

Court of Justice EC, 27 April 2006, L'Oréal v OHIM

FLEX
v
FLEXI AIR

TRADEMARK LAW

Distinction between distinctive character earlier mark and distinctive character of an element of a complex mark dominating the overall impression of that complex mark

- It must therefore be held that the applicant has misconstrued the concepts which govern the determination of whether a likelihood of confusion between two marks exists, by failing to distinguish between the notion of the distinctive character of the earlier mark, which determines the protection afforded to that mark, and the notion of the distinctive character which an element of a complex mark possesses, which is concerned with its ability to dominate the overall impression created by the mark.

44 In the second place, as was pointed out at paragraphs 35 and 36 of this judgment, the existence of a likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case.

45 The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.

46 In addition, it should be noted that the assessment of the similarity between two marks does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark, but that such a comparison must, on the contrary, be made by examining the marks in question, each considered as a whole (see order in Case C-3/03 P *Matratzen Concord v OHIM*, paragraph 32).

- In those circumstances, it must be held that the Court of First Instance did not commit an error of law in its assessment of the similarity of the signs in question by not ascribing to the weak distinctive character of the earlier mark the significance which

the applicant wrongly gives to it.

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Court of Justice EC, 27 April 2006

(K. Schieman, President of the Chamber, J.N. Cunha Rodrigues and E. Levits (Rapporteur))

ORDER OF THE COURT (Fourth Chamber)

27 April 2006 (*)

(Appeal – Community trade mark – Regulation (EC) No 40/94 – Article 8(1)(b) – Similarity between two trade marks – Likelihood of confusion – Application for Community trade mark FLEXI AIR – Earlier word mark FLEX – Refusal to register)

In Case C-235/05 P,

APPEAL under Article 56 of the Statute of the Court of Justice, brought on 27 May 2005,

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

applicant,

the other parties to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by G. Schneider, acting as Agent,

defendant at first instance,

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

intervener at first instance,

THE COURT (Fourth Chamber),

composed of K. Schieman, President of the Chamber, J.N. Cunha Rodrigues and E. Levits (Rapporteur), Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: R. Grass,

after hearing the Advocate General,

makes the following

Order

1 By its appeal, L'Oréal SA ('L'Oréal') seeks to have set aside the judgment of the Court of First Instance of the European Communities of 16 March 2005 in Case T-112/03 *L'Oréal v OHIM – Revlon (FLEXI AIR)* [2005] ECR II-0000 ('the contested judgment'), by which the Court of First Instance rejected its application for the 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 15 January 2003 (Case R 396/2001-4), rejecting its application for the registration of the work mark FLEXI AIR as a Community trade mark ('the disputed decision').

Legal framework

2 Article 8(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) provides:

'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.'

Facts giving rise to the dispute

3 On 9 December 1998, L'Oréal filed with OHIM an application for the registration of the word mark FLEXI AIR as a Community trade mark.

4 The hair-care products for which registration was sought are covered by 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.

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

6 That opposition was based on the existence of the word mark FLEX ('the earlier mark') of which Revlon is the proprietor and which is registered in France for goods covered by Classes 3 and 34 of the Nice Agreement and in Sweden and the United Kingdom for goods covered by Class 3.

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

8 By decision of 27 March 2001, the Opposition Division of OHIM rejected L'Oréal's application for registration on the ground that there was a likelihood of confusion between the trade mark applied for and the earlier mark registered in the United Kingdom, by reason of the similarity between the signs and the identity and the similarity of the goods concerned.

9 On an appeal brought by L'Oréal, the Fourth Board of Appeal of OHIM confirmed, by decision of 15 January 2003, the rejection of the application by the Opposition Division of OHIM. While it held that the earlier mark was of weak distinctive character, it considered that the signs FLEX and FLEXI AIR ('the signs in question') were visually, phonetically and conceptually similar, which meant that the risk could not be excluded that the signs would be perceived by consumers as belonging to the same family of marks or to one line of products.

The contested judgment

10 In support of its application before the Court of First Instance for the annulment of the contested decision, L'Oréal put forward several pleas in law, including one alleging infringement of Article 8(1)(b) of Regulation No 40/94.

11 In that regard, L'Oréal argued in particular that having regard to the Board of Appeal's finding that the earlier mark was of weak distinctive character, only a complete reproduction of that mark could give rise to a likelihood of confusion and that that weak distinctive character meant that it was not correct that the element 'FLEX' appearing in the complex mark applied for constitutes the dominant element of that mark for the purposes of assessing the conceptual similarity of the marks in question. Thus the Board of Appeal failed to

draw the conclusions which necessarily resulted from its findings that the earlier mark was of weak distinctive character.

12 In paragraph 61 of the contested judgment, the Court of First Instance first of all held, as regards the argument that given the weak distinctive character of the earlier mark only a complete reproduction of it could give rise to a likelihood of confusion, that:

'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.'

13 Having held at paragraph 62 of the contested judgment that the goods in question were in part identical and in part very similar, the Court of First Instance went on to compare the signs in question by carrying out a global assessment of their visual, phonetic and conceptual similarity.

14 As regards the analysis of visual similarity, having noted at paragraph 64 of the contested judgment that the Board of Appeal took the view that the element 'FLEX' was dominant in character and that such dominance was not affected either by the presence of the letter 'I' nor by the element 'air', which was placed in second position in the sign which it was sought to register as a mark, the Court of First Instance confirmed the assessment of the Board of Appeal and held that the signs in question were visually similar.

15 At paragraph 66 of the contested judgment, the Court of First Instance stated:

'... 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.'

16 As regards the phonetic comparison of the signs in question, the Court of First Instance also confirmed, at paragraphs 70 to 72 of the contested judgment, the assessment of the Board of Appeal, taking the view that in so far as the addition of the letter 'I' and the element 'AIR' in the sign FLEXI AIR play only a phonetically insignificant role, those signs are phonetically similar.

17 At the conceptual level, the Court of First Instance also confirmed the Board of Appeal's determination that the signs possess a common meaning in the English language, when it stated at paragraph 78 of the contested judgment:

'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 ...'

18 Lastly, the Court of First Instance held at paragraphs 81 to 87 of the contested judgment that the Board of Appeal was correct in finding that there was a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.

19 In the light of all of those findings and having rejected the two other pleas in law put forward by L'Oréal in support of its application, the Court of First Instance dismissed the application in its entirety.

The appeal

20 In its appeal, the applicant claims that the contested judgment should be set aside and that OHIM should be ordered to pay the costs. In support of those claims, it puts forward two pleas in law based primarily on infringement of Article 8(1)(b) of Regulation No 40/94, by reason of the failure of the Court of First Instance correctly to apply the criteria laid down for the proper implementation of that provision or, in the alternative, on infringement of Articles 36 and 53 of the Statute of the Court of Justice, by reason of a failure to state adequate grounds in the contested judgment.

21 OHIM contends that the appeal should be dismissed and that the applicant should be ordered to pay the costs.

22 By virtue of Article 119 of the Rules of Procedure, where the appeal is manifestly unfounded, the Court may, at any time, acting on a report by the Judge-Rapporteur and after hearing the Advocate General, by reasoned order dismiss the appeal.

The first plea

Arguments of the parties

23 The applicant essentially complains that the Court of First Instance had regard to the weak distinctive character of the earlier mark only when it assessed the likelihood of confusion between the marks at issue and not when assessing the similarity of the signs in question.

24 The degree of similarity between two signs which contain a common element is largely dependent on the distinctive character of the earlier mark.

25 In the present case, it follows that the common element 'FLEX', which is, as the Court of First Instance itself held, of weak distinctive character, cannot have the significance which the Court of First Instance gave it in assessing the similarity of the signs in question. Furthermore, the other elements which distinguish the complex mark FLEXI AIR from the earlier mark should have been given more importance in that assessment, and the Court of First Instance should accordingly have rejected any similarity between the two marks in question and, as a result, any likelihood of confusion. In consequence, only a complete reproduc-

tion of the earlier mark could give rise to such a risk.

26 Moreover, the method used by the Court of First Instance in the contested judgment to compare the signs in question leads to a result which conflicts with the previous case-law of that Court, according to which a non-distinctive element of a complex mark cannot be considered by the targeted public as being the element which dominates the overall impression created by it (see, to that effect, Case T-6/01 *Matratzen Concord v OHIM – Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 49; Case T-117/02 *Grupo El Prado Cervera v OHIM – Debuschewitz Heirs (CHUFAPIT)* [2004] ECR II-2073, paragraph 51; and Case T-390/03 *CM Capital Markets v OHIM –Caja de Ahorros de Murcia (CM)* [2005] ECR II-0000, paragraph 48).

27 The applicant lastly submits that, contrary to the principle laid down in paragraph 18 of the judgment in *Canon*, the approach adopted in the contested judgment artificially gives priority to an element of a complex mark which is of weak distinctive character in assessing the similarity between the signs in question.

28 OHIM maintains that the first plea relied on by the applicant is based on an incorrect interpretation of the contested judgment, as at no point did the Court of First Instance state that it refused to take into account the degree of distinctiveness of the earlier mark in comparing the signs in question. Having regard to the pleas raised in the action before the Court of First Instance, the latter did take into account the weak distinctive character of the earlier mark, but did not, however, ascribe to it the significance given to it by the applicant. It follows that the applicant is challenging not so much the methodology of the Court of First Instance but its global assessment of the likelihood of confusion.

29 Furthermore, the Court of First Instance did not commit any error of law in taking the view, once it had held that the earlier mark was of weak distinctive character, that the element 'FLEX' in the mark applied for constituted its dominant element.

30 First, the assessment of the likelihood of confusion requires that a number of factors be taken into account, including the degree of similarity of the marks in question and that of the goods or services covered. It is necessary in that regard to define a normative framework which delimits the extent of the protection enjoyed by the earlier mark. The distinctive character which the latter possesses is the most important factor in defining that framework.

31 By contrast, the assessment of the similarity of the signs in question must concentrate on the perception of the relevant public, irrespective of the extent of the protection enjoyed by the earlier mark.

32 Secondly, the extent of the distinctiveness of an element of a complex mark will be a guiding factor in determining whether such distinctiveness will dominate the overall impression conveyed by that mark, irrespective of the assessment of the similarity of the two signs. The fact that such an element is only of weak distinctive character does not automatically mean that it cannot be the dominant element of a complex mark. If

the other elements of the mark are of even weaker distinctive character, the common element will, notwithstanding its weak distinctive character, none the less dominate the global impression conveyed by the mark applied for.

Findings of the Court

33 Article 8(1)(b) of Regulation No 40/94 provides that, upon opposition by the proprietor of an earlier mark, the trade mark applied for is not to be registered if, because of its identity with or similarity to the earlier mark and the identity or similarity of the goods or services covered by the marks, there exists a likelihood of confusion on the part of the public in the territory in which the earlier mark is protected. Such a likelihood of confusion includes the likelihood of association with the earlier mark.

34 It is settled case-law that likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, [Case C-251/95 SABEL \[1997\] ECR I-6191](#), paragraph 22; [Case C-342/97 Lloyd Schuhfabrik Meyer \[1999\] ECR I-3819](#), paragraph 18; and order of 28 April 2004 in [Case C-3/03 P Matratzen Concord v OHIM \[2004\] ECR I-3657](#), paragraph 28).

35 That global assessment implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Thus, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa. Accordingly, it is necessary to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the assessment of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services covered (see [Canon](#), paragraph 17, and [Lloyd Schuhfabrik Meyer](#), paragraph 19).

36 In that regard, as the more distinctive the earlier mark, the greater the risk of confusion ([SABEL](#), paragraph 24), marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character (see [Canon](#), paragraph 18, and [Lloyd Schuhfabrik Meyer](#), paragraph 20).

37 It has therefore been held that there may be a likelihood of confusion, notwithstanding a low degree of similarity between the marks, where the similarity of the goods or services covered is high and the earlier mark possesses a strong distinctive character (see, to that effect, [Canon](#), paragraph 19, and [Lloyd Schuhfabrik Meyer](#), paragraph 21).

38 In the present case, having held that the earlier mark was only of weak distinctive character and that the products concerned were identical or similar, the Court of First Instance compared the signs in question in order to determine whether they were similar. At paragraph 83 of the contested judgment, it held that, notwithstanding the weak distinctive character of the earlier mark, there was a likelihood of confusion be-

tween the signs and, accordingly, between the marks covered by them.

39 In that regard, the Court of First Instance cannot be criticised for not having disregarded, in its examination of the similarity of the signs in question, the element 'FLEX', which is common to the marks, on the ground that the earlier mark is only of weak distinctive character.

40 In the first place, it is settled case-law that in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to determine the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed (see [Lloyd Schuhfabrik Meyer](#), paragraph 27).

41 In addition, the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion (see [SABEL](#), paragraph 23, [Lloyd Schuhfabrik Meyer](#), paragraph 25, and the order in [Case C-3/03 P Matratzen Concord v OHIM](#), paragraph 29).

42 It follows that the distinctive character of the earlier mark cannot have the significance which the applicant argues it should be given in the comparison of the signs in question, as it is not a factor which influences the perception which the consumer has of the similarity of the signs.

43 It must therefore be held that the applicant has misconstrued the concepts which govern the determination of whether a likelihood of confusion between two marks exists, by failing to distinguish between the notion of the distinctive character of the earlier mark, which determines the protection afforded to that mark, and the notion of the distinctive character which an element of a complex mark possesses, which is concerned with its ability to dominate the overall impression created by the mark.

44 In the second place, as was pointed out at paragraphs 35 and 36 of this judgment, the existence of a likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case.

45 The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which

was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.

46 In addition, it should be noted that the assessment of the similarity between two marks does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark, but that such a comparison must, on the contrary, be made by examining the marks in question, each considered as a whole (see order in [Case C-3/03 P Matratzen Concord v OHIM](#), paragraph 32).

47 In those circumstances, it must be held that the Court of First Instance did not commit an error of law in its assessment of the similarity of the signs in question by not ascribing to the weak distinctive character of the earlier mark the significance which the applicant wrongly gives to it.

48 Furthermore, in arguing that, by wrongly applying Article 8(1)(b) of Regulation No 40/94, the Court of First Instance reached the view that the word 'FLEX' constitutes the dominant element of the mark applied for, the applicant in fact confines itself to challenging the assessment of the facts made by the Court of First Instance without alleging any distortion of the evidence in the case-file put before that Court. That appraisal thus does not constitute a point of law which is subject, as such, to review by the Court of Justice on appeal ([Case C-104/00 P DKV v OHIM \[2002\] ECR I-7561](#), paragraph 22; order of 5 February 2004 in [Case C-326/01 P Telefon & Buch v OHIM \[2004\] ECR I-1371](#), paragraph 35; and order in [Case C-3/03 P Matratzen Concord v OHIM](#), paragraph 34).

49 The first plea put forward by the applicant in support of its appeal must accordingly be rejected as being manifestly unfounded.

The second plea

Arguments of the parties

50 The applicant maintains that, by limiting itself to referring in very broad terms to the weak distinctive character of the earlier mark, without drawing any conclusion as regards the likelihood of confusion arising as a result, the Court of First Instance infringed the duty to give adequate reasons for its decisions.

51 OHIM contends that this plea is manifestly unfounded, in so far as at various points in its analysis the Court of First Instance sets out the reason why that weak distinctive character did not exercise a decisive influence in reaching the conclusion which that Court adopted as to the existence of a likelihood of confusion.

Findings of the Court

52 In the first place, as is clear from paragraph 59 of the contested judgment and as to which there is no dispute between the parties, the Court of First Instance held that the earlier mark was of weak distinctive character.

53 In the second place, having held at paragraph 61 of the contested judgment that, even in a case involving an earlier mark of weak distinctive character and a mark applied for which is not a complete reproduction of it, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered, the Court of First Instance undertook, at paragraphs 62 to 80 of the contested judgment, a comparison of those signs and those goods. It noted that the assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of those signs, be based on the overall impression given by the signs, bearing in mind, inter alia, their distinctive and dominant components. Thus, the Court of First Instance did indeed carry out such an assessment, by setting out, at various points in its analysis, the reasons why it took the view that the signs in question are similar.

54 In the third place, having held at paragraphs 81 to 83 of the contested judgment that the signs in question are similar on the visual, phonetic and conceptual level and that the goods are in part identical and in part very similar, the Court of First Instance held that, notwithstanding the weak distinctive character of the earlier mark, there was a likelihood of confusion between it and the mark applied for.

55 It must accordingly be held that the Court of First Instance did not fail to fulfil its obligation to state adequate reasons. It gave grounds for its finding that there was a likelihood of confusion when it stated, first, in its comparison of the signs in question that the word 'FLEX' is the dominant element in the complex sign FLEXI AIR and, secondly, that, having regard to the similarity between the signs in question, there was a likelihood of confusion, notwithstanding that the earlier mark was of weak distinctive character.

56 The second plea put forward by the applicant in support of its appeal must accordingly also be rejected as being manifestly unfounded.

57 It follows from all of the above that the appeal is manifestly unfounded and must therefore be dismissed.

Costs

58 Under Article 69(2) of the Rules of Procedure, applicable to appeals by virtue of Article 118, the unsuccessful party is to be ordered to pay the costs, if they have been applied for in the successful party's pleadings. Since OHIM has asked for the applicant to be ordered to pay the costs and the latter has been unsuccessful, the applicant must be ordered to pay the costs.

On those grounds, the Court (Fourth Chamber) hereby orders:

1. The appeal is dismissed.
2. L'Oréal SA is ordered to pay the costs.