

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

16 March 2005^{*}

In Case T-112/03,

L'Oréal SA, established in Paris (France), represented by X. Buffet Delmas d'Autane,
lawyer,

applicant,

v

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

defendant,

the other party to the proceedings before the Board of Appeal of the Office for
Harmonisation in the Internal Market (Trade Marks and Designs) having been

Revlon (Suisse) SA, established in Schlieren (Switzerland),

^{*} Language of the case: English.

ACTION brought against the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 15 January 2003 (Case R 396/2001-4) relating to opposition proceedings between L'Oréal SA and Revlon (Suisse) 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: B. Pastor, Deputy Registrar

having regard to the application lodged at the Registry of the Court of First Instance on 27 March 2003,

having regard to the response lodged at the Registry of the Court of First Instance on 31 July 2003,

having regard to the further document annexed to the application, lodged at the Registry of the Court of First Instance on 8 September 2003, namely, a copy of the decision of the second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 11 July 2003 in Case R 831/2002-2 relating to opposition proceedings between Revlon (Suisse) SA and Lancôme Parfums et Beauté & Cie,

having regard to the reply lodged at the Registry of the Court of First Instance on 21 October 2003,

further to the hearing on 28 September 2004,

gives the following

Judgment

Background to the dispute

- 1 On 9 December 1998, the applicant filed an application for a Community trade mark with the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (hereinafter ‘the Office’) 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 for which registration was sought is the word sign FLEXI AIR.
- 3 The goods in respect of which registration was sought are in Class 3 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: ‘Shampoos; gels, mousses and balms, preparations in aerosol form for hairdressing and hair care; hair lacquers; hair-colouring and hair-decolorising preparations; permanent waving and curling preparations; essential oils’.
- 4 On 30 August 1999, the application for the trade mark was published in *Community Trade Marks Bulletin* No 69/99.

5 On 30 November 1999, Revlon (Suisse) SA (hereinafter 'the opponent') filed a notice of opposition pursuant to Article 42(1) of Regulation No 40/94 against the registration of the trade mark applied for.

6 The opposition was based on the word mark FLEX (hereinafter 'the earlier mark') which was covered by the following registrations:

- registration in France in respect of goods in Classes 3 and 34, namely, 'bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices; tobacco (raw or manufactured); smokers' articles; matches';

- registration in Sweden in respect of products in Class 3, namely 'shampoos; hair balsam, mousse, hair spray and hair gel';

- registration in the United Kingdom of goods in Class 3, namely, 'shampoos and conditioning preparations, all for hair'.

7 In support of its opposition, the opponent relied on the relative ground for refusal referred to in Article 8(1)(b) of Regulation No 40/94.

- 8 On 7 December 1999, the applicant was informed that an opposition had been filed against its application for a trade mark. On 23 March 2000, the Opposition Division invited the opponent to submit further evidence in support of its opposition by 23 July 2000 and the applicant to submit its observations in response to the notice of opposition by 23 September 2000.
- 9 No observations were received by the Office from the parties within those time-limits.
- 10 On 27 November 2000, the Office notified both parties that, in the absence of further observations, it would give a decision on the basis of the evidence before it.
- 11 On 28 and 29 November 2000, the Office received observations from the applicant stating that, for reasons 'beyond its control' it had only just become aware of the opposition. The applicant also requested proof of genuine use of the earlier mark and stated that it reserved the right to request *restitutio in integrum*. It also attached a copy of its observations submitted in related opposition proceedings.
- 12 On 26 March 2001, the Opposition Division replied that it would not take account of the observations referred to in the previous paragraph, because they had been filed after the abovementioned notification of 27 November 2000.
- 13 By decision of 27 March 2001, the Opposition Division rejected the application for a trade mark, on the ground of a likelihood of confusion between the trade mark applied for and the earlier mark registered in the United Kingdom.

- 14 On 20 April 2001, the applicant filed a notice of appeal against that decision under Article 59 of Regulation No 40/94.
- 15 By decision of 15 January 2003 (hereinafter 'the contested decision'), the Fourth Board of Appeal dismissed the appeal and ordered the applicant to pay the costs.

Forms of order sought by the parties

- 16 The applicant claims that the Court of First Instance should:
- annul the contested decision;
 - order the Office to pay the costs of these proceedings and of those before the Board of Appeal.
- 17 The Office contends that the Court of First Instance should:
- dismiss the application;
 - order the applicant to pay the costs.

Law

- 18 In support of its action, the applicant puts forward three pleas in law, alleging infringement of essential procedural requirements relating to the request for proof of genuine use of the earlier mark, infringement of Article 8(1)(b) of Regulation No 40/94 and infringement of Article 8(2)(a)(ii) of that regulation.

The first plea in law: infringement of essential procedural requirements relating to the request for proof of genuine use

Arguments of the parties

- 19 The applicant maintains, firstly, that, by upholding the decision of the Opposition Division rejecting the request for proof of genuine use of the earlier mark, the Board of Appeal infringed Article 43(2) of Regulation No 40/94 and Rule 22(1) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1). It points out that, in so far as neither of those provisions prescribes a period within which proof of genuine use must be requested, such a request may be filed until the opposition proceedings are concluded, which, in this case, was not until 27 March 2001, the date of the Opposition Division's decision.
- 20 Secondly, the applicant argues that, by upholding the decision of the Opposition Division rejecting the request for proof of genuine use, the Board of Appeal infringed the principle of functional continuity, as laid down by the judgments of the Court of First Instance in Case T-163/98 *Procter & Gamble v OHIM (BABY-DRY)*

[1999] ECR II-2383, Case T-122/99 *Procter & Gamble v OHIM (Soap bar shape)*
[2000] ECR II-265, Case T-198/00 *Hershey Foods v OHIM (Kiss Device with plume)*
[2002] ECR II-2567, Case T-63/01 *Procter & Gamble v OHIM (Soap bar shape)*
[2002] ECR II-5255 and Case T-308/01 *Henkel v OHIM – LHS (UK) (KLEENCARE)*
[2003] ECR II-3255.

21 The Office contends that this plea in law is not well founded.

Findings of the Court

22 It must be noted, as a first point, that Rule 22(1) of Regulation No 2868/95 is irrelevant in this case. It provides that, where the opposing party has to furnish proof of use of the earlier mark, the Office is to invite him to provide the proof required within such period as it shall specify. However, in these proceedings, the question which arises is not by what time proof of genuine use of the earlier mark must be furnished, but by what time that proof must be requested.

23 Secondly, in paragraph 16 of the contested decision, the Board of Appeal considered that the appellant's request for proof of genuine use of the earlier mark had not been submitted within the time-limit set and did not need to be taken into account for the decision on the opposition.

24 In examining the validity of that consideration, it should be recalled, first, that, pursuant to Article 43(2) and (3) of Regulation No 40/94, for the purposes of examining an opposition introduced under Article 42 of that regulation, the earlier

mark is presumed to have been put to genuine use as long as the applicant does not request proof of such use. The presentation of such a request therefore has the effect of shifting the burden of proof to the opponent to demonstrate genuine use (or the existence of proper reasons for non-use) upon pain of having his opposition dismissed. For that to occur, the request must be made expressly and timeously to the Office (judgment of 17 March 2004 in Joined Cases T-183/02 and T-184/02 *El Corte Inglés v OHIM — González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)*, ECR II-965, paragraph 38).

- 25 On that point, it is true that the ninth recital in the preamble to Regulation No 40/94 states that ‘there is no justification for protecting Community trade marks or, as against them, any trade mark which has been registered before them, except where the trade marks are actually used’. From that point of view, it is inappropriate to restrict unduly the scope available to an applicant for a trade mark to require proof of use of the mark invoked against registration of the trade mark applied for.
- 26 However, genuine use of the earlier mark is a matter which, once raised by the applicant for the trade mark, must be settled before a decision is given on the opposition proper.
- 27 In that regard, since opposition proceedings and appeal proceedings are both *inter partes* proceedings, the Office must invite the parties, as often as necessary, to file observations on communications from the other parties or issued by itself (see, to that effect, Article 43(1) and Article 61(2) of Regulation No 40/94). In order to ensure better organisation of the proceedings, those observations must, in principle, be filed within the time-limit fixed by the Office.

28 In this case, the Opposition Division, by letter dated 23 March 2000, and in accordance with Article 43(1) of Regulation No 40/94, invited the opponent to submit new evidence in support of its opposition by 23 July 2000 and the applicant to submit its observations in response to the notice of opposition by 23 September 2000. The applicant should therefore, in principle, have requested proof of genuine use of the earlier mark within the time-limit set, that is to say, by 23 September 2000.

29 There is no material in the file which could justify a derogation from that principle. In particular, the reasons 'beyond its control' put forward by the applicant and referred to in paragraph 11 above do not constitute such material. In reply to an oral question put by the Court, the applicant stated that this was an administrative error for which it was responsible.

30 In those circumstances, the Opposition Division was fully entitled to hold that the request for proof of genuine use, submitted by the applicant by communications of 28 and 29 November 2000, was filed out of time and, therefore, to reject it.

31 It follows that, by holding, in paragraph 16 of the contested decision, that that request had not been filed within the time-limit set, the Board of Appeal did not infringe Article 43(2) of Regulation No 40/94.

32 With regard, next, to the argument concerning the principle of functional continuity, the relevant points of the notice of appeal filed by the applicant with the Board of Appeal are worded as follows (see points 2.2.9 and 3.10 of the notice of appeal):

'... the appellant asks, subsidiarily, that, in accordance with Article 62 CTMR, the Board exercise the power within the competence of the Opposition Division and

accept the appellant's request for evidence of use of the earlier opposing UK trademark or remit the case to the Opposition Division for compliance with the applicant's request for said evidence of use.'

- 33 That shows that, before the Board of Appeal, the applicant reiterated, subsidiarily, its request for proof of genuine use of the earlier mark.
- 34 However, in the contested decision, the Board of Appeal did not mention that subsidiary request, even though it rejected the principal claim concerning likelihood of confusion.
- 35 That error does not, however, justify annulment of the contested decision, since the Board of Appeal was properly entitled to reject that subsidiary request for proof of genuine use, without infringing the principle of functional continuity.
- 36 The powers of the Office's Boards of Appeal imply that they are to re-examine the decisions taken by the Office's departments at first instance. In the context of that re-examination, the outcome of the appeal depends on whether or not a new decision with the same operative part as the decision under appeal may be lawfully adopted at the time of the appeal ruling. Thus, the Boards of Appeal may, subject only to Article 74(2) of Regulation No 40/94, allow the appeal on the basis of new facts relied on by the party who has brought the appeal or on the basis of new evidence adduced by that party (judgment in *KLEENCARE*, cited above, paragraph

26). Moreover, the extent of the examination which the Board of Appeal must conduct is not, in principle, determined by the grounds relied on by the party who has brought the appeal. Accordingly, even if the party who has brought the appeal has not raised a specific ground of appeal, the Board of Appeal is none the less bound to examine whether or not, in the light of all the relevant matters of fact and of law, a new decision with the same operative part as the decision under appeal may be lawfully adopted at the time of the appeal ruling (judgment in *KLEENCARE*, paragraph 29).

37 In this case, the question whether, at the time of its ruling, the Board of Appeal was lawfully entitled to adopt a decision which, like that of the Opposition Division, rejected the request for proof of genuine use, must be answered in the affirmative. Before the Board of Appeal, the applicant did not adduce any new matter justifying the failure to submit that request within the time-limit set by the Opposition Division. Accordingly, since the factual situation remained, in that respect, identical to that on which the Opposition Division had been required to rule, the Board of Appeal was lawfully entitled to hold, along the lines of what is set out in paragraphs 28 to 31 above in respect of the proceedings before the Opposition Division, that the request made subsidiarily before it had not been submitted in time.

38 It follows that the first plea in law must be rejected.

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

Arguments of the parties

39 The applicant maintains that, by concluding that there was a likelihood of confusion, the Board of Appeal infringed Article 8(1)(b) of Regulation No 40/94.

- 40 In that connection, it submits, first, that, since the contested decision was based on the registration of an earlier mark in the United Kingdom, the likelihood of confusion must be assessed in relation to that country.
- 41 It concurs with the finding of the Board of Appeal concerning the weak distinctive character of the earlier mark.
- 42 Next, it maintains that the Board of Appeal erred in concluding that the signs in question were so similar that they could be confused.
- 43 First, the weak distinctive character of the earlier mark should have led the Board of Appeal to take the view that only a complete reproduction of that mark could give rise to a likelihood of confusion.
- 44 Secondly, the conflicting signs are not sufficiently similar to give rise to a likelihood of confusion.
- 45 On the visual level, the applicant argues, in the first place, that a sign made up of a combination of two words cannot be regarded as visually similar to a sign made up of one word alone, especially since neither of the two words is identical to the earlier sign which is shorter. In that regard, the applicant relies on the judgment in Case T-110/01 *Vedial v OHIM — France Distribution (HUBERT)* [2002] ECR II-5275, which is all the more significant since, unlike the verb ‘flex’ and the root ‘flexi’, the common word shared by the signs at issue in the case giving rise to that judgment is spelt in the same way and is extremely distinctive. In addition, it relies on the decisions of the Boards of Appeal in the *SIMPLELIFE/SIMPLE LIFE, FREE-*

ZOMINT/FREEZE, MILES/MILESTONE, TAPAS/TAPARICA, GIRA/GIRALDA and DRIVE/DRIVEWAY cases.

46 In the second place, the view taken by the Board of Appeal that the consumer's attention will automatically be drawn by the first, common, part of the signs is not substantiated by any specific reasons and is incompatible with the decision of the Board of Appeal in the *ORANGEX/ORANGE X-PRESS* case.

47 On the phonetic level, the applicant claims that the addition of the letter 'i' to the word 'flex' creates an extra syllable. Moreover, the earlier sign consists primarily of consonants, whereas the sign applied for has more vowels and would be pronounced in a sing-song manner in the United Kingdom.

48 On the conceptual level, the applicant maintains, first, that the opponent is itself aware of the descriptive character of the word 'flex', since the FLEX mark was registered in the parts of the United Kingdom and Ireland registers devoted to trade marks with less distinctive strength and it did not base the present opposition on the well-known character of the earlier mark in the United Kingdom. The applicant concludes that, in English-speaking countries, the word 'flex' cannot constitute the dominant element of the sign FLEXI AIR. On the contrary, from a grammatical point of view, the word 'air' is its most important element, since 'flexi' can be short for the adjective 'flexible', qualifying the noun 'air'.

49 The applicant points out that 'flexi' does not exist in the English language and that the sign applied for is a fanciful name. Referring to the extract from an English dictionary, it also states that, from among the numerous meanings of the word 'air', the Board of Appeal chose one of the least common. On the other hand, the word 'flex' has a particular meaning in English and therefore does not have a distinctive character.

- 50 The applicant adds, so far as the comparison of the signs is concerned, that the reasoning for the contested decision is contrary to the judgment in Case T-6/01 *Matratzen Concord v OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, in so far as the word ‘flex’ is not the dominant element of the sign applied for and the other components of the mark are not negligible.
- 51 As regards the global assessment of the likelihood of confusion, the applicant points out that it is not disputed that, unlike the goods at issue in the case which gave rise to the judgment in Case T-99/01 *Mystery Drinks v OHIM — Karlsberg Brauerei (MYSTERY)* [2003] ECR II-43, the goods at issue in this case are not ordered by word of mouth but displayed on shelves, rendering any potential phonetic similarity and, consequently, the likelihood of confusion insignificant.
- 52 Moreover, referring to copies of United Kingdom registrations, the applicant maintains that average consumers in that country are not likely to confuse the trade marks at issue since they are already exposed to numerous other marks containing the word ‘flex’ for similar or identical goods.
- 53 The applicant further argues that the reasoning adopted by the second Board of Appeal in its decision of 11 July 2003, lodged by the applicant at the Court Registry on 8 September 2003, referred to above, in reaching the conclusion that there was no likelihood of confusion between the marks FLEX and FLEXIUM is directly applicable in this case. Thus, a generic term such as ‘flex’ may not be monopolised. In the applicant’s view, that decision is all the more significant since it refers to two signs, each composed of a single word, whereas the sign applied for in this case is composed of two words, neither of which or any of the syllables of which is identical to the earlier mark (‘fle-xi-air’).
- 54 The Office disputes the validity of this plea in law.

Findings of the Court

- 55 Under Article 8(1)(b) of Regulation No 40/94, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for must 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.
- 56 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.
- 57 According to the same line of case-law, the likelihood of confusion must be assessed globally, according to the perception that the relevant public has of the signs and the goods or services at issue, and taking into account all factors relevant to the circumstances of the case, in particular the interdependence of the similarity between the signs and the similarity between the goods or services covered (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).

— The relevant public

- 58 The applicant does not criticise the fact that the Board of Appeal assessed the likelihood of confusion in the United Kingdom. Nor does it dispute the view of the Board of Appeal that the relevant public consists of the average consumer, whose degree of attention is not particularly high. Consequently, for the purpose of examining the present plea in law, the Court considers it appropriate to start from those premisses.

— The distinctive character of the earlier mark

59 The parties agree, as is pointed out by the Board of Appeal, that the earlier mark is of weak distinctive character.

60 The applicant nevertheless maintains that that weak distinctive character should have led the Board of Appeal to take the view that only a complete reproduction of the earlier mark could give rise to a likelihood of confusion.

61 That argument must be rejected. Although the distinctive character of the earlier mark must be taken into account when assessing the likelihood of confusion (see, by analogy, judgment of the Court of Justice in Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 24), it is only one factor among others involved in that assessment. Thus, even in a case involving an earlier mark of weak distinctive character, on the one hand, and a trade mark applied for which is not a complete reproduction of it, on the other, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered.

— Comparison of the goods at issue

62 The applicant does not dispute the view of the Board of Appeal that the goods at issue are in part identical and in part very similar. Consequently, for the purpose of examining the present plea in law, the Court is of the opinion that it is appropriate to proceed on that basis.

— The signs at issue

- 63 As is clear from settled case-law, the global assessment of the likelihood of confusion, as far as concerns the visual, aural or conceptual similarity of the conflicting signs, must be based on the overall impression given by the signs, bearing in mind, inter alia, their distinctive and dominant components (see Case T-292/01 *Phillips-Van Heusen v OHIM — Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 47, and the case-law cited).
- 64 On the visual level, the Board of Appeal took the view that the sign FLEXI AIR consists essentially of the word 'flex'. In addition, being placed at the beginning, the element 'flex' is likely to have a greater impact than the rest of the sign applied for. The word 'air' is in the secondary position and is shorter. Consumers generally take more note of a mark's beginning than of its ending. The dominant character of the element 'flex' is not substantially altered by the addition of the letter 'i'. The Board of Appeal therefore concluded that the signs are visually similar.
- 65 Those considerations are not marred by any error and the arguments advanced by the applicant in that regard, referred to in paragraphs 45 and 46 above, cannot be accepted.
- 66 With regard to the first set of arguments, it must be pointed out, firstly, that there is no reason why a sign consisting of two words and a sign consisting of a single word may not be visually similar. Secondly, in this case, neither the fact that neither of the two words in the sign applied for is identical to the earlier sign nor the fact that the latter is short is capable of invalidating the visual similarity created by the coincidence of four letters of the sign applied for out of eight, placed in the same order and at the beginning of both signs.

- 67 As regards the argument derived from the judgment in *HUBERT*, cited above, it is sufficient to note that the conclusion drawn by that judgment, that the overall visual impression of the signs at issue is different, is based, inter alia, on the figurative component of one of those signs (paragraph 54), whereas the signs in this case are both verbal.
- 68 With regard to the earlier decisions of the Boards of Appeal, referred to in paragraphs 45 and 46 above, it should be noted that, according to settled case-law, the legality of the decisions of Boards of Appeal concerning registration of a sign as a Community mark must be assessed solely on the basis of Regulation No 40/94, as interpreted by the Community judicature, and not on the basis of a previous decision-making practice of those boards (Case T-106/00 *Streamserve v OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 66, not called in question by the order of 5 February 2004 of the Court of Justice in Case C-150/02 P *Streamserve v OHIM*, ECR I-1461). In addition, although factual or legal grounds contained in an earlier decision may, admittedly, constitute arguments to support a plea alleging infringement of a provision of Regulation No 40/94 (Joined Cases T-79/01 and T-86/01 *Bosch v OHIM (Kit pro and Kit Super Pro)* [2002] ECR II-4881, paragraph 33), it must be pointed out that the earlier decisions referred to in paragraphs 45 and 46 above each concern signs the visual relationship between which is not comparable with that in the present case.
- 69 Finally, with regard to the alleged failure to state reasons, referred to in paragraph 46 above, it must be noted that the Board of Appeal stated that consumers generally take more note of a mark's beginning than of its ending (paragraph 33 of the contested decision). In that connection, it cannot be accused of not having further explained its position on this issue.
- 70 So far as concerns the phonetic comparison, the Board of Appeal held that the beginning of a sign plays an essential part in that regard as well. The difference in pronunciation is created solely by the ending of the sign applied for and is slight. The soft sound of the letter 'i' and the open way in which the word 'air' is

pronounced in English lead to the phonetic coincidence of the 'flex' component and, in particular, to the pronunciation of the letter 'x'. In the view of the Board of Appeal, the signs are thus phonetically similar.

71 Those views are not erroneous either.

72 The arguments derived by the applicant from the presence of the letter 'i' and of the word 'air' in the sign FLEXI AIR, referred to in paragraph 47 above, must be rejected. The fact remains that the first four letters out of the eight forming the sign are pronounced in exactly the same way as the sign FLEX, that the letter 'i' is merely a phonetically insignificant addition to those first four letters and that the addition of the word 'air' is also not such as to preclude that partial identity of pronunciation.

73 Finally, on the conceptual level, the Board of Appeal took the view that the terms 'flex' and 'flexi' are closely related, both alluding to the flexibility and therefore the vitality of hair. The addition of the term 'air' does not alter that conceptual identity. Consequently, in the view of the Board of Appeal, the signs possess a common meaning in the English language.

74 Those considerations are not vitiated by error either, and the arguments advanced by the applicant in that regard, referred to in paragraphs 48 and 49 above, cannot be accepted.

75 With regard to the argument that the opponent is itself aware of the descriptive character of the word 'flex', it is sufficient to point out that, even if true, such a circumstance is irrelevant to the conceptual assessment of the signs at issue.

- 76 The same holds good with regard to the argument that, grammatically speaking, the word 'air' is the most important component of the sign applied for, since the average consumer, who is not particularly attentive, will not engage in a grammatical analysis of the signs at issue.
- 77 So far as concerns the argument relating to the meaning of the word 'air', it is sufficient to point out that, whatever that meaning may be, it is not capable of displacing that of the component 'flexi' or, therefore, the conceptual similarity created by that component.
- 78 The arguments regarding, respectively, the lack of distinctive character of the earlier sign, the fact that the word 'flexi' does not exist in the English language and the fact the sign FLEXI AIR is a fanciful name must also be rejected, since they are not such as to overcome the fact that the words 'flex' and 'flexi' both refer, in English, to flexibility (see, as regards the Spanish language, the judgment of 18 February 2004 in Case T-10/03 *Koubi v OHIM — Flabesa (CONFORFLEX)*, ECR II-719, paragraph 48).
- 79 Next, so far as concerns the argument referred to in paragraph 50 above, it must be pointed out that, although the judgment in *MATRATZEN*, cited above, states that a complex trade mark cannot be regarded as being comparable to another trade mark which is identical or comparable 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, the mark referred to by that consideration is far from being comparable to the trade mark applied for in this case, in particular since it contains a figurative element.
- 80 It must therefore be concluded that the Board of Appeal correctly took the view that the signs at issue are similar on the visual, phonetic and conceptual level.

— Likelihood of confusion

81 In the view of the Board of Appeal, there is a likelihood that consumers will believe that the slight difference between the signs reflects a variation in the nature of the goods or stems from marketing considerations, and not that that difference denotes goods from different traders. The Board of Appeal therefore concluded that there is a likelihood of confusion in the United Kingdom.

82 In that regard, it must be pointed out that the weak distinctive character of the earlier mark is not disputed, that the signs at issue are similar on the visual, phonetic and conceptual level, and that the goods are in part identical and in part very similar.

83 In those circumstances, it must be concluded that there is a likelihood of confusion.

84 The applicant's argument, referred to in paragraph 51 above, that the phonetic similarity of the signs is insignificant must be rejected. Since the signs are similar and the goods are partly identical and partly very similar, the question of the extent to which the phonetic similarity of the signs contributes to the likelihood of confusion is irrelevant.

85 The argument referred to in paragraph 52 above, regarding the existence of other marks containing the word 'flex' in the United Kingdom, must also be rejected. It should be recalled that it was precisely that circumstance which prompted the Board of Appeal to consider, in paragraph 27 of the contested decision, that the earlier mark is of weak distinctive character and to conclude, subsequently, that there is a likelihood of confusion in the United Kingdom (see paragraph 81 above). That

conclusion has been endorsed (see paragraph 83 above). Indeed, the applicant expressly concurred with the view that the earlier mark is of weak distinctive character (see paragraphs 41 and 59 above).

86 Finally, as regards the arguments relating to the decision of the second Board of Appeal of 11 July 2003, referred to in paragraph 53 above, it should again be recalled that the legality of the decisions of Boards of Appeal concerning registration of a sign as a Community mark must be assessed solely on the basis of Regulation No 40/94, as interpreted by the Community judicature, and not on the basis of a previous decision-making practice of those boards, although factual or legal grounds contained in an earlier decision may nevertheless constitute arguments to support a plea alleging infringement of a provision of that regulation (see paragraph 68 above). However, it must be observed that the relationship between the signs covered by the abovementioned decision of the second Board of Appeal is not comparable to that between the signs in this case. The sign FLEXIUM consists of a single word from which it is not possible to extract the word 'flex', whereas 'flex' and 'flexi' can easily be detached from the sign FLEXI AIR. Moreover, it must be pointed out that the conclusion that there is a likelihood of confusion between the marks in the present case cannot be considered to result in a monopolisation of the word 'flex'.

87 In the light of the foregoing, it must be concluded that, in taking the view that there is a likelihood of confusion between the signs at issue, the Board of Appeal did not disregard Article 8(1)(b) of Regulation No 40/94.

88 Consequently, the second plea in law must be rejected.

The third plea in law: infringement of Article 8(2)(a)(ii) of Regulation No 40/94

Arguments of the parties

- 89 The applicant claims that, in failing to ascertain whether the earlier mark could validly be put forward in opposition under United Kingdom law and to assess the likelihood of confusion under that law, the Board of Appeal infringed Article 8(2)(a)(ii) of Regulation No 40/94. It points out that that provision must not confer on the proprietor of a national trade mark greater rights in connection with an application for a Community trade mark than those enjoyed by that proprietor under national legislation. The omission on the part of the Board of Appeal might confer on the earlier mark more extensive protection at Community level than at national level.
- 90 The Office contends that that plea in law is unfounded.

Findings of the Court

- 91 It must be pointed out that an application for a Community trade mark is subject to the procedures laid down by Regulation No 40/94. Thus, under Article 8(1)(b) and Article 8(2)(a)(ii) of that regulation, the trade mark applied for must not be registered if there exists a likelihood of confusion, within the meaning of Article 8(1)(b), with a trade mark registered earlier in a Member State. However, Regulation No 40/94 makes no provision either for prior examination of whether that earlier national trade mark may properly be put forward in opposition under the national legislation governing it or for assessment of the likelihood of confusion between the two marks concerned in accordance with that national legislation.

92 Moreover, it must be pointed out that this plea in law is based on the hypothesis that Regulation No 40/94 confers on the proprietor of an earlier national trade mark greater rights in connection with an application for a Community trade mark than those conferred on him by the national legislation governing that earlier mark. However, under Article 4(1)(b) and Article 4(2)(a)(ii) 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 national laws of the Member States governing likelihood of confusion between a trade mark applied for and an earlier national mark were fully harmonised. The legislative content of those provisions of Directive 89/104 is identical to that of Article 8(1)(b) and Article 8(2)(a)(ii) of Regulation No 40/94. In those circumstances the applicant's hypothesis is invalid.

93 The third plea in law must therefore be rejected.

94 Since all the pleas in law must be rejected, the application must also be dismissed.

Costs

95 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. In this case, the applicant has been unsuccessful and the Office has applied for costs. The applicant must therefore be ordered to pay the costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

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

Pirrung

Meij

Pelikánová

Delivered in open court in Luxembourg on 16 March 2005.

H. Jung

Registrar

J. Pirrung

President