

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-85/16,

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

v

European Union Intellectual Property Office (EUIPO), represented by A. Lukošūūtė, acting as Agent,
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 26 November 2015 (Case R 3106/2014-2), 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: J. Weychert, Administrator,

having regard to the application lodged at the Registry of the General Court on 17 February 2016,

having regard to the response of EUIPO lodged at the Court Registry on 11 May 2016,

having regard to the response of the intervener lodged at the Court Registry on 9 May 2016,

further to the hearing on 2 February 2017,

gives the following

Judgment

I. Background to the dispute

A. Background to the dispute, relating to the registration of the mark applied for for ‘Safety footwear for the protection against accidents or injury’ (goods in Class 9)

- 1 On 8 December 2011 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 represented 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, following the restriction made in the course of the proceedings before EUIPO, within Class 9 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: ‘Safety footwear for the protection against accidents or injury’.
- 5 The EU trade mark application was published in *Community Trade Marks Bulletin* No 59/2012 of 26 March 2012.
- 6 On 29 May 2012 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 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’ (‘the earlier mark’). That mark is reproduced below:



- 8 The grounds relied on in support of the opposition were, in particular, those referred to in Article 8(5) of Regulation No 207/2009 (now Article 8(5) of Regulation 2017/1001).

9 By decision of 17 October 2014, the Opposition Division rejected the opposition.

10 On 14 December 2014 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 26 November 2015 ('the contested decision'), the Second Board of Appeal of EUIPO upheld the 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 similarity of 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.

B. Recall of the earlier dispute, relating to the registration of the mark applied for for 'footwear' (goods in Class 25)

12 The applicant had presented, on 1 July 2009, a previous application for registration of the sign corresponding to the mark applied for, but for different goods. That application was presented, not for 'safety footwear for the protection against accidents or injury', in Class 9, as in the present dispute, but for 'footwear', in Class 25.

13 The intervener had filed an opposition to that registration, on the basis, inter alia, of the earlier mark, relying, in particular, on Article 8(1)(b) of Regulation No 207/2009 (now Article 8(1)(b) of Regulation 2017/1001) and Article 8(5) of the same regulation.

14 That opposition had been rejected on 22 May 2012 by the Opposition Division, and subsequently on 28 November 2013 by the Second Board of Appeal (Case R 1208/2012-2).

15 However, 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 Board of Appeal's 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.

16 Moreover, by order of 17 February 2016, *Shoe Branding Europe v OHIM* (C-396/15 P, not published, EU:C:2016:95), the Court of Justice dismissed an appeal brought by the applicant against that judgment.

II. Forms of order sought by the parties

17 The applicant claims that the Court should:

- annul the contested decision;
- in the alternative, remit the case to EUIPO ordering it to carry out a re-examination independent of the annulling judgment;
- in the further alternative, remit the case to EUIPO ordering it to suspend the proceedings pending the outcome of the appeal, registered as Case C-396/15 P, against the annulling judgment and to carry out its own assessment of the similarities and differences between the marks at issue once the judgment of the Court of Justice has been delivered;
- order EUIPO to pay the costs.

18 EUIPO and the intervener contend that the Court should:

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

III. Law

A. Admissibility of the second and third heads of claim

19 EUIPO notes that the applicant's claims in the alternative and further alternative request that the Court issue directions to EUIPO. It considers such claims to be inadmissible.

20 It should be recalled that it follows from settled case-law that, in an action before the Courts of the European Union against the decision of a Board of Appeal of EUIPO, EUIPO is required, pursuant to Article 65(6) of Regulation No 207/2009 (now Article 72(6) of Regulation 2017/1001), to take the measures necessary to comply with judgments of the Courts of the European Union. Therefore, it is not for the Court to issue directions to EUIPO, but for EUIPO to draw the appropriate inferences from the operative part and grounds of the judgments of the Courts of the European Union (see judgment of 11 July 2007, *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)*, T-443/05, EU:T:2007:219, paragraph 20 and the case-law cited).

21 Accordingly, the applicant's claims, put forward in the alternative or further alternative, requesting, in essence, that the Court issue directions to EUIPO, first, to carry out a re-examination independent of the annulling judgment and, second, to suspend the proceedings pending delivery of the judgment of the Court of Justice in Case C-396/15 P, respectively, and, once that takes place, to carry out its own assessment of the similarities and differences between the marks at issue, are inadmissible.

B. Merits

22 In support of its claim for annulment, the applicant puts forward two pleas in law, alleging, first, that there is no likelihood of confusion on the part of the relevant public and, second, infringement of Article 8(5) of Regulation No 207/2009.

1. First plea: absence of likelihood of confusion on the part of the relevant public

23 Under the first plea, the applicant claims, in essence, that the Board of Appeal was wrong to find, on the sole basis of the annulling judgment, that the marks at issue were similar to the point that there was a likelihood of confusion as to the origin of the goods. It notes that it has brought, against that judgment, an appeal registered at the Registry of the Court of Justice as Case C-396/15 P.

24 The applicant argues more specifically, first, that the Board of Appeal simply adopted, in the contested decision, the findings of the Court in the annulling judgment, instead of carrying out a global assessment of the likelihood of confusion itself and, in that context, conducting its own analysis of the similarities and differences between the marks at issue. It considers, second, that the Board of Appeal's conclusion in the contested decision that there is a likelihood of confusion is the result of a number of errors of appraisal, most of which had already been made by the Court in the annulling judgment, concerning, in particular, the analysis of the goods at issue, the definition of the degree of attention of the relevant public, the assessment of the degree of similarity between the marks at issue, the evaluation of the distinctive character of the earlier mark or the taking into account of the principle of free movement of goods.

25 It should be noted that that plea is presented in a relatively confused manner in so far as, first, it contains a number of complaints arranged haphazardly and, second, the applicant criticises, in a number of those complaints, at times the annulling judgment of the Court, at times the contested decision. In addition, the applicant does not expressly state on what specific rule of law its plea is based.

- 26 Nevertheless, it seems sufficiently clear that that plea and the various complaints relating to it seek only to demonstrate the absence, on the part of the relevant public, of the likelihood of confusion regarding the origin of the goods. It should in particular be noted that, under that plea, the applicant in no way disputes — even indirectly — paragraphs 54 to 61 of the contested decision, according to which there is a likelihood that the relevant public might establish a link between the marks at issue. It is necessary to recall that, although Article 8(1)(b) of Regulation No 207/2009 is applicable where there is, on the part of the relevant public, a likelihood of confusion as to the origin of goods, Article 8(5) of the same regulation, by contrast, applies where the relevant public establishes a link between the marks at issue, without necessarily confusing them (see paragraph 34 below). In those circumstances, the whole of the first plea must be assessed as a plea exclusively alleging infringement of Article 8(1)(b) of Regulation No 207/2009.
- 27 EUIPO and the intervener note, rightly, that, in upholding the opposition, the Board of Appeal did not rely on the existence of a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 207/2009, but merely considered it likely that the relevant public would establish a link between the marks at issue and that the taking of unfair advantage of the repute of the earlier mark within the meaning of Article 8(5) of the same regulation would occur. Thus, it must be declared that the contested decision was adopted solely on the basis of the provisions of Article 8(5) of that regulation.
- 28 Accordingly, the applicant cannot validly claim that the contested decision disregarded the provisions of Article 8(1)(b) of Regulation No 207/2009.
- 29 It follows that the first plea is ineffective and must be rejected.

2. *Second plea: infringement of Article 8(5) of Regulation No 207/2009*

- 30 Under the second plea, the applicant claims that 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.
- 31 That plea can be divided into two parts, in so far as the applicant argues, in essence, first, that the use of the mark applied for is not likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark and, second, that it has due cause to use the mark applied for.

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

- 32 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.
- 33 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).

(1) *Necessity of a link or connection between the marks at issue*

- 34 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).
- 35 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).
- 36 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).
- 37 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).
- 38 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.
- 39 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).

(2) *Types of injury to the reputation or to the distinctive character of the earlier mark*

40 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).

41 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).

42 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).

(3) *Rules of evidence and the relationship between the existence of injury and the existence of due cause*

43 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).

44 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).

45 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).

46 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).

47 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).

(4) *Concept of taking unfair advantage of the repute or the distinctive character of the earlier mark*

48 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).

49 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).

50 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).

51 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).

52 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).

53 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).

54 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).

55 Furthermore, 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).

(5) *Concept of due cause*

56 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).

57 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).

58 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).

59 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).

60 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).

61 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).

62 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).

63 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.

64 In particular, first, the sign corresponding to the mark applied for must have been put to real, effective use.

65 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).

66 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).

67 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).

68 It is in the light of those considerations that the two parts of the second plea should be examined.

(b) *First part: lack of injury to the repute or to the distinctive character of the earlier mark*

69 Under the first part of its second plea, the applicant claims, essentially, that 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.

70 More specifically, the applicant raises two 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 risked taking unfair advantage of, or being 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 on the market for a great number of years and, in those circumstances, the alleged injury should have been clearly apparent on the market.

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

(1) *First 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*

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

73 In the case at hand, the Board of Appeal recalled, essentially, in paragraph 67 of the contested decision, that the intervener had explained during the opposition proceedings that the use of the mark applied for — almost identical to the earlier mark — in the same sector as that in which that latter mark enjoyed a

reputation and prestige would lead to a misappropriation of the earlier mark's goodwill, in so far as the transfer of the image of the earlier mark would facilitate the sale of the goods sold under the mark applied for and the applicant would thereby benefit from the efforts undertaken by the intervener over a long period to market its goods and control their quality.

74 The Board of Appeal next noted, in paragraphs 68 and 69 of the contested decision, that the earlier mark had a high reputation, that the marks at issue were similar, that the goods at issue were also similar and that there was an overlap in the applicant's and the intervener's groups of clients.

75 Last, in view of those elements, the Board of Appeal considered, in paragraph 70 of the contested decision, that, in the circumstances, there was a high probability that, owing to free-riding, the use of the mark applied for might take unfair advantage of the well-established reputation of the earlier mark and the considerable investment made by the intervener to achieve that reputation.

76 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 examine, in the case at hand, whether the use of the mark applied for risked taking unfair advantage of the repute of the earlier mark.

77 However, it is true that the Board of Appeal did not rule on the existence of detriment to the repute or 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 solely on the ground alleging that the use of the mark applied for risked taking unfair advantage of the repute of the earlier mark.

78 However, in view of the alternative character, recalled in paragraph 42 above, of the three types of injury provided for in Article 8(5) of Regulation No 207/2009, such a ground, 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 arguments in the application 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.

79 Accordingly, the first complaint of the first part of the second plea must be rejected.

(2) Second complaint: failure to demonstrate the existence of injury to the repute or to the distinctive character of the earlier mark

80 As has been noted in paragraph 70 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. According to the applicant, 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.

81 As a preliminary point, it is appropriate to recall that, as has been noted in paragraphs 77 and 78 above, first, the contested decision is based solely 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.

82 As has been stated in paragraphs 35 and 51 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.

83 Some of those factors, particularly those mentioned in paragraphs 35, 36 and 52 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.

84 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.

85 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 83 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 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.

(i) *Prior assessments on relevant factors*

– *Degree of attention of the relevant public*

86 In paragraphs 39 to 41 of the contested decision, the Board of Appeal defined the relevant public for the goods covered by the marks at issue. It considered that the relevant public for those two categories of goods, namely 'footwear' and 'safety footwear for the protection against accidents or injury', respectively, was the general public in the European Union. It specified that the goods covered by the mark applied for, namely 'safety footwear for the protection against accidents or injury', were also aimed at professionals. Consequently, it found that the publics concerned by the two marks overlapped.

87 The Board of Appeal also noted, in paragraph 39 of the contested decision, that the target public for the goods covered by the earlier mark, namely 'footwear', was made up of the average consumer, who is reasonably well informed and reasonably observant and circumspect, who, in the case at hand, displayed an average degree of attention. It also stated, in paragraph 40 of the contested decision, that the goods covered by the mark applied for, namely 'safety footwear for the protection against accidents or injury', were, owing to their function of protecting the feet against accident or injury, bought with more care than normal footwear.

88 In view of that statement, and in so far as, under the case-law cited in paragraph 55 above, the existence of a risk of unfair advantage being taken of the repute of the earlier mark must be assessed by reference to the average consumer of the goods covered by the mark applied for, the Board of Appeal must be regarded as having taken into account a degree of attention on the part of the relevant public equal to or slightly above average.

89 The applicant does not dispute, under its second plea, the Board of Appeal's analysis concerning the relevant public and the degree of attention of the average consumer. In any event, nothing in the case file appears such as to call that analysis into question. It is appropriate to recall that, in a previous dispute between the applicant and the intervener, the Court held that the average consumer of sports footwear had an average degree of attention (annulling judgment, paragraph 33). It is logical to assume that the degree of attention of the average consumer of 'safety footwear for the protection against accidents or injury' will be at least as high as that of the average consumer of sports footwear, which tends to confirm the Board of Appeal's assessment regarding the degree of attention of the average consumer of the goods covered by the

mark applied for. It follows that the Board of Appeal's analysis concerning the relevant public and the degree of attention of the average consumer must be confirmed.

– *Degree of proximity of the goods at issue*

90 In paragraphs 56 to 60 of the contested decision, the Board of Appeal considered that the goods covered by the earlier mark and the mark applied for, namely 'footwear' and 'safety footwear for the protection against accidents or injury', respectively, were similar.

91 The applicant in no way disputes the similarity of the goods at issue, reaffirmed in paragraphs 61 and 68 of the contested decision. In addition, nothing in the case file appears such as to call that similarity into question. The assessment carried out by the Board of Appeal on that matter must therefore be confirmed.

– *Degree of similarity between the marks at issue*

92 In paragraphs 42 to 47 of the contested decision, the Board of Appeal examined the marks at issue and found that they were, to a certain extent, similar.

93 Under the second plea, the applicant does not dispute the Board of Appeal's assessment regarding the existence of a certain degree of similarity between the marks at issue, reaffirmed in paragraphs 55, 61 and 68 of the contested decision. In any event, the Court has already held that the figurative sign constituting the mark applied for was, to a certain extent, similar to the earlier mark (annulling judgment, paragraphs 35, 39, 43 and 45). The assessment carried out by the Board of Appeal regarding the similarity of the marks at issue must therefore be confirmed.

– *Strength of the earlier mark's reputation*

94 The Board of Appeal considered, specifically in paragraphs 50, 55, 61 and 68 of the contested decision, that the earlier mark enjoyed a high reputation. It also specified, in paragraph 70 of the contested decision, that that reputation was well established. However, it did not endorse the intervener's argument, made on pages 15 and 17 of its opposition, that its trade mark enjoyed an outstanding reputation.

95 The applicant in no way disputes the reputation of the earlier mark. Nothing in the case file is such as to call the strength of that reputation into question. Accordingly, 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*

96 In paragraphs 48 and 49 of the contested decision, the Board of Appeal considered that, while the earlier mark had an inherently weak distinctive character, that weak distinctive character was abundantly compensated by the consistent use over time on a large scale of that mark and by that mark's reputation.

97 The applicant does not dispute, under its second plea, the assessment carried out by the Board of Appeal on the degree of distinctive character of the earlier mark. In any event, nothing in the case file appears such as to call that assessment into question. The assessment carried out by the Board of Appeal on that matter must therefore be confirmed.

(ii) *Global assessment of the existence of a link between the marks at issue*

98 In paragraph 61 of the contested decision, the Board of Appeal, relying inter alia on the similarity of the marks at issue, the similarity of the goods at issue and the strength of the earlier mark's reputation, concluded that there was a link between the marks at issue in the mind of the relevant public.

99 It should be noted that the factors thus 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 35 and 36 above). In particular, the Board of Appeal was right to note, in paragraph 68 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 34 above).

100 Moreover, under the second plea, the applicant does not explicitly dispute the existence, in the mind of the relevant public, of a link between the marks at issue.

101 Nevertheless, in disputing the existence of a risk of unfair advantage being taken of the repute of the earlier mark and arguing that it had due cause to use the mark applied for, the applicant notes the coexistence of the marks at issue on the market for a great number of years, specifying 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.

102 According to the case-law recalled in paragraphs 37 to 39 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.

103 In those circumstances, it is necessary to assess whether that condition is fulfilled.

104 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.

105 It is not necessary, at this stage, to examine all the arguments put forward by the parties, essentially under the second part of the second 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.

106 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:



107 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.

108 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.

109 When the applicant requested, on 8 December 2011, the registration of the mark applied for, the intervener had already, on two occasions, filed notices of opposition to registration of marks filed by the applicant and displaying the same characteristics as the mark applied for. First, the intervener 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. Second, as has been noted in paragraph 13 above, the intervener had also filed a notice of opposition, on 13 September 2010, to registration of the mark applied for itself for 'footwear' in Class 25.

110 Therefore, in view of the dispute which arose in Germany in 1990 and of the previous opposition proceedings brought in 2004 and 2010, 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.

111 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.

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

112 In the first place, it is apparent from paragraphs 67 to 70 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 strength of the earlier mark's reputation, and, second, on the similarity of the goods at issue.

113 It is true, as has been noted in paragraph 94 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 46 above. Nevertheless, the Board of Appeal was right to find that the earlier mark enjoyed a high, long-held and well-established reputation.

114 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 53 above).

115 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 54 above). The Board of Appeal was therefore right to note, in paragraph 69 of the contested decision, that, in the case at hand, given that the goods at issue were similar, it was logical that unfair advantage would be more likely to occur than in cases where the goods were dissimilar.

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

117 In the second place, the Board of Appeal noted, in paragraph 67 of the contested decision, that the intervener had indicated before the Opposition Division that the use of the mark applied for would lead to a misappropriation of the earlier mark's goodwill and to a transfer, to the benefit of the mark applied for, of the earlier mark's image. The Board of Appeal also noted, in paragraph 70 of the contested decision, the considerable investment made by the intervener to achieve the reputation enjoyed by the earlier mark.

- 118 In that regard, it is indeed apparent from pages 16 to 18 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.
- 119 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.
- 120 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.
- 121 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.
- 122 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. The Board of Appeal moreover mentioned, in paragraph 13 of the contested decision, the argument made in that regard before it by the intervener.
- 123 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 44 above).
- 124 It is true that, during the hearing, the applicant explained that the slogan in question had been used only on one occasion, and not by itself, but by a licensee. However, irrespective of the specific circumstances in which that slogan was used, the mere fact that it was conceived and then used — even once — tends to confirm the possibility of unfair advantage being taken, in the future, of the repute of the earlier mark by using the mark applied for.
- 125 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.
- 126 It follows from paragraphs 106 to 110 above that the alleged coexistence of the marks at issue cannot be regarded as peaceful. Furthermore, it has been noted in paragraph 123 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.
- 127 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.

128 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.

129 Accordingly, the second complaint of the first part of the second plea and, therefore, that part in its entirety must be rejected.

(c) Second part: existence of due cause

130 Under the second part of its second 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.

131 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.

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

132 It is appropriate to recall that, as has been noted in paragraph 62 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.

133 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.

134 In that regard, the applicant appears to claim, relying on paragraph 71 of the contested decision, that the Board of Appeal did not examine its evidence on the existence of due cause.

135 In the case at hand, however, the Board of Appeal not only stated, in paragraph 71 of the contested decision, that the applicant had failed to provide evidence showing the existence of due cause, but also specified, in paragraph 72 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.

136 Accordingly, the first complaint of the second part of the second plea must be rejected.

(2) Second complaint: error of assessment regarding the existence of due cause

137 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.

138 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 63 to 67 above.

139 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 66 above and the case-law cited).

140 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 25 March 2013 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. Last, the applicant indicated during the hearing that it has used its earlier mark in only 15 Member States, approximately.

- 141 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 67 above).
- 142 It has already been noted in paragraphs 110 and 126 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.
- 143 In the third place, more generally and as has been noted in paragraphs 60 and 63 above, the proprietor of the mark applied for, or its predecessor, must have acted in good faith when using the mark applied for.
- 144 In the case at hand, however, the conception and use of the slogan ‘two stripes are enough’ reveals, as has been noted in paragraphs 123 and 126 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.
- 145 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.
- 146 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).
- 147 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.
- 148 Accordingly, the second complaint of the second part of the second plea must be rejected as must, consequently, that second part and the second plea in their entirety.
- 149 In the light of the foregoing, the applicant’s claim for annulment must be rejected and the action must, consequently, be dismissed in its entirety.

IV. Costs

- 150 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.
- 151 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.