

JUDGMENT OF THE GENERAL COURT (First Chamber)

7 February 2018 (\*)

(Community design — Invalidity proceedings — Registered Community design representing a display box for cornets — Earlier international registration designating Bulgaria — Ground for invalidity — Use in the subsequent design of a distinctive sign the holder of which has the right to prohibit such use — Article 25(1)(e) of Regulation (EC) No 6/2002 — Obligation to state reasons — Article 62 of Regulation No 6/2002 — Duty of diligence — Article 63(1) of Regulation No 6/2002)

In Case T-793/16,

**Şölen Çikolata Gıda Sanayi ve Ticaret AŞ**, established in Şehitkamil Gaziantep (Turkey), represented by T. Tsenova, lawyer,

applicant,

v

**European Union Intellectual Property Office (EUIPO)**, represented by J. Ivanauskas, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being

**Elka Zaharieva**, residing in Plovdiv (Bulgaria), represented by A. Kostov, lawyer,

ACTION brought against the decision of the Third Board of Appeal of EUIPO of 12 September 2016 (Case R 1143/2015-3), relating to invalidity proceedings between Şölen Çikolata Gıda Sanayi ve Ticaret and Mrs Zaharieva,

THE GENERAL COURT (First Chamber),

composed of I. Pelikánová, President, V. Valančius (Rapporteur) and U. Öberg, Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Court Registry on 11 November 2016,

having regard to the response of EUIPO lodged at the Court Registry on 24 January 2017,

having regard to the response of the intervener lodged at the Court Registry on 23 December 2016,

having regard to the fact that no request for a hearing was submitted by the parties within three weeks after service of notification of the close of the written part of the procedure, and

having decided to rule on the action without an oral part of the procedure, pursuant to Article 106(3) of the Rules of Procedure of the General Court,

gives the following

## Judgment

### I. Background to the dispute

1 On 25 November 2013, the intervener, Mrs Elka Zaharieva, obtained from the European Union Intellectual Property Office (EUIPO), on the basis of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1), registration under number 002343244-0002 of a Community design represented as follows:



2 The contested design is intended to be applied to ‘boxes [packaging]’ in Class 09-03 of the Locarno Agreement establishing an International Classification for Industrial Designs of 8 October 1968, as amended.

3 On 12 February 2014, the applicant, Şölen Çikolata Gıda Sanayi ve Ticaret AŞ, filed an application for a declaration that the contested design was invalid, pursuant to Article 52 of Regulation No 6/2002.

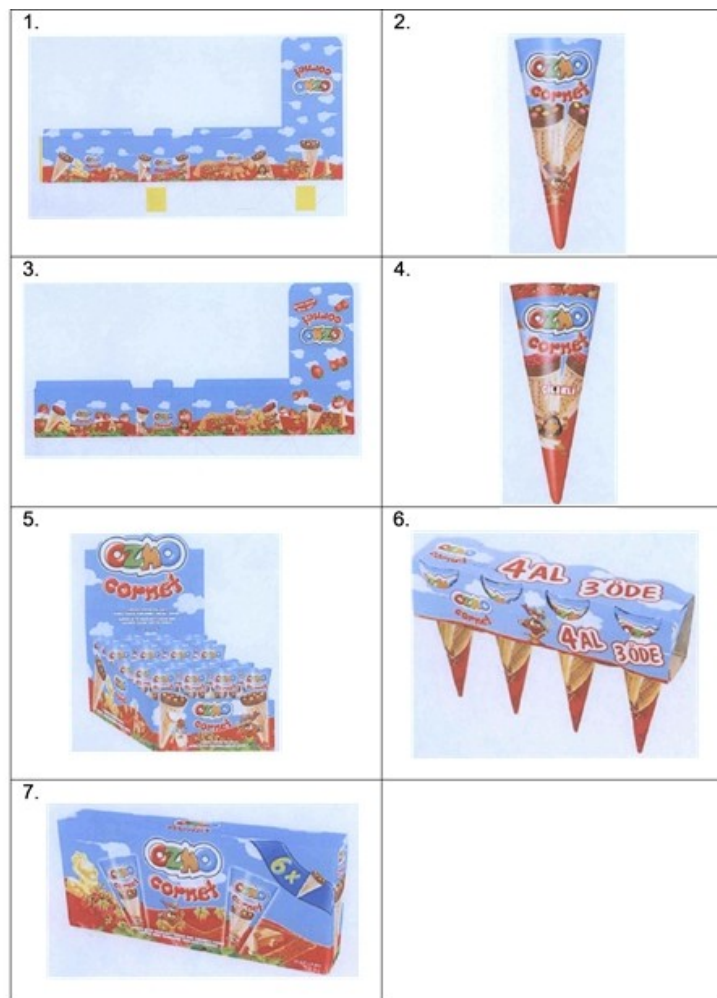
4 The grounds put forward in support of the application for a declaration of invalidity were those set out in Article 25(1)(e) and (f) of Regulation No 6/2002.

5 In support of the application for a declaration of invalidity under Article 25(1)(e) of Regulation No 6/2002, the applicant relied on international registration No 1148957, designating, among other Member States, Bulgaria, for the following figurative mark:



6 The earlier mark was registered on 10 July 2012 for goods in Class 30 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended, and correspond to the following description: 'Cocoa, cakes, chocolates, chocolate creams, cakes with cocoa milk, chocolate cream'.

7 In support of the application for a declaration of invalidity under Article 25(1)(f) of Regulation No 6/2002, the applicant relied on the work which it claimed enjoyed copyright-protection under Bulgarian law, as set out below ('the work claimed'):



8 By decision of 14 April 2015, the Invalidation Division rejected the application for a declaration of invalidity, finding, with regard to the ground for invalidity based on

Article 25(1)(e) of Regulation No 6/2002, that there was no likelihood of confusion on the part of the relevant public and, with regard to the ground of invalidity based on Article 25(1)(f) of Regulation No 6/2002, that the existence and extent of the protection of the work claimed had not been proven under the relevant legislation, namely United Kingdom law.

9 The applicant filed a notice of appeal, under Articles 55 to 60 of Regulation No 6/2002, against the decision of the Invalidity Division.

10 By decision of 12 September 2016 ('the contested decision'), the Third Board of Appeal of EUIPO dismissed the appeal. In the first place, it gave its decision on the merits of the application for a declaration of invalidity based on Article 25(1)(e) of Regulation No 6/2002, in support of which reliance had been placed on the earlier mark. For that purpose, it assessed whether there was a likelihood of confusion on the part of the relevant public. It found, in that regard, that the goods covered by the earlier mark were intended for the general public in Bulgaria, whereas the product portrayed by the contested design was directed at professional consumers in the confectionery industry. With regard to the comparison of the goods, it stated that the goods covered by the earlier mark and the product portrayed by the contested design were complementary and, therefore, similar. As regards the comparison of the signs at issue, it found that the earlier mark and the contested design were visually and phonetically dissimilar, as the common element 'cornet' was descriptive and not distinctive and consumers will not pay any attention to it. It considered that they were similar only from the conceptual perspective, in so far as they both refer to a cornet. It added that it had not been established that the earlier mark had acquired enhanced distinctive character in Bulgaria. It concluded from the above considerations that there was no likelihood of confusion of the part of the relevant public and rejected the application for an application of invalidity based on Article 25(1)(e) of Regulation No 6/2002. In the second place, ruling on the merits of the application for a declaration of invalidity based on Article 25(1)(f) of Regulation No 6/2002, in support of which the applicant relied on the work claimed, the Board of Appeal found that the applicant had not established that the work claimed was protected by copyright and, for that reason, rejected that claim and, accordingly, the application in its entirety.

## **II. Forms of order sought**

11 The applicant claims that the Court should:

- annul the contested decision;
- declare the contested design invalid;
- order EUIPO and the intervener to pay the costs of the proceedings before the General Court, as well as the costs of the invalidity and appeal proceedings before EUIPO.

12 EUIPO and the intervener contend that the Court should:

- dismiss the application;
- order the applicant to pay the costs.

## **III. Law**

13 In support of its action, the applicant raises three pleas in law, alleging respectively: (i) infringement of Article 25(1)(e) of Regulation No 6/2002; (ii) infringement of Article 25(1)(f) of that regulation; and (iii) infringement of Articles 62 and 63(1) of the regulation.

**A. The argument put forward by the intervener as a preliminary issue**

14 The intervener submits that the contested decision is vitiated by an error of law in that the Board of Appeal should have dismissed as inadmissible the appeal brought before it by the applicant, on the ground that the latter's principal place of business is not in the territory of the European Union. She adds that, for that reason, the applicant's action before the General Court is also inadmissible. However, she does not claim that the contested decision should be annulled but that the applicant's action be dismissed as unfounded.

15 It is clear from Article 55(1) and Article 56 of Regulation No 6/2002 that a decision of the Invalidity Divisions may be appealed against by any party to the proceedings adversely affected by the decision, within the time limits and in the form laid down in Article 57 of the regulation.

16 It follows that the place in which a party has its principal place of business is irrelevant to whether that party has standing to appeal against a decision of an Invalidity Division.

17 In the present case, as the applicant was unsuccessful before the Invalidity Division, it was entitled to lodge an appeal before the Board of Appeal, irrespective of the location of its principal place of business, and, in any event, before the General Court.

18 The intervener's argument must therefore be rejected.

**B. The claim for annulment of the contested decision**

19 In support of the first plea in law, the applicant claims that the Board of Appeal infringed Article 25(1)(e) of Regulation No 6/2002 by, first, erring in its definition of the public by reference to which the likelihood of confusion is to be considered and, second, by making an incorrect assessment of the similarities between the contested design and the earlier mark.

20 In that regard, the Board of Appeal, first, took the view that box portrayed by the contested design was targeted at professional consumers in the confectionery industry, whereas it was intended for end consumers of the confectionery displayed in the box. Second, the Board of Appeal stated incorrectly that the element dominating the overall impression conveyed by the earlier mark was the word 'ozmo', rather than the word element 'ozmo cornet'. Third, it was incorrect to take the view that the word 'cornet', common to the signs at issue, was descriptive of the products portrayed by the contested design and designated by the earlier mark. Fourth, contrary to the findings made by the Board of Appeal, the signs at issue have a high degree of visual similarity and an average degree of phonetic similarity. In conceptual terms, the signs at issue are similar only as regards the section of the Bulgarian public that understands the meaning of the English word 'cornet'.

21 Article 25(1)(e) of Regulation No 6/2002 provides that a design may be declared invalid if a distinctive design is used in a subsequent design and EU law or the law of the

Member State concerned governing that sign confers on the right holder of the sign the right to prohibit such use.

22 The ground for invalidity specified in Article 25(1)(e) of Regulation No 6/2002 does not necessarily presuppose a full and detailed reproduction of an earlier distinctive sign in a subsequent Community design. Even though the Community design may lack certain features of the sign in question or may have different, additional features, this may constitute ‘use’ of that sign, particularly where the omitted or added features are of secondary importance (judgments of 12 May 2010, *Beifa Group v OHIM, Schwan-Stabilo Schwanhäußer (Instrument for writing)*, T-148/08, EU:T:2010:190, paragraph 50, and of 9 September 2015, *DIESEL*, T-278/14, not published, EU:T:2015:606, paragraph 83).

23 That is particularly the case, as is apparent from well-established case-law, where the public retains only an imperfect picture of marks registered in the Member States or EU trade marks. That applies to every type of distinctive sign. As a consequence, if a distinctive sign as used in a subsequent Community design lacks certain secondary features or has additional features, the relevant public will not necessarily notice those changes vis-à-vis the earlier distinctive sign. On the contrary, it may believe that the sign it remembers is being used in the subsequent Community design (judgments of 12 May 2010, *Instrument for writing*, T-148/08, EU:T:2010:190, paragraph 51, and of 9 September 2015, *DIESEL*, T-278/14, not published, EU:T:2015:606, paragraph 84).

24 It follows that Article 25(1)(e) of Regulation No 6/2002 is applicable where use is made not only of a sign that is identical to that relied on in support of an application for a declaration of invalidity but also of a sign that is similar (judgments of 12 May 2010, *Instrument for writing*, T-148/08, EU:T:2010:190, paragraph 52, and of 9 September 2015, *DIESEL*, T-278/14, not published, EU:T:2015:606, paragraph 85).

25 Where the sign relied on in support of an application for a declaration of invalidity is an international registration designating Bulgaria, under Article 69(2) of the *Zakon za markite i gueografskite oznachenija* (Law on trade marks and geographical indications) such a registration has the same status as a registration effected in Bulgaria on the basis of an application lodged directly in that country. Article 13 of that law, to which the applicant referred in the grounds of the appeal lodged on 14 August 2015 against the decision of the Invalidity Division, provides that the proprietor of a trade mark is entitled to use it, to dispose of it and to prohibit unauthorised use by third parties, in the ordinary course of business, of a sign in respect of which, because it is identical or similar to the trade mark or the goods or services covered by the trade mark and the sign are identical or similar, there is a likelihood of confusion on the part of users, in particular a likelihood of association between the sign and the mark.

26 As the applicant itself acknowledges, Article 13 of the Bulgarian Law on trade marks and geographical indications transposes Article 5 of 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). Article 13 of that law must, therefore, be interpreted in the light of the case-law relating to Article 5 of Directive 89/104 (see, to that effect, judgment of 12 May 2010, *Instrument for writing*, T-148/08, EU:T:2010:190, paragraph 96) and, where appropriate, the case-law relating to Article 5 of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade

marks (OJ 2008 L 299, p. 25), which repealed and replaced in identical terms Article 5 of Directive 89/104.

27 According to the settled case-law of the Court of Justice, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 5(1)(b) of Directive 89/104. Likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (judgments of 22 June 1999, *Lloyd Schuhfabrik Meyer*, C-342/97, EU:C:1999:323, paragraphs 17 and 18, and of 6 October 2005, *Medion*, C-120/04, EU:C:2005:594, paragraphs 26 and 27; see also, to that effect, judgment of 11 November 1997, *SABEL*, C-251/95, EU:C:1997:528, paragraph 22).

28 In the light of the above considerations, it is necessary to examine whether the Board of Appeal was entitled to reject the application for a declaration that the contested design was invalid, on the basis of Article 25(1)(e) of Regulation No 6/2002, after concluding that, pursuant to Article 13 of the Law on trade marks and geographical indications, there was no likelihood of confusion on the part of the relevant public.

#### 1. **The relevant public**

29 For the purposes of the overall assessment of the likelihood of confusion, the average consumer of the category of goods concerned is deemed to be reasonably well informed and reasonably observant and circumspect. Account should be taken, however, of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks and must instead rely on his imperfect recollection of them. Moreover, his level of attention is likely to vary according to the category of goods or services in question (see judgment of 22 June 1999, *Lloyd Schuhfabrik Meyer*, C-342/97, EU:C:1999:323, paragraph 26 and the case-law cited, and of 20 March 2003, *LTJ Diffusion*, C-291/00, EU:C:2003:169, paragraph 52).

30 The Board of Appeal found that the goods covered by the earlier mark were directed at the general public in Bulgaria, whose level of attention is average, whereas the goods portrayed by the contested design were directed at professional consumers in the confectionery industry, who have a high level of attention.

31 The applicant claims that those findings are unfounded. It submits, correctly, that the box portrayed by the contested design is not intended to be used separately from the goods that it contains, namely confectionery, which are directed at the general public.

32 Moreover, the box portrayed by the contested design has holes which are intended to accommodate goods in the shape of a cone. As EUIPO observed, it is intended for retailers who market the goods which it contains to end consumers. However, as EUIPO also observed, it is a display box, namely a box intended to be seen by consumers, that is, to attract their attention, and to display to them the goods it contains.

33 Consequently, as they will see the box portrayed by the contested design, or even handle it, consumers of the goods displayed in the box must be said to form part of the relevant public. Accordingly, the Board of Appeal was incorrect to find that that box was

intended only for professional consumers in the confectionery industry and not also for the general public, like the goods covered by the earlier mark.

34 It follows that whether there is a likelihood of confusion must be determined by reference to the perception of the general public. As the earlier mark is an international registration designating Bulgaria, account must be taken of the perception of the general public in Bulgaria.

35 Moreover, as the goods in question are confectionery goods, the level of attention of the relevant public will be somewhat reduced (see, by analogy, judgment of 25 September 2015, *August Storck v OHIM (2good)*, T-366/14, not published, EU:T:2015:697, paragraph 20, and of 26 February 2016, *Mederer v OHIM — Cadbury Netherlands International Holdings (Gummi Bear-Rings)*, T-210/14, not published, EU:T:2016:105, paragraph 28).

## 2. Comparison of the goods

36 In assessing the similarity between the goods at issue, all the relevant factors relating to the link between those goods should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or complementary (judgment of 29 September 1998, *Canon*, C-39/97, EU:C:1998:442, paragraph 23).

37 As regards, in particular, the complementary nature of the goods and services, which may alone justify the conclusion that the goods and services are similar (see, by analogy, judgment of 21 January 2016, *Hesse v OHIM*, EU:C:2016:34, point 23), it should be noted that goods or services are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods or for the provision of those services lies with the same undertaking (see, by analogy, judgment of 22 January 2009, *Commercy v OHIM — easyGroup IP Licensing (easyHotel)*, T-316/07, EU:T:2009:14, paragraph 57 and the case-law cited). Thus, when determining whether goods or services are complementary, the perception of that public of the importance of a product or service for the use of another product or service should, ultimately, be taken into account (see, by analogy, judgment of 14 May 2013, *Sanco v OHIM — Marsalman (Representation of a chicken)*, T-249/11, EU:T:2013:238, paragraph 22).

38 The assessment as to whether goods and services are complementary, in the context of a likelihood of confusion, does not rely on the existence of a connection between the goods and services at issue in the mind of the relevant public from the point of view of their nature, their method of use and their distribution channels. A criterion based on a connection between the method of use of those goods or services does not make it possible to carry out a full assessment as to whether those goods and services are indispensable or important for each other, which is required when analysing whether the goods and services are complementary. The fact that the method of use of a product or service is unrelated to the method of use of another product or service does not imply, in all cases, that the use of one is not important or indispensable for the use of the other (see, by analogy, judgment of 14 May 2013, *Representation of a chicken*, EU:T:2013:238, paragraphs 36 and 38).



39 In the present case, the Board of Appeal was entitled to find that the goods in question were complementary and, therefore, similar. It stated, correctly, that the box portrayed by the contested design was intended for stocking and displaying edible cones and that the earlier mark had been registered in respect of various items of confectionery, inter alia ‘chocolate creams’, which are often presented in edible cones placed inside boxes similar to those portrayed by the contested design.

40 Furthermore, as observed in paragraph 32 above, the box portrayed by the contested design is intended to hold products in the form of a cone so that they may be seen by consumers, that is, attract their attention, and to display to them the goods set out in the box. As a consequence, it has no purpose unless it contains the goods it is intended to hold.

41 It follows that the use of the goods designated by the earlier mark is, at the very least, important for the use of the box portrayed by the contested design, so that, for the purposes of the case-law cited in paragraph 37 above, there is a close connection between them which is indicative of their complementarity and, therefore, their similarity.

### 3. Comparison of the signs

42 The global assessment of the likelihood of confusion, in relation to the visual, phonetic or conceptual similarity of the signs in question, must be based on the overall impression given by the signs, bearing in mind, inter alia, their distinctive and dominant elements. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. In this regard, the average consumer normally perceives a mark or distinctive sign as a whole and does not proceed to analyse its various details (judgments of 11 November 1997, *SABEL*, C-251/95, EU:C:1997:528, paragraph 23; of 22 June 1999, *Lloyd Schuhfabrik Meyer*, C-342/97, EU:C:1999:323, paragraph 25; and of 6 October 2005, *Medion*, C-120/04, EU:C:2005:594, paragraph 28).

43 Assessment of the similarity between two signs means more than taking just one component of a composite sign and comparing it with another sign. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite sign may not, in certain circumstances, be dominated by one or more of its components (see, to that effect, judgments of 6 October 2005, *Medion*, C-120/04, EU:C:2005:594, paragraph 29, and of 22 October 2015, *BGW*, C-20/14, EU:C:2015:714, paragraph 36).

44 Although the overall impression conveyed to the relevant public by a composite sign may, in certain circumstances, be dominated by one or more of its components, it is only if all the other components of the sign are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (see, to that effect, judgment of 22 October 2015, *BGW*, C-20/14, EU:C:2015:714, paragraph 37 and the case-law cited).

#### (a) The distinctive and dominant elements

45 The Board of Appeal described the earlier mark as consisting of the term ‘ozmo’, written in fanciful coloured letters, and the English word ‘cornet’. It added that that word is written as ‘корнет’ in Bulgarian and, when transcribed into the Latin alphabet, is written as ‘kornet’, from which it concluded that the general public will understand the meaning of the

word ‘cornet’. In that regard, it considered that the word ‘cornet’ was devoid of distinctive character and, accordingly, played a minor role in the comparison of the signs at issue, whereas the word ‘ozmo’ was distinctive and dominated the overall impression conveyed by the earlier mark.

46 The Board of Appeal described the contested design as representing packaging or a display box for cornets and containing various graphic elements, including the representation of a rabbit and the words ‘bobo’ and ‘cornet’. It also stated that the word ‘cornet’ played a minor role in the comparison of the signs at issue.

47 The applicant disputes the Board of Appeal’s conclusions relating to the dominant nature of the words ‘bobo’ and ‘ozmo’ in the overall impression conveyed respectively by the contested design and the earlier mark. In its view, the overall impression is dominated, respectively, by the elements ‘bobo cornet’ and the elements ‘ozmo cornet’. It contends that the word ‘cornet’ is not totally devoid of distinctive character and that the Board of Appeal failed to demonstrate that the relevant public would not notice or would not remember that word, which is common to the signs at issue.

48 For the same reasons as those given by the Board of Appeal in the contested decision, EUIPO contests the applicant’s arguments. The intervener also contests those arguments and maintains that the element which dominates the overall impression conveyed by the contested design is the rabbit which it depicts, as the relevant public will perceive it as a character from a Bulgarian folk tale.

49 In the first place, as the Board of Appeal observed, the contested design contains various figurative elements, the most visible of which represent a rabbit and food products in the form of a cone, and an element composed of the words ‘bobo’ and ‘cornet’, written in fanciful letters creating an effect of depth, the first letter written in capitals in various shades of grey and the second in lower-case letters in just one shade of grey. Those two words are surrounded by a fine dark line which follows approximately the outline of the letters and, as the applicant observed, calls to mind the shape of a cloud, which reflects the motif that is scattered over the contested design. The element composed of the words ‘bobo’ and ‘cornet’ appears twice on the contested design, on the front and at the top, and is written in large letters. That element contains text written in small letters on three lines, which is not referred to either by the parties or by the Board of Appeal.

50 When a sign consists of both verbal and figurative elements, the former are, in principle, considered more distinctive than the latter, because the average consumer will more easily refer to the goods in question by quoting their name than by describing the figurative elements of the sign (see, by analogy, judgment of 22 September 2016, *Sun Cali v EUIPO — Abercrombie & Fitch Europe (SUN CALI)*, T-512/15, EU:T:2016:527, paragraph 61 and the case-law cited).

51 Consequently, the element composed of the words ‘bobo’ and ‘cornet’ on the contested design will capture the relevant public’s attention more than the rabbit also portrayed on the design, which, contrary to the intervener’s assertion, plays a minor role in the overall impression conveyed by the design.

52 In the second place, it is common ground that, first, the word ‘cornet’, common to the signs at issue, may refer, in particular in English, to a musical instrument and an ice cream

cone and, second, that word does not exist in Bulgarian, so that it has no meaning as such for the general public in Bulgaria.

53 It is also common ground that the Bulgarian language contains, on the other hand, the word ‘корнет’, which is transcribed into the Latin alphabet as ‘kornet’, and that that word refers to a musical instrument. However, as the applicant maintains, without being contradicted by EUIPO or the intervener, that word does not refer to an ice cream cone.

54 Thus, only Bulgarian consumers with a knowledge of English or any other language in which the word ‘cornet’ exists and has the same meaning will understand that that word designates the goods displayed in the box portrayed by the contested design and the goods covered by the earlier mark. It has not been established that that word forms part of the basic vocabulary in English or in any other language which will be understood by a large part of the relevant public.

55 Furthermore, even if, as the intervener contends, the word ‘cornet’ may be used in Bulgaria to refer to food products in the form of ice cream cones, the fact nonetheless remains that, for Bulgarian consumers who do not know English or any other language in which that word exists with the same meaning, that word does not form part of their language.

56 Moreover, the fact, referred to by EUIPO, that the word ‘cornet’ resembles the Latin alphabet transcription of the Bulgarian word ‘корнет’ and, when taken to mean an ice cream cone, may derive its name from the fact that it resembles the musical instrument of the same name, is likely to dilute the distinctive character of that word for Bulgarian consumers. However, that cannot lead to the conclusion that the word ‘cornet’ is totally devoid of distinctive character, contrary to the findings of the Board of Appeal in paragraphs 24, 26 and 31 of the contested decision.

57 In the third place, it should be noted that the box portrayed by the contested design has the function of displaying and promoting the goods contained in the box and that the element composed of the word ‘bobo’ and ‘cornet’ is situated on the front and at the top of the box. As a consequence, as with the earlier mark, that element is intended to attract the consumer’s attention.

58 In that regard, even though the word ‘cornet’ appears, respectively, below the word ‘bobo’ in the contested design, and below the word ‘ozmo’ in the earlier mark, it is not written in letters that are so significantly smaller than the letters in which the words ‘bobo’ and ‘ozmo’ are written that it will not be noticed by the relevant public. On the contrary, in the signs at issue the words ‘bobo’, ‘ozmo’ and ‘cornet’ are written in very visible bold letters and are of the same width.

59 Moreover, in the contested design, the line surrounding the words ‘bobo’ and ‘cornet’ helps them to be perceived by the consumer as a whole, and, according to the case-law cited in paragraph 42 above, the consumer will not normally examine the individual details of that whole.

60 It follows from the foregoing that, even though the word ‘cornet’ does not, of itself, dominate the overall impression conveyed by the signs at issue and is not especially distinctive, it cannot, on account, in particular, of its position in the signs at issue and its size,

be regarded as playing a negligible role in the overall impression conveyed by the signs at issue. Accordingly, due account must be taken of it when comparing the signs.

**(b) The visual comparison**

61 The Board of Appeal considered that, notwithstanding their common non-distinctive element ‘cornet’, the signs at issue were dissimilar in all other respect and were therefore visually different.

62 As observed in paragraph 51 above, the element of the contested design composed of the words ‘bobo’ and ‘cornet’ is the one which will capture the relevant public’s attention the most and, therefore, will have the greatest influence on the overall impression conveyed by the design.

63 In that regard, as the applicant is correct to observe, the element composed of the words ‘bobo’ and ‘cornet’ and the earlier mark have considerable similarities. Indeed, they are both made up of two words, ‘bobo’ and ‘cornet’, and ‘ozmo’ and ‘cornet’, respectively. The word ‘cornet’ is therefore common to both. It appears, depending on the sign at issue, under the word ‘bobo’ or under the word ‘ozmo’.

64 Moreover, the words ‘bobo’ and ‘ozmo’ are of the same length and each contains the letter ‘o’, which appears twice, once at the end of each word. Those words are in capital letters and in very similar fonts and both of them create an effect of depth. The letters of which they are made up overlap in part in both signs. The word ‘cornet’ is written in both signs in a font which the relevant public, only rarely having the opportunity to make a direct comparison of the signs at issue, will perceive as identical. The proportions between the words ‘bobo’ and ‘cornet’ in the contested design and between the words ‘ozmo’ and ‘cornet’ in the earlier mark appear to be identical.

65 Nevertheless, the element made up of the words ‘bobo’ and ‘cornet’ in the contested design and the earlier mark are also different in certain respects.

66 In the contested design, the words ‘bobo’ and ‘cornet’ curve slightly upwards and are outlined with a fine dark line roughly following the shape of the letters of which those words are composed and calling to mind the shape of a cloud. On the other hand, in the earlier mark, the words ‘ozmo’ and ‘cornet’ curve slightly downwards and only the word ‘ozmo’ is outlined. However, the angle at which the words are curved and the characteristics of the outline around the words appear to be identical in both signs.

67 Moreover, the contested design is black and white, whereas the earlier mark is coloured. Nevertheless, that is not significant, given that no colour has been claimed for the contested design (see, to that effect and by analogy, judgments of 14 June 2011, *Sphere Time v OHIM Punch (Watch attached to a lanyard)*, T-68/10, EU:T:2011:269, paragraph 82, and of 21 November 2013, *El Hogar Perfecto del Siglo XXI v OHIM — Wenf International Advisers (Corkscrew)*, T-337/12, EU:T:2013:601, paragraph 50). Moreover, it should be noted that there are several shades of grey in the contested design, in particular on the element made up of the words ‘bobo’ and ‘cornet’, which gives the impression that it is a black and white representation of a product that is made in colour. Thus, the letters of the word ‘bobo’ are depicted in the contested design in four shades of grey, which may correspond to that number of colours, and those of the word ‘ozmo’ are depicted in four colours in the earlier mark.

Moreover, the letters of the word 'cornet' are depicted in the contested design in just one shade of grey, which may correspond to a single colour, and are depicted in the earlier mark in a single colour, namely red.

68 Lastly, reference should also be made to those differentiating elements, not present in the earlier mark, which relate to the form and decoration of the box portrayed by the contested design, namely, in particular, the depictions of rabbits, other animals, clouds and food products in the form of cones. Nevertheless, given that the element of the contested design made up of the words 'bobo' and 'cornet' is the one which has the greatest influence on the overall impression made by that design on the relevant public, those differences must be regarded as having a lesser effect on the outcome of the comparison of the signs at issue.

69 It follows that the elements which differentiate the signs at issue visually do not outweigh the considerable similarities between those signs that will be perceived by consumers, who, as stated in paragraph 29 above, will only rarely have the opportunity to make a direct comparison of the different signs and must place their trust in the imperfect picture which they have retained. Therefore, the Board of Appeal erred in taking the view that those signs are visually different.

#### **(c) The phonetic comparison**

70 The Board of Appeal compared only the pronunciation of the words 'bobo' and 'ozmo', taking the view that the word 'cornet' would not be pronounced by consumers, who would tend to abbreviate signs. In that regard, it considered that, despite the fact that they share the vowel 'o', they sound completely different. It concluded from those considerations that the signs at issue were different phonetically.

71 It should be noted that only the word elements of the contested design may be compared phonetically with the word elements of the earlier mark. Therefore, the element of the contested design made up of the words 'bobo' and 'cornet' must be compared with the element made up of the words 'ozmo' and 'cornet' in the earlier mark.

72 In the first place, the Board of Appeal was incorrect not to include the word 'cornet', common to both signs, in the phonetic comparison of the signs at issue, because, as observed in paragraph 60 above, notwithstanding the fact that it is not especially distinctive, it plays a not insignificant role in the overall impression conveyed by the signs at issue and, therefore, due account should be taken of it when comparing the signs at issue. In that regard, the Board of Appeal's assertion that consumers tend to abbreviate signs is an insufficient justification for not including the word 'cornet' in the phonetic comparison of the signs at issue.

73 In the second place, as the applicant is correct to point out, the word elements of the contested design and of the earlier mark have the same number of words, each of which contains the same number of syllables and the same number of letters. They have in common the word 'cornet', which, irrespective of how that word, which does not form part of the Bulgarian language, is pronounced, will be pronounced in the same way by consumers in each of the signs. The letter 'o' appears twice in the words 'bobo' and 'ozmo', once at the end of both words, so that they are pronounced with the same rhythm. Lastly, given that the words 'bobo', 'ozmo' and 'cornet' are relatively short and given the graphic features of the elements compared, the argument that consumers will automatically ignore the word 'cornet' and merely focus on the words 'bobo' and 'ozmo' is unconvincing. However, even if that

were the case, that would not mean that there is no phonetic similarity between the words ‘ozmo’ and ‘bobo’.

74 As a consequence, it must be concluded that, contrary to the findings of the Board of Appeal, the signs at issue have an average degree of phonetic similarity.

75 The arguments put forward by EUIPO and the intervener do not call that conclusion into question. The difference in pronunciation identified by EUIPO as a result of the consonants in the words ‘bobo’ and ‘ozmo’ and the reference to the fact that word ‘cornet’ is not especially distinctive are insufficient to preclude an average degree of similarity. The intervener’s argument concerning Bulgarian consumers’ lack of familiarity with the Latin alphabet, which will hamper their pronunciation of the words ‘bobo’ and ‘ozmo’, does not alter the fact those words contain, irrespective of how they are pronounced, two syllables, each of which contains the sound ‘o’. Lastly, the intervener’s argument concerning the pronunciation in Turkish of the words ‘bobo’ and ‘ozmo’ is irrelevant, as it is only the pronunciation of those words by Bulgarian consumers that must be taken into account.

**(d) The conceptual comparison**

76 The Board of Appeal observed that the signs at issue both contain the word ‘cornet’ and that the contested design represents a box intended to hold cornets. It added that the words ‘ozmo’ and ‘bobo’ have no meaning for the relevant public and concluded that the signs at issue were conceptually similar.

77 It is common ground that the words ‘ozmo’ and ‘bobo’ have no meaning for Bulgarian consumers. Moreover, the Board of Appeal was correct to point out that the signs at issue are conceptually similar because they have in common the element ‘cornet’. However, as the applicant was correct to observe, that conclusion applies only as regards the part of the relevant public that understands the meaning of the word ‘cornet’, which does not exist in Bulgarian, as noted in paragraph 55 above. Indeed, the part of the relevant public that does not understand the meaning of that word cannot attribute any particular meaning to the signs at issue. Accordingly, it is not possible to make a conceptual comparison of the signs (see, to that effect and by analogy, judgments of 22 March 2007, *Saint-Gobain Pam v OHIM — Propamsa (PAM PLUVIAL)*, T-364/05, EU:T:2007:96, paragraph 101, and of 6 September 2013, *Leiner v OHIM — Recaro (REVARO)*, T-349/12, not published, EU:T:2013:412, paragraph 35).

78 The intervener’s argument that the signs at issue are conceptually different because the relevant public will associate the representations of a rabbit, other animals and food products in the form of cones, which are present on the contested design but not on the earlier mark, with a Bulgarian folk tale cannot alter that conclusion. As stated, in essence, in paragraph 51 above, the element made up of the words ‘bobo’ and ‘cornet’ on the contested design capture the relevant’ public’s attention more than the other elements depicted on that design, which play a minor role in the overall impression conveyed by it.

79 It follows from the foregoing that, contrary to the conclusion reached by the Board of Appeal, the signs at issue are highly similar visually, have an average degree of phonetic similarity and are conceptually similar for the members of the relevant public who understand the meaning of the word ‘cornet’. For that part of the public that does not attribute any

meaning to that word, there can be no conceptual comparison of the signs. Thus, the signs at issue must be regarded as similar overall.

#### **4. The likelihood of confusion**

80 A 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 covered. Accordingly, a low degree of similarity between the goods or services may be offset by a high degree of similarity between the marks, and vice versa (judgments of 29 September 1998, *Canon*, C-39/97, EU:C:1998:442, paragraph 17, and 22 June 1999, *Lloyd Schuhfabrik Meyer*, C-342/97, EU:C:1999:323 paragraph 19).

81 It should be recalled that the Board of Appeal found, without being contradicted by the parties before the General Court, that the goods represented by the contested design and those covered by the earlier mark were similar. Moreover, the relevant public's level of attention is low in respect of those goods. The signs at issue must also be regarded as similar overall. Lastly, the parties have not disputed before the Court the Board of Appeal's assessment that the earlier mark has an average degree of distinctive character.

82 It follows that there is a likelihood of confusion on the part of the relevant public, that is, according to the definition set out in paragraph 27 above, a likelihood that that public might believe that the goods represented by the contested design and those covered by the earlier mark come from the same undertaking or, as the case may be, from economically-linked undertakings.

83 Accordingly, the Board of Appeal was not entitled to find that there was no likelihood of confusion on the part of the relevant public or, therefore, to dismiss the appeal before it and the application for a declaration of invalidity under Article 25(1)(e) of Regulation No 6/2002.

84 Accordingly, the first plea must be upheld and the contested decision therefore annulled, without there being any need to examine the second plea.

#### **C. The application for alteration of the contested decision**

85 By its second head of claim, the applicant contends that the General Court should declare the contested design invalid. That claim must be construed as request by the applicant for alteration pursuant to Article 61(3) of Regulation No 6/2002, namely that the Court should adopt the decision which the Board of Appeal should have taken (see, by analogy, judgment of 21 March 2012, *Feng Shen Technology v OHIM — Majtczak (FS)*, T-227/09, EU:T:2012:138, paragraph 54 and the case-law cited).

86 In that regard, it should be pointed out that the power to alter decisions, granted to the Court pursuant to Article 61(3) of Regulation No 6/2002, does not have the effect of conferring on that Court the power to carry out an assessment on which that Board of Appeal has not yet adopted a position. Exercise of the power to alter decisions must therefore, in principle, be limited to situations in which the Court, after reviewing the assessment made by the Board of Appeal, is in a position to determine, on the basis of the matters of fact and of law as established, what decision the Board of Appeal was required to take (see, by analogy,

judgments of 5 July 2011, *Edwin v OHIM*, C-263/09 P, EU:C:2011:452, paragraph 72, and of 16 May 2017, *Airhole Facemasks v EUIPO — industrysurf (AIR HOLE FACE MASKS YOU IDIOT)*, T-107/16, EU:T:2017:335, paragraph 45 and the case-law cited).

87 The request that a contested decision be altered is not a request to the Court to require EUIPO to do or to refrain from doing something, which would constitute a direction addressed to the latter. On the contrary, it is a request to the Court to decide, on the same basis as the Board of Appeal, whether the contested mark must be declared invalid in the light of Article 25(1)(e) of Regulation No 6/2002. Such a decision is among the measures which, in principle, may be taken by the Court in the exercise of its power to alter decisions (see, by analogy, judgment of 16 May 2017, *Airhole Facemasks v EUIPO — industrysurf (AIR HOLE FACE MASKS YOU IDIOT)*, T-107/16, EU:T:2017:335, paragraphs 46 and 47 and the case-law cited).

88 In the present case, it should be noted that the Board of Appeal adopted a position in the contested decision on whether there was a likelihood of confusion between the signs at issue and the Court therefore has the power to alter that decision as regards that point.

89 It follows from paragraph 82 above that the Board of Appeal should have found, with regard to the signs at issue, that there was a likelihood of confusion on the part of the relevant public. Thus, in the light of all the foregoing, the conditions for the exercise of the Court's power to alter a decision are met.

90 Consequently, it is necessary, by way of alteration of the contested decision, to grant the application for a declaration that the contested design is invalid, on the basis of Article 25(1)(e) of Regulation No 6/2002.

#### IV. Costs

91 Under Article 134(1) 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. In addition, under Article 134(2) of those rules, where there is more than one unsuccessful party, the Court is to decide how the costs are to be shared.

92 The applicant claims that EUIPO and the intervener should be ordered to pay the costs relating to the proceedings before the General Court as well as the invalidity and appeal proceedings before EUIPO.

93 Since EUIPO has been unsuccessful, it must be ordered to pay, in addition to its own costs, the applicant's costs relating to the proceedings before the General Court.

94 As regards the costs relating to the invalidity proceedings before the Invalidity Division and the appeal proceedings before the Board of Appeal, it should be borne in mind that, under Article 190(2) of the Rules of Procedure, costs necessarily incurred by the parties for the purposes of the proceedings before the Board of Appeal are to be regarded as recoverable costs. However, that does not apply to costs incurred for the purposes of the proceedings before the Invalidity Division.

95 Therefore, the applicant's request that EUIPO be ordered to pay the costs relating to the proceedings before the Invalidity Division and before the Board of Appeal may be granted



only as regards the costs incurred for the purposes of the proceedings before the Board of Appeal.

96 Since the intervener has been unsuccessful, she must be ordered to bear her own costs.

On those grounds,

THE GENERAL COURT (First Chamber)

hereby:

- 1. Annuls the decision of the Third Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 12 September 2016 (Case R 1143/2015-3);**
- 2. Grants the application for a declaration that the design registered under number 002343244-0002 is invalid;**
- 3. Orders EUIPO to bear its own costs and to pay the costs incurred by Şölen Çikolata Gıda Sanayi ve Ticaret before the General Court and before the Board of Appeal of EUIPO;**
- 4. Orders Mrs Elka Zaharieva to bear her own costs.**

Pelikánová

Valančius

Öberg

Delivered in open court in Luxembourg on 7 February 2018.

E. Coulon

I. Pelikánová

Registrar

President

\* Language of the case: English.