

JUDGMENT OF THE GENERAL COURT (Ninth Chamber)

1 March 2018 (*)

(EU trade mark — Opposition proceedings — Application for EU figurative mark consisting of two parallel stripes on a shoe — Earlier EU figurative mark representing three parallel stripes on a shoe — Relative ground for refusal — Damage to reputation — Article 8(5) of Regulation (EC) No 207/2009 (now Article 8(5) of Regulation (EU) 2017/1001))

In Case T-629/16,

Shoe Branding Europe BVBA, established in Oudenaarde (Belgium), represented by J. Løje, lawyer,
applicant,

v

European Union Intellectual Property Office (EUIPO), represented by A. Lukošūtė and A. Söder,
acting as Agents,
defendant,

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

adidas AG, established in Herzogenaurach (Germany), represented by I. Fowler and I. Junkar, Solicitors,

ACTION brought against the decision of the Second Board of Appeal of EUIPO of 8 June 2016 (Case R 597/2016-2), relating to opposition proceedings between adidas and Shoe Branding Europe,

THE GENERAL COURT (Ninth Chamber),

composed of S. Gervasoni, President, L. Madise and K. Kowalik-Bańczyk (Rapporteur), Judges,

Registrar: X. Lopez Bancalari, Administrator,

having regard to the application lodged at the Registry of the General Court on 1 September 2016,

having regard to the response of EUIPO lodged at the Court Registry on 1 December 2016,

having regard to the response of the intervener lodged at the Court Registry on 21 December 2016,

further to the hearing on 6 July 2017,

gives the following

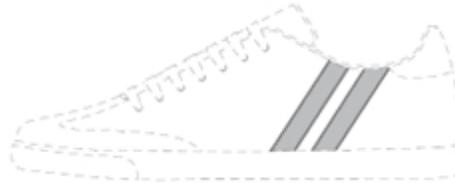
Judgment

Background to the dispute

- 1 On 1 July 2009 the applicant, Shoe Branding Europe BVBA, 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 European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p 1)).

- 2 The trade mark in respect of which registration was sought, identified by the applicant as an ‘other’ mark, is reproduced below:



- 3 In the application for registration, the trade mark is described as follows:

‘The trade mark is a position mark. The mark consists of two parallel lines positioned on the outside surface of the upper part of a shoe. The parallel lines run from the sole edge of a shoe and slopes backwards to the middle of the instep of a shoe. The dotted line marks the position of the trade mark and does not form part of the mark’.

- 4 The goods in respect of which registration was sought fall within Class 25 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 to the following description: ‘Footwear’.

- 5 The EU trade mark application was published in *Community Trade Marks Bulletin* No 107/2010 of 14 June 2010.

- 6 On 13 September 2010 the intervener, adidas AG, filed a notice of opposition under Article 41 of Regulation No 207/2009 (now Article 46 of Regulation 2017/1001) to registration of the trade mark applied for in respect of all the goods referred to in the application for registration.

- 7 The opposition was based, inter alia, on the following earlier rights:

- the EU figurative mark, registered on 26 January 2006 under No 3517646, for ‘footwear’ in Class 25, with the following description: ‘The mark consists of three parallel equally spaced stripes applied to footwear, the stripes positioned on the footwear upper in the area between the laces and the sole’. That trade mark (‘the earlier mark’) is reproduced below:



- the German ‘other type of trade mark’, registered on 14 December 1999 under No 39950559 and duly renewed, for ‘footwear, including sports and casual footwear’ in Class 25, with the following description: ‘The mark consists of three stripes contrasting with the base colour of the footwear. The shape of the shoe serves only for representing how the mark is applied, it does not as such form part of the mark’. That trade mark (‘German trade mark No 39950559’) is reproduced below:



- 8 The grounds relied on in support of the opposition were, in particular, those referred to in Article 8(1)(b) and Article 8(5) of Regulation No 207/2009 (now Article 8(1)(b) and Article 8(5) of Regulation 2017/1001, respectively).
- 9 By decision of 22 May 2012, the Opposition Division rejected the opposition.
- 10 On 2 July 2012 the intervener filed a notice of appeal with EUIPO, under Articles 58 to 64 of Regulation No 207/2009 (now Articles 66 to 71 of Regulation 2017/1001), against the Opposition Division's decision.
- 11 By decision of 28 November 2013, the Second Board of Appeal of EUIPO dismissed the appeal on the ground, inter alia, that the trade marks at issue were different overall and that that fact was sufficient, first, to rule out any likelihood of confusion on the part of the relevant public within the meaning of Article 8(1)(b) of Regulation No 207/2009, and secondly, to make it unlikely that the same public would establish a link between the trade marks at issue, and, consequently, that any of the types of injury referred to in Article 8(5) of that regulation would occur ('the decision of 28 November 2013').
- 12 The intervener then challenged that decision before the Court.
- 13 By judgment of 21 May 2015, *adidas v OHIM – Shoe Branding Europe (Two parallel stripes on a shoe)* (T-145/14, not published, 'the annulling judgment', EU:T:2015:303), the Court annulled the decision of 28 November 2013, on the ground that the Board of Appeal had wrongly concluded that there was no similarity whatsoever between the marks at issue and that that error of assessment had distorted the Board of Appeal's assessment as to whether there was, on the part of the public, a likelihood of confusion or, a fortiori, a likelihood that a connection would be made between the marks at issue.
- 14 The applicant then brought an appeal against that judgment.
- 15 By order of 17 February 2016, *Shoe Branding Europe v OHIM (C-396/15 P)*, not published, 'the order on the appeal', EU:C:2016:95), the Court of Justice dismissed that appeal.
- 16 As a result of the annulling judgment and of the order on the appeal, the Second Board of Appeal of EUIPO re-examined the appeal brought by the intervener against the decision of the Opposition Division.
- 17 By decision of 8 June 2016 ('the contested decision'), the Board of Appeal upheld that appeal and allowed the opposition on the basis of Article 8(5) of Regulation No 207/2009. In particular, it considered that, given a certain degree of similarity between the marks at issue, the identity between the goods covered by those trade marks and the high reputation of the earlier mark, there was a likelihood that the relevant public might establish a link between the marks at issue and that the use of the mark applied for could take unfair advantage of the reputation of the earlier mark, without that use being, in the case at hand, justified by due cause.

Forms of order sought by the parties

- 18 The applicant claims that the Court should:
- annul the contested decision;

- order the Board of Appeal to pay the costs.
- 19 During the hearing, the applicant indicated that its second head of claim was to be understood as seeking an order that EUIPO pay the costs, which the Court acknowledged in the minutes of the hearing.
- 20 EUIPO and the intervener contend that the Court should:
- dismiss the action;
 - order the applicant to pay the costs.

Law

- 21 In support of its action, the applicant raises, in essence, a single plea in law, alleging infringement of Article 8(5) of Regulation No 207/2009 and a ‘distortion of facts’. According to the applicant, the Board of Appeal erred in finding that the conditions for refusing registration of a trade mark provided for in Article 8(5) of Regulation No 207/2009 were fulfilled in the present case.
- 22 That plea is divided into three parts in so far as the applicant claims that the Board of Appeal made several errors of assessment as regards (i) the evidence of the reputation of the earlier mark, (ii) the existence of damage to the reputation or distinctive character of that trade mark and (iii) the absence of any due cause for the use of the mark applied for.

General considerations on Article 8(5) of Regulation No 207/2009

- 23 Article 8(5) of Regulation No 207/2009 provides that, upon opposition by the proprietor of an earlier trade mark within the meaning of Article 8(2) of the same regulation (now Article 8(2) of Regulation 2017/1001), the trade mark applied for must 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 European 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.
- 24 For an earlier trade mark to be afforded the broader protection under Article 8(5) of Regulation No 207/2009, a number of conditions must, therefore, be satisfied. First, the earlier mark must be registered. Second, that mark and the mark applied for must be identical or similar. Third, it must have a reputation in the European Union, in the case of an earlier EU trade mark, or in the Member State concerned, in the case of an earlier national trade mark. Fourth, the use without due cause of the mark applied for must lead to the risk that unfair advantage might be taken of the distinctive character or the repute of the earlier trade mark or that it might be detrimental to the distinctive character or the repute of the earlier trade mark. As those four conditions are cumulative, failure to satisfy one of them is sufficient to render that provision inapplicable (see judgment of 22 March 2007, *Sigla v OHIM — Elleni Holding (VIPS)*, T-215/03, EU:T:2007:93, paragraph 34 and the case-law cited).

Concept of reputation of the earlier mark

- 25 In order to enjoy the protection provided for in Article 8(5) of Regulation No 207/2009, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers (judgment of 6 February 2007, *Aktieselskabet af 21. november 2001 v OHIM — TDK Kabushiki Kaisha (TDK)*, T-477/04, EU:T:2007:35, paragraph 48; see also, by analogy, judgment of 14 September 1999, *General Motors*, C-375/97, EU:C:1999:408, paragraph 26).

- 26 In examining this condition, it is necessary to take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it (judgment of 6 February 2007, *TDK*, T-477/04, EU:T:2007:35, paragraph 49; see also, by analogy, judgment of 14 September 1999, *General Motors*, C-375/97, EU:C:1999:408, paragraph 27).
- 27 Territorially, the condition as to reputation must be considered to be fulfilled when the EU trade mark has a reputation in a substantial part of the territory of the European Union (judgment of 6 October 2009, *PAGO International*, C-301/07, EU:C:2009:611, paragraph 27). In certain cases, the territory of a single Member State may be considered to constitute a substantial part of that territory (see, to that effect and by analogy, judgment of 6 October 2009, *PAGO International*, C-301/07, EU:C:2009:611, paragraph 28).
- 28 Moreover, the proprietor of a registered mark may, in order to make out proof of the particular distinctive character and reputation of that mark, rely on evidence of its use in a different form, as part of another registered mark and reputation, provided that the relevant public continues to perceive the goods at issue as originating from the same undertaking. In order to determine whether that is the case, it should be ascertained that the components which differentiate the two marks do not prevent the relevant public from continuing to perceive the goods at issue as originating from a particular undertaking (see, to that effect, judgment of 5 May 2015, *Spa Monopole v OHIM— Orly International (SPARITUAL)*, T-131/12, EU:T:2015:257, paragraphs 33 and 35).

Necessity of a link or connection between the marks at issue

- 29 It should be recalled that the types of injury referred to in Article 8(5) of Regulation No 207/2009, where they occur, are the consequence of a certain degree of similarity between the earlier mark with a reputation and the mark applied for, by virtue of which the relevant public makes a connection between those two marks, that is to say, establishes a link between them even though it does not confuse them. It is not therefore necessary that the degree of similarity between the earlier mark with a reputation and the mark applied for is such that there exists a likelihood of confusion between them on the part of the relevant public. It is sufficient that the degree of similarity between the mark with a reputation and the mark applied for establishes a link between those marks (judgment of 22 March 2007, *VIPS*, T-215/03, EU:T:2007:93, paragraph 41; see also, by analogy, judgments of 23 October 2003, *Adidas-Salomon and Adidas Benelux*, C-408/01, EU:C:2003:582, paragraph 29, and of 18 June 2009, *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 36).
- 30 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case, including, inter alia, first, the nature and degree of proximity or dissimilarity of the goods or services at issue, second, the degree of similarity between the conflicting marks, third, the strength of the earlier mark's reputation, fourth, the degree of the earlier mark's distinctive character, whether inherent or acquired through use, or, where appropriate, fifth, the existence of a likelihood of confusion on the part of the relevant public (see, by analogy, judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 41 and 42).
- 31 It should also be borne in mind that the relevant public's level of attention is likely to vary according to the category of goods or services in question (see, by analogy, judgments of 22 June 1999, *Lloyd Schuhfabrik Meyer*, C-342/97, EU:C:1999:323, paragraph 26, and of 13 February 2007, *Mundipharma v OHIM — Altana Pharma (RESPICUR)*, T-256/04, EU:T:2007:46, paragraph 42). This is why the level of attention of that public is also a relevant factor for the assessment of whether there is a link between the marks at issue (see, to that effect, judgments of 9 March 2012, *Ella Valley Vineyards v OHIM — HFP (ELLA VALLEY VINEYARDS)*, T-32/10, EU:T:2012:118, paragraphs 27, 28, 45 and 55 to 57; of 9 April 2014, *EI du Pont de Nemours v OHIM — Zueco Ruiz (ZYTEL)*, T-288/12, not published, EU:T:2014:196, paragraphs 74 and 75; and of 19 May 2015, *Swatch v OHIM — Panavision Europe (SWATCHBALL)*, T-71/14, not published, EU:T:2015:293, paragraph 33).

32 Moreover, it cannot be ruled out that the coexistence of two marks on a particular market might, together with other elements, contribute to diminishing the likelihood of a connection being made between those two marks for the purposes of Article 8(5) of Regulation No 207/2009 (judgment of 26 September 2012, *IG Communications v OHIM – Citigroup and Citibank (CITIGATE)*, T-301/09, not published, EU:T:2012:473, paragraph 128; see also, by analogy, judgments of 3 September 2009, *Aceites del Sur-Coosur v Koipe*, C-498/07 P, EU:C:2009:503, paragraph 82, and of 11 May 2005, *Grupo Sada v OHIM – Sadia (GRUPO SADA)*, T-31/03, EU:T:2005:169, paragraph 86).

33 However, that possibility can be taken into consideration only if it is duly demonstrated that such coexistence was based upon the absence of any likelihood of a connection being made on the part of the relevant public between those marks, and provided that the latter marks and the marks at issue are identical (judgment of 26 September 2012, *CITIGATE*, T-301/09, not published, EU:T:2012:473, paragraph 128; see also, by analogy, judgment of 11 May 2005, *GRUPO SADA*, T-31/03, EU:T:2005:169, paragraph 86) or, at the very least, sufficiently similar.

34 The absence of any likelihood of a connection being made may, in particular, be inferred from the ‘peaceful’ nature of the coexistence of the marks on the market (see, by analogy, judgment of 3 September 2009, *Aceites del Sur-Coosur v Koipe*, C-498/07 P, EU:C:2009:503, paragraph 82). The coexistence between two marks may not, however, be qualified as ‘peaceful’ where the use of one of those marks has been challenged by the proprietor of the other mark before administrative bodies or before the courts (see, to that effect and by analogy, judgments of 3 September 2009, *Aceites del Sur-Coosur v Koipe*, C-498/07 P, EU:C:2009:503, paragraph 83, and of 8 December 2005, *Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH)*, T-29/04, EU:T:2005:438, paragraph 74).

Types of injury to the reputation or to the distinctive character of the earlier mark

35 The existence of a link between the marks at issue on the part of the relevant public constitutes a condition which is necessary but not, of itself, sufficient to establish the existence of one of the types of injury against which Article 8(5) of Regulation No 207/2009 ensures protection for the benefit of trade marks with a reputation (see, by analogy, judgment of 18 June 2009, *L’Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 37 and the case-law cited).

36 Those types of injury are, first, detriment to the distinctive character of the mark, secondly, detriment to the repute of that mark and, thirdly, unfair advantage taken of the distinctive character or the repute of that mark (see, by analogy, judgment of 18 June 2009, *L’Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 38 and the case-law cited).

37 It is appropriate to note that, unless use of the mark applied for is justified by due cause, the existence of any one of those three types of injury is sufficient for Article 8(5) of Regulation No 207/2009 to be applicable. It follows that an advantage taken by a third party of the distinctive character or the repute of the mark may be unfair, even if the use of the identical or similar sign is not detrimental either to the distinctive character or to the repute of the mark or, more generally, to its proprietor (see, by analogy, judgment of 18 June 2009, *L’Oréal and Others*, C-487/07, EU:C:2009:378, paragraphs 42 and 43).

Rules of evidence and the relationship between the existence of injury and the existence of due cause

38 In order to benefit from the protection introduced by the provisions of Article 8(5) of Regulation No 207/2009, the proprietor of the earlier mark must, as a first step, adduce proof that the use of the mark applied for would take unfair advantage of the distinctive character or the repute of the earlier trade mark, would be detrimental to that distinctive character or that repute (see, by analogy, judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 37).

39 In that regard, the actual use of the mark applied for may be taken as indication or illustration of the high probability of a risk of injury to the earlier mark’s reputation. Thus, when the mark applied for is already

exploited and concrete evidence of the existence of a link in the mind of the relevant public and the alleged injury is presented, it will obviously carry considerable weight in the assessment of the risk of injury to the earlier mark (see, to that effect, judgments of 25 January 2012, *Viaguara v OHIM – Pfizer (VIAGUARA)*, T-332/10, not published, EU:T:2012:26, paragraph 72; of 11 December 2014, *Coca-Cola v OHIM – Mitico (Master)*, T-480/12, EU:T:2014:1062, paragraphs 88 and 89, and Opinion of Advocate General Sharpston in *Intel Corporation*, C-252/07, EU:C:2008:370, point 84).

40 However, the proprietor of the earlier mark is not required to demonstrate actual and present harm to its mark. When it is foreseeable that such injury will ensue from the use which the proprietor of the mark applied for may be led to make of its mark, the proprietor of the earlier mark cannot be required to wait for this actually to occur in order to be able to prohibit that use. The proprietor of the earlier mark must, however, adduce *prima facie* evidence that there is a serious risk that such an injury will occur in the future (judgment of 25 May 2005, *Spa Monopole v OHIM – Spa-Finders Travel Arrangements (SPA-FINDERS)*, T-67/04, EU:T:2005:179, paragraph 40; see also, by analogy, judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 38).

41 In addition, it is possible, particularly in the case of an opposition based on an earlier mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of that mark is so obvious that the opposing party does not need to put forward and prove any other fact to that end (judgment of 22 March 2007, *VIPS*, T-215/03, EU:T:2007:93, paragraph 48).

42 In the event that the proprietor of the earlier mark has shown that there is either actual and present injury to its mark for the purposes of Article 8(5) of Regulation No 207/2009 or, failing that, a serious risk that such injury will occur in the future, it is then for the proprietor of the mark applied for to establish, as a second step, that there is due cause for the use of that mark (see, by analogy, judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 39).

Concept of taking unfair advantage of the repute or the distinctive character of the earlier mark

43 It must be recalled that, according to the case-law of the Court of Justice, the concept of taking unfair advantage of the distinctive character or repute of the earlier mark — also called ‘parasitism’ or ‘free-riding’ — pertains to the advantage taken of the use of the identical or similar mark applied for. It covers, in particular, cases where, by reason of a transfer of the image of the mark with a reputation or of the characteristics which it projects to the goods identified by the mark applied for, there is clear riding on the coat-tails of the mark with a reputation (see, by analogy, judgment of 18 June 2009, *L’Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 41).

44 Thus, where a third party attempts, through the use of a mark 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 earlier mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or repute of that mark (see, to that effect, judgment of 18 June 2009, *L’Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 49).

45 As a result, the risk of such an injury materialising may, *inter alia*, be accepted where evidence of an association of the mark applied for with positive qualities of the earlier identical or similar mark is presented (see, to that effect, judgments of 29 March 2012, *You-Q v OHIM – Apple Corps (BEATLE)*, T-369/10, not published, EU:T:2012:177, paragraphs 71 and 72; of 27 September 2012, *El Corte Inglés v OHIM – Pucci International (Emidio Tucci)*, T-373/09, not published, EU:T:2012:500, paragraphs 66 and 68; and of 2 October 2015, *The Tea Board v OHIM – Delta Lingerie (Darjeeling)*, T-624/13, EU:T:2015:743, paragraphs 140 to 143 and 146).

- 46 Nevertheless, in order to determine whether, in a particular case, the use, without due cause, of the mark applied for would take undue advantage of the distinctive character or the repute of the earlier mark, it is appropriate to carry out a global assessment of all factors relevant to the circumstances of the case (see, by analogy, judgments of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 68 and 79, and of 18 June 2009, *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 44).
- 47 Those factors include the strength of the reputation and the degree of distinctive character of the earlier mark, the degree of similarity between the marks at issue, and the nature and degree of proximity of the goods or services concerned (see, by analogy, judgment of 18 June 2009, *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 44).
- 48 As regards, in particular, the strength of the reputation and the degree of distinctive character of the earlier mark, the stronger the reputation and the degree of distinctive character of that mark, the easier it will be to accept that detriment has been caused to it (see, by analogy, judgments of 14 September 1999, *General Motors*, C-375/97, EU:C:1999:408, paragraph 30; of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 69; and of 18 June 2009, *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 44).
- 49 By the same token, the more similar the goods or services covered by the marks at issue, the greater the likelihood that the later mark will derive advantage from any link established between the two in the mind of the relevant public (see, by analogy, Opinion of Advocate General Sharpston in *Intel Corporation*, C-252/07, EU:C:2008:370, point 65).
- 50 In addition, it should be noted that, in the global assessment mentioned in paragraph 46 above, the existence of a risk of dilution or tarnishment of the mark, and thus the occurrence of one of the two other types of injury mentioned in paragraph 36 above, may, where appropriate, also be taken into consideration (see, by analogy, judgment of 18 June 2009, *L'Oréal and Others*, C-487/07, EU:C:2009:378, paragraph 45).
- 51 Last, the existence of injury consisting of unfair advantage taken of the distinctive character or the repute of the earlier mark must be assessed by reference to average consumers of the goods or services covered by the mark applied for (see, by analogy, judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraph 36).

Concept of due cause

- 52 It should be stated that the question of whether there is due cause which makes it possible to use a mark which adversely affects a mark with a reputation is a matter which must be interpreted restrictively (judgment of 16 March 2016, *The Body Shop International v OHIM — Spa Monopole (SPA WISDOM)*, T-201/14, not published, EU:T:2016:148, paragraph 65).
- 53 Nevertheless, it must be recalled that the purpose of Regulation No 207/2009 is generally to strike a balance between the interest which the proprietor of a trade mark has in safeguarding the functions inherent in that mark, on the one hand, and the interests of other economic operators in having signs capable of denoting their products and services, on the other (see, by analogy, judgments of 27 April 2006, *Levi Strauss*, C-145/05, EU:C:2006:264, paragraph 29, and of 6 February 2014, *Leidseplein Beheer and de Vries*, C-65/12, EU:C:2014:49, paragraph 41).
- 54 In the system for the protection of marks introduced by Regulation No 207/2009, the interests of a third party in using, in the course of trade, a sign identical or similar to an earlier mark with a reputation and in having it registered as an EU trade mark must inter alia be considered, in the context of Article 8(5) of that regulation, in the light of the possibility for the user of the mark applied for to claim 'due cause' (see, by analogy, judgment of 6 February 2014, *Leidseplein Beheer and de Vries*, C-65/12, EU:C:2014:49, paragraph 43).

- 55 It follows that the concept of ‘due cause’ should not be interpreted as being limited to objectively overriding reasons, but may also relate to the subjective interests of a third party already using a sign which is identical or similar to the earlier mark with a reputation and wishing to register it as an EU trade mark (see, by analogy, judgment of 6 February 2014, *Leidseplein Beheer and de Vries*, C-65/12, EU:C:2014:49, paragraphs 45 and 48).
- 56 That is why the Court of Justice has held that the proprietor of a trade mark could be obliged, pursuant to the concept of ‘due cause’, to tolerate the use by a third party of a sign similar to that mark, including in relation to a product or service identical to that for which that mark was registered, provided that, first, it had been demonstrated that that sign had been used before that mark was filed and, second, that the use of that sign had been in good faith (see, to that effect and by analogy, judgment of 6 February 2014, *Leidseplein Beheer and de Vries*, C-65/12, EU:C:2014:49, paragraph 60).
- 57 The Court of Justice has stated that, in order to assess, in particular, whether the third party in question had used the sign similar to the mark with a reputation in good faith, it was appropriate to take into account, inter alia, (i) how that sign was accepted by, and what its reputation was with, the relevant public, (ii) the degree of proximity between the goods and services for which that sign had originally been used and the goods and services for which the mark with a reputation had been registered, (iii) when that sign was first used for a product identical to that for which that mark was registered, and when that mark acquired its reputation and, (iv) the economic and commercial significance of the use for that product of the sign which was similar to that mark (see, to that effect and by analogy, judgment of 6 February 2014, *Leidseplein Beheer and de Vries*, C-65/12, EU:C:2014:49, paragraphs 54 to 60).
- 58 Therefore, the earlier use by a third party of a sign or a mark applied for which is identical or similar to an earlier mark with a reputation could be classified as ‘due cause’ within the meaning of Article 8(5) of Regulation No 207/2009 and could make it possible for that third party not only to continue to use that sign, but also to have it registered as an EU trade mark, even though the use of the mark applied for is capable of taking advantage of the repute of the earlier mark (see, to that effect, judgment of 5 July 2016, *Future Enterprises v EUIPO — McDonald’s International Property (MACCOFFEE)*, T-518/13, EU:T:2016:389, paragraph 113).
- 59 However, for that to be so, the use of the mark applied for must satisfy a number of conditions enabling it to be established what the reality of that use was and whether the proprietor of the mark applied for acted in good faith.
- 60 In particular, first, the sign corresponding to the mark applied for must have been put to real, effective use.
- 61 Second, the use of that sign must, in principle, have commenced at a date prior to the filing of the earlier mark with a reputation or, at least, before that mark acquired its reputation (see, to that effect, judgments of 6 February 2014, *Leidseplein Beheer and de Vries*, C-65/12, EU:C:2014:49, paragraphs 56 to 59, and of 5 July 2016, *MACCOFFEE*, T-518/13, EU:T:2016:389, paragraph 114).
- 62 Third, the sign corresponding to the mark applied for must have been used throughout the territory for which the earlier mark with a reputation was registered. It follows that, where the earlier mark with a reputation is an EU trade mark, the sign corresponding to the mark applied for must have been used throughout the territory of the European Union (see, to that effect, judgments of 16 April 2008, *CITI*, T-181/05, EU:T:2008:112, paragraph 85, and of 5 July 2016, *MACCOFFEE*, T-518/13, EU:T:2016:389, paragraph 115).
- 63 Fourth, that use must not, in principle, have been challenged by the proprietor of the earlier mark with a reputation. In other words, the mark applied for and the earlier mark with a reputation must have coexisted peacefully in the territory concerned (see, to that effect, judgments of 16 April 2008, *CITI*, T-181/05, EU:T:2008:112, paragraph 85, and of 5 July 2016, *MACCOFFEE*, T-518/13, EU:T:2016:389, paragraph 114).

64 It is in the light of those considerations that the three parts of the applicant's single plea should be examined.

First part: absence of reputation of the earlier mark

65 Under the first part of the plea, the applicant claims that the Board of Appeal committed an error of assessment in taking the view that the evidence adduced by the intervener was sufficient to establish that the earlier trade mark had a reputation in the European Union.

66 In that regard, it is appropriate, first, to recall that, as has been noted in paragraphs 23 and 24 above, an EU trade mark, such as the earlier mark, may benefit from the protection afforded by Article 8(5) of Regulation No 207/2009 only if it has a reputation in the European Union.

67 In the present case, the intervener submitted, during the opposition proceedings, various documents intended to prove that its earlier marks had been put to genuine use and had a reputation when affixed to sports clothing or footwear. Included among those documents were a memorandum on proof of the use of a number of German trade marks as well as an international registration, an affidavit relating to the turnover of 'the adidas brand', surveys on the market share of the undertaking and on the reputation of its trade marks, decisions of national courts, catalogues, press clippings and advertisements.

68 Both the Opposition Division, in its decision of 22 May 2012 (pages 3 and 4), and the Board of Appeal, first in the decision of 28 November 2013 (paragraph 66) and then again in the contested decision (paragraphs 33 to 42 and 59), found that those items of evidence, taken together, demonstrated that the figurative mark consisting of three parallel stripes affixed to a shoe enjoyed a reputation in the European Union.

69 Of the items put forward by the intervener and mentioned by the Opposition Division and the Board of Appeal, the Court considers some to be particularly relevant, to the extent, in particular, that they concern the reputation of earlier marks of the intervener affixed to a shoe.

70 First, the Opposition Division and the Board of Appeal recalled that the figurative mark consisting of three parallel stripes had been affixed to shoes by the intervener since 1949 and that, today, 70% of the shoes sold by the intervener bear it. Those bodies also mentioned the results of a study carried out in 2004 which showed that the intervener's market share in the German sports footwear market was, from 2000 to 2004, between 23.1% and 25.7%. Moreover, the intervener produced before EUIPO an affidavit detailing, for the years between 2005 and 2009, the amount of its shoe sales and that of its advertising expenditure in 13 Member States, namely Denmark, Germany, Greece, Spain, France, Italy, Austria, Portugal, Finland, Sweden and the three Benelux States taken as a whole. It is apparent from that affidavit, which is not devoid of probative value, that the intervener generates considerable turnover in the abovementioned Member States and incurs significant advertising expenditure there. Therefore, the Court considers that those various elements, taken together, are such as to prove the very large distribution, over a long period, of the intervener's shoes bearing a figurative mark consisting of three parallel stripes.

71 Second, the abovementioned bodies indicated in their decisions that various surveys had revealed a high degree of awareness, by the relevant public, of the mark consisting of three parallel stripes, particularly when it was affixed to a shoe. In that regard, the Court finds that the intervener produced before EUIPO a number of surveys aimed at ascertaining, from a sample of respondents, the proportion of persons who, faced with a shoe bearing a mark similar to the earlier mark and consisting of three parallel stripes, believe it to be the intervener's product or, at the very least, associate that shoe with the intervener. It is thus apparent, for example, from a survey carried out in Spain in 2008, that, in that Member State, 61.3% of respondents recognise that shoe as being the intervener's product or associate it with the intervener, that proportion even rising to 83.3% of persons aged between 15 and 34 years old, who make up the core of the public targeted by the intervener. Similarly, in a survey carried out in Italy in 2005, 42% of respondents — and up to 55% of those belonging to the public targeted by sports footwear — immediately associate such a shoe with the intervener. The rate of immediate association with the intervener even reaches 71% in

Sweden, according to a survey conducted in that Member State in 2003. Last, other studies, undertaken inter alia in Germany in 1983, Liverpool (United Kingdom) in 1995 and Finland in 2005, suggest that, in those latter Member States, too, the general public is familiar with the intervener's mark consisting of three parallel stripes when it is affixed to a shoe.

72 Third, the Opposition Division and the Board of Appeal mentioned the fact that several decisions of national courts had noted the reputation of the intervener's mark consisting of three parallel stripes. In that regard, the Court finds that the intervener did indeed produce before EUIPO several decisions of national courts holding that that mark, when affixed to shoes, had a significant reputation or renown. That is the case, in particular, with a judgment of 12 February 1987 of the Korkein oikeus (Supreme Court, Finland), a judgment of 1 October 1998 of the Audiencia Provincial de Valencia (Provincial Court, Valencia, Spain), a judgment of 20 May 2002 of the Juzgado de lo Mercantil de Madrid (Commercial Court, Madrid, Spain), a judgment of 24 January 2003 of the Oberlandesgericht Köln (Higher Regional Court, Cologne, Germany), numerous judgments handed down in 2004 by the Polymeles Protodikeio Athinon (Court of First Instance, Athens, Greece) and the Polymeles Protodikeio Thessaloniki (Court of First Instance, Thessaloniki, Greece), a judgment of 31 August 2005 of the Helsingin käräjäoikeus (Court of First Instance, Helsinki, Finland), a judgment of 19 October 2005 of the Landesgericht Graz (Regional Court, Graz, Austria), a judgment of 31 July 2009 of the Juzgado de lo Mercantil de Zaragoza (Commercial Court, Zaragoza, Spain) and a judgment of 7 October of the Tribunale civile di Roma (Civil Court, Rome, Italy). In addition, it is apparent from the elements submitted by the intervener that, in Spain and the United Kingdom, national administrative authorities with competence in the area of trade mark law have also reached the same conclusion.

73 Fourth, the abovementioned bodies of EUIPO also took into account the intervener's significant sponsorship activity. In particular, its mark has been present at prestigious sporting events, such as the 1998 Football World Cup in France, the 2000 European Championship in Belgium and the Netherlands and the 2002 Football World Cup in South Korea and Japan, and it is the official supplier of various football teams, such as FC Bayern and Real Madrid. Thus, by virtue of that sponsorship activity, many football and tennis stars wear, inter alia, footwear on which the mark consisting of three parallel stripes is affixed.

74 The applicant nevertheless disputes the Board of Appeal's assessment and, prior to that, the assessment of the Opposition Division, by making three series of objections.

75 In the first place, it complains that the documents produced by the intervener, for the most part, relate not to the earlier trade mark but to other trade marks of the intervener, used principally in Germany and, in some cases, affixed to clothing. However, proof of use, in Germany, of those various trade marks is not, in its view, sufficient to establish the reputation, in the whole of the European Union, of the earlier mark.

76 With regard, first, to the fact that certain items of evidence relate to marks of the intervener other than the earlier mark itself, it must be recalled, that, according to the case-law cited in paragraph 28 above, the proprietor of a registered mark may, in order to establish the reputation of that mark, rely on evidence of its reputation under a different form, in particular under the form of another registered mark, provided that the relevant public continues to perceive the goods at issue as originating from the same undertaking.

77 In the present case, it is apparent from paragraph 42 of the contested decision that the Board of Appeal considered, rightly, that, although the evidence submitted by the intervener concerned all the earlier marks, that relating to the earlier mark itself and German trade mark No 39950559 was particularly relevant.

78 In view of the very close visual proximity between those two marks, both consisting of three parallel stripes affixed, at the same position, to shoes, there is no doubt that, faced with either of those marks, the relevant public will perceive the goods at issue as originating from the same undertaking. Thus, the evidence relating to German trade mark No 39950559 is relevant to establishing the reputation of the earlier mark. The same is true, moreover, of the evidence relating to other marks consisting of three

parallel stripes affixed, at the same position, to shoes, such as, for example, German trade marks No 944623 and No 944624.

79 As regards, next, the fact that certain items of evidence concern marks affixed to clothing, they should indeed be disregarded as irrelevant in the present case. However, it must be noted that it is apparent from paragraph 77 above that the Board of Appeal did not take such evidence as its primary basis and that, on the contrary, the most relevant items submitted by the intervener, listed in paragraphs 70 to 73 above, concern marks affixed to shoes and not to clothing.

80 Regarding, last, the fact that certain of the intervener's marks are used primarily in Germany, it is appropriate to recall that, in accordance with the case-law cited in paragraphs 25 to 27 above, in order to enjoy the protection provided for in Article 8(5) of Regulation No 207/2009, the earlier mark, which is an EU trade mark, must be known by a significant part of the public concerned by the products or services which it covers in a substantial part of the territory of the European Union, which may, in certain cases, be constituted of the territory of a single Member State.

81 In the circumstances of the case at hand, the territory of Germany may be regarded as constituting a substantial part of the territory of the European Union.

82 Moreover, it must be stated that certain of the items of evidence submitted, particularly those mentioned in paragraphs 71 and 72 above, are such as to establish the reputation of the earlier mark in a number of other Member States, including Spain, Finland, Italy and Sweden. Evidently, those Member States, taken together, constitute a substantial part of the territory of the European Union, a fortiori when Germany, the Member State from which the intervener developed its business, is added to them.

83 In the second place, the applicant states that the documents relating to the activity of the intervener and the renown of its name are irrelevant for the purposes of establishing the use and reputation of the earlier mark and of German trade mark No 39950559.

84 In that regard, it is appropriate to note that the Court has listed, in paragraphs 70 to 73 above, the most relevant elements submitted by the intervener and taken into account by the Board of Appeal. It is clear that those elements do not concern the intervener's activity in general and the renown of adidas' name and that certain of them are, at most, related to its activity of producing sports footwear and to the distribution of such products bearing a figurative mark consisting of three parallel stripes. To the extent that the abovementioned elements, taken as a whole, are sufficient in themselves to establish the use and renown of certain earlier marks of the intervener affixed to shoes, the earlier mark itself and German mark No 39950559 in particular, the applicant cannot validly rely on the fact that, of all the documents submitted by the intervener, some are more general in nature and relate to its activity and to the renown of its name.

85 In the third place, the applicant argues that the documents specifically mentioning the earlier mark are few in number and consist either in surveys with small numbers of respondents in limited geographical areas or in court decisions not based on evidence of reputation of that mark.

86 In that regard, it should be pointed out, first, that the surveys mentioned in paragraph 71 above were conducted in several Member States using representative samples, namely 319 persons for the survey conducted in Finland, 330 persons for the one in Spain — and not only from the town of Zaragoza —, 500 persons for the one in Italy, 675 persons for the one in Germany and 18 000 persons for the one in Sweden. It is only the sample of 82 persons corresponding to the survey carried out in Liverpool that appears not to be sufficient, in itself, to establish with certainty the reputation of the earlier mark throughout the United Kingdom, even if it seems to confirm that that mark enjoys a certain reputation in one of the main cities of that Member State.

87 Second, the applicant does not validly dispute the probative value of the decisions of national courts mentioning the reputation of the earlier mark, merely arguing that they are not based on evidence of reputation.

88 In those circumstances, the objections made by the applicant must be dismissed and the elements mentioned in paragraphs 70 to 73 above appear sufficient to establish that the earlier mark was known by a significant part of the relevant public and in a substantial part of the territory of the European Union.

89 Consequently, the assessment carried out by the Opposition Division and subsequently by the Board of Appeal regarding the existence of the reputation of the earlier mark, must be confirmed.

90 It follows from the foregoing that the first part of the plea must be rejected.

Second part: lack of injury to the repute or to the distinctive character of the earlier mark

91 Under the second part of the plea, the applicant claims, essentially, that, contrary to what the Board of Appeal found, the use of the mark applied for would neither take unfair advantage of nor be detrimental to the distinctive character or the repute of the earlier mark.

92 That part is divided into four complaints, in so far as the applicant argues that the Board of Appeal's reasoning is vitiated by multiple errors of assessment consisting in (i) a misapplication of the 'average consumer test', (ii) a failure to perform a global assessment of the degree of similarity between the marks at issue, (iii) a failure to take into account the extremely weak inherent distinctive character of the earlier mark and, (iv) a failure to carry out an independent assessment and, in any event, an error of assessment of the risk of detriment to the distinctive character or to the repute of the earlier mark.

First complaint: misapplication of the 'average consumer test'

93 The applicant considers that the Board of Appeal misapplied the 'average consumer test' and that it vitiated, in that regard, its decision by several errors of appraisal, which, for the most part, had already been committed by the Court in the annulling judgment.

94 It criticises, first of all, the Board of Appeal for having held, incorrectly, that sportswear and sports footwear were everyday consumer goods, when they were actually specialised goods. It goes on to argue that the Board of Appeal failed to take account of the fact that some parts of sportswear and sports footwear had an advertising or display function and that it was, in particular, very common for figurative marks or signs such as stripes to be applied to those goods. It explains that the average consumer of sports footwear is used to placing his trust in those signs when choosing which goods to purchase and that, for that reason, he is generally capable of distinguishing between different brands of sports footwear, even those which are similar. It submits, last, that the Board of Appeal failed to take account of the fact that the average consumer paid particularly close attention to the side of sports footwear and to the figurative marks applied to them. Consequently, the Board of Appeal committed an error of assessment in considering that the average consumer of sports footwear did not display a high level of attention, but only a low level of attention.

95 In view of that line of argument, it appears that the applicant's first complaint essentially seeks to call into question the assessment carried out by the Board of Appeal regarding the degree of attention of the relevant public and argue that a high degree of attention ought to be taken into account.

96 In that regard, it should be pointed out that the Board of Appeal did not expressly define in the contested decision the degree of attention of the relevant public.

97 However, first, the Board of Appeal mentioned, in paragraph 10 of the contested decision, the fact that it had considered, in paragraph 51 of its previous decision of 28 November 2013, that the degree of attention applied by the average consumer to the goods at issue was not higher than average. Second, it recalled, in paragraph 57 of the contested decision, that the Court had also considered, in paragraph 40 of the annulling judgment, that the average consumer of those goods had an average level of attention. In those circumstances, the Board of Appeal must be regarded as having considered, in the contested decision, there to be an average degree of attention, in line with the annulling judgment.

- 98 It is therefore appropriate to examine whether it is open to the applicant — and, if so, whether the applicant is entitled — to challenge the assessment carried out by the Board of Appeal regarding the degree of attention of the relevant public.
- 99 EUIPO and the intervener argue that the matter of the degree of attention of the relevant public was definitively settled by the General Court and the Court of Justice in the annulling judgment and the order on the appeal, respectively. EUIPO submits that those judicial decisions are *res judicata*.
- 100 In that regard, it should be noted that, in finding that the Board of Appeal had erred in its assessment of the similarity of the signs at issue and in annulling the decision of 28 November 2013, the General Court *inter alia* relied, in paragraphs 33 and 40 of the annulling judgment, on the dual fact, first, that ‘sports shoes’ were everyday consumer goods and, second, that the relevant public, made up of the average consumer, who is reasonably well informed and reasonably observant and circumspect, had an average degree of attention when purchasing those ‘sports shoes’. The applicant attempted to dispute those factual assessments before the Court of Justice, but that Court rejected its argument as being, in part, inadmissible and, in part, manifestly unfounded (order on the appeal, paragraphs 11 to 18). It follows that the judgment annulling the decision of 28 November 2013 is final.
- 101 It follows from settled case-law that an annulling judgment, once final, has the authority of *res judicata* with absolute effect (see judgment of 29 April 2004, *Italy v Commission*, C-372/97, EU:C:2004:234, paragraph 36 and the case-law cited). That authority attaches to both the operative part and the *ratio decidendi* of the judgment, which provides the necessary underpinning for the operative part and is inseparable from it (see judgment of 1 June 2006, *P & O European Ferries (Vizcaya) and Diputación Foral de Vizcaya v Commission*, C-442/03 P and C-471/03 P, EU:C:2006:356, paragraph 44 and the case-law cited).
- 102 Moreover, under Article 65(6) of Regulation No 207/2009 (now Article 72(6) of Regulation 2017/1001), EUIPO is required to take the measures necessary to comply with judgments of the Courts of the European Union. In that regard, it is apparent from settled case-law that, in order to comply with a judgment annulling a measure and to implement it fully, the institution responsible for adopting that measure is required to have regard not only to the operative part of the judgment but also to the grounds constituting its essential basis. It is those grounds which, on the one hand, identify the precise provision held to be illegal and, on the other, indicate the specific reasons which underlie the finding of illegality contained in the operative part and which the institution concerned must take into account when replacing the annulled measure (see judgments of 25 March 2009, *Kaul v OHIM — Bayer (ARCOL)*, T-402/07, EU:T:2009:85, paragraph 22 and the case-law cited, and of 13 April 2011, *Safariland v OHIM — DEF-TEC Defense Technology (FIRST DEFENSE AEROSOL PEPPER PROJECTOR)*, T-262/09, EU:T:2011:171, paragraph 41).
- 103 In the present case, it must be stated that the grounds of the annulling judgment, recalled in paragraph 100 above, relating to the degree of attention of the relevant public, constitute the necessary support for the operative part of that judgment. Therefore, those grounds themselves have the authority of *res judicata* with absolute effect and the Board of Appeal was required to comply with them.
- 104 It must be pointed out, however, that, in finding, as is noted in paragraph 97 above, there to be an average degree of attention, the Board of Appeal effectively and fully complied with the abovementioned grounds of the annulling judgment.
- 105 It follows that it is not open to the applicant to challenge the merits of the Board of Appeal’s assessment regarding the degree of attention of the relevant public.
- 106 Moreover, it is appropriate to note that, contrary to what the applicant claims, the Board of Appeal did not, in the contested decision, classify the degree of attention of the relevant consumer as low. It follows from paragraphs 97 and 104 above that the Board of Appeal actually found there to be an average degree of attention.

107 In addition, nothing in the case file is such as to call into question that assessment and justify the classification of the degree of attention of the average consumer of the goods at issue as high. In that regard, it must be noted that, in its previous decision of 28 November 2013, the Board of Appeal had already found, rightly, that that consumer did not have a higher than average degree of attention, since the goods at issue, in Class 25 (shoes and clothing) were mass-consumption goods, frequently purchased and used by the average European Union consumer, that they were neither costly nor rare, that their acquisition and use did not require specific knowledge and that they did not have a serious impact on the health, budget or life of consumers. Additionally, the Court has held on numerous occasions that the goods in Class 25, in particular ‘footwear’, ‘sports footwear’ or ‘shoes’, were everyday consumer goods for which the relevant public displayed an average degree of attention (see, to that effect, judgments of 16 October 2013, *Zoo Sport v OHIM – K-2 (zoo sport)*, T-455/12, not published, EU:T:2013:531, paragraphs 28, 30, 36, 39 and 42, and of 25 February 2016, *Puma v OHIM– Sinda Poland (Representation of an animal)*, T-692/14, not published, EU:T:2016:99, paragraph 25). It follows that the Board of Appeal’s assessment that the average consumer of the goods covered by the mark applied for, namely the ‘footwear’ in Class 25, has an average degree of attention can only, in any event, be upheld.

108 Accordingly, the first complaint of the second part of the plea is inadmissible and, in any event, unfounded, and must be rejected.

Second complaint: failure to perform a global assessment of the degree of similarity between the marks at issue

109 The applicant claims that the Board of Appeal did not correctly assess, in the contested decision, the degree of similarity between the marks at issue. It confined itself to adopting the Court’s conclusion in the annulling judgment, according to which the marks at issue are similar to a certain extent, rather than carrying out its own analysis of the similarities and differences between those trade marks. The applicant specifies that the Board of Appeal should, in particular, have taken into account certain differences, relating to the length and the colour of the stripes, not referred to in the decision of 28 November 2013 and, for that reason, not examined by the Court in the judgment of 21 May 2015. The applicant adds that, in its view, the Opposition Division carried out an in-depth comparison of the marks at issue, relying, in particular, on the fact that the trade mark applied for is a ‘position mark’, whereas the earlier mark is a figurative mark.

110 In that regard, it is appropriate, first, to point out that the Board of Appeal did find, in paragraphs 58, 60 and 62 of the contested decision, that the marks at issue were visually similar to some extent.

111 However, it is apparent also from the wording of the contested decision, particularly from paragraphs 18, 20 and 57 thereof, that, in order to arrive at that conclusion, the Board of Appeal relied on the fact that, in the annulling judgment, the Court had analysed the similarities and differences between the marks at issue (annulling judgment, paragraphs 34, 35, 39 and 40) and had concluded that those marks were, to a certain extent, visually similar (annulling judgment, paragraph 43).

112 EUIPO argues, rightly, that the issue of the similarity of the marks at issue was definitively settled by grounds of the annulling judgment with the authority of *res judicata*.

113 Indeed, the grounds of that judgment concluding that there was a certain similarity between the marks at issue constitute the necessary support for the operative part of the judgment annulling the decision of 28 November 2013. It is appropriate in that regard to note that the annulment handed down by that judgment is based on the ground that the erroneous assessment made by the Board of Appeal regarding the similarity of the marks at issue had influenced, in particular, that board’s assessment regarding the likelihood that the public will establish a link between those marks and that one of the types of injury referred to in Article 8(5) of Regulation No 207/2009 will occur (annulling judgment, paragraphs 51 to 54).

114 It follows that, in accordance with the case-law mentioned in paragraphs 101 and 102 above, the Board of Appeal could not, during the examination of the merits of the opposition regarding the provisions of

Article 8(5) of Regulation No 207/2009, depart from the assessment made by the Court in the annulling judgment regarding the similarity of the marks at issue.

- 115 Thus, it is not open to the applicant to challenge the grounds of the contested decision restating the Court's conclusion on the similarity of the marks at issue. Consequently, the Board of Appeal cannot reasonably be criticised for simply adopting that conclusion rather than carrying out its own analysis of the degree of similarity between the marks at issue.
- 116 That conclusion and the assessment made by the Court, and then by the Board of Appeal, cannot, in any event, be called into question by the other arguments of the applicant mentioned in paragraph 109 above.
- 117 In the first place, it is admittedly true that, as the applicant notes, the Court indicated, in paragraph 44 of the annulling judgment, that certain elements relied on before it by EUIPO and the applicant, seeking to demonstrate that the marks at issue differed on account of the different colour and length of the parallel stripes affixed to the goods of the applicant and the intervener, '[were] not relevant in so far as they [had not been] mentioned by the Board of Appeal in the ... decision [of 28 November 2013]'. The Court also added, in paragraph 44 of that judgment, that 'those new elements cannot supplement the reasoning of the ... decision [of 28 November 2013] and have no influence on the assessment of its validity'.
- 118 However, it is appropriate to note, first, that the Court also considered in paragraph 44 of the annulling judgment, that, with regard to the argument relating to the difference in length of the stripes arising from their difference in inclination, that minor difference between the marks at issue would not be noticed by the average consumer, that consumer having an average degree of attention, and that it would not influence the overall impression produced by the marks at issue on account of the presence of wide sloping stripes on the outside of the shoe. Thus, it appears that, contrary to what the applicant claims, the Court did take into consideration the fact that the stripes making up the marks at issue could differ in length.
- 119 Second, while it is true that the Court did not expressly take into account the colour of the stripes, it is necessary to state, first of all, that it was for the applicant, if it believed it had grounds to do so, to challenge, in the appeal it brought against the annulling judgment, that lack of taking into account. Next, the Court of Justice held, in paragraph 59 of the order on the appeal, that, in view in particular of the fact that it addressed the argument on the difference in length between the stripes, the General Court had indeed conducted, in the annulling judgment, an overall assessment of the similarities and differences between the marks at issue. Last, it does not follow from the case file that the applicant and the intervener sought to register the mark applied for and the earlier mark, respectively, with an indication of colour, in accordance with Rule 3(5) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1) (now Article 3(3)(b) and (f) of Commission Implementing Regulation (EU) 2017/1431 of 18 May 2017 laying down detailed rules for implementing certain provisions of Regulation No 207/2009 (OJ 2017 L 205, p. 39)). Moreover, although the stripes of the mark applied for are grey in colour whereas those of the earlier mark are black, the marks at issue both feature dark-coloured stripes, such that the slight difference in colour between the two marks does not appear capable of invalidating the assessment made by the Court and subsequently by the Board of Appeal regarding the existence of a certain degree of similarity between the marks at issue.
- 120 In the second place, the fact that the Opposition Division carried out, in its view, a thorough comparison of the marks at issue has, in itself, no bearing on the merits of the assessment made by the Court and subsequently by the Board of Appeal as to the similarity of the marks. It should also be noted that the Opposition Division did not only find, on page 5 of its decision of 22 May 2012, that the visual differences between the marks at issue counterbalanced the similarities between them, but also indicated, on pages 2, 5, 7 and 8 of that decision, that the marks at issue had similarities and were, therefore, similar to a certain degree.
- 121 Furthermore, regarding the argument that the mark applied for is a 'position mark', whereas the earlier mark is a figurative mark, it must be noted that, as EUIPO argued during the hearing, the earlier mark, reproduced in paragraph 7 above, could also be classified as a 'position mark'. Like the mark applied for,

the earlier mark is made up solely of three parallel stripes affixed to a shoe, whose outline is represented by a dotted line, which is an indication that that is absent from the mark.

- 122 In any event, the applicant does not specify — nor is it apparent to the Court — how the alleged difference between the marks at issue is such as to diminish the degree of similarity of those marks.
- 123 In that regard, it should be noted that, unlike Regulation 2017/1431, Regulation No 207/2009 and Regulation No 2868/95 do not mention ‘position marks’ as a specific category of trade mark. Moreover, ‘position marks’ are similar to the categories of figurative and three-dimensional marks as they relate to the application of figurative or three-dimensional elements to the surface of a product (judgment of 15 June 2010, *X Technology Swiss v OHIM (Orange colouring of the toe of a sock)*, T-547/08, EU:T:2010:235, paragraph 20; see also, to that effect, judgment of 26 February 2014, *Sartorius Lab Instruments v OHIM (Yellow curve at the bottom edge of an electronic display unit)*, T-331/12, EU:T:2014:87, paragraph 14).
- 124 In addition, the applicant itself states, relying on the EUIPO Guidelines, that the difference between those two types of mark is that a figurative mark gives an overall protection for the whole mark, whereas a position mark only gives protection for the way in which the mark is presented.
- 125 Thus, supposing it were established, the alleged difference between the marks at issue — both of which consist of parallel stripes affixed to a shoe — can affect, in the present case, only the extent of the elements protected by those marks and, therefore, does not appear capable of having an impact on the degree of similarity between those marks, or on the perception the relevant public may have of those marks.
- 126 It must also be noted that it is not apparent from the decision of the Opposition Division that that body drew any conclusions from the difference in classification between the marks at issue during its assessment of the degree of similarity between those marks.
- 127 In those circumstances, the applicant cannot validly criticise the Board of Appeal for not having taken into account that difference between the marks at issue.
- 128 Accordingly, the second complaint of the second part of the plea must be rejected as inadmissible and, in any case, unfounded.

Third complaint: failure to take into account the extremely weak inherent distinctive character of the earlier mark

- 129 The applicant claims that the Board of Appeal committed an error of assessment in failing, in the contested decision, to rule on the degree of distinctive character of the earlier mark and, in particular, in failing to take into account the fact that that trade mark had a very weak inherent distinctive character. The degree of distinctive character, especially inherent distinctive character, of the earlier mark is a particularly important criterion for the purpose of assessing, first, the likelihood that the relevant public would confuse, associate or establish a connection between the marks at issue, and, second, the probability of one of the types of injury referred to in Article 8(5) of Regulation No 207/2009 occurring. Moreover, even in a case involving a mark with a reputation, the degree of distinctive character of a trade mark depends on its inherent distinctive character. Furthermore, the fact that the mark applied for is, as with the earlier mark and in accordance with common practice, applied to footwear and that, therefore, the marks at issue are used on identical goods makes the earlier mark even less unique than if the marks at issue had been used for different goods.
- 130 It is apparent from that argument that the applicant, on the one hand, criticises the Board of Appeal for not having examined and defined the degree of distinctive character, especially inherent distinctive character, of the earlier mark and, on the other hand, argues that the degree of distinctive character of that trade mark is low on account, in particular, of the very weak inherent distinctive character of that trade mark.

- 131 It is appropriate, in the first place, to note that it is true that the Board of Appeal did not expressly take a position, in the contested decision, on the degree of distinctive character, whether inherent or acquired through use, of the earlier mark.
- 132 However, the Board of Appeal had specified, in paragraphs 65, 67 and 83 of its previous decision of 28 November 2013, that, while the earlier marks of the intervener, and the earlier mark and German mark No 39950559 in particular, were of weak inherent distinctive character, that weakness was compensated by the consistent use over time on a large scale of those marks, such that they had acquired, at least, a normal distinctive character. That assessment of the degree of distinctive character of those earlier marks was not called into question by the Court in the annulling judgment. In addition, paragraph 10 of the contested decision, which summarises the reasoning followed by the Board of Appeal in the decision of 28 November 2013, refers to that assessment. In those circumstances, the Board of Appeal must be regarded as having maintained, in the contested decision, its previous assessment of the degree of distinctive character of the earlier mark.
- 133 Therefore, the applicant is not justified in arguing that the Board of Appeal totally neglected, in the contested decision, to take into consideration the degree of distinctive character of the earlier mark.
- 134 In the second place, it must be recalled that it follows from the examination of the first part of the plea (see paragraphs 65 to 90 above) that the earlier mark has a reputation in the European Union. Additionally, it will be noted in paragraph 162 below that that reputation can be characterised as high.
- 135 Where proof of reputation of a mark has been made out, it is irrelevant to prove the inherent distinctive character of that mark in order to obtain a finding that it has distinctive character (order on the appeal, paragraphs 75 and 76). An earlier mark can have a particularly distinctive character not only per se, but also because of the reputation it enjoys with the public (see, by analogy, judgment of 11 November 1997, *SABEL*, C-251/95, EU:C:1997:528, paragraph 24), such that, where a trade mark has acquired a particularly distinctive character because of its renown, an argument that it possesses merely a very weak inherent distinctive character is ineffective in the context of the assessment of the existence of a link between the marks at issue and, thus, an injury within the meaning of Article 8(5) of Regulation No 207/2009 (see, by analogy, judgment of 17 July 2008, *L & D v OHIM*, C-488/06 P, EU:C:2008:420, paragraphs 67 and 68).
- 136 In those circumstances, the Board of Appeal's assessment that the earlier mark enjoys, owing to its extensive use, a normal distinctive character must be confirmed.
- 137 Therefore, the applicant is not justified in arguing, first, that the Board of Appeal should have taken into account, in the contested decision, the degree of inherent distinctive character of the earlier mark and, second, that, because of the weakness of that inherent distinctive character, the degree of distinctive character of the earlier mark should be revised downwards.
- 138 The third complaint of the second part of the plea must, accordingly, be rejected.

Fourth complaint: failure to carry out an independent assessment and, in any event, an error of assessment of the risk of detriment to the distinctive character or to the repute of the earlier mark

- 139 The applicant claims, in essence, that the use of the mark applied for would not take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.
- 140 More specifically, the applicant raises two sub-complaints against the contested decision. First, the Board of Appeal did not carry out an 'independent' assessment as to whether the use of the mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark. Second, the Board of Appeal should have taken into account the fact that the intervener did not show, in the course of the opposition proceedings and the appeal proceedings, that an unfair advantage or

detriment existed, although the marks at issue had coexisted peacefully on the market for a great number of years and, in those circumstances, the alleged injury should have been clearly apparent on the market.

141 It is appropriate, therefore, to ascertain whether those two sub-complaints are justified, in view of the grounds of the contested decision and all the relevant elements contained in the case file.

First sub-complaint: failure to carry out an independent assessment of the existence of injury to the repute or to the distinctive character of the earlier mark

142 It is necessary, first, briefly to present the reasoning followed by the Board of Appeal in the contested decision.

143 In the case at hand, the Board of Appeal acknowledged, in essence, in paragraph 61 of the contested decision, that, if the mark applied for was registered, the degree of association between, on the one hand, the earlier mark, which brings to mind goodwill, a prestigious image and good standing, and, on the other hand, the intervener would suffer, such that the exclusivity of the earlier mark would be ‘diluted’. In that regard, the contested decision refers to substantial goodwill, acquired through decades of brand promotion, intensive publicity and maintaining a high media profile.

144 The Board of Appeal next noted, in paragraphs 60, 62 and 63 of the contested decision, that the earlier mark had a significant and global reputation, that the marks at issue were similar, that the goods at issue were identical and that, consequently, the relevant publics were also identical. In paragraph 63 of the contested decision, it added that, in those circumstances, it was inevitable that the applicant’s customers would be familiar with the earlier mark and forge an ‘associative link’ with the mark applied for.

145 Last, in view of those elements, the Board of Appeal considered, in paragraph 65 of the contested decision, that, in the circumstances, there was a high probability that the use of the mark applied for might take unfair advantage — whether intentional or not — of the well-established reputation of the earlier mark and the considerable investment made by the intervener to achieve that reputation.

146 It is apparent from the wording of the contested decision thus recalled that, contrary to what the applicant claims, the Board of Appeal did in fact itself assess, in the case at hand, whether the use of the mark applied for risked taking unfair advantage of the repute of the earlier mark. In that context, the Board of Appeal took into account, in paragraph 61 of the contested decision and incidentally, in accordance with the case-law cited in paragraph 50 above, the possibility that that use would be detrimental to the distinctive character of the earlier mark, on account of the ‘dilution’ of the earlier mark’s exclusivity.

147 However, the Board of Appeal, first, never ruled on the existence of detriment to the repute of the earlier mark and, second, ruled only indirectly on the existence of detriment to the distinctive character of the earlier mark. In upholding the opposition on the basis of Article 8(5) of Regulation No 207/2009, the Board of Appeal relied above all on the ground alleging that the use of the mark applied for would take unfair advantage of the repute of the earlier mark, that ground being itself only partially and indirectly based on the risk of weakening or ‘dilution’ of the distinctive character of that trade mark.

148 Nevertheless, in view of the alternative character, recalled in paragraph 37 above, of the three types of injury provided for in Article 8(5) of Regulation No 207/2009, the ground alleging that the use of the mark applied for would take unfair advantage of the repute of the earlier mark, if it indeed were justified, was sufficient for refusing registration, as long as there was no due cause for the use of the mark applied for. It follows that the applicant cannot validly criticise the Board of Appeal for not having ruled on whether or not there was another type of injury than the one it found. Therefore, the applicant’s arguments concerning the lack of examination by the Board of Appeal of the existence of detriment to the repute or to the distinctive character of the earlier mark are ineffective.

149 Accordingly, the first sub-complaint of the fourth complaint of the second part of the plea must be rejected.

Second sub-complaint: failure to demonstrate the existence of injury to the repute or to the distinctive character of the earlier mark

- 150 As has been noted in paragraph 140 above, the applicant claims, in essence, that the intervener did not demonstrate that the use of the mark applied for could, in the future, cause detriment to the repute or the distinctive character of the earlier mark. The similarity between the marks at issue is not sufficient for the relevant public to perceive a link between the marks at issue. In addition, the mark applied for was used in the past alongside the earlier mark for a great number of years and, despite that, up to the present day, there has been no evidence on the market of any unfair advantage being taken of the repute or of the distinctive character of the earlier mark, or of any detriment being caused to that mark.
- 151 As a preliminary point, it is appropriate to recall that, as has been noted in paragraphs 147 and 148 above, first, the contested decision is above all based on a ground alleging that the use of the mark applied for could take unfair advantage of the repute of the earlier mark and, second, the risk that such an injury might occur is, in itself, sufficient for refusing registration, as long as there is no due cause for the use of the mark applied for. Therefore, the complaint alleging the failure by the intervener to demonstrate the existence of an injury referred to in Article 8(5) of Regulation No 207/2009 is effective only in so far as it seeks to dispute the existence of a risk of unfair advantage being taken of the repute of the earlier mark. It follows that it will not be necessary to examine whether the use of the mark applied for is capable of being detrimental to the repute or to the distinctive character of the earlier mark.
- 152 As has been stated in paragraphs 30 and 46 above, whether or not there is, first, a link between the marks at issue and, second, a risk of unfair advantage being taken of the repute of the earlier mark must be assessed globally, taking into account all factors relevant to the case.
- 153 Some of those factors, particularly those mentioned in paragraphs 30, 31 and 47 above, involve a prior analysis by the competent bodies of EUIPO, namely the Opposition Division and, as the case may be, the Board of Appeal. Those are, inter alia, the degree of attention of the relevant public, the degree of proximity of the goods at issue, the degree of similarity between the marks at issue, the strength of the earlier mark's reputation and the degree of distinctive character of that latter mark.
- 154 Moreover, the proprietor of the earlier mark may provide, and the competent bodies of EUIPO take into account, other evidence relevant for establishing, more specifically, whether or not there is a risk of unfair advantage being taken of the repute of the earlier mark.
- 155 In those circumstances, it is first appropriate, as a first step, to recall and, if necessary, to review the assessments carried out by the Board of Appeal in relation to the relevant factors mentioned in paragraph 153 above. Next, as the second and third steps, it will be appropriate to review, in the light of those factors, other evidence produced by the intervener before the Board of Appeal or taken into account by that body in the contested decision and the possible coexistence of the marks at issue claimed by the applicant, whether or not the Board of Appeal has committed an error of assessment in concluding, in the case at hand, that there was a link between the marks at issue and a risk of unfair advantage being taken of the repute of the earlier mark, respectively.

Prior assessments on relevant factors

Degree of attention of the relevant public

- 156 It follows from the examination of the first complaint of the second part of the plea (see paragraphs 93 to 108 above) that the Board of Appeal was right to find, in the contested decision, that the relevant public, namely the average consumer of the goods covered by the mark applied for, had an average degree of attention.

Degree of proximity of the goods at issue

157 In paragraph 53 of the contested decision, the Board of Appeal held that both the earlier mark and the mark applied for covered ‘footwear’, meaning that the goods at issue were identical.

158 The applicant in no way disputes the clear identity between the goods at issue, reaffirmed in paragraphs 60 and 62 to 64 of the contested decision. The assessment carried out by the Board of Appeal on that matter must therefore be confirmed.

Degree of similarity between the marks at issue

159 It follows from the examination of the second complaint of the second part of the plea (see paragraphs 109 to 128 above) that the Board of Appeal was right to find, in the contested decision, that the marks at issue were similar to a certain degree.

Strength of the earlier mark’s reputation

160 It is appropriate, first, to recall that it follows from the examination of the first part of the plea (see paragraphs 65 to 90 above) that the Board of Appeal considered, rightly, in the contested decision that the earlier mark had a reputation in the European Union.

161 With regard to the strength of that reputation, it is apparent from paragraphs 33 and 36 to 38 of the contested decision that the Board of Appeal considered that the earlier mark enjoyed a high reputation. It also specified, in paragraphs 41 and 62 of the contested decision, that that reputation was long-held, enduring, significant and global. However, it did not endorse the intervener’s argument, made on page 11 of its opposition, that its trade mark enjoyed an outstanding reputation.

162 The applicant, which disputes that the earlier mark even has a reputation, makes no specific criticism about the assessment carried out by the Board of Appeal regarding the strength of that reputation. The evidence examined in the first part of the plea appears sufficient to establish, apart from the existence of that reputation itself, the high level of that reputation. In addition, in paragraph 47 of the annulling judgment, the Court took note — without calling it into question — of the conclusion reached by the Board of Appeal in paragraph 66 of the decision of 28 November 2013, according to which the earlier mark enjoyed a high reputation.

163 In those circumstances, the assessment carried out by the Board of Appeal regarding the strength of the earlier mark’s reputation must be confirmed.

Degree of distinctive character of the earlier mark

164 It follows from the examination of the third complaint of the second part of the plea (see paragraphs 129 to 138 above) that the Board of Appeal considered, rightly, in the contested decision, that the earlier mark enjoyed, owing to its extensive use, a normal distinctive character.

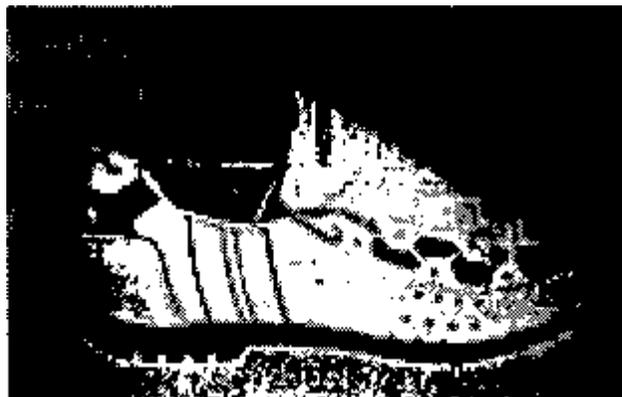
Global assessment of the existence of a link between the marks at issue

165 As has been noted in paragraph 144 above, the Board of Appeal, relying inter alia on the similarity — even ‘lesser’ — of the marks at issue, the identity between the goods at issue and the strength of the earlier mark’s reputation, concluded, in paragraph 63 of the contested decision, that there was a link between the marks at issue in the mind of the relevant public.

166 The applicant disputes that conclusion on the ground that the Board of Appeal incorrectly assessed the degree of attention of the relevant public, the degree of similarity of the marks at issue and the strength of the reputation and, therefore, the distinctive character of the earlier mark.

167 It should nevertheless be pointed out, first, that the applicant’s argument relating to alleged errors on the part of the Board of Appeal in the assessment of those factors has already been rejected in the first part of the plea in addition to the three first complaints of the second part of that plea.

- 168 Second, the factors taken into account by the Board of Appeal are among those deemed relevant for establishing whether such a link exists (see the case-law cited in paragraphs 30 and 31 above). In particular, the Board of Appeal was right to note, in paragraph 63 of the contested decision, that, under Article 8(5) of Regulation No 207/2009, a ‘lesser’ degree of similarity between the marks at issue could be sufficient for the relevant public to establish a link between them (see the case-law cited in paragraph 29 above).
- 169 The applicant does not advance any other argument specifically against the Board of Appeal’s conclusion that the relevant public could establish a link between the marks at issue.
- 170 Nevertheless, to dispute the existence of a risk of unfair advantage being taken of the repute of the earlier mark, the applicant notes the peaceful coexistence of the marks at issue on the market for a great number of years and the lack of confusion, in the mind of the public, regarding the origin of its goods. In addition, in arguing that it had due cause to use the mark applied for, it specifies that there is a possibility that that coexistence reduces the risk of a link being established in the mind of consumers between the two trade marks.
- 171 According to the case-law recalled in paragraphs 32 to 34 above, the past coexistence of conflicting marks on the market might contribute to diminishing the likelihood of a connection being made, in the future, between those marks and, therefore, the probability of a link between them being established, in the mind of the relevant public, provided, however, that among other things that coexistence was peaceful and, consequently, was itself based on the lack of a likelihood of a connection being made.
- 172 In those circumstances, it is necessary to assess whether that condition is fulfilled.
- 173 In the present case, in order to justify the coexistence of the marks at issue, the applicant refers to the use of the mark applied for and of a number of other similar marks or signs consisting of two parallel stripes affixed to a shoe.
- 174 It is not necessary, at this stage, to examine all the arguments put forward by the parties, essentially under the third part of the plea, relating to that coexistence. In particular, there is no need, for the purposes of what follows, to assess whether and to what extent the applicant provides evidence of the reality and extent of the use of the mark applied for, which the intervener also disputes.
- 175 It is common ground, in the first place, that the intervener challenged before a German court, the Landgericht München (Regional Court, Munich, Germany), the use by the company Patrick International SA, presented as the predecessor of the applicant, of a mark consisting of two parallel stripes affixed to a shoe and that, by a judgment of 12 November 1990, that court prohibited that company from marketing its goods bearing that mark on the ground that there was a likelihood of confusion with certain of the intervener’s national trade marks. The mark challenged in that case was presented as follows:



- 176 Indeed, the mark then used by the company Patrick International was not identical to the mark applied for and, in the dispute it had to settle, the abovementioned German court found that the mark in question gave

the impression of a three-striped mark. Nevertheless, irrespective of the assessment carried out by that court, the mark in question is sufficiently close to the mark applied for in order that the intervener's challenge of its use be able to be taken into consideration in order to assess the peaceful or conflictual nature of the alleged coexistence between the two-striped marks of the applicant, on the one hand, and the three-striped marks of the intervener, on the other, where those different marks are affixed to shoes.

177 In the second place, it should be noted that the present dispute is not the first between the applicant and the intervener concerning the applicant's registration of an EU trade mark consisting of two parallel stripes affixed to a shoe.

178 When the applicant requested, on 1 July 2009, the registration of the mark applied for, the intervener had already filed a notice of opposition to registration of a mark filed by the applicant and displaying the same characteristics as the mark applied for, given that it had opposed, on 30 July 2004, registration of a two-striped mark similar to the mark applied for for goods in Classes 18, 25 and 28.

179 Therefore, in view of the dispute which arose in Germany in 1990 and of the previous opposition proceedings brought in 2004, the alleged coexistence on the market between the mark applied for or other similar marks of the applicant, on the one hand, and the earlier mark or other similar marks of the intervener, on the other, cannot be categorised as peaceful. That coexistence was therefore not itself based on the absence of likelihood of a connection being made between the marks at issue.

180 In those circumstances, the assessment carried out by the Board of Appeal regarding the existence of a link between the marks at issue must be confirmed.

Global assessment of the risk of unfair advantage being taken of the repute of the earlier mark

181 In the first place, it is apparent from paragraphs 60 to 65 of the contested decision that, in concluding in the case at hand that there was a risk of unfair advantage being taken of the repute of the earlier mark, the Board of Appeal placed particular reliance, first, on the high degree of the earlier mark's reputation, and, second, on the identity between the goods at issue.

182 It is true, as has been noted in paragraph 161 above, that the Board of Appeal did not classify the reputation of the earlier mark as outstanding, and the existence of injury cannot, for that reason alone, be presumed under the case-law cited in paragraph 41 above. Nevertheless, the Board of Appeal was right to find that the earlier mark enjoyed a high, long-held and enduring reputation.

183 It must be recalled that, the higher the reputation of the earlier mark, the more likely it is that the use of a similar trade mark will take advantage of the repute of the earlier mark (see the case-law cited in paragraph 48 above).

184 By the same token, the greater the similarity between the goods or services covered by the marks at issue, the more likely it is that such advantage will occur (see paragraph 49 above). The Board of Appeal was therefore right to note, in paragraph 64 of the contested decision, that, in the case at hand, given that the goods at issue were identical, it was logical that unfair advantage would be more likely to occur than in cases where the goods were dissimilar.

185 It follows that the dual fact, noted by the Board of Appeal and alleging, first, that the earlier mark enjoys a high, long-held and enduring reputation and, second, that the goods covered by the marks at issue are identical, is such as strongly to increase the probability of unfair advantage occurring.

186 In the second place, as has been noted in paragraph 143 above, the Board of Appeal acknowledged, in paragraph 61 of the contested decision, that the earlier mark brought to mind substantial goodwill, a prestigious image and good standing and that that goodwill had been acquired through decades of brand promotion, intensive publicity and maintaining a high media profile. It also noted, in paragraph 65 of the

contested decision, the considerable investment made by the intervener to achieve the reputation enjoyed by the earlier mark.

- 187 In that regard, it is apparent from pages 12 to 14 of the opposition that the intervener had noted before the Opposition Division not only the reputation of its earlier mark, the similarity of the marks at issue and the similarity of the goods at issue, but also the fact that the earlier mark benefited from a power of attraction, linked to an image of quality and prestige and acquired after decades of investment, innovation and publicity. On that occasion, the intervener had explained that, in the event of use of the mark applied for, the positive qualities associated with goods bearing the earlier mark would be transferred to the applicant's goods.
- 188 It is therefore incorrect to assert, as the applicant does, that the intervener has not provided any relevant evidence to establish the existence of unfair advantage being taken of the repute of the earlier mark.
- 189 Moreover, the applicant does not dispute the reality and importance of the commercial efforts made by the intervener over a number of decades in order to create and maintain its mark, accumulate goodwill and thus increase the inherent economic value of that mark.
- 190 The importance of the efforts thus taken by the proprietor of the earlier mark with a reputation renders all the more plausible the likelihood of third parties being tempted, by the use of a mark similar to that mark, to ride on the coat-tails of the latter in order to benefit from its power of attraction, reputation and prestige and thereby exploit — without paying any financial compensation or having to make efforts of its own — the marketing efforts made by the proprietor of the earlier mark.
- 191 In the third place, EUIPO and the intervener argue that the applicant, or at least its alleged predecessor, clearly alluded to the earlier mark, which features three stripes, in using the slogan 'two stripes are enough' in a 2007 promotion campaign in Spain and Portugal intended to promote its own goods, sold under a mark featuring two stripes.
- 192 The applicant does not dispute that the slogan 'two stripes are enough' was indeed used in the promotion of certain of its goods. It is clear, however, that using such a slogan sought to call to mind the earlier mark, known to the consumer by virtue of its reputation, and suggest that the goods sold by the applicant under a two-striped mark had qualities equal to those sold by the intervener under a three-striped mark. In those circumstances, the 2007 promotion campaign run in Spain and Portugal must be regarded as an attempt to exploit the reputation of the earlier mark. Such behaviour, identified in the course of the actual use of a mark similar to the mark applied for, constitutes a particularly relevant concrete element for the purposes of establishing the existence of a risk of unfair advantage being taken of the repute of the earlier mark (see the case-law cited in paragraph 39 above).
- 193 In the fourth place, in disputing the risk of the use of the mark applied for taking unfair advantage of the repute of the earlier mark, the applicant merely maintains that that risk did not materialise in the past, when the marks at issue coexisted on the market.
- 194 It follows from paragraphs 174 to 179 above that the alleged coexistence of the marks at issue cannot be regarded as peaceful. Furthermore, it has been noted in paragraph 192 above that the use of the mark applied for has already given rise to at least one attempt to take unfair advantage of the repute of the earlier mark.
- 195 It follows that the alleged coexistence, in the past, of the marks at issue on the market cannot rule out the occurrence, in the future, of the injury to the repute of the earlier mark found by the Board of Appeal.
- 196 In those circumstances, and taking into account all the relevant factors of the case, the evidence provided by the intervener before the Board of Appeal and that taken into account by that body is sufficient to demonstrate the existence of a genuine risk of free-riding. The Board of Appeal therefore did not commit

an error of assessment in finding it likely that the use of the mark applied for would take unfair advantage of the repute of the earlier mark.

197 Accordingly, the second sub-complaint of the fourth complaint of the second part and, therefore, that complaint and that part in their entirety must be rejected.

Third part: existence of due cause for the use of the mark applied for

198 Under the third part of the plea, the applicant claims that, contrary to what the Board of Appeal found, it demonstrated that there was due cause by producing, during the opposition proceedings, evidence proving use, over a long period, of the mark applied for.

199 That part can be divided into two complaints, in so far as the applicant appears to criticise the Board of Appeal, first, for not having examined its evidence on the use of the mark applied for and, second, for not having considered that the evidence demonstrated the existence of due cause.

First complaint: failure to carry out an examination of the evidence on the use of the mark applied for

200 It is appropriate to recall that, as has been noted in paragraph 58 above, the use by a third party of a mark similar to an earlier mark with a reputation may, under certain conditions, be considered to be with due cause within the meaning of Article 8(5) of Regulation No 207/2009.

201 Thus, the applicant can validly rely on the use of the mark applied for and the Board of Appeal was obliged to examine the evidence produced to that end before EUIPO by the applicant.

202 In that regard, the applicant appears to claim, relying on paragraph 65 of the contested decision, that the Board of Appeal did not examine its evidence on the existence of due cause.

203 In the case at hand, however, the Board of Appeal not only stated, in paragraph 65 of the contested decision, that the applicant had failed to provide reasons to establish the existence of due cause, but also specified, in paragraph 66 of that same decision, that the alleged coexistence of the marks at issue was not peaceful. In so doing, the Board of Appeal, as EUIPO notes in its response, responded to the main argument advanced by the applicant to show the existence of due cause. In those circumstances, the applicant cannot claim that the Board of Appeal did not take into account its evidence.

204 Accordingly, the first complaint of the third part of the plea must be rejected.

Second complaint: error of assessment regarding the existence of due cause

205 The applicant stresses that the marks at issue have, with the intervener's acquiescence, coexisted for a number of decades. It also criticises the Board of Appeal for failing to take into account the effects of any prohibition on the use of the mark applied for.

206 In that regard, it should be noted that, in order to constitute due cause, the use of the mark applied for must satisfy a number of conditions, recalled in paragraphs 59 to 63 above.

207 In particular, it must be recalled, in the first place, that, where the earlier mark with a reputation is an EU trade mark, the mark applied for must have been used throughout the territory of the European Union (see paragraph 62 above and the case-law cited).

208 In the case at hand, however, as EUIPO and the intervener note, the applicant does not show — or even claim — that it has used the mark applied for throughout the territory of the European Union. Thus, in its observations submitted on 14 June 2011 before the Opposition Division, it mentioned a coexistence of the marks at issue only on the German market and did not claim to have actually used its marks consisting of two parallel stripes affixed to a shoe registered in other Member States. In addition, the evidence produced

before EUIPO by the applicant related, in essence, to use of the mark applied for or other similar marks in Germany or France.

- 209 In the second place, it is appropriate to recall that, in order to constitute due cause, the use of the mark applied for must not, in principle, have been challenged by the proprietor of the earlier mark with a reputation. Thus, the alleged coexistence of the marks at issue must be peaceful (see the case-law cited in paragraph 63 above).
- 210 It has already been noted in paragraphs 179 and 194 above that, as EUIPO and the intervener argue, the alleged coexistence of the marks at issue was not peaceful. Consequently, the applicant is not justified in claiming that the intervener tolerated or acquiesced to the use of the mark applied for.
- 211 In the third place, more generally and as has been noted in paragraphs 56 and 59 above, the proprietor of the mark applied for, or its predecessor, must have acted in good faith when using the mark applied for.
- 212 In the case at hand, however, the conception and use of the slogan ‘two stripes are enough’ reveals, as has been noted in paragraphs 192 and 194 above, that the use of the mark applied for has already given rise to at least one attempt to take advantage of the repute of the earlier mark. Therefore, as the intervener argues, the use of the mark applied for cannot, in the case at hand, be regarded as having always been in good faith.
- 213 In those circumstances, the use of the mark applied for cited by the applicant cannot be regarded as a reason capable of justifying the applicant’s registration of that mark as an EU trade mark, at the risk of taking advantage of the repute of the earlier mark.
- 214 That conclusion cannot be weakened by the applicant’s argument regarding the effects that any prohibition on use of the mark applied for might have for the applicant. First, the applicant provides no details regarding the nature and size of those effects. Second, in any event, the sole object and sole effect of the contested decision is to refuse the registration of the mark applied for as an EU trade mark, not to prohibit the applicant from using that mark in the territory of one or more Member States in which that mark would be registered or even simply used with due cause within the meaning of Article 5(2) 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).
- 215 It follows that the Board of Appeal did not commit an error of assessment in finding that the applicant had not demonstrated the existence of due cause for the use of the mark applied for.
- 216 Accordingly, the second complaint of the third part of the single plea must be rejected as must, consequently, that third part and the plea in their entirety.
- 217 In the light of the foregoing, the action must be dismissed.

Costs

- 218 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.
- 219 Since the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by EUIPO and the intervener.

On those grounds,

THE GENERAL COURT (Ninth Chamber)

hereby:

- 1. Dismisses the action;**

- 2. Orders Shoe Branding Europe BVBA to pay the costs.**

Gervasoni

Madise

Kowalik-Bańczyk

Delivered in open court in Luxembourg on 1 March 2018.

E. Coulon

S. Gervasoni

Registrar

President

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* Language of the case: English.