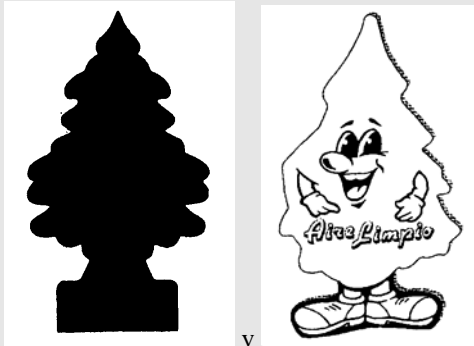


European Court of Justice, 17 July 2008, Aire Limpio



## TRADEMARK LAW

### Successful opposition by trade mark proprietor

#### Distinctive character compound marks

- [Acquisition of the distinctive character of a mark may also be as a result of its use as part of another registered trade mark](#)

As the Court of First Instance recalled in paragraph 73 of the judgment under appeal, the Court of Justice has already held 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 mark, as originating from a given undertaking.

- [Word elements in a mixed mark must not systematically be regarded as dominant](#)

Furthermore, inasmuch as L & D further submits that the assessment of the Court of First Instance, according to which the silhouette of a fir tree plays a predominant role in the ARBRE MAGIQUE mark, diverges from the case-law of the Court of Justice, it need only be stated that, contrary to what the appellant asserts, that case-law does not in any way show that, in the case of mixed trade marks comprising both graphic and word elements, the word elements must systematically be regarded as dominant.

#### Acquiring particularly distinctive character

- [Weak inherent distinctive character does not preclude acquiring distinctive character when a mark is well known](#)

In those circumstances, even if L & D could rely on the argument that mark No 91 991 possesses merely a very weak inherent distinctive character, since it consists of the shape of the product which is sold under that mark and that shape is necessary to obtain the desired technical result, the fact remains that such an argument, even if it were well founded, could not, in any event, cast doubt on the finding made by the Court of First Instance that that mark has acquired a particularly distinctive character in Italy because it is well known in that Member State.

#### Evidence of distinctive character

- [Account may be taken of evidence which, although subsequent to the date of filing the application, enables the drawing of conclusions on the situation as it was on that date](#)

In fact, as the Court of First Instance correctly recalled in paragraph 81 of the judgment under appeal, the case-law of the Court of Justice shows that account may be taken of evidence which, although subsequent to the date of filing the application, enables the drawing of conclusions on the situation as it was on that date.

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### European Court of Justice, 17 July 2008

(C.W.A. Timmermans, K. Schiemann, J. Makarczyk, J.-C. Bonichot and C. Toader)

JUDGMENT OF THE COURT (Second Chamber)

17 July 2008 (\*)

*(Appeal – Community trade mark – Regulation (EC) No 40/94 – Articles 8(1)(b) and 73 – Figurative mark ‘Aire Limpio’ – Community, national and international figurative marks representing a fir tree with various names – Opposition by the proprietor – Partial refusal to register – Inference of the particularly distinctive character of the earlier mark from evidence relating to another mark)*

In Case C-488/06 P,

APPEAL under Article 56 of the Statute of the Court of Justice, brought on 24 November 2006,

L & D SA, established in Huércal de Almería (Spain), represented by S. Miralles Miravet, abogado,

appellant,

the other parties to the proceedings being:

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

Julius Sämann Ltd, established in Zug (Switzerland), represented by E. Armijo Chávarri, abogado,

intervener at first instance,

THE COURT (Second Chamber),

composed of C.W.A. Timmermans, President of Chamber, K. Schiemann, J. Makarczyk, J.-C. Bonichot and C. Toader (Rapporteur), Judges,

Advocate General: E. Sharpston,

Registrar: R. Grass,

having regard to the written procedure,

after hearing the [Opinion of the Advocate General](#) at the sitting on 13 March 2008,

gives the following

#### Judgment

1 By its appeal, L & D SA (‘L & D’) seeks to have set aside the judgment of the Court of First Instance of the European Communities of 7 September 2006 in Case T-168/04 L & D v OHIM – Sämann (Aire Limpio) [2006] ECR II-2699 (‘the judgment under appeal’), by which the Court of First Instance dismissed its action brought against the decision of the Second Board of Appeal of the Office for Harmonisa-

tion in the Internal Market (Trade Marks and Designs) (OHIM) of 15 March 2004 (Case R 326/2003-2, 'the contested decision'). By that decision, the Board of Appeal allowed, in part, the appeal of the company Julius Sämann Ltd ('Sämann') and refused, in part, L & D's application for registration of a figurative sign including the word element 'Aire Limpio'.

### I – Legal context

2 Under Article 7(1)(b) and (e)(ii) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), registration is to be refused for 'trade marks which are devoid of any distinctive character' and signs which consist exclusively of 'the shape of goods which is necessary to obtain a technical result', respectively.

3 Article 8 of Regulation No 40/94 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.

2. For the purposes of paragraph 1, "Earlier trade marks" means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trade mark ... :

- (i) Community trade marks;
  - (ii) trade marks registered in a Member State ... ;
  - (iii) trade marks registered under international arrangements which have effect in a Member State;
- ...

4 Article 73 of Regulation No 40/94 provides: 'Decisions of the Office shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had on opportunity to present their comments.'

### II – Background to the dispute

5 On 30 April 1996, L & D filed an application with OHIM to register as a Community trade mark the figurative mark containing the word element 'Aire Limpio' ('the Aire Limpio mark'), reproduced below:



6 The goods and services in respect of which registration 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'.

7 On 29 September 1998, Sämann filed a notice of opposition under Article 42 of Regulation No 40/94 to the registration applied for, on the basis of a number of earlier trade marks. The grounds relied on in support of its opposition were those referred to in Article 8(1)(b) and (5) of Regulation No 40/94.

8 Those earlier marks included Community figurative mark No 91 991, reproduced below, lodged on 1 April 1996 and registered on 1 December 1998 for goods in Class 5 ('mark No 91 991'):



9 They also included 17 other national and international figurative marks, all with a similar outline, though all but one different in having a white base and/or some wording on the body of the tree.

10 The two international figurative marks Nos 178 969 and 328 915 are particularly relevant for the purposes of this appeal. The first includes the word element 'CAR-FRESHNER' (the 'CAR-FRESHNER mark') and the second, 'ARBRE MAGIQUE' (the 'ARBRE MAGIQUE mark'). Those two marks, registered on 21 August 1954 and 30 November 1966 respectively for goods in Classes 3 and 5 and protected, in particular, in Italy, look like this:



11 By decision of 25 February 2003, OHIM's Opposition Division rejected the opposition in its entirety.

12 In its analysis of Article 8(1)(b) of Regulation No 40/94, the Opposition Division compared the Aire Limpio mark and mark No 91 991.

13 In this connection, it considered, essentially, that the shape of a fir tree, as the element shared by the two marks, was descriptive with regard to deodorising or air freshener goods and, therefore, was not very distinct-

tive. The significant graphic and verbal differences between the two marks thus outweighed the weakly distinctive similarities, creating an overall impression that was sufficiently different to rule out any likelihood of confusion or association.

14 Having reached that conclusion, the Opposition Division considered that it was not necessary to examine the other earlier marks relied on by Sämman, since those marks displayed even greater differences in relation to the Aire Limpio mark than did mark No 91 991.

15 By the contested decision of 15 March 2004, the Second Board of Appeal of OHIM allowed in part the appeal brought by Sämman against the Opposition Division's decision.

16 In accepting the ground of appeal alleging infringement of Article 8(1)(b) of Regulation No 40/94, the Board of Appeal allowed the opposition in part and refused to register the Aire Limpio mark for goods in Classes 3 and 5. As regards, by contrast, the services in Class 35, it confirmed the Opposition Division's decision and rejected the opposition.

17 To assess whether there was a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94, the Board of Appeal for the 'same reasons of economy' as those given by the Opposition Division, focussed its comparison on the Aire Limpio mark and on mark No 91 991 'as a mark representative' of the other earlier marks relied on. In its assessment, however, it reached the opposite conclusion to that of the Opposition Division.

18 Thus, it held that the prolonged use and well-known nature in Italy of the 'earlier mark' gave it a particularly distinctive character and that there was, having regard to that distinctiveness and the conceptual similarity between the two marks, a likelihood of confusion, at least on the part of the Italian public.

19 To reach that conclusion, it relied, first, on data relating to Sämman's advertising and sales of car air fresheners and, secondly, on the fact that the CAR-FRESHNER mark had been protected since 1954.

### **III – Procedure before the Court of First Instance and the judgment under appeal**

20 By application lodged at the Registry of the Court of First Instance on 14 May 2004, L & D brought an action against the contested decision. It raised two pleas to that end, alleging infringement of Articles 8(1)(b) and 73 of Regulation No 40/94 respectively. By the judgment under appeal, the Court of First Instance dismissed that action.

21 As regards the first plea, the Court first observed, in paragraph 70 of the judgment under appeal, that the finding of the Board of Appeal to the effect that mark No 91 991 had a particularly distinctive character in Italy was based on the acceptance of the prolonged use and well-known nature of the ARBRE MAGIQUE mark.

22 In paragraphs 72 to 77 of the judgment under appeal, it then examined whether that finding, according to which the distinctive character of mark No 91 991 is inferred from the use of another mark, was legitimate.

23 Referring to paragraphs 30 and 32 of the judgment in [Case C-353/03 Nestlé \[2005\] ECR I-6135](#), the Court held that the answer to that question was yes if mark No 91 991 could be regarded as part of the ARBRE MAGIQUE mark.

24 It considered in that regard that the Board of Appeal was right to hold that the representation of the silhouette of the fir tree, which plays a significant or even predominant role in the ARBRE MAGIQUE mark, corresponds to the sign of mark No 91 991. As a result, it held that the Board of Appeal had been fully entitled to hold that mark No 91 991 constituted part of the ARBRE MAGIQUE mark. Accordingly, the first mark could have acquired a distinctive character following its use as part of the second mark.

25 The Court concluded that the Board of Appeal had rightly examined all the evidence relating to the use and well-known nature of the ARBRE MAGIQUE mark in order to establish the prolonged use, the well-known nature and, therefore, the particularly distinctive character of mark No 91 991.

26 As regards the actual examination of the evidence, the Court of First Instance held, in paragraph 78 of the judgment under appeal, that the contested decision had rightly stated that it was apparent from the evidence in the case-file that mark No 91 991, as part of the ARBRE MAGIQUE mark, had been the subject of prolonged use in Italy, was well known there and therefore had a particularly distinctive character.

27 In that regard, in paragraphs 80 to 84 of the judgment under appeal, it rejected the argument seeking to call into question the evidential force of that evidence on the ground that it referred to a period after the appellant's filing of the application for registration of the trade mark. It held that the Board of Appeal was able legitimately to hold that the subsequent circumstances enabled conclusions to be drawn on the situation as it was on the date of L & D's filing of the application for registration.

28 In paragraph 85 of the judgment under appeal, the Court also rejected the appellant's argument to the effect 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. It held, in this connection, first, that the case-law relied on by L & D did not concern the assessment of whether a registered mark which has already acquired distinctive character is well known and, secondly, that the Board of Appeal took into account not only general indications, but also the prolonged use of the ARBRE MAGIQUE mark.

29 Finally, the Court, in paragraph 86 of the judgment under appeal, rejected L & D's argument to the effect 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, thereby placing the date of the application for registration of the mark on the same footing as the date of actual use of the CAR-FRESHNER mark. The Court found in that regard that, even though the contested decision states that

the CAR-FRESHNER mark has been registered since 1954, the Board of Appeal, as regards prolonged use, relied on the established use in Italy of the ARBRE MAGIQUE mark.

30 The Court then held, in paragraphs 89 to 96 of the judgment under appeal, that the goods designated by the ARBRE MAGIQUE mark and by the Aire Limpio mark, as well as those marks themselves, are similar.

31 So far as the similarity of the marks is concerned, it pointed out that, visually, the graphic element in the Aire Limpio mark has a clearly dominant character in the overall impression given by the sign and noticeably prevails over the word element.

32 Contrary to L & D's assertions, the overall impression given by the design is not that of a comical character, but actually that of an image resembling a fir tree. The graphic representation corresponding to a fir tree therefore appears, visually, as the dominant element in the overall impression given by the mark in respect of which registration is sought. Conceptually, the signs in question are both associated with the silhouette of a fir tree. In view of the impression given and the fact that the expression 'aire limpio' has no particular meaning for the Italian public, their conceptual similarity must be confirmed.

33 As regards the likelihood of confusion, the Court, in paragraphs 100 to 102 of the judgment under appeal, considered that the average consumer, which comprises the relevant public, will have a tendency to trust mainly the image of the mark applied to those goods, namely the silhouette of a fir tree. 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, the Board of Appeal did not err in finding that there was a likelihood of confusion.

34 The Court then, in paragraph 104 of the judgment under appeal, rejected the appellant's argument to the effect that the earlier mark has a weak distinctive character owing to the fact that the silhouette of the fir tree is descriptive of the goods in question, stating that the earlier mark is not the mere representation of a fir tree but is stylised and has other particular characteristics, and that, in addition, it has acquired a particularly distinctive character. As regards the guidelines of the United Kingdom Patent Office, which the appellant claims confirm the descriptive character of the silhouette of the fir tree for the goods concerned, the Court held that they were of no relevance because of the autonomous nature of the Community trade mark regime.

35 The Court also rejected L & D's arguments intended to show that the earlier mark should not have been registered because, first, it was 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. In this connection, the Court observed in paragraph 105 of the

judgment under appeal that the appellant could not, 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.

36 As regards the second plea, alleging infringement of Article 73 of Regulation No 40/94, that was rejected in paragraphs 113 to 118 of the judgment under appeal. The Court held that the contested decision showed in a clear and unequivocal manner the reasoning of the Board of Appeal and that it was apparent from that decision that the appellant had had an opportunity to present its comments on all the factors on which the decision was based and on the use, by the Board of Appeal, of the evidence relating to the use of the earlier marks.

#### **IV – Procedure before the Court of Justice and the forms of order sought**

37 In its appeal, L & D claims that the Court should:

- set aside the judgment under appeal in its entirety;

- annul points 1 and 3 of the operative part of the contested decision, in so far as that decision, first, annuls in part the Opposition Division's decision and refuses to register the Aire Limpio mark for goods in Classes 3 and 5 and, secondly, orders each of the parties to bear its own costs in connection with the opposition and appeal proceedings; and

- order OHIM to pay the costs.

38 OHIM and Sämman contend that the Court should dismiss the appeal and order the appellant to pay the costs.

#### **V – The appeal**

##### **A – Admissibility**

39 As a preliminary point, OHIM and Sämman argue that the appeal is inadmissible, claiming that the pleas raised by L & D seek a review of the assessment of the facts made by the Court of First Instance. In addition, Sämman claims, the appeal identically reproduces the grounds of the action against the contested decision.

40 First of all, it is clear from Article 225 EC and the first paragraph of Article 58 of the Statute of the Court of Justice that an appeal lies on points of law only and that the appraisal of the facts thus does not constitute, save where they have been distorted, a point subject to review by the Court (see [Case C-214/05 P Rossi v OHIM \[2006\] ECR I-7057, paragraph 26](#), and judgment of 20 September 2007 in Case C-193/06 P Nestlé v OHIM, not published in the ECR, paragraph 53).

41 However, it must be stated that, in the present case, the appeal brought by L & D does not seek only to challenge findings of a factual nature made by the Court of First Instance but seeks, at least in part, a declaration of errors of law in the judgment under appeal.

42 Secondly, the plea of inadmissibility alleging that the appeal identically reproduces the grounds of the action brought before the Court of First Instance, a plea which, moreover, Sämman has not further clarified, must also be rejected.

43 It is evident from the Court's case-law that, provided that the appellant challenges the interpretation or

application of Community law by the Court of First Instance, as L & D does in its appeal, the points of law examined at first instance may be discussed again in the course of an appeal (see, inter alia, Case C-496/99 P Commission v CASSucchi di Frutta [2004] ECR I-3801, paragraph 50).

44 Accordingly, the appeal must be declared admissible.

#### **B – Substance**

45 In support of its appeal, L & D advances two pleas in law, alleging infringement of Articles 8(1)(b) and 73 of Regulation No 40/94 respectively.

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

46 The first plea is divided into three branches based on the absence, respectively, of distinctiveness of mark No 91 991, of similarities between that mark and the Aire Limpio mark and of a likelihood of confusion between those two marks.

##### **(a) The first branch of the first plea**

47 L & D's arguments, in the context of the first branch of its first plea, essentially hinge on four complaints concerning:

- the inference of the particularly distinctive character of mark No 91 991 from data relating to the ARBRE MAGIQUE mark;
- the descriptive character of mark No 91 991;
- the existence of absolute grounds for refusal of mark No 91 991; and
- the insufficiency of the evidence to establish the particularly distinctive character of the ARBRE MAGIQUE mark.

##### **(i) The inference of the particularly distinctive character of mark No 91 991 from data relating to the ARBRE MAGIQUE mark**

48 By its first complaint, L & D submits that the Court of First Instance was wrong to infer the particularly distinctive character of mark No 91 991 exclusively from data relating to the ARBRE MAGIQUE mark. In this connection, it casts doubt, inter alia, on whether it is actually possible to make such an inference in circumstances such as those of the present case.

49 As the Court of First Instance recalled in paragraph 73 of the judgment under appeal, the Court of Justice has already held 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 mark, as originating from a given undertaking (see, to that effect, Nestlé, paragraphs 30 and 32).

50 Although the facts in Nestlé differed from those in the present case, that does not necessarily mean, contrary to what L & D submits, that that finding of general application does not apply also to a factual and procedural context such as that at issue in the present case.

51 In particular, the fact that Nestlé concerned the acquisition of distinctive character by a mark which it

was sought to register, whereas the present case concerns establishing whether an earlier mark has a particularly distinctive character in order to ascertain whether there is a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94, does not, as the Advocate General pointed out in point 51 of her Opinion, justify any difference of approach.

52 The Court of First Instance was, consequently, justified in observing in paragraph 75 of the judgment under appeal that, if mark No 91 991 could be regarded as part of the ARBRE MAGIQUE mark, it was possible to establish the particularly distinctive character of the former on the basis of evidence relating to the use and well-known nature of the latter.

53 In so far as L & D seeks, by this complaint, to cast doubt upon the finding, in paragraph 76 of the judgment under appeal, that mark No 91 991 constitutes part of the ARBRE MAGIQUE mark, since the representation of the silhouette of the fir tree plays a significant or even predominant role in the ARBRE MAGIQUE mark and corresponds to the sign of mark No 91 991, it must be observed that the Court made an assessment of a factual nature in this respect.

54 As pointed out in paragraph 40 of this judgment, an appeal lies on points of law only and the assessment of the facts does not constitute, save where they have been distorted, a point subject to review by the Court of Justice.

55 Furthermore, inasmuch as L & D further submits that the assessment of the Court of First Instance, according to which the silhouette of a fir tree plays a predominant role in the ARBRE MAGIQUE mark, diverges from the case-law of the Court of Justice, it need only be stated that, contrary to what the appellant asserts, that case-law does not in any way show that, in the case of mixed trade marks comprising both graphic and word elements, the word elements must systematically be regarded as dominant.

56 It follows from the foregoing that this complaint must be rejected as in part inadmissible and in part unfounded.

##### **(ii) The descriptive character of mark No 91 991**

57 By its second complaint, L & D criticises the Court of First Instance for having rejected, in paragraph 104 of the judgment under appeal, its argument to the effect that mark No 91 991 has a weak distinctive character owing to the fact that the silhouette of the fir tree is descriptive of the goods in question.

58 First, the Court of First Instance did not err in law in holding that the guidelines of the United Kingdom Patent Office which, according to the appellant, confirm the descriptive character of the silhouette of the fir tree for the goods in question, were of no relevance. As the Court of First Instance rightly observes, 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 it is interpreted by the Community Courts

(see, to that effect, [Case C-238/06 P Develey v OHIM \[2007\] ECR I-9375, paragraphs 65 and 66](#)).

59 As regards L & D's argument criticising as contradictory to other statements in the judgment under appeal the Court's finding that mark No 91 991 is not the mere representation, faithful to reality, of a fir tree, suffice it to note that there is no contradiction between that finding and the description of that mark as being the 'silhouette of a fir tree'.

60 In so far as L & D further seeks to cast doubt on the accuracy of that finding by the Court of First Instance, it must be pointed out that it is an assessment of a factual nature not subject to review by the Court.

61 It follows from the foregoing that this complaint must be rejected as in part inadmissible and in part unfounded.

**(iii) The existence of absolute grounds for refusal of mark No 91 991**

62 The third complaint raised by L & D is directed against paragraph 105 of the judgment under appeal, in which the Court of First Instance rejected its arguments seeking to show that mark No 91 991 had, at the most, only a very weak distinctive character owing to the fact that, first, it was 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.

63 L & D submits that the Court of First Instance erred in rejecting those arguments without examining them, holding that 'the [appellant] 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'.

64 In that regard, it must be pointed out that the two arguments put forward by L & D before the Court of First Instance, which, from the evidence available in the file, do not appear moreover to have been raised before the OHIM bodies, sought not to call into question the validity of mark No 91 991, but to demonstrate the initially very weak distinctive character of that mark.

65 However, an earlier mark can have a particularly distinctive character not only per se, but also because of the reputation it enjoys with the public (see [C-251/95 SABEL \[1997\] ECR I-6191, paragraph 24](#)).

66 In paragraphs 78 to 88 of the judgment under appeal, the Court of First Instance established that mark No 91 991 has acquired a particularly distinctive character in Italy because of its well-known nature in that Member State, which stems in particular from its prolonged use as part of the ARBRE MAGIQUE mark and the well-known nature of that latter mark in Italy.

67 In those circumstances, even if L & D could rely on the argument that mark No 91 991 possesses merely a very weak inherent distinctive character, since it consists of the shape of the product which is sold under that mark and that shape is necessary to obtain the desired technical result, the fact remains that such an argument, even if it were well founded, could not, in any event, cast doubt on the finding made by the Court

of First Instance that that mark has acquired a particularly distinctive character in Italy because it is well known in that Member State.

68 It follows from the foregoing that this complaint is ineffective and must be rejected.

**(iv) The insufficiency of the evidence to establish the particularly distinctive character of the ARBRE MAGIQUE mark**

69 By its fourth complaint, L & D criticises the Court of First Instance for having accepted that the Board of Appeal was entitled to find that the ARBRE MAGIQUE mark had a particularly distinctive character, as did therefore mark No 91 991, on the basis of the evidence in the contested decision.

70 First, the Court of First Instance did not err in law in holding that the Board of Appeal was able to rely on data concerning a period subsequent to the application for registration of the Aire Limpio mark.

71 In fact, as the Court of First Instance correctly recalled in paragraph 81 of the judgment under appeal, the case-law of the Court of Justice shows that account may be taken of evidence which, although subsequent to the date of filing the application, enables the drawing of conclusions on the situation as it was on that date (see order in [Case C-192/03 P Alcon v OHIM \[2004\] ECR I-8993, paragraph 41](#)).

72 As a result, the Court of First Instance was fully justified in holding, in paragraphs 82 to 84 of the judgment under appeal, that the fact that the data in question relate to a period subsequent to the date of filing the application for registration of the Aire Limpio mark is not sufficient to deprive those data of their evidential force as regards the finding that mark No 91 991 is well known, since they enable conclusions to be drawn on the situation as it was on the date when that application for registration was filed.

73 In that regard, the Court of First Instance specifically explained, in a clear and coherent manner, that, in particular, a market share of 50% in 1997 and 1998 can have been acquired only progressively, which suggests that the situation was not appreciably different in 1996.

74 Secondly, it is necessary to dismiss L & D's contentions against paragraph 85 of the judgment under appeal, in which the Court rejected the appellant's argument seeking to show 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 sales figures and volume of advertising.

75 In fact, as the Court of First Instance correctly found, the Board of Appeal, in order to establish whether the ARBRE MAGIQUE mark was well known, took into account not only indications concerning the sales figures and volume of advertising, but also the prolonged use of that trade mark.

76 Since that finding in itself justifies the conclusion reached by the Court of First Instance in paragraph 85 of the judgment under appeal, the Court finds that the second ground given in that paragraph, according to which the case-law relied on by L & D concerns the acquisition of the distinctive character of a mark which

is the subject of an application for registration and not the assessment of whether a registered mark is well known, was included merely for the sake of completeness.

77 Accordingly, any defects in that ground are not sufficient to cast doubt on the conclusion of the Court of First Instance, so that L & D's argument seeking to establish such defects is ineffective.

78 Thirdly, concerning the argument put forward by L & D that the Court of First Instance, in paragraph 86 of the judgment under appeal, wrongly took as a basis the prolonged use of the ARBRE MAGIQUE mark by placing the date of registration of that mark on the same footing as its actual use, that assertion is not correct in fact. Contrary to what the appellant submits, the Court, in order to establish the prolonged use of the ARBRE MAGIQUE mark, referred not to its date of registration, but to the fact that that use is established in Italy and, indeed, not disputed by L & D. In addition, since it was not claimed that those findings of the Court of First Instance distorted the facts in any way, the Court's assessment of the facts cannot be checked by the Court of Justice on appeal.

79 Finally, in so far as L & D further disputes the evidential value of the data relating to sales and advertising on the grounds that they relate to the 'ARBRE MAGIQUE' name and the present case concerns low-cost goods in everyday use, it need only be pointed out that the assessment by the Court of First Instance of the evidence produced before it does not constitute, unless that evidence has been distorted, an issue of law subject to review by the Court (see judgment of 17 April 2008 in Case C-108/07 P Ferrero Deutschland v OHIM, not published in the ECR, paragraph 30).

80 Since the arguments raised by L & D in support of this complaint are ineffective, inadmissible or unfounded, it must be rejected.

81 Accordingly, the first branch of the first plea must be rejected.

**(b) The second branch of the first plea**

82 By this second branch, L & D challenges the analysis made by the Court of First Instance in paragraphs 91 to 96 of the judgment under appeal of the similarities between mark No 91 991 and the Aire Limpio mark. The appellant submits, inter alia, that the Court was wrong in holding that the graphic element of the Aire Limpio mark has a clearly dominant character in the overall impression, which noticeably prevails over the word element.

83 However, the fact remains that the Court of First Instance made in that context an assessment of the facts which, unless the appellant claims those facts were distorted, cannot be reviewed by the Court of Justice on appeal.

84 Furthermore, it must be added that, contrary to what L & D maintains, there is no rule to the effect that the name used in a trade mark must be regarded as distinctive and fanciful where it is devoid of any specific meaning. Moreover, as observed in paragraph 55 above, nor does the Court's case-law show that the

word element of a complex mark is systematically dominant in the overall impression given by that mark.

85 It follows from the foregoing that the second branch of the first plea is inadmissible.

**(c) The third branch of the first plea**

86 By this third branch, L & D maintains that the Court of First Instance erred in law in concluding that there was a likelihood of confusion without taking into consideration the weak distinctive character of mark No 91 991 and the differences between the marks in question.

87 However, as has already been held, the Court of First Instance did not err in law in finding that mark No 91 991 possesses a particularly distinctive character and that that mark and the Aire Limpio mark have visual and conceptual similarities.

88 Accordingly, the third branch of the first plea must be rejected.

89 Since none of the three branches of the first plea, alleging infringement of Article 8(1)(b) of Regulation No 40/94, has been accepted, that plea must be rejected.

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

90 By its second plea, L & D submits that the Court of First Instance infringed Article 73 of Regulation No 40/94 by taking as its basis evidence which concerned not mark No 91 991 but the ARBRE MAGIQUE mark. The appellant claims that it was not able sufficiently to defend itself against that evidence since the Opposition Division and the Board of Appeal discounted the ARBRE MAGIQUE mark from the comparative examination to determine whether there was a likelihood of confusion.

91 It should first of all be recalled that Article 73 provides that decisions of OHIM are to state the reasons on which they are based and are to be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.

92 In the present case, it is common ground that the Court of First Instance referred to the same evidence as that already relied on by the Board of Appeal to establish that mark No 91 991 is well known.

93 Although the contested decision does not specifically mention the mark to which that evidence relates, the fact none the less remains that L & D itself complains in its application before the Court of First Instance that the figures relating to sales and advertising costs used by the Board of Appeal do not concern mark No 91 991, but concern primarily goods bearing the 'ARBRE MAGIQUE' name.

94 In addition, Sämann's opposition was also based on the ARBRE MAGIQUE mark and that party had already submitted the evidence in question at the stage of the proceedings before the Opposition Division.

95 Accordingly, L & D cannot profitably claim not to have had an opportunity to present its comments on the evidence taken into consideration by the Court of First Instance and the Board of Appeal.

96 Therefore, it is necessary to reject the second plea and, consequently, to dismiss L & D's appeal.

## VI – Costs

97 According to the first paragraph of Article 122 of the Rules of Procedure, where the appeal is unfounded, the Court is to make a decision as to costs.

98 Under Article 69(2) of those Rules, applicable to the procedure on appeal pursuant to Article 118 thereof, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. As OHIM has applied for costs against L & D and the latter has been unsuccessful, L & D must be ordered to pay the costs of these proceedings.

### On those grounds,

the Court (Second Chamber) hereby:

1. Dismisses the appeal;
2. Orders L & D SA to pay the costs.

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## OPINION OF ADVOCATE GENERAL

Sharpston

delivered on 13 March 2008 (1)

Case C-488/06 P

L & D SA

(Appeal – Community trade mark – Opposition by the proprietor of earlier trade marks – Likelihood of confusion – Distinctive character of the shape of a tree acquired through use as part of another trade mark)

1. The proprietor of an earlier trade mark may object to the registration of a Community trade mark where, because of its similarity to his earlier mark and the identity or similarity of the goods or services covered by the two, there is a likelihood of confusion on the part of the public, a likelihood which may be enhanced if the earlier mark has a particularly distinctive character. The main issues in the present appeal gravitate around the question whether, and if so on what basis, a recent mark may be considered to have acquired such a character through its use as part of a more long-standing mark.

### Community legislation

2. The Community Trade Mark Regulation (2) lays down various grounds on which an application for registration of a trade mark is to be refused. 'Absolute' grounds for refusal are listed in Article 7, while 'relative' grounds – that is to say, grounds on which a third party may object to registration – are listed in Article 8.

3. Article 7(1)(e)(ii) precludes any registration of signs which consist exclusively of 'the shape of goods which is necessary to obtain a technical result'.

4. Article 7(2) provides: 'Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.'

5. In so far as is relevant, Article 8 of the Regulation 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 ex-

ists 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.

2. For the purposes of paragraph 1, "Earlier trade marks" means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trade mark ...:

- (i) Community trade marks;
- (ii) trade marks registered in a Member State ...;
- (iii) trade marks registered under international arrangements which have effect in a Member State; ...'

6. Article 8 contains no explicit provision, like that in Article 7(2), to the effect that relative grounds for refusal are to apply even if they obtain in only part of the Community.

7. The Court has consistently held that, in the context of Article 8(1)(b), the existence of a likelihood of confusion on the part of the public must be appreciated globally, taking into account all factors relevant to the circumstances of the case. That assessment, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global appreciation of that likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. (3) Moreover, likelihood of confusion may arise from conceptual similarity between marks and may be increased if the earlier mark has a particularly distinctive character, either per se or because of its reputation with the public. (4)

8. Article 73 of the Regulation provides: 'Decisions of the Office [(5)] shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had [an] opportunity to present their comments.'

### Procedure

9. On 30 April 1996, L & D SA ('L & D') filed an application with OHIM to register as a Community trade mark the following figurative mark, containing the word element 'Aire Limpio'. I shall refer to it as 'the Aire Limpio mark'.





10. Registration was requested for, in particular, Classes 3 and 5 of the Nice Agreement (6) covering, respectively, perfumery and essential oils, and scented air freshener products.

11. On 29 September 1998, Julius Sämann Ltd ('Sämann') filed a notice of opposition to the requested registration, on the basis of a number of earlier trade marks.

12. Those earlier trade marks included Community figurative trade mark No 91 991, lodged on 1 April 1996 and registered on 1 December 1998 for goods in Class 5 of the Nice Agreement, shown below. I shall refer to it as 'the silhouette mark'.



13. They also included 17 other national and international figurative marks, all with a similar outline, though all but one (7) differing in having a white base and/or some wording on the body of the tree. Of particular relevance to the present appeal are the two international trade marks (8) shown below, registered for goods in classes 3 and 5 with effect in, in particular, Italy. International trade mark No 178 969 was registered on 21 August 1954 and No 328 915 was registered on 30 November 1966. They are figurative marks containing word elements, and I shall refer to them as 'the CAR-FRESHNER mark' and 'the ARBRE MAGIQUE mark' respectively.



4. OHIM's opposition division rejected the opposition. It compared the Aire Limpio mark with the silhouette mark. It found that the goods in classes 3 and 5, in respect of which the application was made, were identical or very similar to those in class 5 covered by the silhouette mark. It then considered whether the similarity between the marks was sufficient to give rise to a likelihood of confusion. It took the view essentially that the form of a pine or fir tree (or any other tree, fruit or flower) was not particularly distinctive with regard to perfumery or air fresheners, but was even generic or descriptive and thus could not be monopolised by a single trader. There were significant graphic and verbal differences between the two marks and the strongly distinctive differences outweighed the weakly distinctive

similarities, creating an overall impression that was sufficiently different to rule out any likelihood of confusion or association. Having reached that view, the opposition division did not consider it necessary to examine in detail any of the other earlier marks relied upon, which displayed even greater differences vis-à-vis the Aire Limpio mark than did the silhouette mark. (9)

15. Sämann contested that decision before OHIM's Second Board of Appeal, which took a different view of the likelihood of confusion. (10)

16. Accepting the undisputed similarity between the goods concerned, the Board of Appeal focussed its assessment of likelihood of confusion on the Aire Limpio and silhouette marks, and 'not on all the earlier marks relied upon' by Sämann. It did so 'for the same reasons of economy' as those given by the opposition division, because the silhouette mark was 'representative' of the other marks and because it was the mark examined by the opposition division. (11)

17. It found that both marks were made up of a fir tree with branches formed by protrusions and indents on the sides and a short trunk on top of a wider base, but that the silhouette mark was a true silhouette whereas the Aire Limpio mark was an outline containing other elements. The question was therefore whether the differences were sufficient to rule out a likelihood of confusion, and the answer depended, decisively, on the distinctiveness and reputation of the earlier mark. (12)

18. The Board recalled that conceptual similarity can lead to likelihood of confusion, in particular where the earlier mark has a particularly distinctive character, either per se or because it is well known to the public. To determine whether the latter condition is fulfilled, all the relevant facts must be taken into consideration, in particular the market share held by the mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it. (13)

19. The evidence showed that over 45 million of Sämann's car air fresheners were sold each year, and that they had an estimated market share of over 50% in Italy, where the earlier mark had been protected, in the essentially identical form of the CAR-FRESHNER mark, since 1954 and where more than ITL 7 billion had been spent on advertising in 1996 and 1997. The prolonged use and reputation, in Italy, of the 'earlier mark' gave that mark a particularly distinctive character, at least in Italy, 'even if it did not have that character per se, as was found in the contested decision, a finding which is also questionable, since the shape of a tree in general is one thing and the shape of a fir tree is another'. (14)

20. The Board deduced that the conceptual similarity between the marks – the idea represented by the shared shape of a fir tree – could, at least in Italy, create a likelihood of confusion on the part of the public concerned. The differences between them, essentially the fact that the fir tree in the Aire Limpio mark contained a comically-drawn character and a word element,

would not prevent that likelihood of confusion because it could be perceived by the public concerned as an amusing and animated variant of the earlier mark, particularly when the similarity between the products covered is taken into account. (15)

21. The Board of Appeal therefore annulled the opposition division's decision in part, and refused registration of the Aire Limpio mark for goods in classes 3 and 5. (16)

22. L & D applied to the Court of First Instance for annulment of the Board of Appeal's decision. It alleged infringement of Articles 8(1)(b) and 73 of the Trade Mark Regulation. The Court of First Instance however dismissed the action. (17)

### **The judgment under appeal**

#### **Alleged infringement of Article 8(1)(b)**

23. The Court of First Instance decided that the rule in Article 7(2) of the Regulation should apply by analogy to the relative grounds of refusal in Article 8. (18) It then noted that the Board of Appeal's conclusion that the conflicting marks were conceptually similar and that there was a likelihood of confusion followed from its finding that the silhouette mark had a particularly distinctive character in Italy. That finding was based in turn on the acceptance of the prolonged use and wide reputation in Italy of the ARBRE MAGIQUE mark having the same shape of a fir tree and an additional word element. It was therefore necessary to determine whether that latter finding was correct, in particular whether it was possible to hold that the silhouette mark had been able to acquire a particularly distinctive character owing to the use of the ARBRE MAGIQUE mark. (19)

24. The Court considered that a mark may acquire distinctive character as a result of its use as part of another registered trade mark if, in consequence of such use, the relevant class of persons perceives the product or service designated by the marks as originating from a given undertaking. (20) The Board of Appeal rightly took the view that the silhouette of a fir tree, which played a significant or even predominant role in the ARBRE MAGIQUE mark, corresponded to the silhouette mark. It was thus entitled to hold that the silhouette mark constituted part of the ARBRE MAGIQUE mark. Since it could have acquired distinctive character through use as part of the ARBRE MAGIQUE mark, the Board of Appeal was right to examine evidence relating to the use and reputation of the ARBRE MAGIQUE mark in order to establish the prolonged use, reputation and distinctive character of part of it, namely the silhouette mark. (21)

25. The Board of Appeal's conclusion from the evidence – that, as part of the registered ARBRE MAGIQUE mark, the silhouette mark was the subject of prolonged use in Italy, was well known there and therefore had a particularly distinctive character – was also correct. It was based on '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', and on advertising expenditure in Italy of over ITL 7 billion in

1996 and 1997. The fact that the figures covered periods subsequent to the filing of the application for the Aire Limpio mark did not invalidate them. Data subsequent to the filing of an application can be taken into account where it can be used to draw conclusions on the situation as it was on that date. (22) A market share of 50% in 1997 and 1998 could have been acquired only progressively. The Board of Appeal therefore did not err in holding that the situation was not appreciably different in 1996. (23)

26. Although it had been held that distinctive character cannot be shown to exist solely by reference to general, abstract data, such as predetermined percentages, (24) that case-law concerned the question whether a mark which is the subject of an application for registration has acquired distinctive character and not whether a registered mark which has already acquired distinctive character is well known. In any event, the Board of Appeal also took account of the undisputed prolonged use of the ARBRE MAGIQUE mark. (25)

27. Nor did the Board of Appeal wrongly rely on the fact that the earlier mark had had protection in an essentially identical form since 1954, as the CAR-FRESHNER mark, without any proof as to its use since its registration. It relied on the established use in Italy of the ARBRE MAGIQUE mark, not the CAR-FRESHNER mark. Although its decision states that the CAR-FRESHNER mark had been registered since 1954, as regards prolonged use it refers to the ARBRE MAGIQUE mark. The Board of Appeal was thus correct in holding that the prolonged use and reputation of the ARBRE MAGIQUE mark, and consequently of the silhouette mark, in Italy, which were perceived as indicating the origin of the goods from a specific undertaking, were sufficiently proven and in finding that the silhouette mark had a particularly distinctive character in Italy. (26)

28. Next, having noted that it was common ground that the goods in question were similar, (27) the Court of First Instance examined the similarity of the marks. It considered that 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. (28)

29. On a visual level, the graphic element in the Aire Limpio mark was dominant in the overall impression and prevailed over the rather indistinct verbal element, with its small characters placed inside the fir tree. The overall impression was not of a comical character but of an image resembling a fir tree. The face and arms were integrated into the central part of the tree and the two shoes formed a base. The comical, animated appearance of the character gave a fanciful impression to that representation, and the mark could be regarded by the public as an amusing and animated variant of the silhouette mark. It was made up of a sign, the predominant element of which was a silhouette resembling a fir tree, the essence of the silhouette mark. That dominant element would mainly be perceived by the consumer and would determine his choice, particu-

larly for everyday articles sold on a self-service basis. (29)

30. On a conceptual level, the signs in question were both associated with the silhouette of a fir tree. In view of the impression given and the fact that the expression 'aire limpio' had no particular meaning for the Italian public, the Board of Appeal was entitled to hold that they were conceptually similar. On a phonetic level, there was a difference because the silhouette mark could be transmitted orally by way of a description, whereas the Aire Limpio mark could be expressed orally by reading out its verbal element. (30)

31. As regards likelihood of confusion, the Court of First Instance first recalled the case-law to the effect that such likelihood exists if the relevant public might believe that the products in question come from the same undertaking, or from economically-linked undertakings. The assessment must be global, on the basis of the public's perception of both signs and products, taking account of all relevant factors, including the interdependence between similarity of the signs and similarity of the products. As regards similarity between signs, it must be based on the overall impression given, bearing in mind the signs' distinctive and dominant components. The more distinctive the earlier mark, the greater the likelihood of confusion. Conceptual similarity resulting from the use of images with analogous semantic content may thus give rise to 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. (31)

32. Given that the goods in question were in everyday use, the relevant public was the average consumer who, although deemed to be reasonably well informed, observant and circumspect, would not pay particular attention at the time of purchasing such goods. He would normally choose the goods himself and would tend to trust mainly the image of the mark applied to them, namely the silhouette of a fir tree. Consequently, in view of, first, the similarity of the goods and the visual and conceptual similarity of the marks and, second, the fact that the earlier mark had a particularly distinctive character in Italy, the Board of Appeal did not err in finding that there was a likelihood of confusion. (32)

33. The Court of First Instance then dismissed a number of L & D's arguments.

34. The argument that the silhouette mark had weak distinctive character because its shape was descriptive of the goods in question was unfounded. The silhouette mark was not a faithful representation of a fir tree but stylised, with a very short trunk on a rectangular base, and had acquired a particularly distinctive character. Reference in that regard to United Kingdom Patent Office guidelines was irrelevant because the Community trade mark regime is autonomous and applies independently of any national system. And the argument that the silhouette mark should not have been registered, because it was essentially only the shape of the product and because that shape was necessary to obtain the technical result sought by the product could not, as

an absolute ground for refusal precluding valid registration of a sign, be raised in opposition proceedings. (33)

#### **Alleged infringement of Article 73**

35. L & D had argued that the grounds of the Board of Appeal's decision concerned earlier marks which the Board had itself excluded from the comparative analysis in order to determine the existence of a likelihood of confusion.

36. The Court of First Instance noted that the statement of reasons required by Article 73 must show the reasoning clearly and unequivocally, the purpose being both to allow interested parties to know the justification for the decision in order to protect their rights, and to enable the Community judicature to review its legality. (34) In addition, 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 relates both to factual and legal reasons and to evidence. However, the right to be heard extends only to the factual and legal factors on which the decision is based, not to the final position which the authority intends to adopt. In the present case, the Board of Appeal's decision showed its reasoning clearly and unequivocally. L & D had an opportunity to present its comments on all the factors on which the decision was based and on the use by the Board of Appeal of the evidence relating to the use of the earlier marks. (35)

37. The Court of First Instance therefore dismissed the action and ordered L & D to pay the costs. L & D has appealed against that judgment.

#### **Assessment of the appeal**

##### **Introduction**

38. L & D asks the Court to quash the judgment of the Court of First Instance in its entirety, to annul the Board of Appeal's decision in so far as it partly annuls the opposition division's decision, refuses registration of the Aire Limpio mark for goods in classes 3 and 5 and orders the parties to pay their own costs, and to order OHIM to pay all the costs. OHIM and Sämman ask the Court to dismiss the appeal and order L & D to pay the costs.

39. In support of its appeal, L & D submits that the Court of First Instance infringed, first, Article 8(1)(b) of the Regulation, in finding (i) that the silhouette mark had acquired a distinctive character, (ii) that the marks in issue were similar and (iii) that there was a likelihood of confusion, and, second, Article 73, in basing its assessment on evidence relating to marks other than the silhouette mark.

40. OHIM and Sämman both contend that the appeal is, on the one hand, inadmissible in its entirety, as seeking a review by the Court of Justice of factual assessments made by the Court of First Instance, in particular the assessment of the likelihood of confusion, and, on the other hand, unfounded in each of its submissions.

41. It is of course true that assessment of the likelihood of confusion or association between two marks is a factual matter, to be based on what is likely to be the overall impression of the relevant average consumer. It

necessarily includes a subjective element, so that there will always be some scope for disagreement.

42. In an appeal, the Court of Justice must ignore any perception that the likelihood of confusion may have been more accurately assessed on the facts by the opposition division, by the Board of Appeal or by the Court of First Instance, as the case may be. It must confine its review to points of law: lack of competence of the Court of First Instance, breach of procedure before it or, most importantly, infringement of Community law by the Court of First Instance. (36)

43. The Court's review is also, in principle, confined to an examination of the grounds of appeal raised before it – in the same way as the role of the Court of First Instance is in principle limited to examining the pleas of the parties – unless there is a question of public policy which it should raise of its own motion.

44. I shall examine L & D's arguments in turn below, in accordance with those principles. However, it may be helpful first to highlight the uncertainty (to which I shall return in greater detail when examining the ground of appeal relating to breach of the obligation to state adequate reasons) as to precisely which marks were considered as forming the basis of the comparison by the Board of Appeal and by the Court of First Instance, respectively.

45. The Board of Appeal stated that it would compare the Aire Limpio mark to the silhouette mark as representative of the others, then accepted evidence concerning the advertising and sales of Sämann's car air fresheners, without reference to the mark under which they were advertised or sold, and referred to the fact that the CAR-FRESHNER mark had been protected since 1954. The Court of First Instance however stated that the Board of Appeal had based its findings on the use and reputation of the ARBRE MAGIQUE mark and had considered the silhouette mark to be a part of that mark. It may help to follow some of the submissions on appeal if those possible discrepancies are borne in mind.

#### **First ground of appeal – infringement of Article 8(1)(b)**

##### **Error in finding that the silhouette mark had acquired a particularly distinctive character**

###### **– Overall impression**

46. L & D submits that the Court of First Instance failed to take sufficient account of striking visual differences (the precise outline, the panel containing the word element and the colour of the base) between the silhouette mark and the ARBRE MAGIQUE mark. It thus failed to comply with the case-law to the effect that the global assessment must be based on the overall impression given by the mark perceived as a whole. (37)

47. I agree with OHIM and Sämann that this amounts to a criticism of the Court of First Instance's assessment of factual matters, which cannot be reviewed on appeal. The Court of First Instance compared the silhouette mark with part of the ARBRE MAGIQUE mark, and L & D's argument contains

nothing to suggest that those two elements were not compared on the basis of the overall impression given.

###### **– Role of the figurative part in the ARBRE MAGIQUE mark**

48. L & D submits that the Court of First Instance failed to determine the precise role played by the figurative part (the silhouette of a fir tree) in the ARBRE MAGIQUE mark. If the role was merely significant and not predominant, evidence of the use and reputation of that mark could not lead to a finding of distinctive character for the silhouette mark.

49. I agree with OHIM that the Court of First Instance found that the figurative part played a role which was not merely significant but also preponderant in the ARBRE MAGIQUE mark. (38)

###### **The Nestlé judgment**

50. L & D further submits that the Nestlé judgment (39) on which the Court of First Instance relied to establish that the silhouette mark had acquired distinctive character as part of the ARBRE MAGIQUE mark does not indicate that use as part of a registered mark necessarily leads to acquisition of distinctive character, only that it may do so. Moreover, the circumstances of that case were not such that conclusions could be drawn for the present case: (i) Nestlé concerned acquisition of distinctiveness by a mark which it was sought to register, not a mark relied on by an opponent; (ii) it concerned two purely verbal marks, not a figurative mark and a mixed figurative and verbal mark; (iii) in Nestlé, the mark requested was the dominant part of a catchy slogan, whereas here the preponderant role of the figurative part of the ARBRE MAGIQUE mark is not established; and (iv) in Nestlé, the requested mark and the part of the earlier mark were identical, whereas here the two silhouettes are only similar.

51. It seems clear to me that the Court of First Instance could rightly rely on Nestlé to make a finding, which cannot be challenged on appeal, that the silhouette had in fact acquired distinctive character as part of the ARBRE MAGIQUE mark. As regards the alleged differences between Nestlé and the present case, (i) and (ii) do not appear to require any difference of approach, I have dealt with (iii) in the context of the previous argument and (iv) concerns an assessment of fact.

###### **– Preponderant role of verbal elements**

52. Next, L & D submits that the finding that the outline of a fir tree played a significant role in the ARBRE MAGIQUE mark and thus in a significant part of the silhouette mark disregarded case-law (40) to the effect that, in marks containing both graphic and verbal elements, the latter play the preponderant role where the former has little imaginative content – as is the case with the outline of a fir tree.

53. In fact, there is nothing in the case-law cited by L & D which establishes such a hard-and-fast rule. Those three judgments illustrate instances in which the verbal element has been found predominant, but do not justify the conclusion that it must always be so. In the present case, the Court of First Instance made a different finding on the facts, and that finding cannot be called into question on appeal.

– **United Kingdom Patent Office guidelines**

54. L & D claims that the Court of First Instance wrongly dismissed as irrelevant submissions based on the United Kingdom Patent Office's guidelines on the assessment of descriptive character. Those guidelines merely confirmed that the shape of a fir tree was descriptive for the products in question, and could have been taken into account in the context of the overall assessment.

55. I cannot accept that the Court of First Instance erred in law in stating that the Board of Appeal's decision could be assessed only on the basis of the Regulation as interpreted by the Community courts. It made a finding of fact as to the descriptive character of the shape for the products in question, and not even OHIM's own guidelines could invalidate that finding if it did not conflict with the Regulation or the case-law. That must be all the more true where national guidelines are concerned, and L & D does not identify any inconsistency with the legislation or the case-law. Nor is there any contradiction (as L & D also claims) in describing the silhouette mark both as having the shape of a fir tree and as not being a faithful representation of a fir tree.

– **Shape of product necessary to obtain a technical result**

56. In L & D's view, the Court of First Instance should have considered, as a matter of law, that the silhouette mark was insufficiently distinctive because it merely reproduced part of the appearance of the products sold under it, (41) namely their shape. That shape was, moreover, necessary to obtain the technical result required of an air freshener and could not be registered under Article 7(1)(e) of the Regulation. The Court should not have refused to allow the latter argument because it concerned an absolute ground for refusal whereas the action concerned opposition proceedings – it could have been taken into account as part of the overall assessment of distinctive character.

57. As regards the first aspect of that submission, it seems to me that L & D can derive no support from the case-law it cites, whose tenor is simply that a colour applied to telecommunications equipment, or a surface pattern applied to glassware, are not necessarily perceived as identifying the trade origin of goods. That case-law still requires a factual assessment to determine whether a colour, pattern, shape or other aspect is in fact likely to be so perceived in each case. In any event, it cannot plausibly be maintained that a trade mark whose shape has distinctive character is automatically likely to lose its distinctiveness when products are manufactured in that shape.

58. As regards the second aspect, the question for this Court is not whether the shape of a fir tree is in fact necessary to obtain the desired technical result of gradual release of deodorant from an air freshener but whether the Court of First Instance was correct to exclude that argument from consideration, as relating to an absolute ground for refusal and thus as extraneous to the subject-matter of opposition proceedings.

59. The Court of First Instance had already considered that issue on two previous occasions. The first case in which it did so was *Durferrit*. (42) A party opposing registration of a trade mark had included among the grounds for challenging the Board of Appeal's decision rejecting the opposition an allegation that the mark was contrary to public policy and accepted principles of morality within the meaning of Article 7(1)(f) of the Regulation. The Court dismissed the plea as immaterial on the ground that Article 7(1)(f) 'is not one of the provisions in relation to which the legality of the contested decision must be appraised'. It reasoned as follows.

60. The way in which the examination of applications is organised under Articles 36 to 43 of the Regulation, and in particular the wording and structure of Articles 42 and 43 governing opposition procedures, make it clear that the absolute grounds for refusal in Article 7 do not fall to be examined as part of an opposition procedure, which may be based only on the relative grounds in Article 8. Although under Article 41(1) third parties may submit observations to OHIM concerning absolute grounds, the effect is simply that OHIM must consider reopening the examination procedure to check whether registration is precluded. It is thus not in the context of opposition proceedings that OHIM must take account of such observations, even if they are in fact submitted in the course of such proceedings. If appropriate, OHIM may suspend the opposition procedure. (43)

61. Furthermore, pursuant to Article 58 of the Regulation, an action may be brought before the Board of Appeal only by a party to a proceeding before OHIM and, under Article 63(4), an action before the Community courts is available only to parties to the proceedings before the Board of Appeal. Persons submitting observations in the context of Article 41(1), whether they have filed a notice of opposition or not, are not parties to the proceedings; they may not appeal to the Board of Appeal or, a fortiori, to the Community courts against a decision by OHIM on the absolute ground of refusal relied on.

62. The Court of First Instance later cited *Durferrit* as a precedent in *BMI Bertollo*, (44) where an applicant to register a Community trade mark objected to an opposing party's reliance on an earlier mark on the ground that the earlier mark should not have been registered. It did not provide detailed justification for transposing the approach in *Durferrit* to that rather different situation, stating simply that if the applicant was of the view that the earlier mark had been registered in breach of Article 7, it ought to have applied for its cancellation under Article 51. On a slightly different point, it added that the validity of a national trade mark may not be called into question in proceedings for registration of a Community trade mark, but only in cancellation proceedings brought in the Member State concerned. (45)

63. In the present case, the Court of First Instance stated at paragraph 105 of its judgment, citing *BMI Bertollo* as a precedent: '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’.

64. It may be helpful to recapitulate at this point the relevant provisions of the Regulation.

65. Whereas Article 7 lists absolute grounds for refusal of registration without reference to third parties, Article 8 concerns opposition by proprietors of existing trade marks, on grounds relating to a conflict with the rights of those proprietors. The registration procedure is governed by Title IV (Articles 36 to 45) and is structured as follows: (i) examination of formal conditions of filing; (ii) examination of absolute grounds for refusal; (iii) search for possibly conflicting earlier trade marks; (iv) publication of the application; (v) observations by third parties concerning absolute grounds for refusal in Article 7; (vi) opposition by proprietors of existing trade marks on relative grounds in Article 8; (vii) possible withdrawal, restriction, amendment or division of the application; (viii) registration. Once a trade mark is registered, Articles 51 and 52 provide respectively for absolute and relative grounds of invalidity to be raised on application to OHIM or on the basis of a counterclaim in infringement proceedings.

66. Looking at those provisions, I find the reasoning in *Durferri* entirely cogent in a situation in which a party seeks to oppose registration of a mark on a ground going to the essential registrability of the mark. On the one hand, such grounds are not among those exhaustively laid down in the provisions governing the opposition procedure and, on the other hand, other more appropriate procedures are available under different provisions, either in parallel with the opportunity to bring opposition proceedings or following registration.

67. However, I am not convinced that such reasoning is equally applicable where a party seeking to register a Community trade mark wishes, as a defence in opposition proceedings, to argue that the mark on which the opposition is based should not have been registered.

68. First, while the Regulation specifies exhaustively the grounds on which registration may be opposed, it lays down no explicit conditions as to the counter-arguments which may be used in defence to opposition. Since similarity and likelihood of confusion can only be assessed by comparing the allegedly conflicting marks, such arguments may clearly concern the earlier mark as well as the mark whose registration is sought.

69. Thus, in the present case, the argument has focused largely on the degree of distinctiveness of the earlier mark. That argument was, quite rightly, taken into consideration by the opposition division, the Board of Appeal and the Court of First Instance, because that degree of distinctiveness is an aspect of the assessment of likelihood of confusion. However, absence of dis-

tinctiveness is also an absolute ground for refusal under Article 7(1)(a) and (b), yet the Court of First Instance – again quite rightly, in my view – did not dismiss the argument as inadmissible on that ground.

70. Consistently with that approach, there is in my view no reason to refuse to examine an argument relating to the distinctiveness of the earlier mark – which is the basis on which L & D submitted its argument concerning the shape necessary to obtain a technical result – simply because it relates also to an absolute ground for refusal under Article 7. If it is permissible to argue that the earlier mark has only limited distinctiveness, an argument that it lacks distinctiveness to the extent of not being capable of registration should not be excluded from consideration. Where it is alleged that the earlier mark consists exclusively of a shape necessary to obtain a technical result, examination of that argument might lead to the conclusion that the mark does not consist exclusively of such a shape but none the less, because of its similarity to such a shape, lacks sufficient distinctiveness for likelihood of confusion to be established in the circumstances of the case.

71. Second, I agree that it is not possible in opposition proceedings to declare an earlier mark invalid – which was the basis of the decision in *Durferri* – and that, if a party to such proceedings seeks such a declaration, the proper course of action is for that party to initiate invalidity proceedings and for the opposition division (or Board of Appeal, as the case may be) to consider whether it is appropriate to suspend the opposition procedure. However, that course of action seems cumbersome and procedurally inefficient if no such declaration is sought and if examination of the submission could lead to a finding such as the one I have outlined in the preceding paragraph. It is particularly cumbersome where earlier national marks are relied upon and even more problematic where, as in the present case, there is some confusion as to the identity of the earlier mark on whose distinctive character the finding of likelihood of confusion is based.

72. Third, the question of what arguments may be raised to counter an objection to registration goes to the rights of the defence. Whilst it may be unobjectionable to compel a party who initiates opposition proceedings to use other more appropriate procedures in order to raise absolute grounds for refusal, it seems less equitable to require the party against whom those proceedings have already been initiated to forgo an argument in defence and to initiate other proceedings in order to pursue that argument.

73. I therefore take the view that the Court of First Instance erred in law in paragraph 105 of its judgment by dismissing L & D’s allegation as inadmissible without examining its substance.

– **Evidence concerning the use of the earlier mark**

74. Finally with regard to the finding of acquired distinctive character, L & D argues that the Court of First Instance misapplied the case-law it cited (46) in concluding that material postdating the application for registration could be accepted as evidence of the pre-

existing situation and that acquisition of such character could be found on the basis of general indications concerning volume of publicity or sales. Furthermore, it submits, evidence of volume of sales is less significant for everyday goods of small value such as those in issue. The Court of First Instance was wrong to take the date of registration of the ARBRE MAGIQUE mark as the beginning of use without proof of actual use from that date. Moreover, all the sales and publicity data concerned the use of the denomination 'Arbre Magique', not of the ARBRE MAGIQUE mark.

75. Of those arguments, the issue of the significance to be accorded to the volume of sales of the type of product concerned is one of factual assessment which, as such, falls outside the scope of an appeal. The arguments concerning the duration and extent of use specifically of the ARBRE MAGIQUE mark raise questions which I prefer to deal with below in the context of the statement of reasons. At this point, I shall confine myself to examining the arguments concerning the date and nature of the evidence accepted.

76. As regards the possibility of accepting evidence of use of the earlier mark after the filing of the application to register the Aire Limpio mark, I do not consider that the Court of First Instance committed any error in law. This Court stated in Alcon (47) that 'the Court of First Instance could without inconsistency in its reasoning or error of law take account of material which, although subsequent to the date of filing the application, enabled the drawing of conclusions on the situation as it was on that date'. Whether that constitutes a general rule (as L & D asserts) or not, it does not preclude the Board of Appeal and the Court of First Instance from drawing the conclusions which they did on the basis that a large market share is not acquired overnight.

77. As regards the possibility of relying on general indications concerning volume of publicity or sales, the Court of First Instance stated at paragraph 85 of its judgment:

'...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, 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, ... firstly, ... 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.'

78. L & D argues, first, that there is no relevant distinction to be drawn, as regards acquisition of distinctive character, between the situation in Philips and that in the present case and, second, that the statement regarding prolonged use is itself of a general and unconfirmed nature.

79. Philips concerned an application to register a mark which was alleged to have acquired distinctive character and thus not to be excluded from registration as lacking such character. (48) The passage on which the Court of First Instance relied in the judgment under appeal is itself based on the judgment in Windsurfing Chiemsee. (49)

80. In both judgments the Court stated that in assessing the distinctive character of a mark in such circumstances, account may be taken of its market share, of how intensive, geographically widespread and long-standing its use has been, of the amounts invested in promoting it, of the proportion of the relevant class of persons who, because of it, identify goods as originating from a particular undertaking; and of statements from chambers of commerce and industry or other trade and professional associations. If, on that basis, it is found that at least a significant proportion of the relevant class of persons identifies goods as originating from a particular undertaking because of the trade mark, then the criterion of acquired distinctiveness is fulfilled. However, it cannot be shown to be fulfilled solely by reference to general, abstract data such as specific percentages. (50)

81. I do not see how it could be acceptable to refer solely to general, abstract data in order to establish, in a case such as the present, that a mark has acquired a particularly distinctive character by reason of the reputation it enjoys with the public but not, when seeking to register a mark, that it has become distinctive in consequence of the use which has been made of it. In both cases, the criterion is the same. A mark acquires distinctive character if, although not inherently likely to be perceived as distinguishing the products of a particular undertaking, it none the less comes to be so perceived. The way in which such perception may be established cannot differ according to whether it is to be used in order to demonstrate that a mark can be registered or in order to assess likelihood of confusion with another mark whose registration is sought. (51)

82. Moreover, the Court of First Instance's approach implies that the dictum in Philips cannot be transposed to the assessment of 'whether a registered mark which has already acquired distinctive character is well known'. If that is not merely circular, it assumes that a greater degree of distinctiveness must be shown in order to establish likelihood of confusion than is necessary for a mark to be registered. If general, abstract data cannot suffice in the latter case, it seems to me that, a fortiori, they cannot suffice in the former.

83. I therefore agree with L & D that the distinction drawn by the Court of First Instance is incorrect in law.

84. It remains to be considered whether the duration of use of the earlier mark, the market share it enjoyed and the amounts invested in advertising it constitute

'general, abstract data'. The Court of First Instance appears to accept that the two latter criteria constitute 'general indications, such as specific percentages' falling within that concept (and that point is not disputed), but that the prolonged use of the earlier mark does not.

85. The distinction again does not appear to me to be valid. At point 30 of its decision, the Board of Appeal referred to annual sales of 45 million units, to a market share of more than 50% and to advertising expenditure of more than ITL 7 billion. At point 31, it referred to the fact that the earlier mark had been registered in Italy since 1954. If the former are general, abstract data, it seems to me that the latter must be also.

86. Looking at the prohibition of exclusive reliance on general, abstract data, such as specific percentages, in the light of the list of factors indicated in Philips and Windsurfing Chiemsee as capable of being taken into account, it seems to me that the Court's meaning is that, in addition to figures whose interpretation may be affected by factors such as the extent of competition, (52) some evidence must be presented that the mark in issue is actually perceived as linking the products which bear it with a particular undertaking. If such evidence cannot come solely from data such as market share and advertising investment – and I agree it cannot – nor can it come from mere duration of use or registration.

87. On this argument, therefore, I conclude that the Court of First Instance erred in law in paragraph 85 of its judgment by accepting that the Board of Appeal was entitled to find that the earlier mark had acquired a particularly distinctive character on the sole basis of sales and advertising figures and the date of first registration in Italy.

#### **Error in the finding that the marks were similar**

##### **– Word element in the Aire Limpio mark**

88. L & D submits that the Court of First Instance was wrong to dismiss the word element in the Aire Limpio mark as unimportant because it held no particular meaning for the Italian public. On the contrary, the lack of meaning gave the mark a fanciful and thus distinctive character, in conformity with the Court of First Instance's previous judgment in *Oriental Kitchen*. (53)

89. That argument seeks recognition that the lack of meaning of the words 'Aire Limpio' for the Italian public renders the Aire Limpio mark fanciful and distinctive in Italy. It thus concerns an assessment of fact which falls outwith the scope of an appeal. The fact that the Court of First Instance has made a similar assessment in the circumstances of one case cannot oblige it to make such an assessment in every case. Contrary to L & D's argument, there is no general rule of law that a word which lacks meaning is invariably fanciful and distinctive.

##### **– Graphic element in the Aire Limpio mark**

90. L & D argues that the Court of First Instance was wrong to consider that the graphic element of the Aire Limpio mark was clearly dominant in the overall impression and noticeably prevailed over the verbal element.

91. That argument is simply a repetition of the submission which I have dealt with at points 52 and 53 above, and must be dismissed for the same reasons.

##### **– Conceptual similarity**

92. In L & D's view, since the outline of a fir tree was not a relevant element to be taken into consideration when assessing similarity, the marks could not be considered conceptually similar.

93. That argument, based as it is on the previous submission, cannot be accepted.

##### **– Difference between the outlines**

94. Finally with regard to similarity, L & D argues in the alternative that the outlines of the Aire Limpio and ARBRE MAGIQUE marks are in any event different.

95. That is clearly an argument as to fact, inadmissible on appeal.

##### **Error in the finding of likelihood of confusion**

96. L & D submits that, in the light of its submissions on distinctiveness and similarity, the Court of First Instance erred in law in concluding that such a risk existed.

97. Since I am of the view that L & D's submissions on distinctiveness and similarity are inadmissible and/or unfounded, I do not find it necessary to examine this argument.

##### **Second ground of appeal – infringement of Article 73 and of the obligation to state adequate reasons**

98. In its second ground of appeal, L & D submits that, since the Opposition division and the Board of Appeal had confined their assessment to a comparison of the Aire Limpio and silhouette marks, the Court of First Instance infringed Article 73 of the Regulation by taking account of evidence relating to other marks, in particular the ARBRE MAGIQUE mark. L & D was therefore not in a position to put its case adequately with regard to the allegations and evidence relating to those other marks.

99. OHIM considers that the ground of appeal is inadmissible, as seeking a review of findings of fact and that, in any event, L & D was not only able to, but did, defend its point of view adequately with regard to the use and reputation of the other marks. Moreover, the fact that the ARBRE MAGIQUE mark had been excluded from the comparison for reasons of economy did not mean that evidence relating to its use and reputation was irrelevant to the Italian public's impression of the silhouette mark. *Sämann* adds that the judgment under appeal is clear and unequivocal in its reasoning.

100. The argument on this ground of appeal is brief (though L & D has submitted other arguments concerning the acceptance of evidence relating to the ARBRE MAGIQUE mark (54)) and, in itself, does not appear to reveal any obvious breach of the obligation to state reasons. On the one hand, it is quite clear that the Board of Appeal did not confine its comparison to the silhouette mark but also examined the evidence presented to it relating to the use of *Sämann's* other marks in Italy. On the other hand, that evidence and the argument concerning it were just as clearly accessible to L & D in



the course of the proceedings before both the Board of Appeal and the Court of First Instance.

101. However, the issue of inadequacy of the reasons stated for a decision concerns infringement of an essential procedural requirement and, involving a matter of public policy, must be raised by the Community judicature of its own motion. (55) Since I feel more general doubts as to the reasoning of the Board of Appeal and the Court of First Instance, I propose therefore to examine the issue on a rather broader basis. (56)

102. In paragraphs 113 and 114 of its judgment, the Court of First Instance correctly stated that the scope of the duty to state reasons under Article 73 of the Regulation is the same as that set out in Article 253 EC: to show clearly and unequivocally the reasoning of the author of the decision in order, on the one hand, to allow interested parties to know the justification for it and thus to be in a position to protect their rights and, on the other hand, to enable the Community judicature to exercise its power to review the legality of the decision. (57)

103. The Board of Appeal based its finding of likelihood of confusion essentially on the particularly distinctive character which 'the earlier mark' had acquired in Italy through prolonged use and wide reputation. That conclusion therefore required a clear and unequivocal chain of reasoning linking the earlier mark with the evidence of use and reputation. However, the decision did not unequivocally define what was meant by 'the earlier mark'.

104. First, the Board of Appeal stated that it would compare the Aire Limpio mark only with the silhouette mark, as 'representative of the others'. (58) However, the force of that is somewhat undermined by the further statement, in the same sentence, that the choice was based on 'the same reasons of economy as those given in the contested decision' – since the opposition division had given as its reason that the other marks displayed greater differences, in comparison with the Aire Limpio mark, than did the silhouette mark. (59)

105. Then the Board of Appeal accepted, as evidence of use and reputation of the earlier mark, data concerning advertising and sales of Sämänn's car air fresheners, without reference to any specific mark under which they were advertised or sold. (60)

106. Finally, the fact that the CAR-FRESHNER mark had been protected in Italy since 1954 was cited as evidence of prolonged use of the mark in an essentially identical form, explaining its market share and reputation with the public. (61)

107. It seems implicit in that reasoning that the silhouette mark and all of Sämänn's other earlier marks protected in Italy were sufficiently similar for each to benefit from distinctiveness acquired by the others. However, apart from citing the date of registration of the CAR-FRESHNER mark, the Board of Appeal gave no details from which specific evidence could be linked to a specific mark or marks. Moreover, its assumption of such close similarity between Sämänn's various marks was supported by no specific justification of the kind that would seem called for in the light of the op-

position division's finding that the similarity between the Aire Limpio mark and the silhouette mark was (appreciably) greater than that between the Aire Limpio mark and Sämänn's other marks.

108. In contrast with my understanding of the Board of Appeal's decision, the Court of First Instance stated that the Board had based its findings on the use and reputation of the ARBRE MAGIQUE mark and had considered the silhouette mark to be a part of that mark. 109. Neither of those statements appears to me to be confirmed by a reading of the Board of Appeal's decision. It is true that OHIM is recorded as stating at the hearing that the evidence of established use in Italy concerned the ARBRE MAGIQUE mark and not the CAR-FRESHNER mark. (62) However, I do not consider that such a statement can legitimately complete, far less correct, the reasoning as it appears from a straightforward reading of the Board of Appeal's decision.

110. It therefore seems to me that the Board of Appeal failed to explain fully and clearly the precise chain of reasoning which led it to find that the silhouette mark had a particularly distinctive character as a result of the sales volume, advertising budget and length of registration of one or more other marks, and that the Court of First Instance compensated for that failure by making certain assumptions about the chain of reasoning on grounds which are unclear.

111. That seems particularly regrettable since the approach taken – essentially, attributing the distinctive character of one mark also to another mark – is unusual and would not, at first sight, appear to have been necessary. On the assumption that the silhouette mark is indeed sufficiently similar to the mark or marks whose distinctive character was established for that character to be ascribed to it, the latter might have been compared directly with the Aire Limpio mark for the purpose of establishing likelihood of confusion.

112. In that light, the Board of Appeal's reasoning could be viewed as inconsistent with the Court's case-law to the effect that, while the reasons on which a decision following a well-established line of decisions is based may be given in a summary manner, for example by a reference to those decisions, the Community authority must give an explicit account of its reasoning if the decision goes appreciably further than the previous decisions. (63)

113. Attempting to reconstitute an adequate chain of reasoning which reflects what seems to have been decided in substance, I reach the following interpretation.

114. The Board of Appeal decided, first, that Sämänn's marks protected in Italy, together with the silhouette mark, were all similar to the Aire Limpio mark in the same way and to the same degree so that, for the purpose of assessing the likelihood of confusion, the acquired (64) distinctiveness of one (or more) was shared by all.

115. Second, the evidence of sales volume and advertising expenditure in Italy in respect of one or more of Sämänn's marks, together with the length of registered protection of the CAR-FRESHNER mark, was suffi-

cient to demonstrate that the marks collectively, and thus the silhouette mark individually, had acquired a particularly distinctive character, by reason of the reputation they enjoyed with the relevant public, and thus that, in view of the similarity between the Aire Limpio mark and the silhouette mark, there was a likelihood of confusion.

116. Without forming a view on the factual assessment, I think such reasoning would be defensible. However, in the Board of Appeal's decision, it is not explicit in its entirety. I have pieced it together from various parts of the decision, some explicit, others implicit. Moreover, there are lacunae which cannot be supplied from the decision itself: (i) on what grounds was it concluded that all Sämänn's marks could be considered so similar to each other that distinctiveness acquired by one was shared by all?; (ii) to which mark or marks did the sales and advertising data relate?; (iii) on what grounds was it justified for the Board of Appeal to take the approach of 'transferring' acquired distinctiveness from the marks enjoying longstanding protection in Italy to the silhouette mark, for which registration as a Community trade mark was still pending at the material time, rather than comparing the Aire Limpio mark directly with the former marks?

117. Those factors constitute, in my view, serious shortcomings in the Board of Appeal's decision. As regards (i) and (ii), it is not possible for the Community judicature to review the legality of the decision without being able to verify that the Board of Appeal identified the mark or marks to which the data related and correctly assessed its or their similarity with the silhouette mark for the purpose of 'transferring' the acquired distinctiveness. As regards (iii), it is not possible for the Community judicature to verify that the Board of Appeal did not take that approach because it considered that the similarity between the Aire Limpio mark and the marks enjoying longstanding protection in Italy was insufficient to reach the same conclusion on a direct comparison.

118. It therefore seems to me that the Board of Appeal's decision does not contain a sufficient statement of reasons to meet the standard required by Article 73 of the Regulation, namely to allow the Community judicature to exercise its power of review.

119. In that light, I find that the Court of First Instance's assessment, at paragraph 117 of its judgment, that 'the contested decision shows in a clear and unequivocal manner the reasoning of the Board of Appeal', cannot be legitimately drawn from the decision. Moreover, in my view, the Court of First Instance did not sufficiently explain its reasons for asserting that the evidence on which the Board of Appeal relied related solely to the ARBRE MAGIQUE mark, or that the Board had considered the silhouette mark to be part of the ARBRE MAGIQUE mark – the latter assertion appearing as possibly a retrospective justification in the light of the Nestlé judgment, which had been delivered since the Board of Appeal's decision.

120. I am thus of the view that both the Board of Appeal and the Court of First Instance failed to state adequate reasons for their decisions.

#### **Conclusions to be drawn**

121. I have reached the view that the judgment under appeal is legally flawed in four respects. First, the Court of First Instance erred at paragraph 85 by accepting that the Board of Appeal was entitled to find that the earlier mark had acquired a particularly distinctive character on the sole basis of sales and advertising figures and the date of first registration in Italy. Second, it erred again at paragraph 105 in dismissing the argument that the shape of the earlier mark was necessary to obtain a technical result, without examining the substance of that argument. Third, at paragraph 117, it erred in its assessment of the Board of Appeal's reasoning. Fourth, it erred, *passim*, in assuming that the Board of Appeal had based its assessment on evidence relating to the ARBRE MAGIQUE mark when that was not indicated in the decision.

122. In that light, and in view of the fact that no outstanding issues of law raised before the Court of First Instance remain to be dealt with, it seems to me that both the judgment under appeal and the Board of Appeal's decision should be annulled and the case remitted to OHIM.

#### **Costs**

123. Under Article 69(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. L & D has applied for costs. Its appeal should in my view be successful. OHIM should therefore bear the costs.

#### **Conclusion**

124. In the light of all the foregoing considerations, I am of the opinion that the Court should:

- annul the judgment in Case T-168/04;
- annul the decision of the Board of Appeal in Case R 326/2003-2;
- remit the case to OHIM for a decision on the facts;
- order OHIM to pay the costs of the proceedings at first instance and on appeal.

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1 – Original language: English.

2 – Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1; 'the Regulation').

3 – See, for example, Case C-334/05 P OHIM v Shaker [2007] ECR I-4529, paragraphs 34 and 35 and the case-law cited there.

4 – See in particular Case C-251/95 SABEL [1997] ECR I-6191, paragraph 24; Case C-425/98 Marca Mode [2000] ECR I-4861, paragraph 38. Those cases concerned national trade marks, and thus fell not under the Regulation but under First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1). However, the provisions of the two measures concerning grounds for refusal of registration

are essentially identical, and have been interpreted as such by the Court.

5 – That is to say, the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM').

6 – 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.

7 – International trade mark No 612525, registered on 9 December 1993, with effect in, inter alia, Italy, for goods in class 5. It appears identical to the silhouette mark, but has not been referred to specifically in the decisions in issue in the present case.

8 – That is to say, trade marks protected in several countries under the Madrid system for the international registration of marks, administered by the World Intellectual Property Organisation.

9 – That summary of the Opposition Division's analysis is based on the version reproduced in point 6 of the Board of Appeal's decision.

10 – Decision of 15 March 2004 in Case R 326/2003-2 Julius Sämann v L & D.

11 – Points 22 and 23 of the Board of Appeal's decision.

12 – Points 24 to 26.

13 – Points 27 and 29, citing Case C-375/97 General Motors [1999] ECR I-5421, paragraph 27.

14 – Points 30 to 32.

15 – Point 33.

16 – Other aspects of the decisions of the Opposition Division and the Board of Appeal are not in issue in this appeal.

17 – Case T-168/04 L & D v OHIM– Sämann (Aire Limpio) [2006] ECR II-2699.

18 – See points 4 and 6 above.

19 – Paragraphs 67 to 71 of the judgment under appeal.

20 – Case C-353/03 Nestlé [2005] ECR I-6135, paragraphs 30 and 32.

21 – Paragraphs 72 to 77.

22 – Case C-192/03 P Alcon v OHIM [2004] ECR I-8993, paragraph 41 and the case-law cited; Case C-259/02 La Mer Technology [2004] ECR I-1159, paragraph 31.

23 – Paragraphs 78 to 84 of the judgment under appeal.

24 – Case C-299/99 Philips [2002] ECR I-5475, paragraph 62.

25 – Paragraph 85 of the judgment under appeal.

26 – Paragraphs 86 to 88.

27 – Paragraphs 89 and 90.

28 – Paragraph 91.

29 – Paragraphs 92 to 94.

30 – Paragraphs 95 and 96.

31 – Paragraphs 97 to 99 of the judgment under appeal, citing Case T-162/01 Laboratorios RTB v OHIM–Giorgio Beverly Hills (GIORGIO BEVERLY HILLS) [2003] ECR II-2821, paragraphs 30 to 32; Case T-292/01 Phillips-VanHeusen v OHIM – Pash Textilvertrieb und Einzelhandel (BASS) [2003] ECR II-4335, paragraph 47; and SABEL, cited in footnote 4 above, paragraph 24.

32 – Paragraphs 100 to 102 of the judgment under appeal.

33 – Paragraphs 103 to 105.

34 – Case C-447/02 P KWS Saat v OHIM [2004] ECR I-10107, paragraphs 64 and 65.

35 – Paragraphs 113 to 117 of the judgment under appeal.

36 – Statute of the Court of Justice, Article 58.

37 – See point 7 above.

38 – Paragraph 76 of the judgment uses the words 'significant or even predominant' ('significatif voire prédominant' in French, 'significativo e incluso predominante' in Spanish).

39 – Cited in footnote 20 above.

40 – SABEL, cited in footnote 4, paragraph 25; Case T-117/02 Grupo El Prado Cervera v OHIM – Debuschewitz heirs (CHUFAFIT) [2004] ECR II-2073, paragraph 51; Case T-40/03 Murúa Entrena v OHIM – Bodegas Murúa (Julián Murúa Entrena) [2005] ECR II-2831, paragraphs 55 and 56.

41 – Case C-104/01 Libertel [2003] ECR I-3793, paragraph 65; Case T-36/01 Glaverbel v OHIM (glass-sheet surface) [2002] ECR II-3887, paragraph 23.

42 – Case T-224/01 Durferri v OHIM– Kolene (NU-TRIDE) [2003] ECR II-1589, paragraphs 72 to 75.

43 – Pursuant to what is now Rule 20(7) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1), as amended.

44 – Case T-186/02 BMI Bertollo v OHIM– Diesel (DIESELIT) [2004] ECR II-1887, paragraph 71.

45 – Case T-6/01 Matratzen Concord v OHIM– Hukla Germany (MATRATZEN) [2002] ECR II-4335, paragraph 55. The same point was discussed on appeal to the Court of Justice, but did not form part of the Court's reasoning in its order (Case C-3/03 P Matratzen Concord v OHIM [2004] ECR I-3657, paragraphs 38 to 42). The case concerned an application to register as a Community trade mark a sign comprising an element which was descriptive in German and a distinctive element; the earlier national mark, which consisted solely of the German descriptive element, was registered in Spain, where it was not descriptive.

46 – Alcon, La Mer Technology and Philips, cited above in footnotes 22 and 24.

47 – Cited above in footnote 22, paragraph 41.

48 – The application was for registration as a national mark, and thus fell under the essentially identical provisions of Directive 89/104 (see footnote 4 above). Articles 3(1) of the Directive and 7(1) of the Regulation preclude registration of trade marks which, inter alia, (b) are devoid of distinctive character, (c) consist exclusively of indications which may serve in trade to designate characteristics of the products concerned (including their geographical origin) or (d) consist exclusively of signs or indications which have become customary in the trade; Article 3(3) of the Directive provides: 'A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of applica-

tion for registration and following the use which has been made of it, it has acquired a distinctive character...' and Article 7(3) of the Regulation reads: 'Paragraph 1(b), (c) or (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.'

49 – Joined Cases C-108/97 and C-109/97 [1999] ECR I-2779. That judgment concerned the registrability at national level of a mark indicating geographical origin but alleged to have acquired distinctive character.

50 – Windsurfing Chiemsee, paragraphs 51 and 52; Philips, paragraphs 60 to 62.

51 – See also, by way of analogy, the Opinion in Case C-371/02 Björnekulla Fruktindustrier [2004] ECR I-5791, at point 71 et seq. (especially points 73 and 75), where Advocate General Léger considers that the same criteria should be applied both when determining whether a mark has acquired sufficient distinctive character for registration and when determining whether a registered mark has not lost that degree of distinctiveness.

52 – For example, a very high market share might be due to very limited competition, in which case the mark might be perceived by the relevant public as a generic indication rather than as identifying the origin of the products.

53 – Case T-286/02 Oriental Kitchen v OHIM– Mou Dybfrost (KIAP MOU) [2003] ECR II-4953; see in particular paragraph 41 et seq.

54 – See points 74 and 75 above.

55 – Case C-166/95 P Commission v Daffix [1997] ECR I-983, paragraph 24; Case C-367/95 P Commission v Sytraval [1998] ECR I-1719, paragraph 67; Case C-265/97 P VBA v VGB [2000] ECR I-2061, paragraph 114.

56 – It may be noted that the Court of First Instance's own obligation to provide adequate reasoning in its judgment derives not from Article 73 of the Regulation but from Article 36 of the Statute of the Court of Justice.

57 – See, for example, KWS Saat v OHIM, cited in footnote 34 above, paragraphs 64 and 65.

58 – Point 23 of the Board of Appeal's decision.

59 – See point 6 of the Board of Appeal's decision.

60 – Point 30.

61 – Point 31. It may be added that, in contrast to the figures for market share and advertising in Italy, the original reference to yearly sales of 45 million items did not indicate the geographical market concerned.

62 – See paragraph 86 of the judgment under appeal.

63 – See, for example, Case C-350/88 Delacre v Commission [1990] ECR I-395, paragraph 15.

64 – I note that, although it expressed doubt, the Board of Appeal did not reject or refute the opposition division's finding that the silhouette mark was not intrinsically distinctive.