

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

16 January 2007*

In Case T-53/05,

Calavo Growers Inc., established in Santa Ana (United States), represented by E. Armijo Chávarri and A. Castán Pérez-Gómez, lawyers,

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

Luis Calvo Sanz SA, established in Carballo (Spain), represented by J. Rivas Zurdo and E. López Leiva, lawyers,

* Language of the case: Spanish.

ACTION brought against the decision of the First Board of Appeal of OHIM of 8 November 2004 (Case R 159/2004-1), relating to opposition proceedings between Calavo Growers Inc. and Luis Calvo Sanz SA,

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

composed of J. Pirrung, President, A.W.H. Meij and I. Pelikánová, Judges,
Registrar: E. Coulon,

gives the following

Judgment

Background to the dispute

- 1 On 8 March 2001 Luis Calvo Sanz SA filed an application with the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) for registration as a Community trade mark of the figurative mark represented below:



- 2 The goods in respect of which registration has been sought fall within Classes 29, 30 and 31 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, for each of those classes, to the following description:
- 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’;

 - Class 31: ‘Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt’.
- 3 On 24 September 2001 the application for registration was published in *Community Trade Marks Bulletin* No 84/2001.
- 4 On 21 December 2001 Calavo Growers Inc. filed an opposition against the Community trade mark application. The notice of opposition consisted of two parts. The first part, written in Spanish and called ‘Escrito de Oposición’ (‘the Form’) consisted of a form which reproduced the numbering and the titles of the headings

of the official OHIM form and contained, under the heading 'Language of the opposition', the reference 'ES' and, under the heading 'Grounds of the opposition', the statement '94 the opposition is based on an earlier mark and a likelihood of confusion'. The second part, written in English and entitled 'Notice of Opposition' ('the Explanation of grounds', consisted of three pages of text explaining, under the introductory heading '99 Explanations of grounds', the grounds of the opposition.

5 The opposition was based on the registration of Community word mark No 102 822 CALAVO, which had been applied for on 1 April 1996 and registered on 26 August 1998 in respect of goods in Classes 29 and 31 of the Nice Agreement, corresponding for each of those classes to the following description:

— 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; processed, prepared and frozen avocados and guacamole; dried papayas and mangoes';

— Class 31: 'Agricultural, horticultural and forestry products and grains not included in other Classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals; malt; fresh avocados, papayas and mangoes'.

6 The opposition was based on all the goods covered by the earlier mark and was directed against all the goods covered by the trade mark application.

- 7 By decision of 18 December 2003 the Opposition Division of OHIM allowed the opposition in part, finding that there was a likelihood of confusion between the conflicting signs in respect of certain goods. That decision stated that account could not be taken of the Explanation of grounds submitted by the opponent (the applicant before the Court) with the Form, since that document had been submitted in a language other than that of the proceedings and its translation into the language of the proceedings had not been provided within the period prescribed by OHIM for that purpose.
- 8 On 18 February 2004 the intervener lodged an appeal against that decision. On 8 November 2004 the First Board of Appeal of OHIM allowed that appeal and annulled the decision of the Opposition Division. In its decision ('the contested decision'), which was notified to the applicant on 12 November 2004, the Board of Appeal dismissed the opposition and ordered the opponent to pay the costs incurred by the applicant (the intervener before the Court) for the purposes of the opposition and appeal proceedings.
- 9 In the contested decision the Board of Appeal held that the Opposition Division was not competent to examine of its own motion the opposition and that, consequently, it could not allow that opposition in part. The notice of opposition was flawed, since it confined itself to giving as a ground of opposition the 'likelihood of confusion' without providing any further arguments in the language of the proceedings.
- 10 The Board of Appeal found that the Opposition Division had contravened the principle that the subject-matter of a case is delimited by the parties and the principle of equality of arms which govern opposition proceedings, enshrined in Article 74(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), pursuant to which OHIM cannot examine the facts of its own motion, since it is restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.

- 11 The Board of Appeal takes the view that it is for the opponent to submit and prove the grounds on which the opposition is based, and that the abstract reference to the 'likelihood of confusion' is not sufficient. According to the Board of Appeal, the factors which are decisive in respect of the likelihood of confusion in the present case must be put forward and proven. If the opponent fails to satisfy that requirement, OHIM cannot in any event compensate for that procedural deficiency, since it is not competent to undertake an examination of its own motion, is required to be impartial and cannot act at the same time as judge and party. The contested decision concludes by holding that the penalty which flows from non-compliance with that procedural requirement, namely the rejection of the opposition as unfounded, must be applied.

Procedure before the Court of First Instance and forms of order sought

- 12 By application lodged at the Registry of the Court of First Instance on 24 January 2005, the applicant brought the present action.
- 13 The intervener and OHIM lodged their responses on 20 June and 25 July 2005 respectively.
- 14 By letters lodged at the Registry of the Court of First Instance on 4 and 5 August 2005 respectively, the applicant and the intervener applied to be allowed to lodge replies. On 17 August 2005 the President of the Second Chamber decided that it was not necessary to proceed with a second complete exchange of pleadings under Article 135(2) of the Rules of Procedure of the Court of First Instance. He decided however to allow the intervener to lodge a pleading in order to enable it to comment on OHIM's response, in which OHIM had endorsed the arguments put forward by the applicant. The intervener lodged its supplementary pleading at the Registry of the Court of First Instance on 10 October 2005.

15 By letter lodged at the Registry of the Court of First Instance on 27 October 2005, the applicant repeated its request of 4 August, stating that it also wished to respond to the claims that the intervener had been allowed to make in its supplementary pleading. The President of the Second Chamber rejected that request by decision of 22 November 2005.

16 Upon hearing the report of the Judge-Rapporteur, the Court (Second Chamber) decided to open the oral procedure without any prior measures of inquiry.

17 The parties presented oral argument and replied to the Court's questions at the hearing on 11 July 2006. OHIM also added a claim as to costs not submitted in the written procedure.

18 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

19 OHIM contends that the Court should:

— annul the contested decision;

- remit the case to the Board of Appeal so that it can rule on the question of the likelihood of confusion between the conflicting signs;

- order each party to bear its own costs.

20 The intervener contends that the Court should:

- dismiss the action in its entirety and uphold the contested decision;

- order the applicant to pay the costs incurred by the intervener in these proceedings.

Law

21 In support of its claims, the applicant puts forward a single plea in law alleging infringement of Article 42(3) and Article 74(1) of Regulation No 40/94, read in conjunction with Rule 20(3) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1).

Admissibility of OHIM's heads of claim

Arguments of the parties

- 22 OHIM submits that the applicant's claims are well founded, since the contested decision is not consistent with OHIM's practice with regard to the admissibility and grounds of an opposition.
- 23 The intervener objects to the possibility for OHIM to endorse the action brought by the applicant. In its submission, such a procedure is inconsistent and incompatible with the principles of protection of rights and legal certainty. OHIM is seeking the annulment of a decision which it itself adopted. It would be necessary, for such a change in OHIM's position, to hear the Board of Appeal, unless there had been a change in the legislation or new information had come to light capable of justifying that radical change. Such factors do not exist in this case.
- 24 In the intervener's view, the case-law of the Court of First Instance relied on by OHIM in order to justify its conduct does not apply to cases such as the present.
- 25 In addition, the intervener claims that it must be able to rely on the protection conferred by Article 130(1) and Article 133(2) of the Rules of Procedure, under which proceedings are brought against OHIM as defendant, only the interveners being able, in accordance with Article 134(2) of the Rules of Procedure, to endorse the form of order sought by a main party or intervene in support of that form of order. In the present case the intervener is alone in actually defending the contested decision, and OHIM has thus undermined its procedural position.

Findings of the Court

- 26 The Court has held, in proceedings relating to a decision of a Board of Appeal ruling on opposition proceedings, that while OHIM does not have the requisite capacity to bring an action against a decision of a Board of Appeal, conversely it cannot be required to defend systematically every contested decision of a Board of Appeal or automatically to claim that every action challenging such a decision should be dismissed (Case T-107/02 *GE Betz v OHIM — Atofina Chemicals (BIOMATE)* [2004] ECR II-1845, paragraph 34, and Case T-379/03 *Peek & Cloppenburg v OHIM (Cloppenburg)* [2005] ECR II-4633, paragraph 22).
- 27 There is nothing to prevent OHIM from endorsing a head of claim of the applicant's or from simply leaving the decision to the discretion of the Court, while putting forward all the arguments that it considers appropriate for giving guidance to the Court (*BIOMATE*, paragraph 36, and *Cloppenburg*, paragraph 22). On the other hand, it may not seek an order annulling or altering the decision of the Board of Appeal on a point not raised in the application or put forward pleas in law not raised in the application (see, to that effect, Case C-106/03 P *Vedial v OHIM* [2004] ECR I-9573, paragraph 34, and *Cloppenburg*, paragraph 22).
- 28 Furthermore, the Court has also held that that case-law applies to both *inter partes* and *ex parte* proceedings (*Cloppenburg*, paragraph 24).
- 29 It follows from that case-law that the heads of claim by which OHIM endorses the applicant's claim for annulment must be declared admissible in so far as they, and the arguments set out in their support, do not go beyond the bounds of the claims

and pleas in law put forward by the applicant. In this case, OHIM has remained within those bounds since it put forward, in support of its claim for annulment of the contested decision, the same pleas in law as the applicant.

- 30 Accordingly, in the present case OHIM may, without altering the terms of the dispute, seek annulment of the contested decision. It must therefore be held that OHIM's heads of claim are admissible.

The scope of the subject-matter of the proceedings

Arguments of the parties

- 31 In the intervener's submission, it is not necessary, for the purposes of resolving this dispute, to examine the admissibility of the applicant's opposition before OHIM. In its opinion, the contested decision did not reject the opposition as inadmissible, but on the substance, that is as unfounded. It is not therefore a question, in the present case, of examining the provisions which govern the content of the notice of opposition, but rather Article 74(1) of Regulation No 40/94, since the dispute arose because of the absence of evidence and arguments in support of the opposition.
- 32 The applicant and OHIM contest the intervener's arguments.

Findings of the Court

- 33 Following the examination of the statement of reasons for the contested decision, it must be observed, notwithstanding some terminological confusion, that the Board of Appeal rejects the opposition on the basis of considerations relating to admissibility.
- 34 In particular, the considerations set out in paragraph 16 of that decision relate to the admissibility of the opposition, even though that term is not used. By taking the view that the question of the Opposition Division's competence to analyse the substance of the opposition had to be decided before examining the substance of the case, the Board of Appeal implies that that question does not relate to the substance. Next, at paragraph 17 of that decision, the Board of Appeal examines the admissibility of the opposition, since it refers to a substantial flaw which vitiates the Form lodged by the applicant.
- 35 It is true that the Board of Appeal does not, in this respect, clearly conclude that the opposition is inadmissible. On the contrary, at paragraph 19 *in fine* and at paragraph 21 containing the final conclusion of the version in the language of the proceedings in which the contested decision was taken, the Board of Appeal states on two occasions that the opposition is rejected 'as unfounded'. In the event of discrepancy between the substance of a decision of the Board of Appeal and the terms which it has used in its statement of reasons, it is for the Court of First Instance to interpret that decision in order to identify its actual content.
- 36 In this respect, it must be observed that the Board of Appeal does not at any point make reference to the substance of the opposition — that is to say the question whether or not there is, in the present case, a likelihood of confusion between the conflicting signs. It must therefore be concluded that, even if the wording relating to

the rejection of the opposition in the statement of reasons of the contested decision appears to indicate the contrary, the applicant's opposition was not rejected as unfounded, but as inadmissible.

37 The intervener's objection should not therefore be upheld.

The admissibility of the opposition

Arguments of the parties

38 The applicant asserts that the Form which it submitted stated expressly that the opposition was based on an earlier mark and a likelihood of confusion. That information satisfies the minimum condition in relation to the grounds required by Article 42(3) of Regulation No 40/94 and Rule 18 of Regulation No 2868/95, since, first, the ground of opposition could be inferred from the information communicated in the notice of opposition and, second, that information enabled both the trade mark applicant and OHIM to understand that ground of opposition.

39 Rule 20(3) of Regulation No 2868/95 furthermore clearly provides that the absence of detailed information relating to the facts and the evidence such as to establish the merits of the opposition does not constitute a ground rendering that opposition inadmissible.

- 40 OHIM contends that, in the Form submitted by the applicant, it was stated clearly and unequivocally, in the language of the proceedings, namely Spanish, that the opposition was based on the existence of an earlier mark — in the present case, a clearly identified Community registration — and on the likelihood of confusion.
- 41 Article 42(3) of Regulation No 40/94 states that opposition must be expressed in writing and must specify the grounds on which it is made, but that does not mean that it must contain, in order to be admissible, a detailed description of the reasons for which the opponent takes the view that the ground or grounds on which it bases its opposition exist. In this respect, the last sentence of Article 42(3) presents the submission of facts, evidence and arguments by the opponent as a mere possibility, which is confirmed by the other language versions of Regulation No 40/94.
- 42 OHIM states that that position is also consistent with its practice as regards questions of admissibility of oppositions which are set out in the opposition guidelines.
- 43 The intervener asserts that although it has always contested the opposition purely on the substance, it cannot be inferred from this that it accepted that a notice of opposition written in such a defective manner was admissible.
- 44 Furthermore, according to the intervener, the applicant did not contest, in its action, that the Board of Appeal applied Regulation No 40/94 correctly. The applicant did not comply with its obligation to adduce evidence and submit arguments such as to found the opposition and the purported evidence and information which was available to the Opposition Division consisted only of a succinct and abstract reference to a 'likelihood of confusion' by the opponent in the Form.

Findings of the Court

- 45 Rule 18 of Regulation No 2868/95, in the version applicable at the material time, lays down the conditions under which OHIM can reject an opposition as inadmissible. Those conditions are as follows: failure to comply with the provisions of Article 42 or other provisions of Regulations Nos 40/94 and 2868/95, and the absence of any clear indication either of the trade mark application against which opposition is entered or of the earlier mark on the basis of which the opposition is being entered.
- 46 It is common ground in this case that the Form submitted by the applicant contained a precise identification of the disputed application and of the earlier Community trade mark relied on. It therefore remains to be considered whether the opposition complies with Article 42 of Regulation No 40/94 and Rule 15 of Regulation No 2868/95.
- 47 Rule 15 of Regulation No 2868/95, in the version applicable at the material time, sets out the elements which the notice of opposition must include, those elements being divided into four groups relating to the application against which opposition is entered, to the earlier mark or the earlier right on which the opposition is based, to the opposing party, and to the grounds on which the opposition is based. Concerning the last point, at issue in this case, all that is required is a 'specification' of the grounds.
- 48 Article 42(3) of Regulation No 40/94 provides that opposition must be expressed in writing and must specify the grounds on which it is made. According to the last sentence of Article 42(3), within a period fixed by OHIM, the opponent may submit in support of the opposition facts, evidence and arguments.

49 It follows, as regards the admissibility of the opposition, first, that the grounds of the opposition must be specified and, second, that it is necessary to distinguish between the concept of 'grounds', on the one hand, and that of the 'facts, evidence and arguments', on the other. The opposition must state the grounds on which it is based in order to be admissible, whereas the submission of facts, evidence and arguments is, in this respect, merely optional, as is clear from the use of the word 'may' (see, to that effect, Case T-232/00 *Chef Revival USA v OHIM — Massagué Marín (Chef)* [2002] ECR II-2749, paragraph 31).

50 The statement 'the opposition is based on a likelihood of confusion' which the applicant inserted in the Form, under the heading 'Grounds of the opposition', was a perfectly clear specification of the relative ground for refusal of registration referred to in Article 8(1)(b) of Regulation No 40/94. That statement enabled, in particular, both OHIM and the trade mark applicant to know on what ground the opposition was based and to organise the examination of the case and the defence respectively.

51 Although the content of the official OHIM form cannot in itself be binding on the Court, an examination of that document merely confirms that finding. That document contains, under the heading 'Grounds of the opposition', a box to be ticked which bears the number 94, followed by the reference, 'Likelihood of confusion'. It is therefore sufficient, when filling out that official form, to tick that box in order to indicate the ground of the opposition. In this respect, it should be noted that the use of the official form is in no way compulsory. That is apparent from Rule 83(6) of Regulation No 2868/95, which allows the use of forms with the same content and format as the OHIM forms, such as forms generated by means of electronic data processing. It follows that the requirements cannot be more onerous as regards the content of an unofficial form than those in respect of the official form. The express reference that the applicant made in its Form is as precise as ticking the corresponding box in the official form.

52 Consequently, the opposition entered by the applicant by means of the Form was admissible.

The question whether the Opposition Division exceeded its competence by not rejecting the opposition as unfounded because the Explanation of grounds had not been translated

Arguments of the parties

- 53 The applicant asserts that, in accordance with Rule 20(3) of Regulation No 2868/95, the Opposition Division had the power to rule on the opposition on the basis of the evidence before it. In this respect, it observes that, although its arguments in the Explanation of grounds were not accepted by the Opposition Division, its subsequent arguments of 20 December 2002, in response to the intervener's observations of 21 October 2002, were accepted and formed part of the case-file at the time that the Opposition Division gave its decision. The applicant states that that latter document, read in conjunction with the Form, made it possible to define and fix clearly the terms of the dispute and the parties' positions.
- 54 According to OHIM, in the present case, the Opposition Division had the opportunity to rule on the opposition, since it was aware of all the relevant elements for that purpose, namely the Community trade mark application and the goods against which the opposition was entered, the earlier right on which the opposition was based (since it was a Community trade mark), the goods concerned by the opposition and the ground relied on which was the likelihood of confusion.
- 55 The intervener claims that the reasoning of the First Board of Appeal is beyond reproach and consistent with Article 74(1) of Regulation No 40/94 and the case-law of the Court.

56 In its opinion, the Form submitted by the applicant was vitiated by a substantial defect in that it merely stated as the ground of opposition the ‘likelihood of confusion’, without any further grounds. None the less, the Opposition Division examined and upheld the opposition in part. By acting in that manner, it contravened the principle that the subject-matter of a case is delimited by the parties and the principles that the parties must adduce evidence and of equality of arms which govern opposition proceedings, which are enshrined in Article 74(1) of Regulation No 40/94. According to that provision, in proceedings relating to relative grounds for refusal of registration, OHIM cannot examine the facts of its own motion; on the contrary, it is restricted in its examination to the facts, evidence and arguments provided by the parties and the relief sought, which constitutes an expression of the procedural rule *iudex judicare debet secundum allegata et probata partibus*.

57 The intervener asserts that the mere abstract reference to a ‘likelihood of confusion’ is not sufficient to comply with the obligation under Article 74(1) of Regulation No 40/94, which places on the opponent the burden of making pleas and proving the actual existence of the ground of opposition relied on. It is necessary to plead and prove that the factors which are decisive in respect of the likelihood of confusion exist in the particular case. If the opponent failed in that obligation, OHIM could not remedy that deficiency; it would not be competent to undertake an examination of its own motion, since it must be impartial and may not act at the same time as judge and party. It is therefore bound, according to the intervener, to impose the penalty which non-compliance with that procedural obligation entails, namely the rejection of the opposition as unfounded. That is confirmed by the case-law of the Court (Case T-311/01 *Éditions Albert René v OHIM — Trucco (Starix)* [2003] ECR II-4625, paragraph 69, and Case T-66/03 *‘Drie Mollen sinds 1818’ v OHIM — Nabeiro Silveria (Galáxia)* [2004] ECR II-1765, paragraph 43). Although the applicant claims, at paragraph 51 of the application, that that case-law cannot be extended to opposition proceedings, the Court expressly held the contrary in paragraphs 43 and 44 of *Galáxia*.

Findings of the Court

58 It is common ground, in this case, that the Form submitted to OHIM by the applicant contained, under the heading ‘Grounds of the opposition’, merely the

reference 'Likelihood of confusion', and that the Explanation of grounds, written in English, could not be taken into account by the Opposition Division. The question whether the Opposition Division could, in those circumstances, legitimately examine the substance of the opposition must be assessed in the light of Article 74(1) of Regulation No 40/94, which provides that in proceedings relating to relative grounds for refusal of registration, OHIM is restricted in its examination to the facts, evidence and arguments provided by the parties and the relief sought, and in the light of Rule 20(3) of Regulation No 2868/95, which specifies, in the version applicable at the material time, that if the applicant files no observations, OHIM may give a ruling on the opposition on the basis of the evidence before it.

59 The Court has already held that, in proceedings relating to relative grounds for refusal, the very wording of Article 74(1) *in fine* of Regulation No 40/94 requires that the examination carried out by OHIM be restricted to the facts, evidence and arguments provided by the parties and the relief sought. Thus, the Board of Appeal, when hearing an appeal against a decision terminating opposition proceedings, may base its decision only on the relative grounds for refusal on which the party concerned has relied and the related facts and evidence that the parties have presented. The criteria for applying a relative ground for refusal or any other provision relied on in support of arguments put forward by the parties are naturally part of the matters of law submitted for examination by OHIM (see Case T-57/03 *SPAG v OHIM — Dann and Backer (HOOLIGAN)* [2005] ECR II-287, paragraph 21, and the case-law cited).

60 It is therefore necessary to examine, first, whether the Opposition Division did in actual fact restrict itself to examining the facts, evidence and arguments provided by the parties and the relief sought and, second, whether the evidence before it at the time of that examination was sufficient to justify its decision to uphold the opposition in part.

61 As regards, first, the facts, evidence and arguments provided and the relief sought, it has already been found (see paragraphs 46 and 50 above) that the Form submitted

by the applicant to OHIM stated clearly that the applicant intended to enter an opposition against the Community trade mark application at issue and that it relied for that purpose on a likelihood of confusion. The Opposition Division did not therefore go beyond either the relief sought or the facts, evidence and arguments provided by the applicant; it therefore remained within the bounds of the dispute as defined by the applicant.

62 As regards, second, the question whether the evidence was sufficient, the Court finds that the decision of the Opposition Division could legitimately be adopted on the basis of the evidence before it at the time that decision was adopted. An examination of that decision reveals that all the facts on which the Opposition Division based its decision were available to it and that there was no need to have recourse to the Explanation of grounds written in English, which that decision finds expressly could not be taken into consideration. The assessment of the merits of the opposition, consisting of an examination of the likelihood of confusion between the mark applied for and the earlier mark, is set out in pages 5 to 8 of the decision.

63 First of all, in respect of the comparison of the goods concerned, the Opposition Division finds that the goods concerned by the Community trade mark application falling within Classes 29 and 31 are also covered by the earlier mark, with one exception, which however concerns a product very similar to a product covered by the earlier mark. Similarly, the Opposition Division finds, in respect of some of the goods in Class 30 designated in the trade mark application, either that they are similar to a certain extent to the goods covered by the earlier mark, or that they form a group of goods including such goods, or even that they are identical to those goods. The Opposition Division finds that the other goods in Class 30 are different from those covered by the earlier mark.

64 Next, as regards the comparison of the signs in question, the Opposition Division, referring to the relevant case-law of the Court of Justice (Case C-251/95 *SABEL*

[1997] ECR I-6191, paragraph 23), undertakes an examination of the aural, visual and conceptual similarities between the two marks. It finds, in particular, a certain degree of phonetic similarity and a visual similarity between the two marks, whilst taking the view that a conceptual comparison of the signs is not possible, since the term 'calvo' has a meaning only in Spanish (bald), whereas the term 'calavo' will be perceived as a fanciful mark in all the Community languages.

65 The Opposition Division concludes by summarising that the conflicting signs are visually similar with a lesser degree of aural similarity in the context of a global assessment, since it is possible only for Spanish consumers to distinguish them conceptually, and that there is identity or similarity between some of the goods in respect of which the earlier mark is registered and those designated in the Community trade mark application falling within Classes 29, 30 and 31. Furthermore, the Opposition Division finds that the goods concerned are everyday consumer items to the purchase of which the consumer does not pay a particularly high level of attention. On the basis of those findings, the Opposition Division takes the view that there is a likelihood of confusion between the marks at issue, which includes the likelihood of association, so far as concerns the identical or similar goods.

66 It must be stated that that examination, the substance of which is moreover not contested by the intervener, remains strictly within the bounds of what the Opposition Division was required to examine in response to the applicant's application, namely the likelihood of confusion. That examination could be carried out solely on the basis of a comparison of the signs in question and the goods concerned. All the information relating to those two criteria was contained in the trade mark application, the registration of the earlier mark and the Form, and there was no need to have recourse to the applicant's Explanation of grounds or to any other sources of information.

67 In that respect, this case must be distinguished from those which gave rise to the *Starix* and *Galáxia* judgments, relied on by the Board of Appeal in the contested decision and by the intervener in its response. As is apparent from paragraph 64 of *Starix*, and from paragraph 38 of *Galáxia*, the applicants in those two cases claimed before the Court that the earlier trade marks had a reputation (Article 8(5) of Regulation No 40/94). Although the applicants in those two cases had referred to the reputation of their respective marks in the proceedings before OHIM, those references had however been made incidentally, in the context of arguments focussed on Article 8(1)(b) of Regulation No 40/94, in order to substantiate the likelihood of confusion. Article 8(5) of that regulation was not invoked (*Starix*, paragraph 68, and *Galáxia*, paragraph 41) and, in *Starix*, no evidence of reputation was adduced (*Starix*, paragraph 12). Accordingly, the Court rejected the complaints raised by the applicants in those two cases to the effect that the Board of Appeal should have examined Article 8(5) of Regulation No 40/94, which had not been invoked by them. By contrast, in the present case, as found above, not only had the plea relating to Article 8(1)(b) of Regulation No 40/94 clearly been put forward by the applicant during the proceedings before OHIM, but, in addition, all the facts were available to OHIM to enable it to examine the merits of that plea.

68 It follows from the foregoing that the Opposition Division did not exceed its competence by not rejecting the applicant's opposition as unfounded because the Explanation of grounds had not been translated. Accordingly, the Board of Appeal erred in law by annulling the decision of the Opposition Division and by rejecting the opposition as unfounded.

69 It follows that the applicant's sole plea must be upheld and that the contested decision infringes Article 42(3) and Article 74(1) of Regulation No 40/94, read in conjunction with Rule 20(3) of Regulation No 2868/95.

Costs

70 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since OHIM has been unsuccessful, in that the contested decision is annulled, it must be ordered to pay the applicant's costs, as applied for by the applicant. Since the intervener has been unsuccessful, it must bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

- 1. Annuls the decision of the First Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) of 8 November 2004 (Case R 159/2004-1);**
- 2. Orders OHIM to bear its own costs and to pay those incurred by the applicant;**

3. Orders the intervener to bear its own costs.

Pirrung

Meij

Pelikánová

Delivered in open court in Luxembourg on 16 January 2007.

E. Coulon

Registrar

J. Pirrung

President