

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

25 May 2005 \*

In Case T-352/02,

**Creative Technology Ltd**, established in Singapore (Singapore), represented by M. Edenborough, Barrister, J. Flintoft, S. Jones and P. Rawlinson, Solicitors,

applicant,

v

**Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)**, represented by B. Holst Filtenborg and S. Laitinen, acting as Agents,

defendant,

\* Language of the case: English.

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

**José Vila Ortiz**, residing in Valencia (Spain),

ACTION brought against the decision of the Fourth Board of Appeal of OHIM of 4 September 2002 (Case R 265/2001-4), relating to an opposition between Creative Technology Ltd and José Vila Ortiz,

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

composed of H. Legal, President, P. Mengozzi and I. Wiszniewska-Białecka, Judges,  
Registrar: H. Jung,

having regard to the application lodged at the Registry of the Court of First Instance on 25 November 2002,

having regard to the response lodged at the Registry of the Court of First Instance on 8 April 2003,

further to the hearing on 24 November 2004,

gives the following

## Judgment

### Background to the dispute

- 1 On 4 November 1997, the applicant submitted an application for registration of a Community trade mark to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.
  
- 2 The trade mark in respect of which registration was sought was the word mark PC WORKS. The goods in respect of which registration was sought are in Class 9 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: 'Apparatus for recording, transmitting and reproducing sound or images, loudspeakers, amplifiers, record players, tape players, compact disc players, tuners, and parts and fittings for all the aforesaid goods'.
  
- 3 The application was published on 26 October 1998 in *Community Trade Marks Bulletin* No 81/98.

- 4 On 22 January 1999, Mr J. Vila Ortiz brought an opposition under Article 42 of Regulation No 40/94 to the applicant's application for registration, on the ground that it would cause a likelihood of confusion within the meaning of Article 8(1)(b) of that regulation. The opposition related to all the goods covered by the applicant's trade mark application and was based on the national figurative mark reproduced below:



- 5 That trade mark had been registered in Spain on 10 October 1994 in respect of 'electronic audio equipment; loudspeakers; sound reproducing apparatus; radio, television and video apparatus' in Class 9.
- 6 By decision of 26 January 2001, the Opposition Division held that there was a likelihood of confusion between the opposing signs and, accordingly, rejected the applicant's application in respect of all the goods.
- 7 On 19 March 2001, the applicant brought an appeal against the decision of the Opposition Division (Case R 265/2001). In that appeal, it amended the specification of goods covered by its application by adding the following clarification: 'all the aforesaid goods relating to computers and computer hardware'.
- 8 By decision of 4 September 2002 ('the contested decision'), the Fourth Board of Appeal of OHIM confirmed the decision of the Opposition Division and dismissed the appeal. The Board of Appeal took the view that the trade mark application and

the earlier mark covered essentially the same sort of goods, namely electric apparatus the purpose of which is to reproduce sound and images, and that the opposing signs were visually, phonetically and conceptually similar.

### **Forms of order sought by the parties**

9 At the hearing, the applicant declared that it was withdrawing its head of claim that OHIM should be ordered to grant its trade mark application.

10 The applicant claims that the Court should:

— annul the contested decision and the decision of the Opposition Division;

— order OHIM to pay the costs of the present proceedings and the costs incurred before the Board of Appeal and the Opposition Division.

11 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

## Law

- 12 In support of its action, the applicant relies on a single plea, alleging infringement of Regulation No 40/94 in so far as the Board of Appeal was wrong in finding that there is a likelihood of confusion between the opposing signs.

### *Arguments of the parties*

- 13 The applicant points out that the comparison between two marks in order to assess whether there is a likelihood of confusion must be carried out having regard to the overall impression created by each of the signs. However, it is not permissible, when making such an assessment, to break down the opposing signs in order to compare their various constituent elements, particularly when, as in this case, firstly, there is no evidence to support the conclusion that the targeted public would engage in such an operation and, secondly, the elements of which the opposing signs consist have, in themselves, a weak distinctive character, the latter residing essentially, for each of the marks in question, in the overall impression produced by the interaction of those various elements. It is also inappropriate, in the applicant's view, to confer extensive protection on a mark when that protection is based on one of its constituent elements which has a weak distinctive character.
- 14 In this case, the earlier mark consists of three elements, the letter 'w', the word 'work' and the word 'pro', whereas the trade mark applied for comprises only two elements, the word 'pc' and the word 'works'. Moreover, whereas the distinctive character of the earlier mark stems from the interaction between the elements 'w'

and ‘work’, the third component playing only a limited role in the overall impression created by the sign, the distinctive character of the trade mark applied for is based on the interaction between the words ‘pc’ and ‘works’.

15 Thus, the mere circumstance that the letters forming the word ‘work’ are common to both opposing signs is not sufficient to demonstrate that there is a likelihood of confusion between those signs.

16 As regards, in particular, the comparison between the opposing signs on a visual level, the applicant points out that the earlier mark is a figurative mark, whereas the trade mark applied for is a word mark. The applicant notes in particular that the three elements forming the earlier mark are arranged vertically, the element consisting of the letter ‘w’ dominating the overall impression, whereas the two components of the trade mark applied for are arranged horizontally.

17 On a phonetic level, the earlier mark is referred to orally either by successively pronouncing the three elements ‘w’, ‘work’ and ‘pro’ which form it or by pronouncing the word ‘work’ alone if the elements ‘w’ and ‘pro’ are regarded as purely graphic. In contrast, the trade mark applied for can be referred to only by pronouncing the words ‘pc works’ together. Whatever the pronunciation of the earlier mark may be, it is different, in the applicant’s view, from the trade mark applied for, since the letter ‘w’ cannot be confused with the element ‘pc’ and the word ‘work’ is not likely to be confused with the verbal element ‘pc works’.

18 On a conceptual level, the applicant submits that, even if the words ‘work’ and ‘works’ have no meaning to the average Spanish consumer, in relation to whom the likelihood of confusion must be assessed, that consumer will not be prompted to associate them and will regard them as two different words. In particular, he will be

unable to perceive the word ‘works’ as the plural form of the word ‘work’. If, on the other hand, it is to be concluded that the targeted public has sufficient knowledge of the English language to understand the sense of those words, it will have to be conceded that that public is also able to notice their different meanings.

19 In addition, the applicant points out that the goods covered by the trade mark application are, by their very nature, the subject of careful purchasing decisions on the part of the relevant consumer, so that the latter will make a decision to purchase them only after ensuring that they are actually suitable for his needs. That circumstance further reduces the likelihood of confusion for the targeted public.

20 OHIM contends that the Board of Appeal did not err in law and that it was right in considering that there is a likelihood of confusion between the opposing signs.

### *Findings of the Court*

21 Article 8(1)(b) of Regulation No 40/94 provides that, ‘upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered ... 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’.

- 22 According to settled case-law, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion.
- 23 According to that case-law, the likelihood of confusion must be assessed globally, according to the perception in the mind of the relevant public of the signs and of the goods or services in question, taking into account all factors relevant to the case, in particular the interdependence between the similarity of the signs and the similarity of the goods or services identified (see Case T-162/01 *Laboratorios RTB v OHIM — Giorgio Beverly Hills (GIORGIO BEVERLY HILLS)* [2003] ECR II-2821, paragraphs 31 to 33, and the case-law cited).
- 24 In this case, given the nature of the goods concerned, the specification of which is reproduced in paragraphs 2, 5 and 7 above, the targeted public, in relation to which the likelihood of confusion must be analysed, consists of average consumers. It is also clear from Article 8(1)(b) of Regulation No 40/94 that the targeted public is that which resides in the territory of the Member State in which the earlier mark is protected, namely, in this case, Spain.
- 25 Although it is true that the goods supplied by the applicant, consisting of items of audiovisual equipment for use inter alia in connection with a computer, are aimed at a public which has a more or less detailed knowledge of computers and is familiar with the use of electronic equipment, the fact remains that, at the present time, the supply and consumption of such goods and their distribution among a wide public, consisting mainly of young people, are such that they cannot be regarded as confined to a restricted and specialised circle of consumers, even though they cannot be defined as mass consumer goods. Similarly, although it is true that some of the goods concerned are likely, because of their degree of sophistication and their

cost, to be the subject of a more careful purchasing decision, that is not the case, as was rightly pointed out by OHIM in its response, with all the goods in question. Thus, it must be held that the targeted public consists of average consumers who are reasonably well informed and reasonably observant and circumspect.

- 26 In accordance with Article 8(1)(b) of Regulation No 40/94, and in the light of the foregoing considerations, it is therefore necessary to compare, first, the goods concerned and, second, the opposing signs.

#### The goods in question

- 27 According to settled case-law, in assessing the similarity of the goods or services in question, all the relevant factors pertaining to the relationship between those goods or services are to be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with one another or are complementary (Case T-388/00 *Institut für Lernsysteme v OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 51).
- 28 In this case, the opposition is based on an earlier mark registered in respect of goods in Class 9 and directed against the registration of the trade mark applied for in respect of goods in the same class.
- 29 It should be noted that the applicant does not dispute the finding of the Board of Appeal that the marks in question essentially relate to the same sort of goods, namely electric apparatus the purpose of which is to reproduce sound and images.

30 That finding must be accepted.

31 The clarification introduced before the Board of Appeal (see paragraph 7 above) by the applicant in the specification of goods covered by its application for registration, restricting it to apparatus and equipment for use in connection with computers and computer hardware only, does not alter such an assessment. The mere circumstance that the same clarification does not appear in the specification of the opponent's goods is insufficient to invalidate the finding that the goods in question share the same nature and are likely to have the same end users. In that regard, it must be held, as was rightly pointed out by OHIM in point 21 of its response, that the specification of the goods covered by the earlier mark is sufficiently broad to include the goods covered by the trade mark applied for.

### The signs in question

32 In this case, the earlier mark consists of a mixed word and figurative sign made up of three vertically-arranged elements, the first of which consists of a sign reproducing a black disc in which there is a white uppercase 'w', the second of which consists of the word 'work' written in black uppercase letters, and the third of which consists of a black rectangle in which there are three small white uppercase letters, spaced apart, forming the word 'pro'. The trade mark applied for consists of the verbal element 'pc works'.

33 With regard to the comparison of the two marks in question on a visual level, it should be recalled, at the outset, that the Court has already held that there is no reason why it should not be determined whether there is any visual similarity between a word mark and a figurative mark since the two types of mark have graphic

form capable of creating a visual impression (Case T-110/01 *Vedial v OHIM — France Distribution (HUBERT)* [2002] ECR II-5275, paragraph 51).

34 Next, it must be recalled that the Court has held that a complex word and figurative trade mark cannot be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark, unless that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it (Case T-6/01 *Matratzen Concord v OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 33).

35 In this case, it must be observed, first, that one of the elements of the earlier mark, namely the word ‘work’, is very similar to one of the verbal elements of which the trade mark applied for is composed.

36 Next, it must be pointed out that, as regards the visual comparison of the marks in question, the Board of Appeal took the view that the words ‘work’ and ‘works’ respectively constitute, on a visual level, the dominant elements of the earlier trade mark and of the trade mark applied for.

37 In that connection, as regards, in the first place, the earlier trade mark, it must be pointed out that the element consisting of the word ‘work’ occupies a central position in relation to the other graphic elements of the sign and constitutes, proportionally, its most significant component in terms of size. In addition, the graphic element consisting of the black rectangle containing the letters ‘pro’, which

appears just below the word 'work', creates, by virtue of its dimensions and colour, a highlighting effect which both feeds the impression that the element in question has only a secondary function in relation to the element consisting of the word 'work' and helps to reinforce the visual impact of the latter. Finally, so far as concerns the element consisting of the black disc containing the letter 'w', its visual impact is absolutely minimal compared with that of the element reproducing the word 'work', mainly because of its smaller size. It follows that the Board of Appeal did not make an error of assessment in finding that such an element dominates the overall visual impression of the earlier trade mark.

38 So far as concerns, in the second place, the trade mark applied for, the word 'works' must be considered to be dominant in relation to the word 'pc', which, although it is the first element of the sign, nevertheless has a much lower visual impact by virtue of the fact that it occupies a portion of space corresponding to little more than a third of that occupied by the word 'works'. Consequently, the Board of Appeal was not wrong in finding that the latter constitutes the element dominating the overall visual impression of the trade mark applied for.

39 In the light of the foregoing considerations, it must be held that there is a strong visual similarity between the opposing signs by virtue of the fact that their dominant elements consist for the most part of the same graphic signs, namely the letters 'w' 'o' 'r' and 'k', arranged in the same sequence, reproducing the word 'work', and that they differ only to the extent that the trade mark applied for adds to that sequence a further sign, namely the letter 's'.

40 On a phonetic level, the Board of Appeal took the view, as did OHIM in its response, that Spanish consumers are unlikely to refer to the opponent's trade mark by pronouncing all its verbal elements, namely 'w', 'work' and 'pro'. Since they would not engage in a detailed analysis of the mark, they would tend more to concentrate on the word 'work', perceiving the element consisting of the letter 'w' as purely decorative and disregarding the element 'pro' on account of its small size.

- 41 It must be noted, as a preliminary point, that the conclusion reached by the Board of Appeal is the result of an analysis combining both visual and phonetic criteria. It must therefore be examined whether such an approach is compatible with a proper assessment of the degree of similarity between two opposing trade marks, in order to determine whether there is any likelihood of confusion.
- 42 In that regard, it must be pointed out that, in the strict sense, the phonetic reproduction of a complex sign corresponds to that of all its verbal elements, regardless of their specific graphic features, which fall more within the scope of the analysis of the sign on a visual level.
- 43 However, in the context of the assessment of the visual, phonetic and conceptual similarities between two opposing marks, which seeks to establish or to exclude the existence of a likelihood of confusion on the part of the relevant public, the overall impression created among the targeted public by each of the two signs must be taken into account.
- 44 In the case of a complex word and figurative mark, the verbal elements are also figurative elements which, depending on their specific graphic features, are capable of producing a more or less marked visual impact. Thus, where such a sign consists of several verbal elements, it is quite conceivable that some of them may, because of their size, colour or position, for example, attract the consumer's attention more, so that he or she, needing to refer orally to the sign, will be prompted to pronounce only those elements and to disregard the others. The visual impression created by the specific graphic features of the verbal elements of a complex sign is therefore liable to influence the sound representation of the sign.
- 45 In this case, as was pointed out in paragraph 37 above, the word 'work' dominates the overall visual impression of the earlier mark and constitutes the verbal element likely to attract the attention more and to be immediately noticed and easily

remembered. The other verbal elements of the sign have only a lesser impact in that regard. First, the element 'pro' will be difficult to remember because of its small size and will not be immediately perceived as a word since the three letters of which it consists are spaced far apart from one another. Second, the sign 'w', consisting of an isolated letter which, moreover, is not very commonly used in the Spanish language, will be perceived more as a decorative element.

46 It follows from the foregoing that the Board of Appeal did not make an error of assessment in considering that the opponent's mark is likely to be identified orally by the targeted Spanish consumer by pronouncing only the word 'work'. Since the phonetic comparison must be between the sound forms of the signs 'work' and 'pc works', it must be concluded that there is a certain similarity, given that the two signs share, in the same sequence, the majority of the letters of which they are composed.

47 The Board of Appeal concluded that there is also a similarity between the two opposing signs on a conceptual level, assuming that the public concerned knows the meaning of the English words 'work' and 'works'. In its response, OHIM pointed out that the marks in question evoke the same idea, namely that of 'a physical effort directed towards doing or making something'.

48 In that connection, it must first of all be noted that the word 'pc' in the trade mark applied for has a descriptive character in relation to the goods concerned, being, both in English and in Spanish, an abbreviation for 'personal computer'. From the conceptual point of view, the distinctive element of that mark therefore consists of the word 'works'. In the case of the earlier mark, it must be held, for reasons analogous to those set out in paragraphs 43 to 45 above and in the absence of non-verbal figurative elements having independent evocative force, that the dominant element on a conceptual level consists of the word 'work'.

- 49 Secondly, it must be regarded as plausible, as the applicant itself seems to recognise, that the targeted public, being made up of consumers familiar with the use of computers, has sufficient knowledge of English to understand the meaning of the word 'work' and to recognise its plural form in the word 'works'.
- 50 In those circumstances, the Board of Appeal did not make an error of assessment in considering that the two opposing marks are also similar on a conceptual level.
- 51 All the foregoing considerations show that, on the visual, phonetic and conceptual levels, the trade mark applied for and the earlier mark are similar.

### The likelihood of confusion

- 52 It is settled case-law that the assessment of the likelihood of confusion, in which all the relevant factors must be taken into account, must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components (judgments of the Court of Justice in Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23, and in *ELS*, cited above, paragraph 62). The average consumer of the type of goods or services in question, whose perception of marks plays a decisive role in the global appreciation of the likelihood of confusion, normally perceives a mark as a whole and does not proceed to analyse its various details (*SABEL*, paragraph 23).

- 53 In this case, in view of the similarities between the opposing signs and of the fact that they refer to goods of the same kind, it must be concluded that the Board of Appeal did not make an error of assessment in considering that there is, in this case, a real risk that the relevant public may form a mistaken impression as to the commercial origin of those goods.
- 54 In the light of all the foregoing, the applicant's claims for annulment must be rejected.

## **Costs**

- 55 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 the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the form of order sought by OHIM.
- 56 In accordance with 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. The same does not apply to costs incurred for the purposes of the proceedings before the Opposition Division, and the applicant's claim for reimbursement of those costs must, in any event, be rejected on that ground. The applicant's claim for reimbursement of costs incurred for the purposes of the proceedings before the Board of Appeal must also be rejected, since the claims for annulment have been rejected.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders the applicant to pay the costs.**

Legal

Mengozi

Wiszniewska-Białecka

Delivered in open court in Luxembourg on 25 May 2005.

H. Jung

Registrar

H. Legal

President

