successfully established the existence of only the four following registrations:

- Spanish registration No 994364 of 20 October 1982 in respect of 'pure olive oil' in class 29 of the Nice Agreement;

- Spanish registration No 1238745 of 20 June 1988 in respect of 'olive oil' in class 29 of the Nice Agreement;

- Spanish registration No 1698613 of 5 January 1994 in respect of olive oil in class 29 of the Nice Agreement;

 - Community registration No 338681 of 24 January 2000 in respect of ‘olive oil’ in class 29 of the Nice Agreement.
- 13 By a letter to OHIM, of 29 September 1999, the intervener subsequently limited the list of goods for which registration was sought to the following:
- class 29: ‘edible oils and fats’;

 - class 30: ‘mayonnaise and vinegar’.
- 14 Registration of the mark applied for was refused in the first opposition proceedings in respect of the goods in class 30 of the Nice Agreement, pursuant to Opposition Division decision No 259/2000 of 22 February 2000. In that decision, the Opposition Division nevertheless rejected the opposition brought by La Española Alimentaria Alcoyana as regards goods in class 29 of the Nice Agreement. That decision was confirmed by the Fourth Board of Appeal of OHIM in decision R 326/2000-4 of 17 February 2003. Therefore, the intervener’s Community trade mark application relates only to the goods in class 29 of the Nice Agreement.

- 15 The opposition of 23 February 1999 was rejected by the Opposition Division of OHIM in decision No 2084/2000, of 21 September 2000, on the ground that the signs at issue produced a different overall visual impression, that from a phonetic point of view they had no similar elements, and that the conceptual link relating to the agricultural nature and origin of the goods was weak, which excluded any likelihood of confusion between the marks at issue.
- 16 On 19 January 2001, the applicant filed an appeal before OHIM against the Opposition Division's decision. On 11 May 2004, the Fourth Board of Appeal of OHIM dismissed the appeal by adopting Decision R 1109/2000-4 ('the contested decision'). It confirmed that the visual impression produced by those signs was different overall. It observed that the figurative elements, consisting essentially of the image of person seated in an olive grove, had only a weak distinctive character with respect to olive oil, the effect of which was to confer the utmost importance to the word elements 'la española' and 'carbonell'. As regards the comparison of the signs from a phonetic and conceptual point of view, it held that the applicant had not denied the complete absence of similarity between the word elements, and the weakness of the conceptual link between the signs at issue. Finally, it acknowledged that the Opposition Division should have given a ruling on the reputation of the earlier marks. However, it took the view that that assessment, together with the examination of the documents produced before the Board of Appeal to establish that reputation, were not strictly necessary since one of the pre-conditions for determining a likelihood of confusion with a mark which has a reputation or is well-known, that is the existence of a similarity between the signs, was not satisfied.

Procedure and forms of order sought

- 17 By application received at the Registry of the Court of First Instance on 31 August 2004, the applicant brought the present action.

18 By letter to the Court, of 8 November 2004, the applicant sought to add to the file a certificate from the Spanish, Belgian and Luxembourg Chambers of Commerce concerning the reputation of the Carbonell mark. The certificate had been sent to the applicant after this action had been lodged, although it had been requested prior to that date. The Court allowed the request by decision of 17 November 2004.

19 On 1 March 2005, OHIM filed its reply. On 17 January 2005 the intervener filed its statement in intervention. By letter lodged on 10 May 2005, the applicant requested leave to file a rejoinder, which was refused by the Court by decision of 23 May 2005.

20 Upon hearing the report of the Judge-Rapporteur, the Court of First Instance (First Chamber) decided to open the oral procedure.

21 The parties presented oral argument and answered the questions put to them by the Court at the hearing on 14 March 2007.

22 The applicant claims that the Court should:

— annul the contested decision;

— declare the trade mark invalid or, if appropriate, order that it be refused registration as a Community trade mark;

- order OHIM and the intervener to pay the costs, including those incurred in the proceedings before the Fourth Board of Appeal.

23 OHIM contends that the Court of First Instance should:

- dismiss the action;
- order the applicant to pay the costs.

24 The intervener contends that the Court should:

- dismiss the action and uphold the contested decision;
- order the applicant to pay the costs.

25 At the hearing, the intervener abandoned its application to summon its personal representative to appear before the Court, and its plea of inadmissibility regarding the capacity of the applicant's representative to act as a lawyer.

Admissibility

The admissibility of the application for a declaration by the Court that the trade mark is invalid or, if appropriate, an order refusing registration

Arguments of the parties

- ²⁶ OHIM considers that the applicant's second head of claim, seeking a declaration that the La Española mark is invalid or, if appropriate, an order that its registration be refused, is inadmissible since the Court of First Instance is not entitled to issue directions to OHIM. It is for OHIM to draw the appropriate inferences from the operative part of this judgment and the grounds on which it is based (Case T-388/00 *Institut für Lernsysteme v OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 19).

Findings of the Court

- ²⁷ The applicant's second head of claim is divided into two parts. In the first part, the applicant seeks a declaration that the La Española mark is invalid. In the second part, it seeks an order refusing registration of that mark.

28 As far as the application to annul the La Española mark is concerned, it should be recalled that Article 62(3) of Regulation No 40/94 provides that the decisions of the Boards of Appeal are to take effect, if an action has been brought before the Court of Justice, only as from the date of rejection of such action. Accordingly, as OHIM rightly states, the mark applied for has not yet been registered and cannot be annulled. Therefore, the first part all the applicant's second head of claim is devoid of purpose.

29 As far as the second part of the head of claim is concerned, the applicant essentially requests the Court to adopt the decision that it claims OHIM should have taken, namely that the conditions for opposition have been fulfilled, in order that OHIM enforce it by refusing registration of the mark applied for.

30 Therefore, the applicant requests that the contested decision be altered, as provided for in Article 63(3) of Regulation No 40/94. That is not a request to the Court to require OHIM to do or to refrain from doing something, which would constitute a direction addressed to the latter. On the contrary, it requests the Court to decide, on the same basis as the Board of Appeal, whether the mark applied for may be registered in the light of Article 8(1)(b) of Regulation No 40/94. Such a decision falls within the measures which may be taken by the Court of First Instance in the exercise of its power to amend decisions (see, to that effect, Case T-334/01 *MFE Marienfelde v OHIM — Vétoquinol (HIPOVITON)* [2004] ECR II-2787, paragraph 19, and Case T-190/04 *Freixenet v OHIM (Shape of a white emerised bottle)* [2006] ECR II-79, paragraph 17).

31 It follows that the second part of the applicant's second head of claim is admissible.

The scope of the authority of the applicant's representative

Arguments of the parties

- 32 The intervener submits that the authority conferred on the applicant's lawyer does not enable him to represent the applicant before the Court. According to the intervener, the power of attorney lodged by the applicant in favour of Mr Munguía Arsuaga empowers the latter to represent the applicant before the Spanish courts and not before the Community Courts. Therefore, the authority conferred on Mr Fernández de Béthencourt, the lawyer who signed the application in the name and on behalf of the applicant, by Mr Munguía Arsuaga, exceeds the powers invested in the latter.

Findings of the Court

- 33 Article 44(5)(b) of the Rules of Procedure of the Court of First Instance requires that an application made by a legal person governed by private law is to be accompanied by proof that the authority granted to the applicant's lawyer has been properly conferred on him by someone authorised for the purpose.
- 34 It is clear from the power of attorney of 16 August 2004 in favour of the applicant's designated representative, Mr Munguía Arsuaga, that the latter had the power to represent the applicant himself or to instruct other lawyers in that respect, 'at both international and international level', which includes representation before the Court of First Instance. Therefore, it is surprising that the intervener argues that the authority conferred on Mr Fernández de Béthencourt by Mr Munguía Arsuaga exceeds the powers invested in the latter. That argument is clearly and manifestly contrary to the facts.

35 It follows that this plea of inadmissibility must be rejected.

Application of the principle of the authority of a final decision

Arguments of the parties

36 The intervener takes the view that the preliminary objection of the authority of a final decision laid down in Article 55(3) of Regulation No 40/94, according to which an application for revocation or for a declaration of invalidity is inadmissible if an application relating to the same subject matter and cause of action, and involving the same parties, has been adjudicated on by a court in a Member State and has acquired the authority of a final decision, is applicable in this case.

37 The intervener considers that the judgment of 7 July 1997 of a Spanish court, namely the Audiencia Provincial de Sevilla (Provincial Court, Seville, Spain) must be regarded as having the authority of a final decision, within the meaning of Article 55(3) of Regulation No 40/94, since it concerns the same parties and the same subject-matter and cause of action as those in the present case. The judgment in question concerns a dispute between the applicant and the intervener in which the applicant tried to deprive the intervener of the use of a Spanish mark identical to the La Española mark on the basis of the prohibition on imitations provided for by Ley 3/1991, de 10 enero, de competencia desleal (Spanish Law No 3/91 of 10 January 1991 on unfair competition) (BOE No 10 of 11 January 1991, p. 959). That judgment held that the two marks in dispute were compatible and rejected the applicant's application. That judgment became final when, by order of the Tribunal Supremo (Spanish Supreme Court) of 16 February 1999, the appeal brought by the applicant was dismissed. Therefore, the intervener claims that this action is inadmissible.

38 The applicant and OHIM submitted at the hearing that Article 55 of Regulation No 40/94 did not apply in this case because the cause of action and the subject-matter in this case are not the same as that which gave rise to the judgment of the Audiencia Provincial de Sevilla.

Findings of the Court

39 According to settled case-law, the Community trade mark regime is an autonomous system, comprising a set of rules and pursuing objectives which are peculiar to it, and it applies independently of any national system (Case T-32/00 *Messe München v OHIM (electronica)* [2000] ECR II-3829, paragraph 47, and Case T-346/04 *Sadas v OHIM — LTJ Diffusion (ARTHUR ET FELICIE)* [2005] ECR II-4891, paragraph 70).

40 Therefore, the legality of decisions of the Boards of Appeal must be assessed solely on the basis of Regulation No 40/94, as interpreted by the Community Courts, and not on the basis of national law (Case T-162/01 *Laboratorios RTB v OHIM — Giorgio Beverly Hills (GIORGIO BEVERLY HILLS)* [2003] ECR II-2821, paragraph 53; Case T-85/02 *Díaz v OHIM — Granjas Castelló (CASTILLO)* [2003] ECR II-4835, paragraph 37; and Case T-115/02 *AVEX v OHIM — Ahlers (a)* [2004] ECR II-2907, paragraph 30).

41 The principle of autonomy of the Community system is *a fortiori* applicable in situations such as that in this case, since the judgment of the Audiencia Provincial de Sevilla was not based on rules similar to those in Regulation No 40/94, but on a law relating to unfair competition.

42 It is also important to point out that Article 55(3) of Regulation No 40/94 is an exception to the abovementioned principle. That provision merely provides that OHIM must make a finding of inadmissibility against an application for revocation or for a declaration of invalidity of a Community trade mark that has already been registered where an application having the same subject-matter, that is the revocation or a declaration of invalidity of that Community mark, has been decided between the same parties by a national court and that decision has acquired the authority of a final decision.

43 Therefore, that provision cannot have any effect on the admissibility of this action, which does not constitute an application for revocation or a declaration of invalidity and was not brought before OHIM, but before the Court of First Instance.

44 Finally, it must be observed for the sake of completeness that, contrary to the intervener's submissions, the case decided by the Audiencia Provincial de Sevilla in the judgment of 7 July 1997 did not have the same cause of action or subject-matter as those in the present case. As regards the cause of action, the case concerned an infringement of the Spanish Law on unfair competition, whereas this case concerns a question relating to Regulation No 40/94. As regards the subject-matter of that case, it must be observed that the judgment of the Audiencia Provincial de Sevilla was essentially based on the judgment of the Tribunal Supremo of 10 June 1987, which did not hold that the Carbonell mark was compatible with the mark applied for. None the less, the judgment of the Tribunal Supremo concerned only the question of compatibility of the intervener's mark, which showed a strong similarity with the mark applied for with the La Española mark, belonging to the applicant, registered for 'cooked pork meats' in class 29 of the Nice Agreement. Therefore, it cannot be held that the subject-matter is the same, since the marks at issue are different from those in dispute in this case.

45 This plea of inadmissibility must therefore be rejected.

Substance

- 46 The applicant puts forward two grounds for annulment, alleging, first, infringement of Article 8(1)(b) of Regulation No 40/94 and, second, infringement of the obligation to examine the evidence of the reputation of the earlier mark.

Preliminary observations

- 47 The parties are in dispute as to the registrations which must be taken into consideration in order to determine whether the right of opposition claimed by the applicant exists. The applicant takes the view that it is not only the Spanish and Community registrations, which were into account by the Opposition Division and by the Board of Appeal, but also other registrations that it relied on that are relevant. OHIM and the intervener contest that argument and contend that since the date on which Community registration No 338681 was filed by the applicant is later than the date on which the Community mark applied for was filed, the Board of Appeal should not have taken it into consideration.
- 48 The Court considers, however, that that question is irrelevant in this case. The contested decision is based essentially on the lack of similarity between the figurative element of the Carbonell mark and that of the mark applied for. The figurative element of the Carbonell mark is identical in all the registrations relied on by the applicant, both in those taken account of by the Board of Appeal and in those which it excluded.

The first plea: infringement of Article 8(1)(b) of Regulation No 40/94

Arguments of the parties

- 49 The applicant takes the view that the contested decision infringes Article 8(1)(b) of Regulation No 40/94 by failing to take account of the fact that at first sight, the marks at issue are similar overall and might therefore give rise to confusion on the market, and of the fact that the goods which are the subject of the application for registration are identical to the goods designated by the earlier mark.
- 50 As far as the similarity of goods covered by the marks at issue is concerned, the applicant states, first, that the Board of Appeal committed an error in finding, in paragraph 17 of the contested decision, that the goods were partly identical (edible oils and fats) and partly very similar (salt, mustard, vinegar, sauces (condiments), spices) and, with respect to the remaining goods, that they were distinct. It argues that, in the light of the fact that the intervener, by its letter of 29 September 1999, restricted the list of goods and the fact that the registration of the La Española mark was refused for goods in class 30 of the Nice Agreement, the goods for which registration is sought are identical to those marketed under its earlier mark, since the olive oil (class 29 of the Nice Agreement) covered by the Carbonell mark falls within the 'edible oils and fats' category covered by the application for the Community mark. The applicant submits that the case-law according to which, in the global assessment of the likelihood of confusion a lesser degree of similarity between the signs may be offset by the fact that the goods designated by those signs are identical, should accordingly be applied (see, to that effect, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 17, and Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40).

- 51 Second, the applicant takes the view that the Board of Appeal committed an error of assessment in the visual analysis of the marks at issue in holding that the figurative element had a weak distinctive character and by according greater importance to the word element. The applicant submits that the Board of Appeal should have placed more emphasis on its comparative examination of the similarity between the figurative elements which constitute the dominant components of the marks at issue.
- 52 Therefore, the applicant submits that the use of a drawing such as that in the earlier mark is neither necessary nor common place in the marketing of olive oil. Unlike the representation of olive trees or olives, the image of a woman in the foreground dressed in an ostensibly traditional manner is not common place. In that connection, the applicant relies on a sworn statement authenticating photographic evidence on marks of olive oil marketed in Spain, which together account for 95% of the market, from which it is clear that with the exception of the marks at issue no label affixed to those goods represents a woman.
- 53 The applicant argues that, by contrast, the name 'la española' is not distinctive. It states that the words 'España' and 'española' are widely used and that their meaning is familiar even for those who do not know the Spanish language. For countries which are not Spanish-speaking, 'la española' is perceived as being descriptive of the geographical origin of the goods.
- 54 The applicant also states that the Board of Appeal failed take account of the fact that the average consumer perceived the mark as a whole and did not proceed to analyse its particular details. It points out that, in the majority of cases, the consumer purchases his goods in a supermarket where the goods are arranged on shelves directly within his reach so that he does not have to ask for them orally. In the applicant's view, the consumer loses little time between successive purchases which are made in various places in the supermarket. In those circumstances, the act of

purchase is multiple, unconsidered and mechanical to which must be added the fact that the goods are stocked in the same place, which increases the likelihood of confusion. The average consumer is in fact guided more by an impression than a direct comparison of the various marks. He is generally less attentive than the specialist consumer. The applicant concludes that the visual impact of the label on which the mark is printed is decisive in the choice of the goods.

55 Third, the applicant lists 16 similarities between the earlier mark and the mark applied for.

56 The applicant observes that the similarities between the two drawings give rise to an overall impression which is very similar from the visual point of view. Therefore, even if the average consumer were to be capable of noticing certain differences between the two signs, the likelihood of establishing a connection between them is real.

57 Fourth, the applicant states that, in light of the similarity between the signs at issue, the public may believe that the mark applied for is simply a variation of the Carbonell mark. It notes that, according to settled case-law, it is possible for an undertaking to use sub-brands that derive from a principal mark and which share with it a common dominant element, in order to distinguish its various lines from one another (see, to that effect, Case T-10/03 *Koubi v OHIM — Flabesa (CONFORTFLEX)* [2004] ECR II-719, paragraph 61). In that connection, the applicant states that it markets various ranges of olive oil identified by the same design but differentiated by different names such as ‘carbonell’, ‘fontana’, ‘finoliva’, ‘sotoliva’ and ‘mezquita’.

58 Finally, the applicant observes that the image that it uses is essential to Carbonell, since it enables the consumer to identify the origin of its goods automatically, without it even being necessary to write the name ‘carbonell’.

59 OHIM admits that the Board of Appeal committed an error by failing to take account of the restriction of the list of goods subject to the application for registration. It acknowledges that olive oil (a product covered by the earlier mark) is a product identical to edible oils and fats which are the subject of the application for registration, where the latter concern olive oil. However, OHIM and the intervener take the view that such an error did not have a material effect on the contested decision, since the latter bases the rejection of the opposition on the lack of similarity between the marks at issue and not on the fact that the goods concerned were neither identical nor similar. The intervener adds that no importance should be attached to the fact that the contested refers to the other goods, since the Opposition Division, like the Board of Appeal, always acknowledged that the goods were identical in part.

60 OHIM agrees with the Board of Appeal's assessment that the signs at issue produce a different visual impression.

61 OHIM and the intervener consider that the case-law to be applied to this case is that which states that that global appreciation of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression created by the them, bearing in mind, in particular, their distinctive and dominant components (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 25). OHIM considers that the Opposition Division's assessment of the overall impression made by the signs at issue on the consumer, which was adopted by the Board of Appeal, is in accordance with the case-law. That assessment takes into consideration the fact that figurative elements may be associated with a product and in doing so have a lesser influence on the perception of the sign.

62 OHIM acknowledges that the image of a seated woman dressed in traditional costume may be distinctive with respect to the goods concerned. However, it considers that in this case the common figurative elements of the two signs at issue

are not particularly distinctive. In that connection, it submits that a single competitor cannot exclusively appropriate to itself the representation of a field with olive trees (and the combination of colours used for the background), since such a representation is intimately connected to a product that it designates (olive oil) and its origin. Likewise, the idea of representing a woman cannot be appropriated. The intervener states that the figurative elements common to the marks at issue concern generic objects or general categories of objects which have a weak distinctive capacity.

- 63 The intervener criticises the evidential value of the notarised document produced by the applicant in order to establish that no brand of olive oil marketed in Spain includes a representation of a woman. As examples to the contrary, it mentions other marks which use the image of a woman in a flounced dress or a gypsy costume and annexes a number of documents to that effect.
- 64 OHIM considers in this case that the word element of the signs at issue plays a very important role in the visual impression that they produce, and that it is clear that the elements 'la española' and 'carbonell' are very different from a visual point of view.
- 65 Although OHIM acknowledges that the expression 'la española' is not in itself very distinctive, it denies that it is unnecessary to take account of it in the comparison of the signs at issue, as the applicant submits. According to OHIM, it is therefore appropriate to take account of the fact that, in the presence of complex marks formed from figurative and word elements, the latter are generally of crucial importance, since they are more easily remembered by the consumer and are less ambiguous as regards the identification of the mark and its communication to third parties. The intervener states that the generally predominant nature of word elements is due to the fact that the consumer identifies complex marks by their name, especially where the consumer requests that brand orally, and because figurative elements are irrelevant in certain situations as, for example, in radio advertising.

- 66 The intervener agrees with the analysis that the names 'la española' and 'carbonell' are dominant. As regards the former, the intervener adds that that predominance is reinforced by the reputation of the La Española mark.
- 67 OHIM, supported by the intervener, states that there are important differences between the marks at issue as regards the general appearance of the woman depicted, both in relation to her position, her clothes, her facial characteristics and by the fact that in the Community trade mark application the woman holds a pitcher in her hands while in the Carbonell mark the woman is represented with her arms raised holding an olive branch. Likewise, it observes that in the earlier mark the woman is seated on a low wall beside two canisters in packaging having a traditional appearance, while in the artwork of the mark applied for the object on which the woman is seated is not shown.
- 68 Finally, on the conceptual level, OHIM states that the consumer will perceive the word 'Carbonell' as a family name, while the figurative element will lead the consumer to make an association with the natural and traditional origin of the goods. As regards the mark applied for, both the figurative element and the trade name 'la española' should elicit, on the part of the public, a clear association with the natural and geographical origin of the goods. OHIM concludes that there is a connection between the signs at issue which may be defined as a reference to the natural origin of the goods. It states that such a connection is merely linked to the characteristics or the quality of the goods and not to their commercial origin.
- 69 OHIM concludes that the Board of Appeal did not commit any error in its assessment of the comparison of the signs which led to the finding that the latter were neither identical nor similar and that, therefore, there was no likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (Case C-106/03 P *Vedial v OHIM* [2004] ECR I-9573, paragraphs 53 and 54). OHIM adds that for the same reason the principle that the factors are interdependent is not applicable to the dispute.

Findings of the Court

- 70 It must be observed, at the outset, that in the contested the decision the Board of Appeal finds (paragraph 17) that the goods covered by the Carbonell mark and those covered by the mark applied for were partly identical (edible oils and fats within class 29 of the Nice Agreement), partly very similar (salt, mustard, vinegar, sauces (condiments); spices, goods in class 30 of the Nice Agreement) and, as far as concerns the remainder of the goods, that they were distinct.
- 71 Nevertheless, as the applicant rightly submits and as OHIM and the intervener admitted at the hearing, the Board of Appeal should have limited itself to finding in the contested decision that the goods covered by the Carbonell mark were identical to those covered by the mark applied for where the latter concern olive oil, and should have held that there was a very high degree of similarity between the goods covered by the Carbonell mark and those covered by the mark applied for where the latter concern edible fats. That conclusion is inescapable following the restriction of the list of goods in the intervener's letter of 29 September 1999 and the decision adopted by the Opposition Division of 22 February 2000 in the first opposition proceedings in which the latter refused registration of the La Española mark for the goods in class 30 of the Nice Agreement, which was confirmed by the decision of 17 February 2003 of the Fourth Board of Appeal.
- 72 In those circumstances, the Court considers that the Board of Appeal wrongly failed to take account of the case-law according to which in the global appreciation of the likelihood of confusion a lower degree of similarity between the marks may be offset by a high degree of similarity between the goods (*Canon*, paragraph 17, and *Marca Mode*, paragraph 40).

- 73 Nevertheless, in the contested decision, the Board of Appeal found that there was no similarity between the marks at issue, since the figurative elements had a weak distinctive character as regards olive oil, and that the comparison of their word elements, which were completely different, thus acquired paramount importance. That is why, without applying the abovementioned case-law, the Board of Appeal held that there was no likelihood of confusion between the marks at issue.
- 74 The Court will examine in turn the findings relating to the weak distinctive character of the figurative elements, the dominant character of the word elements, and the similarity and likelihood of confusion between the marks at issue.

— The distinctive character of the figurative elements

- 75 In paragraph 18 of the contested decision, the Board of Appeal merely notes, in order to substantiate its findings relating to the weak distinctive character of the figurative elements of the marks at issue, that they consist essentially of a person seated in a pastoral setting, more specifically, in an olive grove. That brief analysis should be understood as meaning that the Board of Appeal adopted the Opposition Division's analysis, according to which the figurative elements of the marks at issue had a lesser distinctive character because they are common place in the olive oil sector (paragraph 9, second indent, of the contested decision).
- 76 In the contested decision, the Board of Appeal did not provide any details as to the reasons for which it found that the disputed image was common place in the olive oil sector and it failed mention any mark other than those in dispute, containing figurative elements similar to the marks at issue.

- 77 However, it is clear from the notarised statement authenticating a photographic dossier containing brands of olive oil marketed in Spain which together account for 95% of the market supplied by the applicant, that, except for the marks at issue, none of those marks uses the image of woman. Neither OHIM nor the intervener have challenged the veracity of that document. However, at the hearing OHIM challenged its admissibility on the ground that it had not been submitted at the stage of the administrative procedure. The document was produced with the application as required by Article 44(1) of the Rules of Procedure and claims specifically to establish that the analysis made in the contested decision relating to the typical character of the figurative elements concerned is incorrect. It is, therefore, admissible.
- 78 The intervener's argument alleging that other Spanish brands of olive oil use the image of a woman, and that the image concerned is not uncommon in Spanish olive oil trade marks, cannot be accepted. It is clear from the examination of those trade marks that the image of a woman that they use is very different from that in the marks at issue. Furthermore, those marks are very unrepresentative of the Spanish olive oil market. None of those marks appears in the only document submitted to the Court which shows the distribution of the various brands of olive oil in Spain, namely the report by the market research company AC Nielsen Company SL of 18 August 2004, the veracity of which has not been challenged by any of the parties.
- 79 In those circumstances, it must be held that the Board of Appeal wrongly held in the contested decision that the figurative elements of the marks at issue were common place on the Spanish market for olive oil.
- 80 However, OHIM considers that the reason why the Board of Appeal held that the figurative elements of the marks at issue have a weak distinctive character was not the existence of similar marks on that market, but the same reason for which it

found that there was a weak conceptual link between the marks at issue, namely that their figurative elements were connected to the agricultural nature and origin of the products referred to (paragraph 9, fourth indent, of the contested decision). Therefore, the average consumer would not see in those elements indication of the commercial origin of those goods, but a reference to its natural and traditional elaboration.

81 Even assuming that the contested decision may be interpreted in the way indicated by OHIM, the Court cannot accept the latter's argument.

82 In the first place, although it may be held that the representation of an olive grove refers to an element clearly linked to olive oil the same is not true as regards the representation of a seated person. OHIM itself acknowledges in its reply (paragraph 50) that the image of a seated woman in traditional costume may be distinctive for the goods concerned. The Court considers that there is no reason to conclude that the image of a seated woman refers, in the eyes of the average consumer, to the natural and traditional origin of the goods rather than to its commercial origin.

83 However, OHIM submits that a single competitor cannot exclusively appropriate to itself the representation of a woman. The question whether the elements which make up a trade mark may be freely used by other competitors does not form part of the examination of the distinctive character of the figurative elements of a trade mark (see, by way of analogy, Case C-329/02 P *SAT.1 v OHIM* [2004] ECR I-8317, paragraph 36). The only relevant issue in that examination is whether the sign examined is distinctive or not, a question which, as regards the seated woman, OHIM has already answered affirmatively.

84 In that connection, it should be stated that the applicant does not intend to appropriate to itself any representation of an olive grove or any representation of a woman in the abstract. It claims exclusivity over a specific representation, which forms part of its mark, of a combination of those two elements. Therefore, the applicant does not oppose the used by the intervener of the representation of a woman in its trade mark, but the use of an image that it regards as too closely resembling its own.

85 In second place, it must be observed that as regards the figurative elements of a trade mark its distinctiveness may be assessed, in part, in relation to each of its terms or components, taken separately, but must, in any event, depend on an appraisal of the whole which they comprise. Indeed, the mere fact that each of those components, considered separately, is devoid of distinctive character does not mean that their combination cannot be distinctive (see, by way of analogy, *SAT.1 v OHIM*, paragraph 28 and the case-law cited).

86 OHIM and the intervener make an assessment of the distinctive character of the figurative elements of the marks at issue on the basis of a separate analysis of each of its components — in particular the representation of an olive grove and that of a seated woman, together with the subsidiary elements of the marks at issue, such as the red background and the spaces reserved for the brand names and their shapes — without taking account of the fact that certain components which in themselves are devoid of distinctive character may, once combined, have such a character.

87 It follows from the foregoing that the Board of Appeal was wrong to concluded in the contested decision that the figurative elements of the marks at issue have a weak distinctive character.

— The dominant character of the verbal components

88 In paragraph 18 of the contested decision, the Board of Appeal stated that the comparison of the word elements of the marks at issue is of overriding importance in this case in the light of the weak distinctive character of the figurative elements of those marks, even though the word element of the La Española mark has in itself only a low degree of distinctive character.

89 The Court considers that the assessment of the Board of Appeal is incorrect.

90 First, the Court has held that the Board of Appeal was wrong to concluded in the contested decision that the figurative elements of the marks at issue have a weak distinctive character. Therefore, the comparison of the word elements cannot be made on the basis of that assessment.

91 Second, case-law has established that, where the word element of a complex mark held an equivalent position in relation to the figurative element, the latter could not be regarded, from a visual point of view, as subsidiary in relation to the other component of the sign (see, by way of analogy, Case T-110/01 *Vedial v OHIM — France Distribution (HUBERT)* [2002] ECR II-5275, paragraph 53). That must apply *a fortiori* in situations where the figurative element holds a more important position, in terms of surface, than the word element.

92 Third, the Court considers that the word element ‘la española’ has only a very weak distinctive character. That word is commonly used in Spain and is perceived as being descriptive of the geographical origin of goods. As it is clear from a decision of the Tribunal Supremo of 10 June 1987, put on the file by the intervener, the word

element 'la española' is present in almost 100 marks in Spain, including more than 12 in class 29 of the Nice Agreement. The intervener itself, in the course of the first opposition proceedings, had submitted before the Opposition Division (see Decision No 259/2000 of the Opposition Division of 22 February 2000, page 3, final paragraph, and page 5, final paragraph) and before the Board of Appeal (see Decision R 326/2000-4 of the Fourth Board of Appeal of OHIM of 17 February 2003 page 4, third and fourth paragraphs), that the expression 'la española' has become a general term in everyday language, that it had a weak distinctive character, and that it constituted a common reference in the sector.

- 93 In other opposition proceedings, OHIM itself has maintained a position contrary to that which it defends in these proceedings. Thus, the Opposition Division, in Decision No 259/2000 of 22 February 2000 (page 6, fifth paragraph), confirmed by the Fourth Board of Appeal (Decision R 326/2000-4 of 17 February 2003), in the first opposition proceedings and in decision No 843/2000 of 27 April 2000 (page 6, fourth paragraph), found that the expression 'la española' had only a weak distinctive character, because it was a common brand name in the food sector, and suggested a reference to the geographical origin of the goods. Likewise, and contrary to the submissions in this case, the Opposition Division held, in its decision of 22 February 2000, that since the common element in the two marks was weakly distinctive, the consumer's attention would not be drawn by the expression 'la española', but by the figurative element of the mark applied for.

— The similarity of the marks and the likelihood of confusion

- 94 The Board of Appeal considers that the overall visual impression produced by the marks at issue is different and, therefore, that their global appreciation does not reveal any similarity between them, which would exclude any likelihood of confusion.

- 95 It must be recalled that it is clear from the case-law of the Court relating to the interpretation of Article 4(1)(b) 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), the legal content of which is essentially identical to that of Article 8(1)(b) of Regulation No 40/94, that the likelihood of confusion lies in the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings (*Canon*, paragraph 29, and *Lloyd Schuhfabrik Meyer*, paragraph 17). According to the same case-law, the likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (*SABEL*, paragraph 22; *Canon*, paragraph 16; and *Lloyd Schuhfabrik Meyer*, paragraph 18).
- 96 That assessment implies a certain interdependence between the factors taken into account and, in particular, the similarity of the marks and the similarity of the goods or services designated. Therefore, a low degree of similarity between the goods or services designated may be offset by a high degree of similarity between the marks and vice versa (*Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19).
- 97 It is also clear from the principle that factors are interdependent that a high degree of similarity between the marks is reinforced by a high degree of similarity between the goods covered or, *a fortiori*, by the fact that they are identical.
- 98 It must also be recalled that, according to case-law, two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects (Case T-6/01 *Matratzen Concord v OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 30, and Case T-168/04 *L & D v OHIM — Sämann (Aire Limpio)* [2006] ECR II-2699, paragraph 91).

99 The global assessment of the likelihood of confusion must, in relation to the visual, aural or conceptual similarity of the marks in question, be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components and the fact that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25).

100 As regards the visual aspects, the Court finds that the two marks at issue have many elements in common, namely:

- they both consist of a label which is rectangular, vertical and regular, of identical size with a red border with rounded corners at the external edges;

- they both include a drawing of a woman seated in the foreground, in the vertical axis of the label, whose clothing is in similar colours and who are both dressed in a skirt, a white blouse and a red shawl with fringed edges;

- the two women depicted have their hair tied back with a flower behind their right ear and a decorative comb;

- the two women depicted have bare arms, their head turned towards the left and are seated on a wall which is ochre in colour;

- there is an olive branch in the foreground close to the heads of the two women depicted;

- there is a space for the description of the product in the upper band, which is curved toward the exterior of the label and convex towards the interior;

- the brand name appears in a white box against the red background placed on the lower part of the label;

- the shape of that box is flat on the edge nearest to the bottom of the label and convex on the edge nearest to the inside of the label;

- the brand name features in the white letters of the same height against the red background of the box;

- represented behind the woman is an olive grove in the same range of colours and the horizon of which occupies the same amount of space.

¹⁰¹ The Court considers that the similarity of the figurative elements at issue, both as regards the colour schemes and the drawings is more significant than small differences which become apparent only after a detailed and thorough examination.

- 102 As regards the conceptual aspects, the Court finds that the Board of Appeal itself held in the contested decision (paragraphs 9 and 19) that there is a conceptual link between the marks at issue, which although weak, is linked to the nature and origin of the goods protected.
- 103 The Court considers that the elements common to the two marks at issue, seen as a whole, produce an overall visual impression of great similarity, since the La Española mark reproduces very precisely the essence of the message and the visual impression given by the Carbonell mark: the woman dressed in traditional clothes, seated in a certain manner, close to an olive branch with an olive grove in the background, the overall image consisting of an almost identical arrangement of spaces, colours, places for brand names and style of lettering.
- 104 The Court considers that that overall similar impression inescapably gives rise on the part of the consumer to a likelihood of confusion between the marks at issue.
- 105 That likelihood of confusion is not diminished by the existence of the different word element since, as it was held above, the word element of the mark applied for has a very weak distinctive character, since it refers to the geographical origin of the goods.
- 106 First, it must be recalled that the average consumer only rarely has the chance to make a direct comparison between different marks but must place his trust in the imperfect picture of them that he has kept in his mind (*Lloyd Schuhfabrik Meyer*, paragraph 26). That fact gives more weight to the elements which are particularly visible and easy to apprehend in the marks concerned such as, in this case, the figurative elements of the marks at issue (see, to that effect, *CONFORFLEX*, paragraph 45).

107 Second, it must be noted that the perception of marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25). For the purposes of that global appreciation, the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect, but his level of attention is likely to vary according to the category of goods or services in question (*Lloyd Schuhfabrik Meyer*, paragraph 26).

108 Since olive oil is a consumer product which is very common in Spain, the level of attention of the average consumer with respect to its external appearance is low (see, to that effect, Case T-283/04 *Georgia-Pacific v OHIM (Motif gaufré)*, not published in the ECR, paragraph 41).

109 Third, as the Board of Appeal acknowledges in the contested decision, account should be taken of the fact that olive oil is most commonly purchased in supermarkets or establishments where goods bearing different trade marks are arranged on shelves. In this type of point-of-sale, as the applicant submits, the consumer loses little time between his successive purchases, which are made in different parts of the shop, and does not ask orally for the various goods that he is looking for, but goes to the shelves where those products are located with the consequence that phonetic differences between the marks at issue are irrelevant for the purposes of distinguishing the goods. In those circumstances, the consumer is guided more by an impression than by a direct comparison of the various marks and often does not read all the information on each olive oil container. In most cases, he merely takes a bottle whose label provides him with the visual impact of the brand he is looking for. In those circumstances, it is the figurative element of the marks at issue which acquires greater importance, contrary what was held in the contested decision, which increases the likelihood of confusion between the two marks at issue.

- 110 It should be noted in support of this, that where the marks at issue are examined at the distance and the speed at which the consumer in a supermarket selects the goods he is looking for, the differences between the signs at issue are more difficult to distinguish and the similarities are more apparent, since the average consumer perceives the mark as a whole and does not proceed to analyse its various details.
- 111 Finally, account should be taken of the fact that in light of the similarity of the signs at issue and the fact that the word element of the mark applied for has a weak distinctive character, the consumer may perceive the mark applied for as a sub-brand linked to the Carbonell mark designating an olive oil of a different quality from that which is the subject of that mark (see, to that effect, *CONFORTFLEX*, paragraph 61). As it is clear from the file, the Carbonell mark, which has been in Spain since 1904, is identified with olive oil on the Spanish market and the image that it uses automatically identifies that mark.
- 112 In light of the foregoing, it is clear that the Board of Appeal was wrong to conclude that any likelihood of confusion between the marks at issue was excluded (paragraph 24). On the contrary, it follows from all of the findings of the Court that there is a likelihood of confusion between the marks.
- 113 Therefore, the first plea in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94 must be accepted.
- 114 Accordingly, without there being any need to examine the second plea in law, the contested decision must be altered, in accordance with Article 63(3) of Regulation No 40/94, so as to hold that the appeal brought by the applicant before the Board of Appeal is well founded and, consequently, that the opposition is to be upheld.

Costs

- ¹¹⁵ 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. Under Article 136(2) of the Rules of Procedure, costs necessarily incurred by the parties for the purposes of the proceedings before the Board of Appeal are to be regarded as recoverable costs. Since OHIM and the intervener have been unsuccessful, they must be ordered to pay the applicant's costs, including the costs incurred by the applicant for the purposes of the proceedings before the Board of Appeal, as applied for by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (First Chamber)

hereby:

- 1. Alters the decision of the Fourth Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) of 11 May 2004 (Case R 1109/2000-4) so as to hold that the appeal brought by the applicant before the Board of Appeal is well founded and, consequently, that the opposition is to be upheld;**

2. Orders OHIM and the intervener to pay the costs.

Cooke

García-Valdecasas

Ciucă

Delivered in open court in Luxembourg on 12 September 2007.

E. Coulon

Registrar

J.D. Cooke

President

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