

Court of Justice EU, 21 January 2016, Hesse v OHIM



TRADEMARK LAW

The General Court did not err in law by upholding the assessment of the Board of Appeal according to which the goods at issue were similar because of their complementarity

- complementarity is an autonomous criterion capable of being the sole basis for the existence of such a similarity

23. Second, although the complementary nature of the goods at issue represents only one factor amongst several others — such as the nature, the method of use or the distribution channels of those goods — in the light of which the similarity of the goods can be assessed, the fact remains that it is an autonomous criterion capable of being the sole basis for the existence of such a similarity.

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Court of Justice EU, 21 January 2016

(A. Arabadjiev, J.-C. Bonichot, S. Rodin)

JUDGMENT OF THE COURT (Sixth Chamber)

21 January 2016 (*)

(Appeal - Community trade mark - Regulation (EC) No 40/94 - Article 8(1)(b) and (5) - Word mark Carrera — Opposition by the proprietor of the national and Community word marks CARRERA - Likelihood of confusion - Reputation acquired by the earlier mark)

In Case C-50/15 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 5 February 2015,

Kurt Hesse, residing in Nuremberg (Germany), represented by M. Krogmann, Rechtsanwalt, appellant,

the other parties to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Schifko, acting as Agent, defendant at first instance,

Hubert Ampferl, as insolvency administrator of Lutter & Partner GmbH, formerly Lutter & Partner GmbH, applicant at first instance,

Dr. Ing. h.c. F. Porsche AG, established in Stuttgart (Germany), represented by E. Stolz, Rechtsanwalt, intervener at first instance,

THE COURT (Sixth Chamber),

composed of A. Arabadjiev, President of the Chamber, J.-C. Bonichot and S. Rodin (Rapporteur), Judges,

Advocate General: H. Saugmandsgaard Øe,

Registrar: A. Calot Escobar,

having regard to the written procedure, having decided, after hearing the Advocate General, to proceed to judgment without an Opinion, gives the following

Judgment

1. By his appeal, Mr Hesse seeks to have set aside the judgment of the General Court of the European Union of 27 November 2014 in Hesse and Lutter & Partner v OHIM — Porsche (Carrera) (T-173/11, EU:T:2014:1001, ‘the judgment under appeal’), by which the General Court dismissed his action for annulment of the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 11 January 2011 (Case R 306/2010-4) relating to opposition proceedings between Dr. Ing. h.c. F. Porsche AG (‘Porsche’) and Mr Hesse concerning an application for registration of the word sign ‘Carrera’ as a Community trade mark (‘the decision at issue’).

Legal context

2. Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), which entered into force on 13 April 2009. However, in view of the date on which the application for registration at issue was lodged, the present dispute remains governed by Regulation No 40/94.

3. Under the heading ‘Relative grounds for refusal’, Article 8 of Regulation No 40/94 provides as follows:

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

...'

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

...'

5. Furthermore, upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where in the case of an earlier Community trade mark the trade mark has a reputation in the Community and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.'

Background to the dispute

4. On 16 February 2007, Mr Hesse filed an application for registration of a Community trade mark with OHIM for the word mark 'Carrera'.

5. The goods in relation to which registration of the trade mark was sought belong in particular to 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 ('the Nice Agreement'), and correspond to the following description:

'Apparatus for recording, transmission or reproduction of sound or images; television apparatus; magnetic data carriers; data processing equipment and computers for recording, processing or reproduction of sound or images; electric apparatus and equipment for data and message processing and transmission; digital data carriers; storage media for digital data; optical data and recording carriers; mobile televisions, in particular battery-operated televisions; DVD players; DVD recorders; video recorders; hard disk recorders; television receivers; satellite receivers; analogue and digital transmitters and receivers; USB sticks; smart sticks; plug-in cards; DVD storage disks; CD-ROM storage disks; aerial installations; satellite antennas; terrestrial antennas; high fidelity installations; home cinema; portable reproduction apparatus for stored sound and image recordings; cabinets for loudspeakers; dictating machines; mobile navigation apparatus, in particular satellite-based mobile navigation apparatus; combinations of all the aforesaid goods; all the aforesaid goods not for factory installation as standard or special fittings for motor vehicles'.

6. The application for registration of a Community trade mark was published in Community Trade Marks Bulletin No 36/2007 of 23 July 2007.

7. On 26 July 2007, Porsche filed a notice of opposition pursuant to Article 42 of Regulation No 40/94 to the registration of the mark Carrera in respect of the goods referred to in paragraph 5 of the present judgment.

8. The earlier marks invoked by Porsche in support of the opposition were the following:

- the Community word mark CARRERA, registered with OHIM on 22 January 2001 under No 283879 for goods in Class 12 of the Nice Agreement corresponding to the following description: *'Automobiles and their parts, land and water vehicles and their parts except bicycles and their parts'*;
- the German word mark CARRERA, registered on 7 July 1976 and extended until 2012 under number 946370 for goods in Class 12 of the Nice Agreement corresponding to the following description: *'Automobiles, namely sports cars'*.

9. The grounds relied on in support of the opposition were those covered by Article 8(1)(b) and (5) of Regulation No 40/94.

10. By decision of 25 February 2010, the Opposition Division rejected the opposition, holding that there was no likelihood of confusion between the marks at issue and that the proprietor of the mark applied for was not able to take unfair advantage of, or be detrimental to,

the distinctive character or the reputation of the earlier marks.

11. On 4 March 2010, Porsche filed an appeal with OHIM against the Opposition Division's decision.

12. By the decision at issue, the Fourth Board of Appeal of OHIM ('the Board of Appeal') upheld that appeal and annulled the decision of the Opposition Division, in particular on the ground that there was a likelihood of confusion between the goods at issue with regard to *'mobile navigation apparatus, in particular satellite-based mobile navigation apparatus'*.

13. After the adoption of the decision at issue, the mark applied for was partially transferred to the company Lutter & Partner GmbH.

14. Following that transfer, two applications for registration of the word mark Carrera were registered in the OHIM databases, namely (i) application No 5723432 concerning certain goods referred to in paragraph 5 above, including *'mobile navigation apparatus, in particular satellite-based mobile navigation apparatus'* and (ii) application No 10881332 concerning other goods referred to in paragraph 5 above.

Proceedings before the General Court and the judgment under appeal

15. By application lodged at the General Court Registry on 22 March 2011, Mr Hesse brought an action for the annulment of the decision at issue before the General Court, putting forward two pleas in law, alleging, firstly, infringement of Article 8(1)(b) of Regulation No 40/94 and, secondly, infringement of Article 8(5) of that regulation.

16. By order of the General Court of 21 November 2014, Lutter & Partner was granted leave to substitute itself partially for Mr Hesse as applicant in those proceedings, that is to say, in so far as they concerned the application for registration of the word mark Carrera No 10881332.

17. By the judgment under appeal, the General Court, after having declared the alternative heads of claim inadmissible, dismissed the action in its entirety as unfounded.

Forms of order sought

18. Mr Hesse claims that the Court should:

- set aside the judgment under appeal;
- annul the decision at issue and reject the opposition against Community trade mark application No 5723432 lodged on 16 February 2007;
- in the alternative, refer the case back to the General Court; and
- order the defendant to pay the costs.

19. Porsche and OHIM contend that the Court should dismiss the appeal and order Mr Hesse to pay the costs.

Appeal

The first ground of appeal

20. By his first ground of appeal, Mr Hesse claims, in essence, that the General Court made, in paragraphs 42 to 46 of the judgment under appeal, an error of assessment as regards the similarity between the goods at issue. In this respect, he submits that according to Article 8(1)(b) of Regulation No 40/94 all the relevant

factors relating to the goods at issue should be taken into account including, in the present case, the origin, marketing, distribution channels, and the respective points of sale of those goods, that is to say, all the factors that distinguish mobile navigation apparatus from motor vehicles. Had the General Court taken full account of these essential elements, it would not, in Mr Hesse's view, have found there to be functional complementarity, and therefore similarity, between the goods.

21. In that regard, it must be noted at the outset that, as the General Court rightly held in paragraph 36 of the judgment under appeal, in order to assess the similarity of goods or services, all the relevant factors relating to those goods or services should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (see, in particular, judgments in *Sunrider v OHIM*, C-416/04 P, EU:C:2006:310, paragraph 85, and *Éditions Albert René v OHIM*, C-16/06 P, EU:C:2008:739, paragraph 65).

22. In so far as Mr Hesse alleges by his first ground of appeal that the General Court did not take into account all the relevant factors relating to the goods at issue — in particular, the origin, the marketing, the distribution channels and the points of sale of those goods — it must be noted, first, that in the part of the judgment under appeal to which that ground of appeal relates, the General Court upheld the assessment of the Board of Appeal according to which the goods at issue are similar because of their complementarity, holding, in particular in paragraph 43 of that judgment, that the arguments put forward by Mr Hesse specifically in this regard were not capable of overturning that finding.

23. Second, although the complementary nature of the goods at issue represents only one factor amongst several others — such as the nature, the method of use or the distribution channels of those goods — in the light of which the similarity of the goods can be assessed, the fact remains that it is an autonomous criterion capable of being the sole basis for the existence of such a similarity.

24. Third, it is settled case-law of the Court of Justice that the General Court cannot — subject to the obligation (i) to observe the general principles and the rules of procedure relating to the burden of proof and the taking of evidence and (ii) not to distort the clear sense of the evidence — be required to give express reasons for its assessment of the value of each piece of evidence presented to it, in particular where it considers that that evidence is unimportant or irrelevant to the outcome of the dispute (judgment in *Dorsch Consult v Council and Commission*, C-237/98 P, EU:C:2000:321, paragraph 51).

25. Accordingly, the General Court did not err in law by upholding, in paragraphs 42 to 46 of the judgment under appeal, the assessment of the Board of Appeal according to which the goods at issue were similar because of their complementarity, without carrying out, to that end, an analysis of the origin, the marketing, the

distribution channels or the points of sale of those goods.

26. Furthermore, in so far as Mr Hesse maintains, in the context of this ground of appeal, that a proper weighting of the relevant factors in this respect ought to have led the General Court to find that the goods at issue were not similar, he in fact merely calls into question factual assessments (see, by analogy, orders in *DMK v OHIM*, C-346/12 P, EU:C:2013:397, paragraphs 44 and 45, and *Greinwald v Wessang*, C-608/12 P, EU:C:2014:394, paragraph 35).

27. Having regard to the foregoing considerations, the first ground of appeal must be rejected as partly inadmissible and partly unfounded.

The second ground of appeal

28. By his second ground of appeal, Mr Hesse argues in essence that the General Court, in particular in paragraphs 59 and 60 of the judgment under appeal, erred in law by confirming that the earlier marks had acquired a reputation within the meaning of Article 8(5) of Regulation No 40/94. In particular, according to Mr Hesse, the General Court manifestly distorted facts and evidence submitted to it by failing to take into account certain fundamental results of the survey undertaken by the company GfK, according to which the public associates the mark CARRERA, not with automobiles, but first with toys, specifically with electric race tracks designed for children. Taking those results as a basis, the General Court ought to have found that the mark CARRERA did not have a reputation within the meaning of Article 8(5) of Regulation No 40/94.

29. To the extent that, by this ground of appeal, Mr Hesse seeks to demonstrate that the General Court wrongly confirmed that the earlier marks had acquired a reputation within the meaning of Article 8(5) of Regulation No 40/94, it must be noted that that finding is part of the assessment of the facts by the General Court which, according to the settled case-law of the Court of Justice referred to in paragraph 24 of the present judgment, cannot be the subject of an appeal, save where the facts and evidence submitted to the General Court are distorted.

30. In this respect, it must be recalled that, as also follows from settled case-law, such a distortion must be obvious from the documents in the case, without there being any need to carry out a new assessment of the facts and the evidence (see, in particular judgment in *Waterford Wedgwood v Assembled Investments (Proprietary)*, C-398/07 P, EU:C:2009:288, paragraph 41 and the case-law cited).

31. By merely claiming, in essence, that the General Court would have found that the mark CARRERA did not have a reputation if it had taken into account certain other results and parts of the survey undertaken by GfK which the Board of Appeal had not considered, Mr Hesse does not show that, in the judgment under appeal, the General Court erred in its assessment of the facts submitted to it nor, a fortiori, that it distorted those facts.

32. It follows from the above that the second ground of appeal must be rejected as manifestly inadmissible and, in any event, as manifestly unfounded.

The third ground of appeal

33. By his third ground of appeal, Mr Hesse maintains, in essence, that the General Court erred in law by considering that there was a risk of '*image transfer*' in favour of the mark applied for. He argues that the findings of the General Court in this respect fail to have regard to the conditions for the application of Article 8(5) of Regulation No 40/94. Specifically, it is inconceivable that just the possibility of use in automobiles and the technical nature of the goods in respect of which registration of a mark is sought would justify the application of that article. Mr Hesse submits that the findings of the Board of Appeal in this context were not at all substantiated and in no way support a '*social usage*' capable of resulting in an image transfer for the purposes of that article. That is particularly the case, according to the appellant, because the goods at issue here are not similar, as he has maintained in the context of the first ground of appeal.

34. It must be stated, first, that in the context of his third ground of appeal, Mr Hesse puts forward — without indicating either the paragraphs in the grounds of the judgment under appeal or the error in law that the General Court allegedly made in that judgment — a similar line of argument to the one he expanded before that court, criticising the Board of Appeal's finding that there was a risk of '*image transfer*' in favour of the mark applied for, an argument which the General Court rejected at paragraphs 69 to 73 of the judgment under appeal.

35. Second, inasmuch as Mr Hesse disputes the existence of a risk of '*image transfer*' on the basis that the goods at issue are not similar, it is sufficient to note that the first ground of appeal, directed against the General Court's finding of the existence of such a similarity, was rejected in paragraphs 22 to 27 of the present judgment.

36. Accordingly, the third ground of appeal must be rejected.

37. In the light of all the foregoing considerations, the appeal must be dismissed in its entirety.

Costs

38. Under Article 138(1) of the Rules of Procedure of the Court of Justice, which applies to appeal proceedings by virtue of Article 184(1) thereof, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since Porsche and OHIM have applied for costs to be awarded against Mr Hesse and Mr Hesse has been unsuccessful, he must be ordered to bear his own costs and to pay those incurred by Porsche and OHIM.

On those grounds, the Court (Sixth Chamber) hereby:

1. Dismisses the appeal;
2. Orders Mr Kurt Hesse to pay the costs.

[Signatures]

* Language of the case: German.