JUDGMENT OF THE GENERAL COURT (Eighth Chamber)

7 December 2017 (*)

(EU trade mark — Opposition proceedings — Application for the EU figurative mark Master — Earlier European Union figurative marks Coca-Cola and earlier national figurative mark C — Relative ground for refusal — Unfair advantage taken of the reputation of earlier marks — Evidence relating to the commercial use, outside the European Union, of a sign comprising the mark applied for — Logical inferences — Decision taken following the annulment by the General Court of an earlier decision — Article 8(5) and Article 65(6) of Regulation (EC) No 207/2009 (now Article 8(5) and Article 72(6) of Regulation (EU) 2017/1001))

In Case T−61/16,

**The Coca-Cola Company,** established in Atlanta, Georgia (United States), represented by S. Malynicz, QC, S. Baran, Barrister, D. Stone and A. Dykes, solicitors,

applicant,

v

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

defendant,

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

**Modern Industrial & Trading Investment Co. Ltd (Mitico),** established in Damas (Syria), represented by A.-E. Malamis, lawyer,

ACTION brought against the decision of the Fourth Board of Appeal of EUIPO of 2 December 2015 (Case R 1251/2015-4), relating to opposition proceedings between The Coca-Cola Company and Mitico,

THE GENERAL COURT (Eighth Chamber),

composed of A.M. Collins, President, M. Kancheva (Rapporteur) and J. Passer, Judges,

Registrar: X. Lopez Bancalari, Administrator,

having regard to the application lodged at the Court Registry on 12 February 2016,

having regard to the response of EUIPO lodged at the Court Registry on 28 April 2016,

having regard to the response of the intervener lodged at the Court Registry on 6 May 2016,

having regard to the Court's written question to the parties and their replies to that question lodged at the Court Registry on 12 and 20 April 2017,

on the basis of the hearing of 15 June 2017,

gives the following

**Judgment**

**Background to the dispute**

1 On 10 May 2010, the intervener, Modern Industrial & Trading Investment Co. Ltd (Mitico), filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Council Regulation (EC) 2017/1001 of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).

2 Registration as a mark was sought for the following figurative sign:

3 The goods in respect of which registration was sought fall — after the restriction made during the proceedings before EUIPO — within Classes 29, 30 and 32 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 29: 'Yoghurt. Meat, fish, poultry and game, meat extracts. Preserved, frozen, dried and cooked fruits and vegetables. Jellies, marmalades, fruit preserve. Eggs. Preserved and pickles. Salads in vinegar. Potatoes chips';

– Class 30: 'Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, confectionery, candies, ice-creams, honey, melassa syrup, dough, flour, baker's yeast, baking-powder, salt, mustard, vinegar, pepper, sauces (condiments), spices, specifically excluding pastry and bakery products, ice, chocolate, gum, all kinds of food appetizers made from corn and wheat, specifically excluding pastry and bakery products';

– Class 32: 'Mineral and natural water, barley beverage, non-alcoholic beers, non-alcoholic aerated waters of all kinds and flavours, particularly with (cola — pineapple — mango — orange — lemon — without flavour — apples — fruit cocktail formed — Tropical — energy drink — strawberry — fruits — lemonade — pomegranate ...) taste, and all types of non-alcoholic natural fruit juice drinks (apples — lemon — orange — fruit — cocktail — pomegranate — pineapple — mango…), and non-alcoholic juice concentrates and concentrates for making non-alcoholic juice in all types, powders and crushes for making non-alcoholic syrup'.

4 The application for an EU trade mark was published in the *Bulletin of Community Trade Marks* No 128/2010 of 14 July 2010.

5 On 14 October 2010, the applicant, The Coca-Cola Company, filed a notice of opposition pursuant to Article 41 of Regulation No 207/2009 (now Article 46 of Regulation 2017/1001) against registration of the mark applied for in respect of the goods and services referred to in paragraph 3 above.

6 The opposition was based, first of all, on four earlier European Union figurative marks reproduced below:

– mark registered under number 8792475:

– mark registered under number 3021086:

– mark registered under number 2117828:

– mark registered under number 2107118:

7 Those four earlier European Union figurative marks respectively covered, inter alia, goods and services in: (i) Classes 30, 32 and 33; (ii) Class 32; (iii) Classes 32 and 43; and (iv) Classes 32 and 33. Those goods and services correspond, for each of those trade marks and classes, to the following description:

– European Union mark No 8792475:

  – Class 30: ‘Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour, preparations made from cereals, bread, pastry and confectionery products, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice’;

  – Class 32: ‘Beers; Mineral and aerated waters and other non-alcoholic drinks; Fruit drinks and fruit juices; Syrups and other preparations for making beverages’;

  – Class 33: ‘Alcoholic beverages (except beers)’;

– European Union mark No 3021086: ‘Beverages, namely drinking waters, flavoured waters, mineral and aerated waters; and other non-alcoholic beverages, namely, soft drinks, energy drinks and sports drinks; fruit drinks and juices; syrups, concentrates and powders for making beverages, namely flavoured waters, mineral and aerated waters, soft drinks, energy drinks, sports drinks, fruit drinks and juices’ falling within Class 32;

– European Union mark No 2117828:

  – Class 32: ‘Beers; Mineral and aerated waters and other non-alcoholic drinks; Fruit drinks and fruit juices; Syrups and other preparations for making beverages’;

– Class 43: ‘Providing of food and drink; temporary accommodation’;

– European Union mark No 2107118:

– Class 32: ‘Beers; Mineral and aerated waters and other non-alcoholic drinks; Fruit drinks and fruit juices; Syrups and other preparations for making beverages’;

– Class 33: ‘Alcoholic beverages (except beers)’.

8 Secondly, the opposition was based on the earlier United Kingdom figurative mark, registered under number 2428468, reproduced below:

9 That earlier United Kingdom figurative mark referred in particular to goods in Class 32 corresponding to the following description: ‘Beers; Mineral and aerated waters and other non-alcoholic drinks; Fruit drinks and fruit juices; Syrups and other preparations for making beverages’.

10 The grounds for opposition were those referred to in Article 8(1)(b) of Regulation No 207/2009 (now Article 8(1)(b) of Regulation 2017/1001) and Article 8(5) of Regulation No 207/2009 (now Article 8(5) of Regulation 2017/1001).

11 During the opposition proceedings, the applicant adduced evidence relating, according to it, to the commercial use by the intervener of the trade mark applied for. That evidence included a witness statement by Mrs R., then the applicant’s lawyer, dated 23 February 2011, to which she appended screen shots of the intervener’s website, ‘www.mastercola.com’, printed on 16 February 2011. Those screen shots were intended to show that Mitico was using the mark applied for in the course of trade in the form shown below:

12 On 26 September 2011, the Opposition Division rejected the opposition in its entirety.

13 On 17 October 2011, the applicant filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009 (now Articles 66 to 71 of Regulation 2017/1001), against the decision of the Opposition Division.

14 By decision of 29 August 2012 (‘the first decision’), the Second Board of Appeal of EUIPO dismissed the appeal. First, concerning the ground of opposition based on Article 8(1)(b) of Regulation No 207/2009, it considered that it was clear from the outset that the signs at issue were not at all similar and therefore concluded that there was no likelihood of confusion between them, despite the identity of the goods at issue. Secondly, concerning the ground of opposition based on Article 8(5) of that regulation, it considered

that, since the signs were not similar, the first requirement governing the application of that article, namely the existence of a link between the trade mark applied for and the earlier mark, was not satisfied. Furthermore, it disregarded the evidence adduced by the applicant (see paragraph 11 above), on the ground that, in the context of that article, only the use of the trade mark applied for by the intervener could be taken into account.

15 On 5 November 2012, the applicant brought an action before the Court seeking annulment of the first decision. In support of its action, the applicant raised, in essence, a single plea in law, alleging infringement of Article 8(5) of Regulation No 207/2009, divided into two parts. In the first part, it criticised EUIPO for combining the assessment of the similarity of the marks at issue under Article 8(1)(b) of that regulation with the assessment as to whether there was a link between those marks under Article 8(5) of that regulation. In the second part, it complained that EUIPO failed to take account of the evidence relating to the commercial use of the trade mark applied for, which was relevant in order to establish the intervener's intention to take unfair advantage of the repute of the earlier marks.

16 By judgment of 11 December 2014, *Coca-Cola* v *OHIM — Mitico (Master)* (T-480/12, EU:T:2014:1062), the Court annulled the first decision.

17 As regards the first part of the single plea in law, in paragraphs 34 and 35 of the judgment of 11 December 2014, *Master* (T-480/12, EU:T:2014:1062), the Court noted from the outset that the existence of a similarity between the signs at issue was a requirement for the application of Article 8(5) of Regulation No 207/2009, and rejected the applicant's complaint to the contrary. Next, in paragraph 64 of its judgment, the Court found that the signs at issue had, apart from their clear visual differences, elements of visual similarity relating not only to the 'tail' flowing from their first letters 'c' and 'm' in a signature flourish but also to their shared use of a font which is not commonly used in contemporary business life, namely Spenserian script, which would be perceived by the relevant consumer as a whole. In paragraph 70 of that judgment, the Court, making an overall assessment of the elements of similarity and dissimilarity, concluded that there was a low degree of similarity between the signs at issue, at least between the four earlier Coca-Cola marks and the trade mark applied for, since, despite the elements of visual dissimilarity, their phonetic and conceptual differences were cancelled out by the elements of overall visual similarity, which were more significant. By contrast, the earlier United Kingdom trade mark, in view, in particular, of its brevity, was held to be dissimilar to the trade mark applied for. In paragraphs 74 to 76 of the judgment of 11 December 2014, *Master* (T-480/12, EU:T:2014:1062), the Court concluded that the signs at issue had a degree of similarity, which, although low, was nevertheless sufficient for the relevant public to make a connection between the mark applied for and the four earlier Coca-Cola marks, that is to say, to establish a link between them for the purposes of that article. Consequently, it requested the Board of Appeal to examine the other conditions for the application of that article, in particular the existence of a risk that the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade marks.

18 Moreover, in the judgment of 11 December 2014, *Master* (T-480/12, EU:T:2014:1062), the Court considered it appropriate to examine the second part of the single plea in law, relating to the relevance of the evidence adduced by the applicant and disregarded by the Board of Appeal, namely the screen shots of the intervener's website, 'www.mastercola.com' (see paragraph 11 above). In paragraphs 86 to 88 of that judgment, the Court stated that, for the purposes of establishing a risk of free-riding (the risk that unfair advantage will be taken of the distinctive character or the repute of the earlier trade marks), the case-law in no way limited the relevant evidence to be taken into consideration to the mark applied for, but allowed account to be taken also of any evidence intended to facilitate an analysis of the probabilities as regards the intentions of the proprietor of the trade mark applied for, and — a fortiori — any evidence relating to the actual commercial use of the mark applied for. The Court considered that the evidence adduced by the applicant during the opposition proceedings clearly constituted relevant evidence for the purposes of establishing such a risk of free-riding in the present case and, therefore, held that the Board of Appeal had erred in disregarding that evidence. Therefore, in paragraph 93 of the judgment of 11 December 2014, *Master* (T-480/12, EU:T:2014:1062), the Court requested the Board of Appeal to take that evidence into

consideration during its examination of the conditions for the application of Article 8(5) of Regulation No 207/2009.

19 By decision of 23 June 2015, following the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), the Presidium of the Boards of Appeal referred the case to the Fourth Board of Appeal, under reference R 1251/2015-4.

20 By decision of 2 December 2015 ('the contested decision'), the Fourth Board of Appeal again dismissed the applicant's appeal against the Opposition Division's decision rejecting the opposition.

21 First of all, taking note of the fact that the applicant had waived, before the Court, its claim based on Article 8(1) of Regulation No 207/2009 (judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), paragraph 21), the Board of Appeal stated that the scope of the action was limited to the opposition based on Article 8(5) of that regulation. Next, acknowledging the Court's finding that the trade mark applied for was different from the earlier United Kingdom trade mark (judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062, paragraph 70), it held the opposition to be unfounded to that extent. Furthermore, acknowledging the Court's finding of the existence of a link between the trade mark applied for and the four earlier Coca-Cola marks (judgment of 11 December 2014, *Master*, T−480/12, EU:T:2014:1062, paragraph 74) and noting that it was not disputed that those earlier marks had a reputation for 'non-alcoholic drinks', it stated that the only requirement governing the application which remained to be examined was that of the risk that use of the trade mark applied for would take unfair advantage of that reputation.

22 As regards the requirement of a risk of unfair advantage being taken of the reputation, the Board of Appeal noted that, in the first decision, it had found, in essence, that the evidence — namely screenshots taken from the intervener's website, 'www.mastercola.com' (see paragraph 11 above) — did not concern the mark applied for and that, consequently, it did not take it into consideration. It nevertheless added that, '[i]f the marks shown in the above pictures were indeed subject of the application at hand, there would be no question that its registration could be prevented' and that '[t]o the contrary, if the trade mark applied for in the case at hand would be used on the market it would indeed be questionable if the use of this particular sign could be prohibited'. It further noted that '[t]he evidence show[ed] that the [intervener] [was] selling its beverages in bottles that show the same get-up, imagery, stylisation and font and packaging of the one sold by the [intervener] as Coca-Cola'.

23 However, the Board of Appeal held that the scope of that evidence was such that it could not serve as a basis for the opposition and, in particular, the existence of a risk of free-riding, in essence for the following three reasons. First, the Board of Appeal stated that that evidence did not show that the intervener had used the presentation displayed on its website 'www.mastercola.com' in the European Union. In support of that finding, it noted the fact that that website was mainly written in Arabic, although one page was in English, as well as the lack of any indication that the goods offered on the website could be ordered online and sent to the European Union. Secondly, the Board of Appeal held that the mere fact that an EU trade mark is filed — the presentation of which is different from the one displayed on the intervener's website — did not indicate that the latter intended to promote its goods in the same way in the European Union as it did in Syria and the Middle East. In particular, the Board of Appeal stated that it was unaware who owned the rights in those countries and that the applicant had not claimed an infringement of its rights in that region. Thirdly, the Board of Appeal held that the applicant further failed to show which specific image could be transferred from the four earlier Coca-Cola trade marks to the application at issue in the European Union or outside the Union, in particular regarding the goods in Classes 29 and 30, but also regarding the beverages in Class 32. Therefore, according to the Board of Appeal, the evidence submitted did not clearly establish what Coca-Cola stood for. It noted that, in so far as it was bound by the arguments submitted by the parties under Article 76 of Regulation No 207/2009 (now Article 95 of Regulation 2017/1001), it was not for it to request submissions of its own motion. Moreover, the Board of Appeal applied a similar argument to the risks of dilution or of tarnishment. Finally, in the light of all of the evidence submitted, it concluded that the opposition was unfounded and dismissed the appeal.

**Forms of order sought**

24 The applicant claims that the Court should:

– annul the contested decision;

– order EUIPO and the intervener to bear their own costs and pay those incurred by the applicant at every stage of the opposition and appeal proceedings, including the costs of the present proceedings.

25 EUIPO contends that the Court should:

– dismiss the application;

– order the applicant to pay the costs.

26 The intervener contends that the Court should:

– dismiss the application;

– order the applicant to bear the costs incurred by it before both EUIPO and the Court.

**Law**

27 In support of its action, the applicant relied, in essence, on two pleas in law, alleging infringements respectively of Article 8(5) and Article 65(6) of Regulation No 207/2009 (now Article 72(6) of Regulation 2017/1001). By the first plea in law, it complains that EUIPO incorrectly disregarded the relevance of the evidence showing the intervener's intentions regarding the use of the trade mark applied for and, therefore, the existence of a risk that the use without due cause of that trade mark would take unfair advantage of the distinctive character or reputation of the earlier marks. By the second plea in law, it complains that EUIPO failed to apply the operative parts of the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062) or, at the very least, that it failed to apply them correctly.

28 EUIPO and the intervener contend that those two pleas should be rejected.

29 As a preliminary point, it is not necessary to call into question the findings of the Board of Appeal, which are not disputed by the parties, as to the relevant public and the identity of the goods covered by the marks at issue (judgment of 11 December 2014, *Master*, T−480/12, EU:T:2014:1062, paragraph 22). Next, it should be pointed out that the applicant expressly approves the contested decision on various points, including the limitation of the scope of the opposition proceedings under Article 8(5) of Regulation No 207/2009, pursuant to paragraph 21 of the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), as well as the factual findings of the Board of Appeal concerning, on the one hand, the existence of a similarity and a link between the four earlier Coca-Cola marks and the mark applied for, pursuant to paragraph 74 of the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062) and, on the other, the reputation of those earlier marks in respect of non-alcoholic beverages falling within Class 32. Finally, it may be observed that the applicant does not dispute the rejection of the action and of the opposition on the basis of the earlier United Kingdom mark, pursuant to paragraph 70 of the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062, paragraph 70; see paragraph 21 above).

30 The Court considers it appropriate to examine the second plea in law before the first.

***The second plea in law, alleging infringement of Article 65(6) of Regulation No 207/2009***

31 By the second plea in law, the applicant alleges that the Board of Appeal failed to take the necessary measures to comply with the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), in breach of Article 65(6) of Regulation No 207/2009. It submits that the Court, in the judgment of

11 December 2014, *Master* (T−480/12, EU:T:2014:1062), concluded that the evidence relating to the commercial use of the trade mark applied for was manifestly relevant 'in full awareness of the geographical scope' of that evidence, since that question had been raised by the intervener during the administrative proceedings in a declaration of 9 May 2012 and was therefore part of the evidence submitted to the Court. According to the applicant, the Board of Appeal should have restricted itself to assessing the question of unfair advantage, taking account of the General Court's findings concerning the relevance of the evidence relating to the commercial use of the trade mark applied for. The Board of Appeal therefore erred in disregarding that evidence on the basis of its geographical scope.

32 EUIPO disputes the applicant's arguments. Admittedly, it acknowledges that the Board of Appeal initially erred in disregarding that evidence. However, it contends that, in so far as the Court did not assess that evidence, the Court could not rule on the unfair advantage on the basis of that evidence. Therefore, it requests the Court to state whether the question of the place of the use of the mark applied for, whether within the European Union or outside it, was taken into consideration by the Court when it reached its judgment.

33 The intervener contends that the Board of Appeal did in fact take into consideration the excerpts from its website and, after having examined them, correctly concluded that they did not establish a risk of the applicant's rights being undermined. In its view, the Board of Appeal was not obliged to decide that the excerpts from that website proved the applicant's claims.

34 It should be noted that, where an action is brought before the Courts of the European Union against a decision of a Board of Appeal of EUIPO, EUIPO is required, in accordance with Article 266 TFEU and Article 65(6) of Regulation No 207/2009, to take the necessary measures to comply with any judgment ordering annulment that may be given by the Courts of the Union.

35 According to settled case-law, it is not for the Court to issue directions to EUIPO; it is for the latter to give due effect to the grounds and operative part of the Court's judgments (judgments of 31 January 2001, *Mitsubishi HiTec Paper Bielefeld* v *OHIM (Giroform)*, T−331/99, EU:T:2001:33, paragraph 33; of 13 June 2007, *IVG Immobilien* v *OHIM*, T−441/05, EU:T:2007:178, paragraph 13; and of 6 October 2011, *Bang & Olufsen* v *OHIM (Representation of a loudspeaker)*, T−508/08, EU:T:2011:575, paragraph 31).

36 In the present case, as a preliminary point, it should be recalled that the relevant passage on page 12 of the intervener's observations on the appeal (before the Board of Appeal) of 9 May 2012 is worded as follows:

'... the [EU figurative mark] "Master & figure" is used on a variety of products having nothing to do with the way the Coca-Cola goods are marketed. It must be underlined that ... the [EU figurative mark] "Master & figure" is not similar to the "Coca-Cola" marks. Moreover, [the applicant] never proved that any use of the said mark in the EU exploits [its] marketing efforts.'

37 In that regard, it should be noted, as EUIPO has done, that, in its observations mentioned above, the intervener did not express itself on the evidence at issue, namely the excerpts from the website 'www.mastercola.com' which were appended to Mrs R's witness statement of 23 February 2011 (see paragraph 11 above). Thus, it must be held that the intervener's statement that no free-riding had been established in the Union must be interpreted as a statement that it had never used the mark applied for in the Union. It must therefore be stated that the intervener did not make any statements on the geographical scope of that evidence.

38 Moreover, neither the Opposition Division nor the Second Board of Appeal, in the first decision, ruled on the issue.

39 It is apparent from the foregoing that the question of the geographical scope of that evidence was neither discussed between the parties during the administrative proceeding or examined by the Board of Appeal in the first decision.

40 It follows that the issue was not brought to the General Court's attention and was not the subject of the dispute before it when it delivered the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062).

41 Therefore, in the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), the General Court could not have reached a decision on the question of the geographical scope of that evidence.

42 In paragraphs 89 and 90 of the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), the General Court held that the evidence relating to the commercial use of the mark applied for, as produced by the applicant during the opposition proceedings, manifestly constituted relevant evidence for the purposes of establishing a risk of free-riding in the present case. It therefore found that the Board of Appeal erred in disregarding that evidence when it applied Article 8(5) of Regulation No 207/2009 in this case.

43 On the other hand, as EUIPO correctly points out, in so far as the General Court did not itself assess that evidence, in particular its geographical scope, it could not rule on the question whether the evidence proved that unfair advantage had been taken of the repute of the earlier marks.

44 Moreover, the General Court could not have ruled on an issue not examined by the Board of Appeal without substituting the grounds, in excess of the scope of its judicial review, and in breach of the case-law.

45 That is why, in paragraphs 92 and 93 of the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), the General Court held that:

'However, as has been observed in paragraph 75 above, since the question whether unfair advantage would be taken of the distinctive character or the repute of the earlier trade marks was not examined by the Board of Appeal, it is not for the Court to give a ruling on it, for the first time, in its review of the legality of the contested decision (see, to that effect, judgments of 5 July 2011, *Edwin* v *OHIM*, C−263/09 P, EU:C:2011:452, paragraphs 72 and 73; of 14 December 2011, *Völkl* v *OHIM — Marker Völkl (VÖLKL)*, T−504/09, EU:T:2011:739, paragraph 63; and of 29 March 2012, *You-Q* v *OHIM — Apple Corps (BEATLE)*, T−369/10, EU:T:2012:177, paragraph 75 and the case-law cited).

It will therefore be for the Board of Appeal, when examining the conditions for applying Article 8(5) of Regulation No 207/2009 (see paragraph 76 above), to take into consideration the evidence relating to the commercial use of the mark applied for, as produced by Coca-Cola during the opposition proceedings.'

46 Thus, the General Court instructed the Board of Appeal to assess that evidence itself as part of the examination of the requirements governing the application of Article 8(5) of Regulation No 207/2009, without binding it with a specific assessment.

47 It must be held that, in paragraphs 27 to 33 of the contested decision, the Board of Appeal, acting in accordance with the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), took due consideration of the relevant evidence, without excluding it as in the first decision, and made an assessment of its scope and probative value when it examined the requirements governing the application of Article 8(5) of Regulation No 207/2009, in particular that of the risk of unfair advantage.

48 Consequently, the Board of Appeal may not be criticised for having failed to take the necessary measures to comply with the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), in breach of Article 65(6) of Regulation No 207/2009.

49 The second plea in law must therefore be rejected.

***The first plea in law, alleging infringement of Article 8(5) of Regulation No 207/2009***

50 By the first plea in law, the applicant claims that the Board of Appeal infringed Article 8(5) of Regulation No 207/2009 by failing to take into consideration the evidence relating to the commercial use of the trade

mark applied for, on the ground that none of that evidence concerned the European Union. In its submission, the Board of Appeal should have assessed whether there was a risk of unfair advantage in the light of that relevant evidence, which would have led it to conclude that the use of the trade mark applied for created at least a serious risk that an unfair advantage would be taken of the four earlier Coca-Cola marks. In essence, it submits two heads of claim in that regard.

51 By the first head of claim, the applicant complains that the Board of Appeal failed to take that evidence into consideration in a manner which is appropriate and compatible with the requirements imposed on it by the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062). It takes the view that the question of the geographical scope of that evidence had already been submitted to the Court, which had nevertheless concluded that it was manifestly relevant, a fact which the Board of Appeal was required to take into consideration.

52 By the second head of claim, the applicant claims, in any event, that the Board of Appeal erred in failing to take account of the logical inferences that flowed from such evidence. In its submission, actual use of the trade mark applied for by the intervener in a particular and specially chosen presentation outside the European Union necessarily gives rise to the logical inference that there is a serious risk it might be used in the same way within the European Union. That conclusion is a fortiori valid where, as in the present case, the evidence does not make it possible to conclude that the website 'www.mastercola.com' was not aimed at consumers in the European Union and, moreover, the intervener specifically applied for the requested mark for use within the European Union.

53 The applicant concludes therefrom that the evidence relating to the use of the trade mark applied for was sufficient in order to prove the intervener's intention to free-ride on the reputation of its own trade marks. In its submission, the Board of Appeal should have recognised, either as a matter of fact, or by logical inference, the intervener's intention to transfer the image of the applicant's earlier trade marks to the goods bearing its own mark, or the serious risk that it would do so within the European Union.

54 EUIPO disputes the applicant's arguments. First of all, it notes that the Board of Appeal took that evidence into consideration in compliance with the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062). It thus concluded that the evidence did not show that the presentation displayed on the website 'www.mastercola.com' was used in the European Union.

55 Next, EUIPO contends that the relevant question is whether the use of the requested mark of the kind shown could give rise to an unfair advantage. On the one hand, EUIPO acknowledges that evidence of actual use anywhere in the world may be indicative of the manner in which the mark applied for might be used in the European Union, so that such use outside of the Union may help to determine whether use of the mark applied for is likely to take unfair advantage of the reputation of the earlier marks. On the other hand, EUIPO argues that examining whether use in the European Union may be regarded as one of the infringements contemplated under Article 8(5) of Regulation No 207/2009 in the light of instances of use in third countries amounts to carrying out an assessment based on mere speculation. That is particularly true since presentational features used outside of the European Union, but which are not part of the mark applied for, namely the red label over which the words 'Master Cola' are written in white, the characteristic shape of the container and the red cap ('the presentational features') are alleged to play a great role in the public's ability to relate the mark applied for with the applicant's in a parasitic way.

56 According to EUIPO, the Board of Appeal's reasoning is based on the idea that although the analysis of Article 8(5) of Regulation No 207/2009 is prospective in nature, it must be based on objective elements rather than on presumptions and speculations. In the present case, EUIPO admittedly concedes that instances of actual use in the European Union could have illustrated the real risk that use of the mark applied for may take unfair advantage of the earlier marks' repute in the European Union. However, EUIPO contends that an analysis based on instances of use outside the European Union does not make it possible to draw any conclusions, with a sufficient degree of certainty, as to the manner in which the mark applied for will be used in the relevant territory, namely the European Union. In EUIPO's view, the balance of probabilities may be too low. It cannot be presumed that the other party will adopt in the European

Union the same marketing strategy as that adopted in third countries. Therefore, the possible use of the mark applied for in the European Union with specific packaging and colours which are different from those set out in the application for an EU trade mark may be insufficient to support the applicant's claim. In other words, the fact that the mark applied for is used outside the European Union with those presentational features cannot be equated with an 'intention' to use the mark applied for in the same manner within the European Union.

57 Moreover, EUIPO maintains that basing a decision relating to the applicability of Article 8(5) of Regulation No 207/2009 on facts which occurred outside the territory of the European Union would make the principle of territoriality empty and meaningless. EUIPO notes that in accordance with the Paris Convention for the Protection of Industrial Property of 20 March 1883, as revised and amended, it is only in exceptional circumstances that the registration or use of a trade mark in one country produces effects in another country, such as where a priority right is claimed or the well-known character in one country of a trade mark used or registered in another country is invoked (Articles 4 and 6 bis of the Paris Convention respectively). As with any exception, it must be construed narrowly and, in the absence of any specific provision to the contrary either in the Paris Convention or in Regulation No 207/2009, it is not possible to refuse the registration of a trade mark in the European Union on the basis of acts occurring outside the territory of the European Union.

58 Finally, EUIPO contends that the applicant did not provide any evidence relating to various aspects. Thus, it did not give any indication concerning the number of consumers from the European Union that visited the website 'www.mastercola.com' in order to obtain information about the use of the mark presented in a manner which further reinforces the similarities. More generally, it provided no evidence showing that the presentation at issue is or will be used in the European Union and that the intervener will derive present or future advantage in the European Union therefrom. According to EUIPO, even if it could be inferred with a reasonable degree of certainty that the mark applied for will be used in the same form as on that website, with the same presentational features, that would not be sufficient to establish an advantage in favour of the intervener. The applicant has not shown which specific image might be transferred from the four earlier Coca-Cola marks to the trade mark applied for, inside or outside the European Union, in particular concerning the goods in Classes 29 and 30, but also in respect of the beverages in Class 32. In that regard, EUIPO notes that the applicant does not dispute the statement in the contested decision that, regarding the goods in Classes 29 and 30, it did not provide any argument or evidence regarding a possible transfer of the image of those Coca-Cola marks. EUIPO adds that none of the goods in Class 29 and in Class 30 are refreshments for which the earlier marks are well-known.

59 The intervener disputes the applicant's arguments. First of all, it maintains that the trade mark depicted on the excerpts from its website, 'www.mastercola.com', is not the trade mark Master, set out in black Latin and Arabic letters, but the trade mark Master Cola, set out in white Latin letters. According to the intervener, the use of another trade mark, such as Master Cola, is not relevant in the present case.

60 Next, the intervener contends that it is not proved that it uses the presentation shown on its website 'www.mastercola.com' in the European Union. Like the Board of Appeal, it takes the view that the mere filing of a European Union trade mark — the presentation of which is different from the one on its website — does not indicate that it intends to promote its goods in the same way in the European Union as it does in Syria and the Middle East. In any event, the applicant did not state that there was an infringement of its rights in that region.

61 Finally, the intervener submits that the applicant further failed to show which specific image could be transferred from the four earlier Coca-Cola trade marks to the trade mark applied for inside or outside the European Union.

62 The intervener concludes therefrom that it is established that it has no intention of taking any advantage of the four earlier Coca-Cola trade marks and their reputation. In its view, it is 'uncomprehensible' that the filing of the mark consisting of the element 'MASTER' in black & white, accompanied by an Arabic text, can take unfair advantage of the applicant's reputation.

*Review of the case-law and preliminary observations*

63 Article 8(5) of Regulation No 207/2009 provides that, 'upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with, or similar to, the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where, in the case of an earlier [EU trade mark], the trade mark has a reputation in the [Union] and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark'.

64 It is apparent from the wording of Article 8(5) of Regulation No 207/2009 that its application is subject to the following conditions: first, the fact that the marks at issue are identical or similar; secondly, the fact that the earlier trade mark invoked in opposition has a reputation; thirdly, the existence of a risk that the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark. Those conditions are cumulative and failure to satisfy one of them is sufficient to render that provision inapplicable (see judgment of 11 December 2014, *Master*, T−480/12, EU:T:2014:1062, paragraph 25 and the case-law cited).

65 With respect to the third condition, it should be recalled that the risk of unfair advantage being taken of the distinctive character or the repute of the earlier mark is established where there is an attempt at clear exploitation and free-riding on the coat-tails of a famous mark; that taking unfair advantage of that distinctive character or repute is, therefore, behind the idea of 'the risk of free-riding'. In other words, the risk of free-riding is the risk that the image of the mark with a reputation or the characteristics which it projects will be transferred to the goods covered by the mark applied for, with the result that the marketing of those goods will be made easier by that association with the earlier mark with a reputation (see judgment of 11 December 2014, *Master*, T−480/12, EU:T:2014:1062, paragraph 82 and the case-law cited; see also, to that effect, judgment of 18 June 2009, *L'Oréal and Others*, C−487/07, EU:C:2009:378, paragraph 41).

66 In order to determine whether the use of a sign takes unfair advantage of the distinctive character or the repute of the mark, it is necessary to undertake a global assessment, taking into account all factors relevant to the circumstances of the case, which include, inter alia, the strength of the mark's reputation and the degree of distinctiveness of the mark, the degree of similarity between the marks at issue and the nature and degree of proximity of the goods or services concerned. As regards the strength of the mark's reputation and the degree of its distinctiveness, the Court of Justice has held that the stronger the mark's distinctiveness and reputation, the easier it will be to accept that detriment has been caused to it. It is also clear from the case-law that, the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctiveness or repute of the mark, or is, or will be, detrimental to them (judgment of 18 June 2009, *L'Oréal and Others*, C−487/07, EU:C:2009:378, paragraph 44 and the case-law cited; see also, to that effect, judgment of 11 December 2014, *Master*, T−480/12, EU:T:2014:1062, paragraph 27 and the case-law cited).

67 The proprietor of the earlier mark who relies on the protection granted by Article 8(5) of Regulation No 207/2009 is required to adduce evidence that use of the later mark takes unfair advantage of the distinctiveness or repute of the earlier mark. To that end, the proprietor of the earlier mark is not required to demonstrate actual and present harm to his mark, as confirmed by the wording of that provision in the conditional. When it is foreseeable that such injury will ensue from the use which the proprietor of the later mark may be led to make of its mark, the proprietor of the earlier mark cannot be required to wait for it actually to occur in order to be able to prohibit that use. However, the proprietor of the earlier mark must establish the existence of evidence making it possible to conclude that there is a serious risk that such an infringement will occur in the future (see, to that effect, judgment of 22 May 2012, *Environmental Manufacturing* v *OHIM — Wolf (Representation of a wolf's head)*, T−570/10, EU:T:2012:250,

paragraph 51 and the case-law cited) or, in other words, adduce prima facie evidence of a non-hypothetical future risk of undue profit or injury (see judgment of 7 October 2015, *Panrico* v *OHIM — HDN Development (Krispy Kreme DOUGHNUTS)*, T−534/13, not published, EU:T:2015:751, paragraph 76 and the case-law cited).

68 According to settled case-law, a finding of a risk of free-riding may, like a finding of a risk of dilution or a risk of tarnishment, be established, in particular, on the basis of logical inferences — so long as they are not mere suppositions — resulting from an analysis of the probabilities and by taking account of the usual practices in the relevant commercial sector as well as all the other circumstances of the case (judgment of 22 May 2012, *Environmental Manufacturing* v *OHIM*, C−570/10 P, EU:C:2012:250, paragraph 52; see also judgment of 11 December 2014, *Master*, T−480/12, EU:T:2014:1062, paragraph 84 and the case-law cited).

69 In particular, the Court of Justice has ruled that, in the general assessment intended to determine whether unfair advantage was being taken of the distinctive character or the repute of an earlier trade mark, it was necessary, in particular, to take account of the fact that the use of packaging and bottles similar to those of the fragrances that were being imitated was intended to take advantage, for promotional purposes, of the distinctiveness and the repute of the marks under which those fragrances were marketed. The Court also stated that, where a third party was attempting, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of the mark with a reputation in order to create and maintain the image of that mark, the advantage resulting from such use had to be considered to be an advantage that had been unfairly taken of the distinctive character or the repute of the earlier trade mark (judgment of 18 June 2009, *L'Oréal and Others*, C−487/07, EU:C:2009:378, paragraphs 48 and 49, and of 11 December 2014, *Master*, T−480/12, EU:T:2014:1062, paragraph 85).

70 Finally, the Court has repeatedly held that it is possible, in particular in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a non-hypothetical future risk of detriment or of unfair advantage being taken by the mark applied for was so obvious that the opposing party did not need to put forward or adduce evidence of any other fact to that end (see, to that effect, judgments of 22 March 2007, *Sigla* v *OHIM — Elleni Holding (VIPS)*, T−215/03, EU:T:2007:93, paragraph 48, and of 27 October 2016, *Spa Monopole* v *EUIPO — YTL Hotels & Properties (SPA VILLAGE)*, T−625/15, not published, EU:T:2016:631, paragraph 63).

71 It is in the light of those considerations that it is necessary to ascertain whether the Board of Appeal correctly held that the requirements governing the application of Article 8(5) of Regulation No 207/2009 were not satisfied in the present case.

72 As a preliminary point, the applicant's first complaint must be rejected. It was held in paragraphs 34 to 49 above that the Board of Appeal had taken the measures required to comply with the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), by taking into consideration the evidence relating to the commercial use of the mark applied for.

73 Next, it is necessary to examine the applicant's second complaint, relating to the establishment of a risk of unfair advantage being taken of the reputation of the earlier marks, as well as, first, some of the arguments of EUIPO and the intervener in that regard.

*Consideration of the use of a composite mark including the mark applied for*

74 The intervener alleges that the mark represented on the excerpts from its website, 'www.mastercola.com', is not the mark applied for, namely Master, but another mark, Master Cola, whose use is not relevant in the present case.

75 It follows from the case-law of the Court, in the context of a mark's acquisition of distinctiveness through use, and of the maintenance of a mark by evidence of genuine use, that, in general, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark. The Court has also stated that a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue (see, to that effect, judgments of 7 July 2005, *Nestlé*, C−353/03, EU:C:2005:432, paragraphs 29 and 30; of 18 April 2013, *Colloseum Holding*, C−12/12, EU:C:2013:253, paragraphs 32, 35 and 36; and of 18 July 2013, *Specsavers International Healthcare and Others*, C−252/12, EU:C:2013:497, paragraphs 23 and 26).

76 In this case, it is clear that the term 'master' is the distinctive and dominant element of the Master Cola mark used on the intervener's website, 'www.mastercola.com', in particular for drinks. Thus, within the composite trade mark Master Cola, the element 'master' continues to be perceived as an indication of the origin of the intervener's goods. Therefore, the use of that term as a component of the composite trade mark Master Cola is indeed a use of the trade mark Master as such.

77 It follows that the evidence taken from the intervener's website 'www.mastercola.com' cannot be dismissed on the sole ground that the mark displayed therein is the Master Cola mark and not the Master mark independently. That is all the more so since the former includes the latter as a whole.

78 On the contrary, it is appropriate to consider, as was held in the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), that that evidence is relevant to the commercial use of the mark applied for.

79 Pursuant to the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062), the Board of Appeal therefore correctly took account of that evidence.

*The taking into account of the use of the mark applied for outside the European Union in the light of the principle of territoriality*

80 EUIPO submits that it is impossible to refuse the registration of an EU trade mark on the basis of acts carried out outside the territory of the Union. It claims that the basing of a decision relating to the applicability of Article 8(5) of Regulation No 207/2009 on facts that occurred outside the territory of the European Union would make the principle of territoriality empty and meaningless.

81 It should be recalled that the principle of territoriality, in trade mark law, entails that it is the law of the State — or of the union of States — where protection of a trade mark is sought which determines the conditions of that protection (see, to that effect, judgments of 22 June 1994, *IHT Internationale Heiztechnik and Danzinger*, C−9/93, EU:C:1994:261, paragraph 22, and of 13 September 2012, *Protégé International* v *Commission*, T−119/09, not published, EU:T:2012:421, paragraph 78). It must be stated that the principle of territoriality also entails that the court of a State or of a union of States has jurisdiction (in whole or in part) in respect of acts of infringement committed or threatened within the territory of that State or that union of States, to the exclusion of third States (see, to that effect, judgment of 12 April 2011, *DHL Express France*, C−235/09, EU:C:2011:238, paragraphs 37 and 38).

82 In the present case, first, it should be noted that the intervener lodged an application for an EU trade mark. Under the principle of territoriality, it is EU law, in particular Regulation No 207/2009, which determines the conditions of that protection.

83 Secondly, the applicant filed an opposition to that European Union trade mark application on the basis of the four earlier Coca-Cola EU trade marks. In accordance with the principle of territoriality, those marks are protected in the Union and may be relied upon in opposition to a subsequent trade mark application.

84 On the other hand, it must be stated that the applicant has not availed itself of any prior rights recognised in non-EU countries. The Board of Appeal's statement, in paragraph 29 of the contested decision, that it

was unaware who owned the rights in those countries and that the applicant had not claimed an infringement of its rights in that region is therefore irrelevant.

85 In that regard, it is also necessary to reject EUIPO's claim that, pursuant to Articles 4 and 6 bis of the Paris Convention, it is only in exceptional circumstances that the registration or use of a trade mark in one country produces effects in another country, such as where a priority right is claimed or the well-known character in one country of a trade mark used or registered in another country is invoked. Admittedly, it is true that the invocation of a well-known mark within the meaning of the Paris Convention derogates from the principle of territoriality, in the sense that a mark which is not registered in the Union may nevertheless be invoked in opposition therein, in view of the fact that it has become well-known in a third State which is party to that Convention. However, in the present case, the applicant relies on EU trade marks in support of its opposition, namely the four earlier Coca-Cola marks, and not on well-known marks in third States which are not registered in the Union. Therefore, there is no derogation from the principle of territoriality.

86 Moreover, it should be noted that those provisions of the Paris Convention relate to prior rights, if any, and not to a subsequent application for an EU trade mark. Thus, in no way do they preclude taking account of the use in a third State of the mark applied for in the Union for the purpose of establishing whether there is any ground of opposition in the Union.

87 Thirdly, in the present case, the applicant relies on the existence of a risk that unfair advantage will be taken of the reputation of its earlier marks inside the European Union, not beyond it. It relies on the actual use of the mark applied for in third States only in order to use it as a basis for a logical inference on the likely commercial use of the mark applied for in the Union. It is therefore the latter that is ultimately relevant.

88 In that regard, it must be held that the principle of territoriality in trade mark law does not in any way preclude taking into account instances of use of the mark applied for outside the European Union as a basis for a logical inference relating to the likely commercial use of the mark applied for in the Union, in order to establish the existence of a risk that unfair advantage will be taken, in the Union, of the reputation of an earlier EU trade mark within the meaning of Article 8(5) of Regulation No 207/2009.

89 It follows, in the present case, that the principle of territoriality does not preclude taking into consideration evidence relating to the actual commercial use of the mark applied for Master (in combination with the term 'cola') in Syria and the Middle East, such as excerpts from the website 'www.mastercola.com', which is written mainly in Arabic, for the purpose of establishing a risk that the use of that mark in the Union takes unfair advantage of the reputation of the four earlier Coca-Cola EU trade marks.

*The assessment of logical inferences as to the risk of free-riding in the European Union*

90 The Board of Appeal, in paragraph 27 of the contested decision, noted that '[t]he evidence show[ed] that the [intervener] [was] selling its beverages in bottles that show[ed] the same get-up, imagery, stylisation and font and packaging of the one sold by the [intervener] as Coca-Cola'.

91 However, in paragraphs 28 to 33 of the contested decision, the Board of Appeal held that the scope of the evidence was such that it could not serve as a basis for the opposition and, in particular, the existence of a risk of free-riding, in essence for the following three reasons. First, it stated that that evidence did not prove that the intervener had used the presentation on its website, 'www.mastercola.com', in the European Union. In support of that finding, it noted the fact that that website was mainly written in Arabic, although one page was in English, as well as the lack of any indication that the goods offered on the website could be ordered online and sent to the European Union. Secondly, the Board of Appeal held that the mere fact that an EU trade mark is filed — the presentation of which is different from the one displayed on the intervener's website — did not indicate that the latter intended to promote its goods in the same way in the European Union as it did in Syria and the Middle East. Thirdly, the Board of Appeal held that the applicant further failed to show which specific image could be transferred from the earlier Coca-Cola trade marks to the application at issue inside or outside the European Union, in particular regarding the goods in Classes

29 and 30, but also regarding the beverages in Class 32. Therefore, according to the Board of Appeal, the evidence submitted did not clearly establish what Coca-Cola stood for. The Board of Appeal noted that, in so far as it was bound by the arguments of the parties under Article 76 of Regulation No 207/2009, it was not for it to seek submissions of its own motion.

92 First of all, it must be noted that the Board of Appeal's finding that the evidence did not prove that the intervener had used the presentation displayed on its website, 'www.mastercola.com', in the European Union, is, in itself, ineffective in the present case.

93 Admittedly, it should be noted that the website 'www.mastercola.com', in its present state, does not primarily target EU consumers, in the light both of the lack of any reference on that website to the European Union and of its being written mainly in Arabic. This is true despite the presence of its '.com' element highlighted by the applicant, as well as that of the English page it contains at the following address: http://www.mastercola.com/companyprofile-en.htm.

94 However, that observation does not make the excerpts from that website irrelevant. They may serve as a basis for a logical inference on the likely commercial use of the mark applied for in the European Union, in order to establish the existence of a risk that unfair advantage will be taken in the Union (see paragraphs 88 and 89 above).

95 EUIPO was therefore correct in its submission, in paragraph 32 of its response, that evidence of actual use occurring anywhere in the world may be indicative of the manner in which the mark applied for could be used in the European Union, so that such use outside the European Union may help to establish whether use of the mark applied for is likely to take unfair advantage of the reputation of the earlier marks.

96 Thus, the Court considers that, in principle, it may be logically inferred from an application for registration of an EU trade mark that its proprietor intends to market its goods or services in the European Union.

97 In the present case, it is therefore logically foreseeable that the intervener, if it obtains the registration of the mark applied for, will amend its website in accordance with such an intention to market its goods under that mark in the Union.

98 In that regard, it must be noted that the 'www.mastercola.com' website is not static and could be amended in order to target EU consumers, in particular by adding content in one or more official languages of the Union.

99 Secondly, the Board of Appeal held that the mere fact that an EU trade mark was filed by the intervener does not indicate that the latter intended to promote its goods in the same way in the European Union as it did in Syria and the Middle East.

100 From the outset, it should be noted that the intervener did not indicate how it intended to promote its goods in the Union or provide any evidence in that regard.

101 Next, in the absence of any specific information as to the intervener's commercial intentions in the Union, it is appropriate to consider that the excerpts from the website 'www.mastercola.com' produced by the applicant and relating to the actual use of the trade mark applied for by the intervener outside the Union are likely to lead prima facie to the conclusion that there is a non-hypothetical future risk of unfair advantage in the Union.

102 The case-law makes it possible to conclude that there is a risk of free-riding on the basis of logical inferences — provided that they are not limited to mere suppositions — resulting from an analysis of probabilities and taking into account the usual practices in the relevant commercial sector and all the other circumstances of the case (see paragraphs 67 and 68 above).

103 In the present case, the fact that the intervener did not provide any specific information concerning possible commercial intentions in the European Union different from those concerning third countries is not irrelevant. Since the applicant proved actual use outside the European Union of the trade mark applied for by the intervener, by producing excerpts from the website 'www.mastercola.com', it should be noted that, in terms of the burden of proof, it would be easier for the intervener to prove that its commercial intentions in the Union are different than for the applicant to prove the similarity of the intervener's probable commercial intentions in the Union with its actual commercial practice outside the Union. Here the intervener provided no such proof.

104 Thus, it must be concluded, like the applicant, that the actual use of the mark applied for by the intervener in a particular form and chosen by design outside the Union may — unless there is evidence to the contrary adduced by the intervener, which there is not in the present case — lead to a logical inference that there is a serious risk that the mark applied for will be used in the same way within the European Union as in third countries, all the more so since the intervener has expressly requested the registration of the mark applied for for use in the European Union.

105 That conclusion is not called into question by EUIPO's contention that, in essence, the presentational features which are used outside the European Union but are not part of the mark applied for (namely the red label on which the term 'Master Cola' is written in white, the characteristic shape of the container and the red cap) might not be used in the Union. Admittedly, as noted by EUIPO, those presentational features may play a certain role in the public's ability to associate the mark applied for with those of the applicant in a parasitic manner. However, in the judgment of 11 December 2014, *Master* (T−480/12, EU:T:2014:1062, paragraphs 64 and 74), the General Court held that the overall similarity between the signs at issue, to be taken into consideration when assessing whether there was any risk of free-riding, could result from the sole elements of visual similarity relating not only to the 'tail' flowing from their first letters 'c' and 'm' in a signature flourish, but also from their shared use of a font which is not commonly used in contemporary business life, namely Spenserian script, which will be perceived by the relevant consumer as a whole. Thus, although the possible use of such presentational features in the Union is likely to reinforce the logical inference that there is a risk of free-riding, it does not constitute the necessary condition for such an inference. In addition, the fact that those presentational features are already used on the intervener's website in its current state may provide a logical inference that an amended form thereof could be used in the future on that website in order to target consumers in the Union (see paragraph 98 above).

106 Moreover, EUIPO's contention that the applicant gave no indication of the number of EU consumers who visited the website, 'www.mastercola.com', is ineffective. On the one hand, Article 8(5) of Regulation No 207/2009 entails a prospective analysis of the non-hypothetical future risk of free-riding in the European Union on the basis of the elements currently available, not the determination of current free-riding within the Union. The proprietor of the earlier mark is not required to demonstrate actual and present harm to his mark, as confirmed by the wording in the conditional of that provision (see paragraph 67 above). On the other hand, while the risk of dilution (that is the risk of detriment caused to the distinctive character of the earlier marks) entails that a change in the economic conduct of the average consumer of the goods or services for which the earlier trade mark is registered subsequent to the use of the later mark is proved (see judgment of 14 November 2013, *Environmental Manufacturing* v *OHIM*, C−383/12 P, EU:C:2013:741, paragraph 34 and the case-law cited), such evidence is not required with respect to the risk of free-riding (that is the risk of unfair advantage being taken of the distinctive character or reputation of the earlier marks). Moreover, the risk of free-riding is assessed in relation to the average consumer of the goods and services covered by the later mark, and not the earlier mark, to the extent that what is prohibited is the advantage derived from that mark by the proprietor of the later mark (see, to that effect, judgments of 27 November 2008, *Intel Corporation*, C−252/07, EU:C:2008:655, paragraph 36, and of 20 September 2017, *The Tea Board* v *EUIPO*, C−673/15 P to C−676/15 P, EU:C:2017:702, paragraph 92).

107 It follows from all of the foregoing that the Board of Appeal erred in the assessment of the evidence relating to the commercial use of the mark applied for outside the European Union, in particular the excerpts from the intervener's website, 'www.mastercola.com', produced by the applicant, by disregarding any logical inferences and analyses of probability which may result therefrom as to a risk of free-riding in the European Union. In so doing, it infringed the second sentence of Article 8(5) of Regulation No 207/2009.

108 Consequently, the first plea in law must be upheld.

109 In addition, by way of obiter dictum, with a view to settling the dispute and avoiding successive annulments and referrals, having regard to the principles of sound administration of justice and procedural economy, the Court considers it appropriate to rule, in the light of the contents of the file and of the observations of the parties, both in response to the written question and at the hearing, on the Board of Appeal's assessment that the applicant had not shown the specific image that could be transferred from its earlier Coca-Cola trade marks to the application at issue inside or outside the European Union and that the evidence produced did not make it possible to establish clearly what Coca-Cola stood for.

110 In that regard, it should be pointed out that, under Article 65(2) of Regulation No 207/2009 (now Article 72(2) of Regulation 2017/1001), the Court is called upon to assess the legality of the decisions of the Boards of Appeal of EUIPO by reviewing the way in which they have applied EU law, specifically in the light of the factual evidence placed before those Boards. Accordingly, within the limits laid down in that article, as interpreted by the Court of Justice, the General Court may carry out a full review of the legality of decisions of the Boards of Appeal of EUIPO, if necessary examining whether the Board of Appeal concerned made a correct legal characterisation of the facts of the dispute or whether its appraisal of the facts placed before it was flawed (judgment of 18 December 2008, *Les Éditions Albert René* v *OHIM*, C−16/06 P, EU:C:2008:739, paragraphs 38 and 39).

111 Where it is called upon to assess the legality of a decision of the Board of Appeal of EUIPO, the Court cannot be bound by an incorrect assessment of the facts by that Board, since that assessment is part of the findings whose legality is being challenged before the Court (judgment of 18 December 2008 in *Les Éditions Albert René* v *OHIM*, C−16/06 P, EU:C:2008:739, paragraph 48).

112 In the present case, the applicant sought the annulment of the contested decision and based its first plea in law on a breach of Article 8(5) of Regulation No 207/2009. Thus, the assessment of the existence of a risk of unfair advantage, in particular the finding of the image liable to be transferred from the earlier marks to the mark applied for, is one of the conclusions the lawfulness of which is challenged before the General Court.

113 With respect to the evidence relating to the image that may be transferred from the earlier marks to the mark applied for, it must be noted that the applicant's request merely referred to a 'clear intention [of the intervener] to exploit [the applicant]'s reputation and its extensive marketing efforts in creating an image of COCA-COLA'.

114 However, it is apparent from the file that, in paragraphs 20 to 29 of its observations lodged on 23 February 2011 before the Opposition Division and reproduced in Annex 1 of its pleadings of 25 January 2012 setting out the grounds of appeal before the Board of Appeal, the applicant referred at length to the image of the four earlier Coca-Cola marks, whose reputation it was then seeking to establish. In paragraphs 27 to 29 of those observations, it quoted excerpts from a book and a study by independent body Superbrands (respectively annexed in Annexes 4 and 5 to those observations), according to which, in particular, 'Coca-Cola is the most recognised trade mark in the world, with 94% global recognition', 'Coca-Cola has become known for innovative, relevant marketing campaigns and famous for iconic advertising', 'the brand values of Coca-Cola have stood the test of time and aim to convey optimism, togetherness and authenticity[;] Coca-Cola is not political but aims to bring people together with an inspiring promise of better time and opportunities[;] those values make Coca-Cola as relevant and appealing today as yesterday and underpin

the loyalty, affection and love that generations have experienced for the brand[;] the reputation of The Coca-Cola Company for strong marketing ensures that that connection remains as powerful as ever'.

115 In that regard, it should also be recalled that, according to settled case-law, there is functional continuity between the different jurisdictions of EUIPO, namely the examiner, the Opposition Division, the division responsible for the administration of trade marks and legal issues and the Cancellation Divisions on the one hand, and the Boards of Appeal on the other. It follows from that functional continuity between the departments of EUIPO that, in the review of decisions taken by the departments of EUIPO hearing the application that the Boards of Appeal must undertake, the Boards of Appeal are required to base their decision on all the matters of fact and of law which the parties concerned introduced either in the proceedings before the department which heard the application at first instance or in the appeal. The review undertaken by the Boards of Appeal is not limited to the lawfulness of the contested decision, but, by virtue of the devolutive effect of the appeal proceedings, it requires a reappraisal of the dispute as a whole, since the Boards of Appeal must re-examine in full the initial application and take into account evidence produced in due time (see judgment of 6 November 2007, *SAEME* v *OHIM — Racke (REVIAN's)*, T-407/05, EU:T:2007:329, paragraphs 49 to 51 and the case-law cited). Thus, it follows from Article 64(1) of Regulation No 207/2009 (now Article 71(1) of Regulation 2017/1001) that, through the effect of the appeal before it, the Board of Appeal is called upon to carry out a full re-examination of the merits of the opposition, in both law and fact (judgments of 13 March 2007, *OHIM* v *Kaul*, C-29/05 P, EU:C:2007:162, paragraph 57, and of 13 December 2016, *Guiral Broto* v *EUIPO — Gastro & Soul (Café del Sol)*, T-548/15, not published, EU:T:2016:720, paragraph 21).

116 In accordance with the principle of functional continuity, it must be held that the Board of Appeal was required to take account of the applicant's statements, made in its observations of 23 February 2011 before the Opposition Division and annexed to the observations of 25 January 2012 setting out the grounds of appeal, as regards the image of the four earlier Coca-Cola marks which was capable of being transferred to the mark applied for.

117 The Board of Appeal therefore incorrectly held, in paragraph 30 of the contested decision, that the applicant failed to show which concrete image might be transferred from the Coca-Cola brands to the application at hand. The Board of Appeal also incorrectly held that the evidence submitted did not make it possible to establish clearly what Coca-Cola stood for.

118 In addition, in paragraph 32 of the contested decision, although the Board of Appeal correctly noted that it was bound by the arguments submitted by the parties under Article 76 of Regulation No 207/2009, it further held, incorrectly, in essence that the applicant did not submit arguments and evidence to EUIPO relating to the image liable to be transferred from the earlier marks to the trade mark applied for.

119 Contrary to what the Board of Appeal found in paragraphs 30 to 33 of the contested decision, it must be stated that the applicant did in fact submit arguments and evidence to EUIPO relating to the image liable to be transferred from the earlier marks to the mark applied for, in particular the excerpts from the Superbrands study referred to in the applicant's observations in support of the opposition.

120 For the sake of completeness, the Court finally notes the non-decisive nature of the Board of Appeal's finding, in paragraph 31 of the contested decision, that none of the goods in Classes 29 and 30 are even refreshments for which the earlier marks are well-known.

121 According to the case-law relating to Article 8(5) of Regulation No 207/2009, certain marks may have acquired such a reputation that it goes beyond the relevant public as regards the goods or services for which those marks were registered. In such a case, it is possible that the relevant section of the public as regards the goods or services for which the later mark is registered will make a connection between the marks at issue, even though that public is wholly distinct from the relevant section of the public as regards goods or services for which the earlier mark was registered (judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 51 and 52).

122 Moreover, in the present case, the Superbrands study submitted by the applicant to the Opposition Division and cited in paragraph 114 above indicates that 'since Coca-Cola remains at the peak of world brand recognition, the company is able to use its relationship to consumers in order to have an impact beyond the non-alcoholic beverage market'.

123 In view of the fact that the first ground of appeal was upheld in paragraph 108 above, the action must be upheld and, consequently, the contested decision annulled.

**Costs**

124 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

125 Since EUIPO and the intervener have been unsuccessful for the most part, first, EUIPO must be ordered to bear its own costs and to pay those incurred by the applicant, in accordance with the form of order sought by the latter, and, secondly, the intervener must be ordered to bear its own costs.

126 In addition, the applicant has applied for EUIPO to be ordered to pay the costs incurred by it at every stage of the opposition and appeal proceedings. In that regard, it must 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 is not the case in respect of the costs incurred for the purposes of proceedings before the Opposition Division. Accordingly, the applicant's request that EUIPO, having been unsuccessful, be ordered to pay the costs of the administrative proceedings can be allowed only as regards the costs necessarily incurred by the applicant for the purposes of the proceedings before the Board of Appeal (see, to that effect, judgment of 11 October 2016, *Guccio Gucci* v *EUIPO — Guess? IP Holder (Representation of four interlocking Gs)*, T−753/15, not published, EU:T:2016:604, paragraph 56 and the case-law cited).

On those grounds,

THE GENERAL COURT (Eighth Chamber)

hereby:

**1. Annuls the decision of the Fourth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 2 December 2015 (Case R 1251/2015-4);**

**2. Orders EUIPO to bear its own costs and to pay those incurred by The Coca-Cola Company, including the costs of the proceedings before the Board of Appeal of EUIPO;**

**3. Orders Modern Industrial & Trading Investment Co. Ltd (Mitico) to bear its own costs.**

Collins Kancheva Passer

Delivered in open court in Luxembourg 7 December 2017.

E. Coulon A. M. Collins

Registrar President

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* Language of the case: English.