

JUDGMENT OF THE COURT (Fifth Chamber)

7 May 2009 (*)

(Appeal – Community trade mark – Figurative mark WATERFORD STELLENBOSCH
– Opposition by the proprietor of the Community word mark WATERFORD – Refusal
to register by the Board of Appeal)

In Case C-398/07 P,

APPEAL under Article 56 of the Statute of the Court of Justice, lodged on 27 August
2007,

Waterford Wedgwood plc, represented by J. Pagenberg, Rechtsanwalt,

applicant,

the other parties to the proceedings being:

Assembled Investments (Proprietary) Ltd, represented by P. Hagman and J. Palm,
asianajajat,

applicant at first instance,

Office for Harmonisation in the Internal Market (Trade Marks and Designs)
(OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant at first instance,

THE COURT (Fifth Chamber),

composed of A. Tizzano (acting for the President of the Fifth Chamber), A. Borg
Barthet (Rapporteur) and E. Levits, Judges,

Advocate General: D. Ruiz-Jarabo Colomer,

Registrar: R. Grass,

having regard to the written procedure,

having decided, after hearing the Advocate General, to proceed to judgment without an
Opinion,

gives the following

Judgment

1 By its appeal, Waterford Wedgwood plc ('Waterford Wedgwood') seeks to have set aside the judgment of the Court of First Instance of the European Communities of 12 June 2007 in Case T-105/05 *Assembled Investments (Proprietary) v OHIM — Waterford Wedgwood (WATERFORD STELLENBOSCH)* ('the judgment under appeal'), by which that Court allowed the action brought against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 15 December 2004 (Case R 240/2004-1) annulling the decision of the Opposition Division and refusing the application to register the figurative mark WATERFORD STELLENBOSCH as a Community trade mark ('the decision at issue').

Legal context

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

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

- (a) if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected;
- (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.'

The facts which gave rise to the dispute

3 On 23 December 1999, Assembled Investments (Proprietary) Ltd ('Assembled Investments') filed an application for a trade mark with OHIM, the figurative sign of which is represented below:



4 The goods for which registration of the mark was sought are within Class 33 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, following a restriction made by Assembled Investments before OHIM, correspond to the following description: 'Alcoholic beverages, namely wines produced in the Stellenbosch district, South Africa'.

- 5 On 6 October 2000, Waterford Wedgwood filed a notice of opposition against the Community trade mark application based on, inter alia, the existence of the Community word mark No 397 521, WATERFORD, registered in respect of, among other things, goods falling within Class 21 of the Nice Agreement and corresponding to the following description: ‘Articles of glassware, earthenware, chinaware and porcelain’.
- 6 In support of its opposition, Waterford Wedgwood relied on the relative grounds for refusal provided for in Article 8(1)(a) and (b) and Article 8(5) of Regulation No 40/94.
- 7 By decision of 2 February 2004, OHIM’s Opposition Division rejected the opposition in its entirety on the grounds, first, that the trade marks were not identical, since the trade mark applied for included elements other than the term ‘waterford’, secondly, that there was no likelihood of confusion in so far as the goods concerned were not similar, the fact that wine is generally drunk in a glass being insufficient in this respect, and, thirdly, that the evidence provided by Waterford Wedgwood was insufficient to establish the repute of the trade marks on which the opposition was based.
- 8 On 1 April 2004, Waterford Wedgwood filed a notice of appeal against the decision of the Opposition Division.
- 9 By the decision at issue, the First Board of Appeal of OHIM annulled the Opposition Division’s decision and refused the Community trade mark application. It found, first, that the trade mark applied for and the earlier mark were highly similar on the visual, phonetic and conceptual levels for the relevant consumers in the United Kingdom and Ireland and, secondly, that the goods covered by the trade mark applied for and the ‘articles of glassware’ covered by the earlier mark were similar on account of the high degree to which wine and wine glasses complement each other. OHIM’s Board of Appeal also found that the evidence submitted by Waterford Wedgwood on 12 April 2002 could be taken into account. The examination of that evidence led it to hold that one of the documents, namely a study based on a survey carried out among consumers in the United Kingdom, established the strong distinctive character of the earlier mark in the United Kingdom and in Ireland. Basing its decision on that information, the First Board of Appeal concluded that there was a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94. As a result, it held that there was no need to rule on the ground for refusal laid down in Article 8(5) of Regulation No 40/94, relied upon in the alternative by Waterford Wedgwood.

The action before the Court of First Instance and the judgment under appeal

- 10 By application lodged at the Registry of the Court of First Instance on 28 February 2005, Assembled Investments brought an action against the decision at issue before the Court of First Instance relying on three pleas in law: firstly, infringement of Article 74(2), secondly, infringement of Article 8(1)(b) and, thirdly, infringement of Article 8(5) of Regulation No 40/94.
- 11 The Court of First Instance observed at paragraph 27 of the judgment under appeal that ‘Article 8(1)(b) of Regulation No 40/94 states clearly that, in order for there to be a likelihood of confusion within the meaning of that provision, the goods or services designated must be identical or similar. Thus, even where the mark applied for is

identical to a mark which is distinctive to a particularly high level, it must be established that the goods or services designated by the opposing marks are similar (see, by way of analogy, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 22, and Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 53).

- 12 The Court of First Instance at paragraph 28 of the judgment under appeal noted that ‘in order to assess the similarity of the goods in question, account must be taken of all the relevant factors which characterise the relationship between those goods, those factors including, in particular, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (see *Canon*, paragraph 23, and *SISSI ROSSI*, paragraph 54)’.
- 13 Next, the Court of First Instance pointed out that ‘the Board of Appeal took into account the distinctive character of the earlier mark not in order to assess the similarity of the goods but, at a later stage of its examination, in order to assess whether there was a likelihood of confusion’ (paragraph 29 of the judgment under appeal).
- 14 The Court of First Instance subsequently proceeded, in paragraphs 31 to 34 of the judgment, to assess the similarity of wine and glassware. It first found that these goods are distinct by their nature and their use, that they are neither in competition with one another nor substitutable and that they are not produced in the same areas. Then, as regards shared distribution channels, it held that such sales represent no more than a negligible proportion of the overall sales of the articles of glassware concerned. In the case of a wine glass and a bottle of wine being distributed together, the Court of First Instance found that this is normally perceived by the consumers concerned as a promotional attempt to increase sales of wine rather than as an indication that the producer concerned devotes part of his activity to the distribution of articles of glassware. Lastly, the Court of First Instance noted that even though there is a degree of complementarity between some articles of glassware and wine, that complementarity is not sufficiently pronounced for it to be accepted that, from the consumer’s point of view, the goods in question are similar within the terms of Article 8(1)(b) of Regulation No 40/94.
- 15 The Court of First Instance concluded that articles of glassware and wine are not similar goods and, therefore, there can be no likelihood of confusion between the conflicting marks. Consequently, the Court of First Instance accepted the second plea and annulled the decision at issue.

Procedure and forms of orders sought

- 16 Waterford Wedgwood claims that the Court should set aside the judgment under appeal, refer the case back to the Court of First Instance and order OHIM and Assembled Investments to pay the costs relating to the proceedings before the Court of Justice.
- 17 Assembled Investments contends that the Court should dismiss the appeal as in part unfounded and in part inadmissible and order Waterford Wedgwood to pay the costs.
- 18 OHIM contends that the Court should dismiss the appeal as unfounded and order Waterford Wedgwood to pay the costs.

19 Upon hearing the report of the Judge-Rapporteur, after hearing the Advocate General, the Court decided to open the oral procedure without any preparatory inquiry and to assign the case to the Fifth Chamber. The parties stated that they would not be attending the hearing and it was therefore cancelled.

The appeal

20 In support of its appeal, the appellant puts forward two pleas in law alleging infringement of Article 8(1)(b) of Regulation No 40/94 in that the Court of First Instance, first, applied erroneous legal criteria in the assessment of the similarity of the goods covered by the conflicting marks and, second, distorted the facts.

First plea in law

Arguments of the parties

21 By its first plea, Waterford Wedgwood asserts that it is evident, in particular, from the seventh recital in the preamble to Regulation No 40/94 that the concept of similarity must be interpreted in relation to likelihood of confusion. The more distinctive the earlier mark, the greater will be the likelihood of confusion (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 24, and *Canon*, paragraph 18).

22 Waterford Wedgwood criticises the Court of First Instance for having merely referred to the judgment in *Canon* (paragraph 23), although that case merely indicates factual elements which must be taken into account when examining similarity, without giving any legal criteria. Therefore, in order to reply to the question whether goods must be considered to be similar, it is necessary to assess whether the public believes that the goods in question originate from the same undertaking or economically linked undertakings, when they appear on the market under identical trade marks and when the earlier trade mark has a strong distinctive character and enjoys a considerable reputation. According to Waterford Wedgwood, had the Court of First Instance applied the correct legal criterion, it would have concluded that there was at least some similarity between the goods, which would have justified an analysis of the likelihood of confusion.

23 By contrast, Assembled Investments maintains that the judgment in *Canon* gives the correct legal criterion for establishing whether goods must be considered similar or not. The assessment of the similarity of goods must thus be carried out, first, applying the criteria of the judgment in *Canon*, then by assessing the evidence on market realities in respect of the similarity of goods and, finally, by making an overall assessment of whether the goods are likely to have the same origin. Therefore, there is no need to analyse whether there exists a likelihood of confusion between the goods in question when their similarity has not been established beforehand.

24 According to Assembled Investments, the seventh recital in the preamble to Regulation No 40/94, expressing the need to interpret the concept of similarity in relation to likelihood of confusion, should be understood in the sense that there can be a likelihood of confusion despite a lesser degree of similarity between the goods or services covered, where the marks are very similar and the earlier mark, in particular its reputation, is highly distinctive (*Canon*, paragraph 19).

- 25 Assembled Investments also maintains that in reality the appellant is asking the Court of Justice to substitute its own assessment of the facts and evidence for that of the Court of First Instance. Indeed, according to Assembled Investments, the question whether goods are similar is not a legal question but depends on the submissions of fact by the proprietor of the earlier mark. In the present case, the Court of First Instance took into consideration all the circumstances of the sales and marketing of the goods in question and reached the conclusion that there was not sufficient evidence to prove that the distribution of wine glasses with wine is normally seen by consumers as an indication that the producer concerned devotes a part of his activities to the distribution of articles of glassware.
- 26 OHIM also contends that the first plea in law should be rejected as unfounded. According to OHIM, the position of the appellant rests on two presumptions, namely, first, that the signs are identical and, second, that the earlier mark has a high degree of distinctiveness. When added to the criteria of the judgment in *Canon*, these presumptions are said to make it possible to determine that the goods or services are similar.
- 27 In that respect OHIM observes, first, that it has not in any way been established that the Court of First Instance failed to consider the similarity of the signs in its overall assessment, and that the appellant has not shown in what way the Court's conclusion would have been different if that question had been expressly referred to in its reasoning.
- 28 Second, OHIM maintains that, with regard to the presumption as to distinctiveness, the requirement of interpreting the concept of similarity in relation to the likelihood of confusion, in accordance, in particular, with the seventh recital of Regulation No 40/94, is nothing other than an expression of the rule of interdependence, which requires that the weakness of one factor may be offset by the strength of another. Therefore, a degree of similarity between the goods combined with a degree of similarity of the signs does not automatically lead to the conclusion that a likelihood of confusion exists if, taking the circumstances of the case into account, it appears very unlikely that the public will attribute the same commercial origin to the goods in question. The analysis of the similarity of the signs and the goods on the basis of objective factors must be followed by the taking into consideration of additional, more subjective factors, in particular recognition of the mark on the market, since a higher degree of distinctiveness of the earlier mark does not make goods more similar from an objective point of view. According to OHIM, including the presumption of the earlier mark's distinctiveness in the analysis of the similarity of the goods would result in a flawed comparison of the goods and would lead to an unbalanced result.

Findings of the Court

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

- 30 According to established case-law, the likelihood of confusion on the part of the public must be assessed globally, taking into account all the relevant factors of the case in hand (see, to that effect, *SABEL*, paragraphs 22, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 18).
- 31 That global assessment of the likelihood of confusion implies some interdependence between the factors taken into account and, in particular, between the similarity of the trade marks and that of the goods or services concerned. Accordingly, a low degree of similarity between the goods or services covered may be offset by a high degree of similarity between the marks, and vice versa. The interdependence of those factors is expressly referred to in the 7th recital of Regulation No 40/94, according to which the concept of similarity is to be interpreted in relation to the likelihood of confusion, the assessment of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services designated (see, by way of analogy, *Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19).
- 32 Moreover, given that the more distinctive the earlier mark, the greater will be the likelihood of confusion (*Sabel*, paragraph 24), marks with a highly distinctive character, either per se or because of the recognition of them on the market, enjoy broader protection than marks with a less distinctive character (see *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20).
- 33 It follows that there may be a likelihood of confusion, notwithstanding a low degree of similarity between the trade marks, where the goods or services covered by them are very similar and the earlier mark is highly distinctive (see, to that effect, *Canon*, paragraph 19, and *Lloyd Schuhfabrik Meyer*, paragraph 21).
- 34 However, the interdependence of those different factors does not mean that the complete lack of similarity can be fully offset by the strong distinctive character of the earlier trade mark. For the purposes of applying Article 8(1)(b) of Regulation No 40/94, even where one trade mark is identical to another with a particularly high distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 8(5) of Regulation No 40/94, which expressly refers to the situation in which the goods or services are not similar, Article 8(1)(b) of Regulation No 40/94 provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar (see, by way of analogy, *Canon*, paragraph 22).
- 35 It must be noted that the Court of First Instance, in paragraphs 30 to 35 of the judgment under appeal, carried out a detailed assessment of the similarity of the goods in question on the basis of the factors mentioned in paragraph 23 of the judgment in *Canon*. However, it cannot be alleged that the Court of First Instance did not take into account the distinctiveness of the earlier trade mark when carrying out that assessment, since the strong reputation of that trade mark relied on by Waterford Wedgwood can only offset a low degree of similarity of goods for the purpose of assessing the likelihood of confusion, and cannot make up for the total absence of similarity. Since the Court of First Instance found, in paragraph 35 of the judgment under appeal, that the goods in question were not similar, one of the conditions necessary in order to establish a

likelihood of confusion was lacking (see, to that effect, *Canon*, paragraph 22) and therefore, the Court of First Instance was right to hold that there was no such likelihood.

36 It follows that the first ground of appeal must be rejected as unfounded.

Second plea in law

Arguments of the parties

37 Waterford Wedgwood maintains that the Court of First Instance infringed Article 8(1)(b) of Regulation No 40/94 and general principles of law by holding at paragraph 34 of its judgment, without any evidential basis for this finding and contrary to the opinion of the OHIM Board of Appeal, that consumers would not consider the goods in question to be similar. In so doing, it distorted the facts. Moreover, according to the appellant, the finding of the Court of First Instance is not based on any evidence at all.

38 Assembled Investments, by contrast, asserts that it is Waterford Wedgwood which did not submit sufficient facts, evidence and arguments to the Court of First Instance to prove the similarity of the goods in question. It adds that this is the reason why the Court of First Instance stated at paragraph 32 of the judgment under appeal that, in the absence of such evidence, the articles in question are not similar. Referring to Article 74(1) of Regulation No 40/94, Assembled Investments notes that it falls to the proprietor of the earlier mark to prove that the goods are similar, not the Court of First Instance, and concludes that there is nothing in the findings of the Court of First Instance to suggest that the facts, evidence or other information submitted to it was distorted.

39 OHIM submits that the appellant does not claim that the judgment under appeal is based on a distortion of the evidence but alleges that the Court of First Instance did not adequately reason its decision. However, the reasoning at paragraphs 31 to 34 of the judgment under appeal is sufficient to support the Court's finding of the lack of similarity between the goods and allows the Court of Justice to carry out the review of legality incumbent on it. The Court of First Instance is not obliged to prove with concrete examples that a consumer will or will not consider goods to be similar.

Findings of the Court

40 Regarding the distortion of facts alleged by Waterford Wedgwood, it should be recalled that, in accordance with Article 225(1) EC and the first paragraph of Article 58 of the Statute of the Court of Justice, an appeal lies on a point of law only. The Court of First Instance thus has exclusive jurisdiction to find and appraise the relevant facts and to assess the evidence. The appraisal of those facts and the assessment of that evidence thus do not, save where the facts or evidence are distorted, constitute points of law subject, as such, to review by the Court of Justice on appeal (see, in particular, Case C-104/00 P *DKV v OHIM* [2002] ECR I-7561, paragraph 22, and Case C-25/05 P *Storck v OHIM* [2006] ECR I-5719, paragraph 40).

41 It must also be borne in mind that such distortion must be obvious from the documents on the Court's file, without there being any need to carry out a new assessment of the facts and the evidence (see Case C-8/95 P *New Holland Ford v Commission* [1998] ECR I-3175, paragraph 72; Case C-551/03 P *General Motors v Commission* [2006] ECR

I-3173, paragraph 54; and Case C-167/04 P *JCB Service v Commission* [2006] ECR I-8935, paragraph 108).

- 42 It is clear that the assessment by the Court of First Instance in paragraphs 30 to 35 of the judgment under appeal is an assessment of the facts which may not be challenged in the course of an appeal, since Waterford Wedgwood has not demonstrated that the Court distorted the facts submitted to it, but has merely claimed that the Court had not established the facts on which it based its assessment.
- 43 In that context, Waterford Wedgwood cites lack of reasoning of the judgment under appeal, since the Court of First Instance did not substantiate the claim that there was no similarity between the goods in question.
- 44 While it is for the Court of First Instance alone to assess the value to be attached to the items of evidence adduced before it, and while it cannot be required to give express reasons for its assessment of the value of each piece of evidence presented to it, in particular where it considers that evidence to be unimportant or irrelevant to the outcome of the dispute (Case C-237/98 P *Dorsch Consult v Council and Commission* [2000] ECR I-4549, paragraphs 50 and 51), the Court of First Instance is none the less obliged to provide reasons which will allow the Court to exercise its judicial review. Those reasons must make it possible for the Court to review any distortion of the evidence submitted to the Court of First Instance (Case C-198/03 P *Commission v CEVA and Pfizer* [2005] ECR I-6357, paragraph 50).
- 45 In that respect, the Court notes that, in paragraphs 30 to 35 of the judgment under appeal, the Court of First Instance carried out a detailed comparative assessment of the goods in question. In particular, it took into account the evidence which had been submitted to it and, in particular, held in paragraph 33 of that judgment that the commercial importance of a practice whereby wine glasses and wine are marketed together had not been demonstrated. Despite the existence of a certain degree of complementarity between some glassware and wine, the Court of First Instance regarded that complementarity as not sufficient to find the perception by consumers of a similarity of the goods in question within the meaning of Article 8(1)(b) of Regulation No 40/94. The assessment of the facts thus made by the Court of First Instance is therefore based on sufficient argument.
- 46 It follows from the foregoing that there is nothing in the reasoning followed by the Court of First Instance to suggest that the facts were distorted.
- 47 Consequently, the second ground of appeal must be rejected as unfounded and the appeal must be dismissed in its entirety.

Costs

- 48 Under Article 69(2) of the Rules of Procedure, which applies to appeal proceedings by virtue of 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 and Assembled Investments have applied for costs and Waterford Wedgwood has been unsuccessful, it must be ordered to pay the costs.

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

1. Dismisses the appeal;

2. Orders Waterford Wedgwood plc to pay the costs.

[Signatures]

* Language of the case: English.