

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

7 September 2006^{*}

In Case T-168/04,

L & D, SA, established in Huercal de Almeria (Spain), represented initially by M. Knospe, and subsequently by S. Miralles Miravet and A. Castedo Garcia, 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

* Language of the case: Spanish.

Julius Sämann Ltd, established in Zug (Switzerland), represented by A. Castán Pérez-Gómez and E. Armijo Chávarri, lawyers,

APPLICATION for partial annulment of the decision of the Second Board of Appeal of OHIM of 15 March 2004 (Case R 326/2003-2) relating to opposition proceedings between Julius Sämann Ltd and L & D, SA,

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

composed of H. Legal, President, P. Lindh and I. Wiszniewska-Białecka, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Court Registry on 14 May 2004,

having regard to the response of OHIM lodged at the Court Registry on 21 December 2004,

having regard to the response of the intervener lodged at the Court Registry on 17 January 2005,

further to the hearing on 12 January 2006,

gives the following

Judgment

Background to the case

- 1 On 30 April 1996, L & D, SA, filed an application for a Community trade mark at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) pursuant to 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 mark in respect of which registration was sought is the figurative mark, containing a verbal element, reproduced below:



- 3 The goods and services in respect of which registration of the mark was sought are in Classes 3, 5 and 35 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 3: 'Perfumery, essential oils';

— Class 5: 'Scented air fresheners products';

— Class 35: 'Advertising; commercial business handling; commercial administration; office works'.

⁴ On 29 June 1998, the trade mark application was published in *Community Trade Marks Bulletin* No 47/98.

⁵ On 29 September 1998, Julius Sämann Ltd filed a notice of opposition under Article 42 of Regulation No 40/94 against the registration of the mark applied for.

⁶ The opposition was based on a number of earlier trade marks.

- 7 Those marks were, first, figurative Community trade mark No 91991, lodged on 1 April 1996 and registered in respect of goods in Class 5 of the Nice Agreement, reproduced below:



- 8 Secondly, they were the international and national figurative marks, including in certain cases verbal elements, which were the subject of international registrations Nos 328917, 612525, 178969, 216415, 328915, 328916, 475333 and 539068; Austrian registration No 109639; Swedish registrations Nos 217829, 225214 and 89348; Spanish registration No 1575391; Danish registration No 03157/1964; Finnish registrations Nos 109644 and 45548; German registration No 984362, in respect of goods in Classes 3 and/or 5 of the Nice Agreement and which are reproduced below:



- 9 The opposition was based on all the goods protected by the earlier marks and covered all the goods and services designated in the Community trade mark application.

- 10 In support of its opposition, the intervener relied on the relative grounds for refusal referred to in Article 8(1)(b) and Article 8(5) of Regulation No 40/94.
- 11 By decision of 25 February 2003, the Opposition Division of OHIM rejected the opposition in its entirety.
- 12 On 23 April 2003, the intervener filed a notice of appeal at OHIM, pursuant to Articles 57 to 62 of Regulation No 40/94, against the decision of the Opposition Division.
- 13 By decision of 15 March 2004 ('the contested decision'), the Second Board of Appeal of OHIM allowed the intervener's appeal in part.
- 14 As regards the appeal based on Article 8(1)(b) of Regulation No 40/94, it was allowed in respect of the goods in question. By contrast, in respect of the services in question, the appeal was dismissed and the Board of Appeal confirmed the decision of the Opposition Division rejecting the opposition to the registration. As regards the appeal based on Article 8(5) of Regulation No 40/94, the Board of Appeal dismissed it in the absence of proof of damage to the earlier mark or of unfair advantage taken of its distinctive character.
- 15 As regards the assessment of the similarity of the conflicting marks, the Board of Appeal carried out a comparison between, on the one hand, the mark in respect of which registration is sought and, on the other, earlier Community trade mark

No 91991, as a mark representative of the other earlier marks. It found that that earlier Community trade mark had acquired a distinctive character as a result of the use and well-known nature of another earlier mark, whose shape is essentially identical to that of Community trade mark No 91991.

- 16 The Board of Appeal pointed out that the conflicting marks were both made up of a fir tree shown with branches formed by outgrowths and indents on the sides and a very short trunk on top of a wider part serving as a base.
- 17 It recalled that conceptual similarity can lead to a likelihood of confusion, in particular where the earlier mark has a particular distinctive character, either per se or due to the fact that it is well known to the public.
- 18 According to the Board of Appeal, in the light of the evidence adduced, it appears that the earlier mark was well known at least in a part of the Community, in particular in Italy, where its market share was estimated to be more than 50%, and it had been the subject of prolonged use in that same territory.
- 19 The Board deduced from that evidence that the conceptual similarity of the two conflicting marks could, at least in Italy, create a likelihood of confusion on the part of the public concerned. The differences between the conflicting marks, essentially based on the fact that the fir tree of the mark in respect of which registration is sought constitutes a frame in which there is the design of an animated character and the verbal element 'aire limpio', would not prevent that likelihood of confusion because the mark in respect of which registration is sought could be perceived by the public concerned as an amusing and animated variant of the earlier mark.

Forms of order sought by the parties

20 The applicant claims that the Court of First Instance should:

- annul points 1 and 3 of the operative part of the contested decision, in so far as it, first, annuls in part the decision of the Opposition Division and refuses the registration of the mark applied for in respect of goods in Classes 3 and 5 and, secondly, orders each of the parties to bear the costs which it has incurred for the purposes of the opposition and appeal proceedings;

- order OHIM to pay the costs.

21 OHIM and the intervener contend that the Court of First Instance should:

- dismiss the application;

- order the applicant to pay the costs.

Law

22 The applicant puts forward two pleas alleging respectively infringement of Article 8(1)(b) of Regulation No 40/94 and infringement of Article 73 of that regulation.

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

Arguments of the parties

- 23 The applicant submits that the assessment carried out by the Board of Appeal as regards the similarity of the conflicting marks is incorrect. It argues that there is no similarity between those marks and the findings relating to the distinctive character of the earlier mark are therefore pointless.
- 24 Two marks are similar where, from the point of view of the public concerned, there is at least partial equality between them as regards their visual, phonetic and conceptual aspects. As regards complex marks, it is necessary to verify that the similarity relates to an element inherent in determining the overall impression given by those marks, namely an element which, on its own, can dominate the image of that mark which the target public remembers. The assessment of the dominant character of one or more particular constituents of a complex mark is carried out by taking into account, inter alia, the inherent qualities of each of those constituents. If the correspondence relates to a descriptive element for the products concerned, it cannot dominate the overall impression given by that mark and it could not therefore be suggested that the marks are similar.
- 25 The Board of Appeal did not take account of those principles because it referred solely to the existence of a 'common denominator' between the conflicting marks, without examining the visual, phonetic and conceptual correspondence and without establishing the importance of the possibly corresponding element in the general impression given by the complex mark in respect of which registration is sought.

- 26 First of all, on a phonetic level, the earlier mark does not contain any verbal element. Any phonetic similarity is therefore excluded.
- 27 Next, on a visual level, the earlier mark is made up of the naturalistic representation of the silhouette of a fir tree, on a square base, whereas the mark in respect of which registration is sought is made up of the design of a humorous character with a particular facial appearance, wrapped up in clothing the silhouette of which, in a very abstract form, calls to mind a fir tree and draws the consumer's attention to the verbal element 'aire limpio'. The mark in respect of which registration is sought is therefore dominated equally by that humorous character and by the verbal element 'aire limpio', thus precluding any visual similarity.
- 28 Finally, on a conceptual level, the mere resemblance between the silhouettes of the two signs does not permit the conclusion that there is a similarity. The fact that the silhouette of the humorous character can call to mind the shape of a fir tree is irrelevant, since similarities in silhouette are not conceptual similarities. Furthermore, the image of the silhouette is consigned to the background, since the shape of the fir tree is affected by the image of the humorous character, to the point of becoming a mere coat or a mere wrapping for that character, rather than the representation of the image of a fir tree.
- 29 The applicant concludes that there is no similarity between the marks.
- 30 In the alternative, the applicant adds that, if the existence of a conceptual similarity were acknowledged, the correspondence would not concern a dominant element of the mark, because the silhouette of the fir tree cannot dominate the overall impression given by the mark in respect of which registration is sought, which, on the contrary, is dominated by the fanciful and singular representation of a humorous character and the writing 'aire limpio'. Furthermore, the silhouette is descriptive of

the goods designated by the mark in respect of which registration is sought and cannot therefore, in accordance with the case-law, dominate the overall impression given by that mark.

- 31 In the further alternative, the applicant argues that, if the Court of First Instance did not rule out all similarity between the conflicting marks, there would nevertheless be no likelihood of confusion, because the mark in respect of which registration is sought is sufficiently removed from the earlier mark.
- 32 In addition, according to the applicant, the earlier mark cannot have wide-ranging protection because it has only weak distinctive character.
- 33 First, the earlier mark has an insufficiently distinctive character for three reasons. Firstly, the silhouette of the fir tree is descriptive of the goods such as deodorants and air fresheners. That assessment is confirmed by the 'practical directives for the examination of trade marks for goods and services' of the United Kingdom Patent Office. Secondly, the earlier mark, in the main, is made up only of the shape of the product which is marketed under that mark. According to the case-law, the essential function of the mark cannot be fulfilled where the sign concerned is part of the appearance of the product. This is so in the present case, since the goods concerned are made up of only a flat tablet of a non-sticky porous material on which an aromatic substance is applied and the outline of which corresponds to the silhouette of the mark, with the surface of those goods being completely covered by the mark. Thirdly, the shape made up of the silhouette of a fir tree is necessary to obtain the technical result sought by the product. Under Article 7 of Regulation No 40/94, shapes which are necessary to obtain a technical result are excluded from the registration of the mark. In addition, the description of the functions of the product, as it appears in the application for an American patent lodged by the intervener, proves that the shape of a conical tree used by the intervener fulfils a technical function, namely the progressive and partial extraction of the deodorant, which

could easily be achieved by a shape such as that of the fir tree, a shape which also appears in the patent designs. The applicant concludes that the intervener is now using trade mark law to try to prevent third parties from using a shape previously protected by a patent.

34 Second, the weak distinctive character of the earlier mark has not been able to be strengthened subsequently by use of the mark in Italy making it more well known. In that respect, the applicant submits that, according to the case-law, the fact that a mark is well known cannot be established only on the basis of general and abstract data, such as particular percentages, and contends that arguments relating to turnovers and advertising investments are not such as to determine the distinctive character of a mark.

35 The findings by the Board of Appeal as regards recognition that the earlier mark is well known are vitiated by a number of errors.

36 Firstly, the establishment of the earlier mark's increased distinctive character in Italy could not have been based on only general indications regarding the volume of advertising and sales figures, particularly because this is a product in everyday use which costs little. The quantity of goods sold does not therefore have the same evidential value as that of lasting, prestigious or high quality goods.

37 Secondly, OHIM incorrectly relied on the fact that the intervener's sales of air fresheners in Italy are greater than those of other air fresheners for vehicles and represent a market share which is greater than 50%. The sales figures of the termly report of the Nielsen company, which are quoted in the declaration under oath of the intervener's managing director, do not concern the product covered by

Community trade mark No 91991, but concern mainly the goods bearing the name 'magic tree', marketed under a trade mark which is different from mark No 91991. Furthermore, those figures relate to 1997 and 1998, that is to say, a period very much later than the date on which the Community trade mark application was filed. The figures relating to advertising expenditure for 1996 and 1997 are inappropriate for the same reasons, since that advertising refers to the air fresheners bearing the name 'magic tree' and is subsequent to 30 April 1996, the date on which the Community trade mark application was filed.

38 Thirdly, in order to establish prolonged use of the earlier mark in Italy, the Opposition Division and the Board of Appeal incorrectly relied on the fact that the mark had been used in Italy for a long period and, in a form largely identical since 1954, was protected under international registration No 178969. In so doing, they incorrectly placed on the same footing the date of the trade mark application and the actual use of that mark, whereas no proof had been provided as to use of international trade mark No 178969 since its registration. Furthermore, registration No 178969 concerns a mark which contains a white base and the verbal element 'car freshner', whereas registration No 91991 concerns a merely figurative mark. In addition, the registration in Class 5 does not relate to the air freshener goods in question in the present case but to 'disinfectants, bath products, insecticides, chemical goods'.

39 Consequently, in view of its weak distinctive character, the earlier mark has reduced protection, and slight differences from the mark in respect of which registration is sought are sufficient to rule out any likelihood of confusion between the two signs. Thus, even if a conceptual similarity were accepted, that would not be enough to create a likelihood of confusion. The image of the fir tree does not present any fanciful motif and proof that mark No 91991 is well known has not been adduced.

40 At the hearing, the applicant also produced and relied on a judgment of the Tribunal Supremo (Supreme Court, Spain) of 5 April 2005, which definitively gave it rights relating to Spanish mark Aire Limpio No 2033859.

41 The applicant concludes that the Board of Appeal erred in finding that there was a similarity between the conflicting marks and that the intervener's mark had distinctive character increased through use. There is in fact no likelihood of confusion in the mind of the consumer.

42 OHIM submits that the overall comparison of the conflicting marks must, so far as concerns their visual, aural or conceptual similarity, be based on the overall impression given by the marks, bearing in mind, *inter alia*, their distinctive and dominant components. According to OHIM, the proceedings before the Court of First Instance should concentrate on the perception which the Italian public will have of the conflicting marks.

43 On a visual level, OHIM points out that the earlier mark consists in the representation of the silhouette of a fir tree with a very short trunk with protrusions and irregular indents on the sides, on top of a wider part serving as a base. The mark in respect of which registration is sought, on the other hand, is made up of an animated comical figure whose upper part is a triangular shape with irregular sides, resembling the upper part of a fir tree, placed, at the level of its base, on the representation of two large shoes. In the upper triangular part, in the centre, there appears the representation of an animated face and two arms which seem to show the verbal expression 'aire limpio' in stylised characters. The conflicting marks have external characteristics in common, namely a design of a triangular appearance with irregular sides, whose base, after becoming narrower, is made up of a rectangular element. In spite of the contrast which results from the comical and animated appearance and from the verbal element 'aire limpio', that graphic element assumes a clearly dominant character in the overall impression given by the sign and noticeably prevails over the verbal element which cannot be perceived very clearly.

- 44 On a phonetic level, the earlier mark, as a merely graphic sign, can be transmitted orally by way of a description of the sign, whereas the mark in respect of which registration is sought is pronounced with the help of its verbal element, namely 'aire limpio'.
- 45 On a conceptual level, OHIM argues that the conflicting marks will be associated by the target public with the silhouette of a fir tree with a very short trunk, whose branches are formed by protrusions and indents, on top of a rectangular element serving as a base. OHIM is of the opinion that the Italian public will not attribute any particular meaning to the expression 'aire limpio' and will identify the two signs only by the semantic content of the two graphic representations.
- 46 As regards the evaluation of the distinctive character of the earlier mark, OHIM submits that that mark does not amount only to the representation of a fir tree. It is a graphic representation of a more complex concept, namely the shape of a fir tree with certain particular characteristics such as protrusions and indents, and a very short trunk placed on a rectangular platform serving as a base.
- 47 As regards the argument that the shape of a fir tree is commonly used for the marketing of air fresheners, the applicant did not, in the proceedings before OHIM, put forward any element proving that, in the Italian market, the target public is, for that type of goods, used to the use of figures whose shape shows similarities with the silhouette of a fir tree.
- 48 If the shape of the product must actually be narrower in the upper part than in the lower part, the technical result sought does not require the use of a shape corresponding to the concept of the earlier mark, but can be obtained by means of a mere triangle with straight and regular sides or a figure which is narrower in its upper part than in its lower part. The shape of the earlier mark is not therefore the only way of obtaining that result.

49 As regards the assessment of the likelihood of confusion, OHIM points out that, in the present case, since the goods concerned are for everyday use, the average consumer does not pay particular attention at the time of their purchase.

50 In view of the importance of the silhouette of the fir tree in the use made of the figurative mark containing the verbal element 'magic tree' in Italy and also the domination of the graphic element, OHIM argues that both the expression 'magic tree' and its omnipresent and striking graphic element (corresponding to the representation of the earlier mark on which the contested decision is based) must be regarded as well known and frequently used by the public concerned. Consequently, OHIM submits that the Board of Appeal rightly found that the earlier Community trade mark on which that decision was based has a particularly distinctive character in Italy.

51 OHIM adds that the advertisements were broadcast, according to the intervener, before the date on which the registration application was filed and that such a large market share cannot have been acquired very quickly. It is therefore not likely that sales in 1996 were low.

52 Finally, OHIM submits that, under the principle stated in Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 24, the conceptual similarity between the conflicting marks could, in Italy, where the earlier mark has a particularly distinctive character, create a likelihood of confusion which the differences of style and animation between the marks cannot prevent. The mark in respect of which registration is sought can be regarded as an amusing and animated variant of the earlier mark widely known by the target public.

53 The intervener firstly points out that the elements which distinguish the marks in question do not affect the general impression of similarity.

- 54 The goods designated by the disputed marks are sold in self-service areas of petrol stations or supermarkets and are acquired very quickly and without prior reflection. The consumer therefore focuses his attention on the first element which comes to his mind when he looks at the marks, namely the silhouette of the fir tree.
- 55 Next, on a phonetic level, the difference made up by the writing 'aire limpio' is of no relevance to the consumer's choice, because he pays attention solely to the appearance or external presentation of the product.
- 56 Finally, the conflicting signs are also similar on a conceptual level, because they use common images which are the same as regards the idea represented, namely the silhouette of a small fir tree, identify the product and point out to consumers its commercial origin.
- 57 The intervener also objects to the description by the applicant of the mark in respect of which registration is sought as the reproduction of a humorous character.
- 58 Furthermore, the purely descriptive character of the silhouette of the fir tree for air fresheners or deodorant products cannot be relied on in the absence of proof establishing that that silhouette has become common in each of the relevant markets and/or that the courts of the countries concerned have established that it was not valid as a mark.
- 59 The intervener also agrees with the assessment of the Board of Appeal that the existence of a likelihood of confusion is reinforced because of the highly distinctive character of the earlier mark, which follows from its being well known.

60 The intervener disputes the argument that, first, the earlier mark matches the shape of the product and, secondly, that shape is necessary in order to obtain a technical result. First of all, that argument must be rejected, because it was raised for the first time before the Court of First Instance. Next, in any event, since the earlier marks are not three-dimensional marks but figurative marks, that ground is not relevant. Finally, the graphic elements claimed by the intervener's marks do not represent the shape necessary for the purpose of marketing the product.

61 Similarly, the Board of Appeal rightly took the view that the distinctive character of the earlier mark had been increased through the use of the mark and the opposing arguments of the applicant cannot be accepted.

62 The intervener adds a number of arguments in that respect.

63 Firstly, the sales figures do not lose their evidential value merely because, in the present case, goods in everyday use are at issue.

64 Secondly, the percentage of sales of the goods on the Italian market is supplemented by other evidence relating to the marks' being well known on that market.

65 Thirdly, even if it is true that the report of the Nielsen company refers to 1997 and 1998, its content, in the light of the other evidence adduced, allows the presumption that, during the years immediately before, the sales percentages of the goods marketed under the intervener's marks were probably similar to those of the period

1997-1998. Furthermore, in determining the distinctive character of an earlier national mark, relied on against a later trade mark application, it is not possible to disregard evidence showing use of the national mark relied on in support of the opposition, during the period immediately after the date on which the Community trade mark application was filed and before the date on which the opposition was brought.

- 66 The intervener concludes that the Board of Appeal rightly held that there was a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94, as regards the goods in Classes 3 and 5.

Findings of the Court

— Preliminary observations

- 67 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 is not to 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. Furthermore, under Article 8(2)(a) of Regulation No 40/94, 'earlier trade marks' means Community trade marks, trade marks registered in a Member State or under international arrangements, with a date of application for registration which is earlier than the date of application for registration of the Community trade mark.

- 68 Furthermore, even though Article 8 of Regulation No 40/94 does not contain a provision similar to Article 7(2) to the effect that an application to register a trade mark may be refused where an absolute ground for refusal obtains in only part of the Community, the same solution should be applied in the present case. It follows that registration must also be refused even where the relative ground for refusal obtains in only part of the Community (Case T-355/02 *Mühlens v OHIM — Zirh International (Sir/ZIRH)* [2004] ECR II-791, paragraph 36, and Case T-312/03 *Wassen International v OHIM — Stroschein Gesundheitskost (Selenium Spezial A-C-E/SELENIUM-ACE)* [2005] ECR II-2897, paragraph 29).
- 69 In the present case, the opposition to the registration was based on a number of the intervener's marks containing the representation of a fir tree. In examining that opposition, the Board of Appeal relies mainly on Community trade mark No 91991 as a mark which is representative of the other marks relied on in support of the opposition.
- 70 In the contested decision, the Board of Appeal held that the conflicting marks were similar, in particular on a conceptual level, and that there was a likelihood of confusion. That conclusion followed from the finding that earlier Community trade mark No 91991, protected since 1 April 1996, and made up of the shape of a fir tree, had a particularly distinctive character in Italy. That finding was itself based on the acceptance of the prolonged use and well-known nature in Italy of the international mark ARBRE MAGIQUE, represented by the same shape of a fir tree and in addition containing a verbal element.
- 71 It must therefore be examined at the outset whether the Board of Appeal legitimately held that earlier Community trade mark No 91991 had been able to acquire a particularly distinctive character owing to the prolonged use of another registered mark, namely the mark ARBRE MAGIQUE, and also because of prolonged use in Italy, and that mark could be considered to be well known there.

— The particularly distinctive character of the earlier Community trade mark

72 It must first of all be stated that the case-law accepts that a mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public (*SABEL*, cited in paragraph 52 above, paragraph 24).

73 Next, it should be remembered that the acquisition of the distinctive character of a mark may also be as a result of its use as part of another registered trade mark. It is sufficient that, in consequence of such use, the relevant class of persons actually perceives the product or service, designated by the earlier marks, as originating from a given undertaking (see, to that effect, Case C-353/03 *Nestlé* [2005] ECR I-6135, paragraphs 30 and 32).

74 It should therefore also be accepted that the particularly distinctive character of a mark can be acquired because of its prolonged use and its being well known as part of another registered trade mark, in so far as the target public perceives the mark as indicating the origin of the goods from a specific undertaking.

75 In the present case, the question whether the Board of Appeal legitimately held that earlier Community mark No 91991 had been able to acquire a particularly distinctive character owing to its use as part of another registered mark must therefore be answered in the affirmative if earlier Community mark No 91991 can be regarded as part of the mark ARBRE MAGIQUE.

76 In that respect, the Board of Appeal rightly took the view that the representation of the silhouette of the fir tree, which plays a significant or even predominant role in the mark ARBRE MAGIQUE, corresponds to the sign of earlier Community mark

No 91991. Consequently, the Board of Appeal was fully entitled to hold that earlier Community mark No 91991 constituted part of the earlier mark ARBRE MAGIQUE. Accordingly, the first mark could have acquired a distinctive character following its use as part of the second mark.

77 Consequently, the Board of Appeal rightly examined all the evidence relating to the use and well-known nature of the mark ARBRE MAGIQUE in order to establish the prolonged use, the well-known nature and, therefore, the particularly distinctive character of part of that mark, namely earlier Community mark No 91991.

78 As regards, in the present case, the actual examination of the evidence by the Board of Appeal, the contested decision rightly states that it is apparent from the evidence in the case-file, namely essentially the documentation produced on 8 November 1999 in the opposition proceedings brought by the intervener, that, as part of a registered mark, namely the mark ARBRE MAGIQUE, earlier mark No 91991 was the subject of prolonged use in Italy, is well known there and therefore has a particularly distinctive character.

79 The contested decision thus takes into consideration the prolonged use of the mark ARBRE MAGIQUE and the fact that annual sales of the goods marketed under that mark exceed 45 million units and sales in Italy thus represented a market share exceeding 50% in 1997 and in 1998. In addition, the contested decision takes account of the fact that the advertising costs incurred in Italy for the promotion of those goods in 1996 and 1997 exceeded 7 billion Italian lire (that is EUR 3 615 198.29).

80 The fact that the sales figures relate to 1997 and 1998 and that the advertising expenses concern 1996 and 1997, that is to say, dates subsequent to the filing of the application for registration of the mark by the applicant, namely 30 April 1996, is

not sufficient to deprive those elements of their evidential force for the purpose of finding that earlier mark No 91991 is well known.

81 According to the case-law, data subsequent to the date of filing an application for a Community trade mark can be taken into account where it enables the drawing of conclusions on the situation as it was on that date (Case T-262/04 *BIC v OHIM (shape of an electronic lighter)* [2005] ECR II-5959, paragraph 82; see, to that effect, the order of the Court of Justice in Case C-192/03 P *Alcon v OHIM* [2004] ECR I-8993, paragraph 41, and the case-law cited). Such circumstances may make it possible to confirm or better assess the extent to which the trade mark concerned was used during the relevant period (see, by analogy, order of the Court of Justice in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 31).

82 The Board of Appeal was therefore able legitimately to hold that such subsequent circumstances allowed conclusions to be drawn on the situation as it was on the date of filing the application for registration of the mark by the applicant and enabled the well-known nature of mark No 91991 on that same date to be confirmed.

83 It should be stated in particular that a market share of 50% in 1997 and 1998 can have been acquired only progressively. The Board of Appeal did not therefore err in holding, essentially, that the situation was not appreciably different in 1996.

84 The fact that the data concerned were subsequent to the applicant's filing of the application to register the mark, namely 30 April 1996, is not therefore sufficient to deprive them of their evidential force as regards the finding that earlier mark No 91991 is well known.

85 Furthermore, it is not possible to accept the applicant's argument that the Board of Appeal was wrong to find that the earlier mark had a particularly distinctive character in Italy by relying solely on general indications regarding the volume of advertising and sales figures. Admittedly, according to the case-law relied on by the applicant, the distinctive character of a mark cannot be shown to exist solely by reference to general, abstract data, such as specific percentages (Case *C-299/99 Philips* [2002] ECR I-5475, paragraph 62). Nevertheless, it should be stated, firstly, that that case-law concerns the acquisition of the distinctive character of a mark which is the subject of an application for registration and not, as in the present case, the assessment of whether a registered mark which has already acquired distinctive character is well known. Secondly, in order to establish, in the present case, whether the mark is well known, the Board of Appeal did not only take into account general indications, such as specific percentages, but also the prolonged use of the mark ARBRE MAGIQUE, which, furthermore, the applicant did not dispute.

86 It is also necessary to reject the applicant's argument that the Board of Appeal was wrong to rely on the fact that the earlier mark had had protection in an essentially identical form since 1954, under registration No 178969. The applicant cannot profitably argue that the Board of Appeal placed the date of the application for the mark on the same footing as the date of actual use of the mark CAR FRESHNER No 178969 without any proof being adduced as to its use since its registration. As has already been stated and confirmed by OHIM at the hearing, the Board of Appeal relied on the established use in Italy of the mark ARBRE MAGIQUE and not on the use of the mark CAR FRESHNER. The contested decision admittedly states that the mark CAR FRESHNER has been registered since 1954 but, as regards prolonged use, it refers to the mark ARBRE MAGIQUE.

87 It follows from the foregoing that the Board of Appeal was correct in holding that the prolonged use and well-known nature of the mark ARBRE MAGIQUE, and consequently of mark No 91991, in Italy, which are perceived as indicating the origin of the goods from a specific undertaking, were sufficiently proven.

88 In view of the well-known nature in Italy of earlier Community mark No 91991, stemming, in particular, from its prolonged use as part of the mark ARBRE MAGIQUE and the well-known nature of the latter in that territory, it must be found that the Board of Appeal did not err in finding that it has a particularly distinctive character in Italy.

— The similarity of the goods

89 In the present case, the finding by the contested decision of the similarity of the goods designated by the earlier mark and by the mark in respect of which registration is sought in Classes 3 and 5 is not disputed by the parties.

90 Furthermore, the applicant's argument that the international registration of the mark CAR FRESHNER for goods in Class 5 relates not to the air freshener goods at issue in the present case, but to 'disinfectants, bath products, insecticides, chemical goods', is without foundation. It is not disputed that that mark was also registered for 'air purification products, ... perfumery, essential oils ...', which are in Class 3.

— The similarity of the marks

91 According to the case-law, two marks are similar where, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects (Case T-6/01 *Matratzen Concord v OHIM — Hukla Germany (MATRATZEN/Matratzen Markt Concord)* [2002] ECR II-4335, paragraph 30).

- 92 In the present case, on a visual level, the graphic element contained in the mark in respect of which registration is sought has a clearly dominant character in the overall impression given by the sign and noticeably prevails over the verbal element. The name 'aire limpio', in view of the small size of the characters used and its placement inside the design representing a fir tree, is fairly blurred compared with the graphic element.
- 93 Contrary to the applicant's assertions, the overall impression which is given by the design is not that of a comical character, but actually that of an image resembling a fir tree. The design of the face and arms of the comical character is integrated into the central part of the fir tree and, at the level of the base, the design of the two shoes spread 180 degrees apart takes the shape of a base. The comical and animated appearance given by the features of that character gives a fanciful impression to the graphic representation of the fir tree, and the mark in respect of which registration is sought can be regarded by the public as an amusing and animated variant of the earlier mark. The mark in respect of which registration is sought is therefore made up of a sign, the predominant element of which is a silhouette resembling a fir tree, which constitutes the earlier mark. It is that element which will mainly be perceived by the consumer and will determine his choice, particularly because the present case concerns products that are in everyday use and sold on a self-service basis.
- 94 On a visual level, the graphic representation corresponding to a fir tree therefore appears as the dominant element in the overall impression given by the mark in respect of which registration is sought.
- 95 On a conceptual level, the signs in question are both associated with the silhouette of a fir tree. In view of the impression which is given by this and the fact that the

expression 'aire limpio' has no particular meaning for the Italian public, their conceptual similarity must be confirmed.

- ⁹⁶ It follows that the Board of Appeal was fully entitled to hold that, by using images which are the same as regards the idea represented, namely the silhouette of a fir tree, the conflicting marks were similar on a conceptual level. On a phonetic level, there is a difference resulting from the fact that the earlier mark, which is a purely graphic mark, can be transmitted orally by way of a description of the sign, whereas the mark which is the subject of the application for registration can be expressed orally by reading out its verbal element, namely 'aire limpio'.

— The likelihood of confusion

- ⁹⁷ According to established 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. According to that case-law, the likelihood of confusion must be assessed globally on the basis of the perception that the relevant public has of the signs and goods or services in question and taking into account all factors relevant to the circumstances of the case, inter alia the interdependence between the similarity between the signs and that between the goods or services identified (Case T-162/01 *Laboratorios RTB v OHIM — Giorgio Beverly Hills (Giorgi/GIORGIO BEVERLY HILLS)* [2003] ECR II-2821, paragraphs 30 to 32).

- ⁹⁸ The global assessment of the likelihood of confusion, as far as concerns the visual, aural or conceptual similarity of the conflicting signs, must however be based on the overall impression given by them, bearing in mind, inter alia, their distinctive and

dominant components (Case T-292/01 *Phillips-Van Heusen v OHIM — Pash Textilvertrieb und Einzelhandel (PASH/BASS)* [2003] ECR II-4335, paragraph 47).

99 In addition, it should be stated that, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public (*SABEL*, cited in paragraph 52 above, paragraph 24).

100 In the present case, given that the goods in question are goods in everyday use, the relevant public is the average consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect. The average consumer of the goods in question will not pay particular attention at the time of purchasing them.

101 The consumer will therefore normally himself choose the goods in question and will therefore have a tendency to trust mainly the image of the mark applied to those goods, namely the silhouette of a fir tree.

102 Consequently, in view of, first, the similarity of the goods in question and the visual and conceptual similarity of the marks in question and, secondly, the fact that the earlier mark has a particularly distinctive character in Italy, it must be held that the Board of Appeal did not err in finding that there was a likelihood of confusion.

103 That conclusion is not undermined by the arguments expounded by the applicant.

104 In the first place, the applicant's argument that the earlier mark has weak distinctive character owing to the fact that the silhouette of the fir tree is descriptive of the goods in question is without foundation. As OHIM rightly points out, the earlier mark is not the mere representation, faithful to reality, of a fir tree. The fir tree represented is stylised and has other particular characteristics: it has a very short trunk and is placed on a rectangular platform serving as a base. Furthermore, as has already been held, in view of its being well known, the earlier mark has acquired a particularly distinctive character. In addition, the applicant's argument based on the guidelines of the United Kingdom Patent Office, which confirm the descriptive character of the silhouette of the fir tree for the goods concerned, is of no relevance because the Community trade mark regime is an autonomous system with its own set of rules and objectives peculiar to it and applies independently of any national system and the legality of decisions of the Boards of Appeal must be evaluated solely on the basis of Regulation No 40/94, as interpreted by the Community Courts (Case T-31/03 *Grupo Sada v OHIM — Sadia (Sadia/Grupo Sada)* [2005] ECR II-1667, paragraph 84).

105 In the second place, it is necessary to reject the applicant's arguments seeking to show that the earlier mark should not have been registered because, firstly, it was essentially made up only of the shape of the product which is marketed under that mark and, secondly, the shape of the earlier mark, namely the silhouette of a fir tree, was necessary to obtain the technical result sought by the product. The applicant cannot, in any event, in opposition proceedings, rely on an absolute ground for refusal precluding valid registration of a sign by a national office or by OHIM. The absolute grounds for refusal contained in Article 7 of Regulation No 40/94 do not fall to be examined as part of opposition proceedings and that article is not one of the provisions in relation to which the legality of the contested decision must be appraised (Case T-186/02 *BMI Bertollo v OHIM — Diesel (DIESEL/dieselit)* [2004] ECR II-1887, paragraph 71).

106 Finally, in the third place, the judgment of the Tribunal Supremo of 5 April 2005, produced and relied on by the applicant at the hearing, which is said definitively to confer on it rights in relation to Spanish mark Aire Limpio No 2033859, is of no relevance in the present case. As has already been stated, the legality of decisions of the Boards of Appeal must be evaluated solely on the basis of Regulation No 40/94, as interpreted by the Community Courts (*Sadia/Grupo Sada*, cited above in paragraph 104, paragraph 84).

107 It follows from the foregoing that the first plea, alleging infringement of Article 8(1)(b) of Regulation No 40/94, must be rejected as unfounded.

The second plea, alleging infringement of Article 73 of Regulation No 40/94

Arguments of the parties

108 The applicant argues that the contested decision was taken in breach of Article 73 of Regulation No 40/94.

109 Under that article and the case-law, the statement of reasons on which a decision adversely affecting a person is based must provide that person with the information necessary to enable him to know whether that decision is well founded and enable

the Community Courts to exercise their power of judicial review (Case T-388/00 *Institut für Lernsysteme v OHIM — Educational Services (Ils/ELS)* [2002] ECR II-4301, paragraph 59).

110 The Opposition Division, in its decision of 25 February 2003, and the Board of Appeal already restricted their examination, first, to the mark in respect of which registration is sought and, secondly, to Community registration No 91991 alone. However, in order to establish the existence of a relative ground for refusal within the meaning of Article 8(1)(b) of Regulation No 40/94, the Board of Appeal also relied on documents relating to other marks. Consequently, the grounds of the contested decision concern earlier marks which the Board of Appeal itself excluded from the comparative analysis in order to determine the existence of a likelihood of confusion. The grounds of the contested decision are therefore incomplete and the Board of Appeal infringed Article 73 of Regulation No 40/94.

111 OHIM, supported by the intervener, responds that the applicant had the possibility to refute the content of the documents and the evidence on which the contested decision is based in order to determine the well-known nature and prolonged use in Italy of mark No 91991, since those documents were produced during the proceedings before the Opposition Division. Nevertheless, it did not call into question the accuracy of that data.

112 As regards the fact that the abovementioned documents concern a mark which had been excluded from the comparison for reasons of procedural economy, that exclusion does not in any way mean that those documents have no effect on the assessment which the Italian public has of the earlier mark on which the contested decision is based. More precisely, OHIM never declared that the effect of that exclusion was that the contested documents would not be taken into consideration in the evaluation of the assessment by the Italian public of the mark on which the contested decision is based, since the two marks relied on are the same as regards

their graphic element. The contested decision does not therefore infringe the procedural rights of the applicant, given that the latter could have taken a view on the evidence and the documents which served to determine the well-known nature and prolonged use of the earlier mark.

Findings of the Court

- 113 Under Article 73 of Regulation No 40/94, the decisions of the Office are to state the reasons on which they are based. In addition, Rule 50(2)(h) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1) provides that the Board of Appeal's decision is to contain the reasons. In that respect, it must be considered that the scope of the duty to state reasons thus laid down is the same as that arising from Article 253 EC (Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 64; Joined Cases T-124/02 and T-156/02 *Sunrider Corporation v OHIM — Vitakraft-Werke Wührmann and Friesland Brands (VITRAKRAFT and VITA/VITATASTE and BALANCE and BALANS/META BALANCE 44)* [2004] ECR II-1149, paragraph 72).
- 114 It is settled case-law that the statement of reasons required under Article 253 EC must show in a clear and unequivocal manner the reasoning of the author of the act. That duty has two purposes: to allow interested parties to know the justification for the measure so as to enable them to protect their rights and to enable the Community judicature to exercise its power to review the legality of the decision (Case C-350/88 *Delacre and Others v Commission* [1990] ECR I-395, paragraph 15; *KWS Saat v OHIM*, cited in paragraph 113 above, paragraph 65; *VITRAKRAFT and VITA/VITATASTE and BALANCE and BALANS/META BALANCE 44*, cited in paragraph 113 above, paragraph 73).

- 115 In addition, under Article 73 of Regulation No 40/94, decisions of OHIM may be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments. That provision relates both to factual and legal reasons and to evidence.
- 116 However, the right to be heard extends to the factual and legal factors on which the decision-making act is based, but not to the final position which the authority intends to adopt (Case T-303/03 *Lidl Stiftung v OHIM — REWE-Zentral (Solevita/SALVITA)* [2005] ECR II-1917, paragraph 62).
- 117 In the present case, the contested decision shows in a clear and unequivocal manner the reasoning of the Board of Appeal. As is apparent from the text of the contested decision, which sets out the arguments put forward before the Board of Appeal by the applicant, the latter had an opportunity to present its comments on all the factors on which the contested decision is based and also on the use, by the Board of Appeal in its assessment, of the evidence relating to the use of the earlier marks.
- 118 Consequently, infringement of Article 73 of Regulation No 40/74 is not established and the second plea must be rejected and the action in its entirety dismissed.

Costs

- 119 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.

120 As the applicant has been unsuccessful, it must be ordered to pay the costs incurred by OHIM and by the intervener, in accordance with their pleadings.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

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

Legal

Lindh

Wiszniewska-Białecka

Delivered in open court in Luxembourg on 7 September 2006.

E. Coulon

H. Legal

Registrar

President