

JUDGMENT OF THE GENERAL COURT (Eighth Chamber)

9 December 2010*

In Case T-303/08,

Tresplain Investments Ltd, established in Tsing Yi, Hong Kong (China), represented by D. McFarland, Barrister,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by J. Novais Gonçalves, acting as Agent,

defendant,

* Language of the case: English.

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

Hoo Hing Holdings Ltd, established in Romford, Essex (United Kingdom), represented by M. Edenborough, Barrister,

ACTION brought against the decision of the First Board of Appeal of OHIM of 7 May 2008 (Case R 889/2007-1), relating to invalidity proceedings between Hoo Hing Holdings Ltd and Tresplain Investments Ltd,

THE GENERAL COURT (Eighth Chamber),

composed, at the time of the deliberation, of M. E. Martins Ribeiro, President, S. Papasavvas and A. Dittrich (Rapporteur), Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Registry of the Court on 30 July 2008,

having regard to the response of OHIM lodged at the Registry of the Court on 18 December 2008,

having regard to the response of the intervener lodged at the Registry of the Court on 1 December 2008,

having regard to the application to have the present case and Case T-300/08 joined for the purposes of the oral procedure and judgment, submitted by the intervener by way of letter lodged at the Registry of the Court on 27 August 2008,

having regard to the applicant's observations and those of OHIM on that application for joinder, lodged at the Registry of the Court by letters of 10 November and 14 October 2008 respectively,

having regard to the intervener's application to have the written procedure re-opened and to submit new pleas in law, lodged at the Registry of the Court on 6 August 2009,

having regard to the observations of the applicant on that application, lodged at the Registry of the Court on 22 September 2009,

having regard to the decision of the Court to fix a deadline for the submission of the new pleas in law,

having regard to the pleading of the intervener, submitting new pleas in law, lodged at the Registry of the Court on 17 December 2009,

having regard to the observations of the applicant and those of OHIM on the new pleas in law submitted by the intervener, lodged at the Registry of the Court on 13 January and 18 January 2010 respectively,

having regard to the failure of the parties, within a period of one month from notification of closure of the written procedure, to apply for a hearing to be fixed, and having therefore decided, acting upon a report of the Judge-Rapporteur and pursuant to Article 135a of the Rules of the Procedure of the General Court, to rule on the action without an oral procedure,

gives the following

Judgment

Facts

- ¹ On 29 April 1996, the applicant, Tresplain Investments Ltd, filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).

- 2 The mark for which registration was sought is the following figurative sign:



- 3 The goods in respect of which registration was sought come within Class 30 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of Registration of Marks, as revised and amended, and correspond to the following description: 'rice'.
- 4 On 4 February 1999, the applicant was granted registration of that mark as Community trade mark No 241810 ('the contested Community trade mark').

- 5 On 5 August 2005, the intervener, Hoo Hing Holdings Ltd, filed an application for a declaration of invalidity against the contested Community trade mark. First, it relied on Article 51(1)(a) of Regulation No 40/94 (now Article 52(1)(a) of Regulation No 207/2009), in conjunction with Article 5 of Regulation No 40/94 (now Article 5 of Regulation No 207/2009), as applicable prior to 10 March 2004, the date on which the new version of that article — as amended by Council Regulation (EC) No 422/2004 of 19 February 2004 amending Regulation No 40/94 (OJ 2004 L 70, p. 1) — entered into force. Second, the intervener relied on Article 51(1)(b) of Regulation No 40/94 (now Article 52(1)(b) of Regulation No 207/2009). Third, it relied on Article 52(1)(c) of Regulation No 40/94 (now Article 53(1)(c) of Regulation No 207/2009), read in conjunction with Article 8(4) of Regulation No 40/94 (now Article 8(4) of Regulation No 207/2009). In that regard, the intervener claimed that the rules on passing-off gave it the right, in the United Kingdom, to prohibit use of the contested Community trade mark on the basis of the following non-registered figurative mark, which it claimed to have been using in the United Kingdom since 1988 for rice ('the earlier mark'):

金象牌
GOLDEN ELEPHANT



- 6 By decision of 16 April 2007, the Cancellation Division of OHIM rejected the application for a declaration of invalidity. As regards the ground for invalidity laid down in Article 52(1)(c) of Regulation No 40/94, read in conjunction with Article 8(4) of that regulation, it took the view that the relevant date for ascertaining whether the intervener had acquired an earlier right within the meaning of Article 8(4) of Regulation No 40/94 was the date on which the application for the contested Community trade mark was filed, namely 29 April 1996, and not the date on which that mark had been used for the first time in the United Kingdom. It found that the intervener had established, to the requisite standard, that it had used the earlier mark at that date in the course of business and that it was not merely of local significance. However, it found that, in view of the negligible market share of the rice sold under the earlier mark, the intervener had not established that the relevant public had attached ‘goodwill’ (that is to say, the attractive force which brings in custom; see paragraph 101 below) to the goods associated with the earlier mark. The intervener had not, therefore, shown that the rules governing an action for passing-off allowed it to prohibit use of the contested Community trade mark.

- 7 On 8 June 2007, the intervener lodged an appeal with OHIM against the decision of the Cancellation Division.

- 8 By decision of 7 May 2008 (‘the contested decision’), the First Board of Appeal of OHIM annulled the Cancellation Division’s decision, declared the contested Community trade mark invalid and ordered the applicant to pay the costs.

- 9 The Board of Appeal took the view that the conditions of Article 52(1)(c) of Regulation No 40/94, read in conjunction with Article 8(4) of that regulation, were met and declared the contested Community trade mark invalid on that basis.

- 10 It stated that, in order to found an action for passing-off under common law, as developed by English case-law, the claimant seeking a declaration of invalidity must prove, first, that it has acquired goodwill or reputation in the market under the non-registered mark and that its goods are known by some distinguishing feature; second, that there is a misrepresentation (intentional or not) on the part of the Community trade mark proprietor leading, or likely to lead, the public to believe that the goods offered for sale by the Community trade mark proprietor are those of the claimant seeking a declaration of invalidity; and, third, that that claimant has suffered, or is likely to suffer, damage as a result of the erroneous belief engendered by the Community trade mark proprietor's misrepresentation.
- 11 The Board of Appeal endorsed the Cancellation Division's finding that the date on which the application for the Community trade mark was filed is the relevant date by which the rights to the earlier sign must have been acquired.
- 12 It stated that the evidence provided by the intervener showed genuine and serious business activity involving importation into the United Kingdom, and the sale to Chinese and Thai food establishments, of specialised types of rice under the earlier mark. The sign, it found, had therefore been used in the course of trade within the terms of Article 8(4) of Regulation No 40/94.
- 13 The Board of Appeal stated that it was clear from the evidence adduced by the intervener that the earlier mark had been used in the United Kingdom (in London and in the neighbouring counties of Kent and Bedfordshire). In addition, a statutory declaration provided by the intervener confirmed the sale of rice to customers in other major cities in the United Kingdom, namely, Manchester, Liverpool, Birmingham, Glasgow and Bristol. The intervener had therefore proved that the use of the earlier mark went beyond mere local significance within the meaning of Article 8(4) of Regulation No 40/94.

- 14 The intervener, the Board of Appeal found, had shown that the rights in question had been acquired prior to the date of application for registration of the Community trade mark within the meaning of Article 8(4)(a) of Regulation No 40/94 (now Article 8(4)(a) of Regulation No 207/2009).
- 15 In relation to the condition, laid down in Article 8(4)(b) of Regulation No 40/94 (now Article 8(4)(b) of Regulation No 207/2009), that the non-registered trade mark must give its proprietor the right to prohibit use of a subsequent trade mark, the Board of Appeal found as follows.
- 16 The intervener had demonstrated the presence of a sufficient degree of goodwill, at the date of filing of the application for the contested Community trade mark, generated in its business from the sale of specialised types of rice. The Cancellation Division had set a higher threshold for proving goodwill than that fixed by the English law governing an action for passing-off.
- 17 The Board of Appeal, furthermore, considered that the contested Community trade mark was a misrepresentation of the earlier mark. In that regard, it noted that the goods in question were identical. That was also the case in respect of the word elements of the marks at issue. There was phonetic and conceptual identity between those marks, as well as a marked visual resemblance. It was therefore inevitable that the public would not be able to distinguish the signs at issue and that consumers who had been exposed to the earlier mark would identify rice sold by the applicant under the contested Community trade mark with rice sold by the intervener.

- 18 The Board of Appeal also took the view that, as the intervener had shown the existence of goodwill in the United Kingdom for a mark that bore a strong resemblance to the contested Community trade mark and covered identical goods, it was reasonable to conclude that the intervener might suffer damage.
- 19 In addition, in so far as the application for a declaration of invalidity was based on Article 51(1)(a) of Regulation No 40/94, read in conjunction with Article 5 of that regulation, the Board of Appeal considered, in a 'preliminary remark', that it was inadmissible. It indicated, in paragraph 19 of the contested decision, that, as the application for a declaration of invalidity had been filed on 5 August 2005, the version of Regulation No 40/94 which was applicable was that which included the amendments to the absolute grounds for invalidity introduced by Regulation No 422/2004, and that the new Article 51(1)(a) of Regulation No 40/94, which was applicable, made reference solely to Article 7 of Regulation No 40/94 (now Article 7 of Regulation No 207/2009), relating to the absolute grounds for refusal, and no longer to Article 5 of that regulation, relating to persons who can be proprietors of Community trade marks.
- 20 Lastly, in the contested decision, the Board of Appeal did not examine the intervener's argument based on Article 51(1)(b) of Regulation No 40/94.
- 21 On 1 August 2008, the intervener lodged an appeal with the Court against the contested decision. In that appeal, it sought the annulment of the contested decision inasmuch as the Board of Appeal had concluded that the plea based on the ground for invalidity laid down in Article 51(1)(a) of Regulation No 40/94 was inadmissible. It also sought an order that the contested decision be altered so that its pleas based on the grounds for invalidity under Article 51(1)(a) and (b) of Regulation No 40/94 respectively be held to be admissible and well founded, and, further, an order that

the contested decision be altered so that the contested Community trade mark be declared invalid on the basis of either or both of those additional grounds.

- 22 The Court dismissed that action as inadmissible (order of 14 July 2009 in Case T-300/08 *Hoo Hing v OHIM — Tresplains Investments (Golden Elephant Brand)*, not published in the ECR). In essence, the Court found that, under Article 63(4) of Regulation No 40/94 (now Article 65(4) of Regulation No 207/2009), Hoo Hing did not have standing to bring an action before the Court, since the Board of Appeal's decision had upheld its claims in their entirety (order in *Golden Elephant Brand*, paragraph 37).

Forms of order sought

- 23 In its application, the applicant claims that the Court should:

- annul the contested decision;

- order OHIM to pay the costs.

- 24 In its response, OHIM contends that the Court should:

- dismiss the action;

- order the applicant to pay the costs.

25 In its response, the intervener contends that the Court should:

- dismiss the action;

- further, or in the alternative, annul the contested decision in respect of the finding that the appropriate date for determining the issue of passing-off is the date on which the Community trade mark application was filed, and not the date of first use of the Community trade mark;

- further, or in the alternative, alter the contested decision so that it holds that the appropriate date for determining the issue of passing-off is the date of first use of the Community trade mark and not the date on which the Community trade mark application was filed;

- order OHIM or the applicant or, in the alternative, OHIM and the applicant jointly and severally to pay the costs.

26 Furthermore, in its written pleading submitting new pleas in law, the intervener claims that the Court should:

- annul the contested decision in respect of the finding that the plea based on the ground for invalidity laid down in Article 51(1)(a) of Regulation No 40/94 was inadmissible;

- further, or in the alternative, alter the contested decision so that the plea based on the ground for invalidity laid down in Article 51(1)(a) of Regulation No 40/94 is held to be admissible and well founded;

- alter the contested decision so that the plea based on the ground for invalidity laid down in Article 51(1)(b) of Regulation No 40/94 is held to be admissible and well founded;

- inasmuch as the contested decision is altered as requested, alter the contested decision further so that the contested Community trade mark is declared invalid on the basis of either or both of those additional grounds;

- order OHIM or the applicant or, in the alternative, OHIM and the applicant jointly and severally to pay the costs.

²⁷ In its written observations on the new pleas in law, the applicant contends that the Court should:

- reject the new pleas in law;

- order the intervener to pay the costs.

28 In its written observations on the new pleas in law, OHIM contends that the Court should:

- reject the new pleas in law as inadmissible;

- in the alternative, reject the new pleas in law as unfounded;

- order the intervener to pay the costs.

Law

29 As regards, at the outset, the intervener's application to have the present case joined with Case T-300/08 for the purposes of the oral hearing and of the judgment, suffice it to point out that that application is now redundant by reason of the dismissal, on the grounds of inadmissibility, of the action in Case T-300/08 (order in *Golden Elephant Brand*, cited in paragraph 22 above).

1. *The form of order sought by the applicant*

30 In support of its action, the applicant relies on two pleas, alleging infringement of Articles 73 and 74 of Regulation No 40/94 respectively (now Articles 75 and 76 of Regulation No 207/2009) and infringement of Article 8(4) of Regulation No 40/94.

The first plea: infringement of Articles 73 and 74 of Regulation No 40/94

The first part of the first plea: infringement of Article 74 of Regulation No 40/94

— Arguments of the parties

³¹ In the context of the first part of the first plea, the applicant claims that the Board of Appeal refused to take into account facts, evidence, and relevant arguments which it had submitted in good time. In so doing, it infringed Article 74 of Regulation No 40/94, in particular paragraph 2 of that article (now Article 76(2) of Regulation No 207/2009).

³² In particular, the Board of Appeal refused to take account of the applicant's arguments relating to:

— the objection to alleged 'evidence' provided by the intervener;

— the fact that the intervener did not provide evidence in relation to the weight and relevance of the alleged reputation or goodwill acquired by use;

- the lack of any actual confusion or likelihood of confusion between the marks at issue. The Board of Appeal, in particular, failed to take account of the fact that the intervener (and/or its customers) had never challenged the applicant, despite the fact that it was accepted that there had been parallel trade in the United Kingdom market since November 2003 of both parties' rice products sold under the marks at issue.

- ³³ Similarly, the Board of Appeal refused to take into account the evidence, provided by the applicant in its written observations, relating to the absence of a likelihood of confusion.

- ³⁴ Thus, the Board of Appeal largely refused to consider the applicant's observations of 3 February 2006, 31 October 2007 and 1 April 2008.

- ³⁵ The Board of Appeal did not assess market share and did not take account of the evidence which the applicant had provided and from which it was clear that, on average, 500 000 tonnes of rice are imported annually into the United Kingdom.

- ³⁶ OHIM and the intervener contend that the first part of the first plea should be rejected. OHIM argues, in particular, that that plea is inadmissible because the applicant has not indicated with sufficient clarity the arguments or evidence, from among those arguments and evidence which it submitted or provided during the administrative procedure, which were ignored by the Board of Appeal. In any event, that part of the

first plea is unfounded, since the Board of Appeal examined all of the observations submitted by the parties.

— Findings of the Court

- ³⁷ It should be borne in mind that, according to Article 21 of the Statute of the Court of Justice and Article 44(1) of the Rules of Procedure of the General Court, the application must set out, *inter alia*, ‘the subject-matter of the proceedings’ and ‘a summary of the pleas on which the application is based’. Moreover, under Article 48(2) of those rules, ‘no new plea in law may be introduced in the course of proceedings unless it is based on matters of law or of fact which come to light in the course of the procedure’. It follows from those provisions that any plea which is not adequately articulated in the application initiating the proceedings must be held to be inadmissible (Case T-209/01 *Honeywell v Commission* [2005] ECR II-5527, paragraph 54).
- ³⁸ According to settled case-law, it is necessary, in order for an action to be admissible, that the basic legal and factual particulars relied on be indicated coherently and intelligibly in the application itself, even if only in summary form (see *Honeywell v Commission*, cited in paragraph 37 above, paragraph 56 and the case-law cited). In that regard, although specific points in the text of the application may be supported and supplemented by references to specific passages in the documents attached, a general reference to other documents, even those annexed to the application, cannot compensate for the lack of essential elements of the legal arguments which, under the provisions set out above, must be included in the application. Furthermore, it is not for the General Court to seek and identify in the annexes the pleas and arguments on which it may consider the action to be based, since the annexes have a purely evidential and instrumental function (see *Honeywell v Commission*, cited in paragraph 37 above, paragraph 57 and the case-law cited).

- 39 In addition, Article 74(1) of Regulation No 40/94 (now Article 76(1) of Regulation No 207/2009) provides that OHIM is to examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the examination is to be restricted to the facts, evidence and arguments provided by the parties and the relief sought. According to Article 74(2), OHIM may disregard facts or evidence which are not submitted in due time by the parties concerned.
- 40 The applicant claims, in essence, that the Board of Appeal infringed that procedural provision by refusing to take into account certain arguments or evidence which it provided, even though the conditions mentioned in Article 74(2) of Regulation No 40/94 were not satisfied because it submitted all of its evidence in good time.
- 41 In the present case, it should be noted that some of the arguments put forward by the applicant in support of the first part of the first plea were not set out with sufficient clarity in the application. Thus, the applicant did not explain, in the text of the application, what arguments it had submitted during the administrative procedure objecting to the evidence provided by the intervener. Nor did it indicate which of its arguments, in its written pleadings of 3 February 2006, 31 October 2007 and 1 April 2008, the Board of Appeal had allegedly refused to take into account.
- 42 Nevertheless, a number of the arguments relied on by the applicant in support of this part of the first plea were made with sufficient clarity in the application itself. Thus, it is clear from the application that the applicant criticises the Board of Appeal for not having taken account of its argument that the intervener had failed to provide evidence relating to the weight and relevance of the alleged reputation or goodwill acquired by use. It is also clear from the application that the applicant considers that the Board of Appeal refused to take account of its argument that there is no likelihood of confusion between the marks at issue. Furthermore, the applicant explicitly

criticises the Board of Appeal for having failed to take into account its argument that, on average, 500 000 tonnes of rice are imported annually into the United Kingdom. In relation to those arguments, their content is apparent, at least in summary form, from the text of the application.

- 43 The first part of the first plea, alleging that the Board of Appeal committed a procedural error in refusing to take into account a number of the applicant's arguments without the conditions for such a refusal having been met, cannot therefore be held inadmissible in itself. Only some of the arguments put forward in support of that part are inadmissible, because they were not set out with sufficient clarity in the text of the application (see paragraph 41 above).
- 44 On the merits of the first part of the first plea, the following should be noted. As OHIM has pointed out, it is in no way apparent from the contested decision, or from the correspondence exchanged between OHIM and the applicant, that OHIM refused to take into account facts, evidence or arguments submitted by the applicant.
- 45 It should be observed that the Board of Appeal summarised, in paragraphs 3, 5, 14 and 16 of the contested decision, the arguments which the applicant had adduced, which reflected all of the written pleadings submitted by it during the administrative procedure.
- 46 In that context, it must be stated that the Board of Appeal is not obliged to express a view on every argument submitted by the parties. It is sufficient if it sets out the facts and the legal considerations having decisive importance in the context of the

decision (see, to that effect, judgment of the Court of Justice of 11 January 2007 in Case C-404/04P *Technische Glaswerke Ilmenau v Commission*, not published in the ECR, paragraph 30). It follows that the fact that the Board of Appeal did not reproduce all of the arguments of one party, or did not reply to each of those arguments, cannot by itself lead to a finding that the Board of Appeal refused to take them into account.

- ⁴⁷ In the present case, the Board of Appeal stated, in paragraph 14 of the contested decision, that the applicant had claimed that the intervener's market share was too small to have established goodwill and, in paragraph 16 of the contested decision, that the applicant had asserted that the intervener had failed to show the existence of goodwill. Furthermore, it summarised the applicant's arguments regarding the intervener's small market share in paragraphs 3 and 14 of the contested decision.
- ⁴⁸ In paragraphs 40 to 43 of the contested decision, the Board of Appeal examined the issue of whether the intervener had established the existence of goodwill to the requisite legal standard, and there is nothing which allows for the finding that the Board of Appeal refused to take account of all of the arguments raised by the applicant in that regard.
- ⁴⁹ As regards the applicant's argument that the Board of Appeal did not take account of the arguments and evidence which it had submitted in relation to the absence of a likelihood of confusion between the marks at issue, the following should be observed. It is true that, in the summary of the applicant's arguments in the contested decision, there is no mention of an argument relating to an absence of likelihood of confusion. However, it must be pointed out that the applicant did not put forward, during the administrative procedure, detailed argument concerning the absence of a likelihood of confusion. The applicant limited itself to asserting, in its written pleading of 31 October 2007, after having emphasised the intervener's small market share, that 'there can be no goodwill, no misrepresentation, and no damage'; that 'no misrepresentation

had occurred and no damage had resulted', and, in its written pleading of 1 April 2008, that the intervener 'ha[d] failed ... to show misrepresentation or any damage'.

- 50 The Board of Appeal examined, in paragraphs 44 to 47 of the contested decision, the issue of whether there was misrepresentation. Given that the applicant limited itself, during the administrative procedure, to contesting the existence of misrepresentation, without developing that line of argument, the fact that the Board of Appeal examined the issue of whether there was misrepresentation by itself indicates that the Board of Appeal took the applicant's argument into account.
- 51 In relation to the argument that the Board of Appeal did not, in particular, take account of the fact that the intervener (and/or its customers) had never challenged the applicant, even though there had been parallel trade on the market since November 2003, it must be pointed out that the applicant did not rely on those circumstances in its arguments submitted during the administrative procedure. There can therefore be no question of a refusal to take account of arguments submitted by the applicant during the administrative procedure.
- 52 With regard to the argument that, on average, 500 000 tonnes of rice were imported annually into the United Kingdom, the Board of Appeal expressly referred to that argument in paragraph 3 of the contested decision. However, it noted, in paragraph 26 of the contested decision, that even small businesses can have goodwill. It follows, according to the Board of Appeal, that it was not necessary to establish the exact market share which the intervener held. The fact that the Board of Appeal did not calculate the intervener's market share on the basis of the evidence provided by the applicant in relation to the total volume of the market does not therefore indicate that the Board of Appeal refused to take into account, contrary to Article 74 of Regulation No 40/94, some of the applicant's arguments or some of the evidence which it had provided. The fact that the intervener's exact market share was not determined can be explained by

the fact that that share was not of decisive importance for the purposes of the contested decision.

- 53 It follows from the foregoing that the Board of Appeal did not refuse to take into account arguments submitted by the applicant during the administrative procedure. The applicant's argument has therefore no basis in fact, with the result that the first part of the first plea must be rejected.

The second part of the first plea: infringement of Article 73 and Article 74(1), in fine, of Regulation No 40/94

— Arguments of the parties

- 54 In the context of the second part of the first plea, the applicant claims that, in the contested decision, the Board of Appeal relied on alleged 'facts' and on presumptions and assumptions as to the law which had not been introduced or substantiated by the parties. It thereby infringed Article 73 and Article 74(1), in fine, of Regulation No 40/94 (now Article 76(1), in fine, of Regulation No 207/2009).
- 55 First, the applicant claims that the Board of Appeal defined or, in the alternative, applied the English law of passing-off incorrectly in respect of the present case.

- 56 Second, the Board of Appeal ‘invented findings’ and indulged in surmise and hypothesis to support its findings regarding the alleged likelihood of confusion between the marks at issue.
- 57 Third, the Board of Appeal wrongly assumed that there had been damage, despite the lack of evidence or assertion of such damage.
- 58 The intervener, the applicant submits, failed to prove that it had acquired goodwill. Its share of the market for rice in the United Kingdom was too small for goodwill to have been acquired.
- 59 Furthermore, the Board of Appeal erred in failing to take account of the anatomical, aesthetic and artistic differences between the depictions of the elephants’ heads in the marks at issue.
- 60 The Board of Appeal failed to take notice of the fact that most of the evidence submitted by the intervener did not show use of the earlier mark in relation to rice at the relevant time. For example, the till rolls simply refer to ‘G/E’ or ‘GE’ rice and not to the earlier mark.
- 61 The applicant takes the view that the Board of Appeal’s approach in paragraph 40 of the contested decision is illogical, inasmuch as it asserts that ‘the Cancellation Division [had] set a higher threshold for goodwill than that required under the English law of passing-off’ but failed to follow the Cancellation Division’s conclusion that passing-off had not been proven.

- 62 The applicant claims that the Board of Appeal had no factual basis for its conclusion, in paragraph 43 of the contested decision, that it was ‘very unlikely that the level of sales growth that was experienced after the filing date would have occurred without the presence of goodwill generated from the business at that date.’ Moreover, the Board of Appeal failed to show the necessary rigour by using the expression ‘goodwill generated from the business.’
- 63 OHIM and the intervener contend that the second part of the first plea should be rejected.

— Findings of the Court

- 64 It is appropriate to examine, first, the alleged infringement of Article 74(1) of Regulation No 40/94 in order then to examine the alleged infringement of the second sentence of Article 73 of Regulation No 40/94 (now the second sentence of Article 75 of Regulation No 207/2009).
- 65 It should be borne in mind that, according to Article 74(1), in fine, of Regulation No 40/94, in proceedings relating to relative grounds for refusal of registration, the examination is restricted to the facts, evidence and arguments provided by the parties and the relief sought. Article 74(1), in fine, of Regulation No 40/94 also applies to cancellation proceedings involving a relative ground for invalidity under Article 52 of that regulation (Case T-288/03 *TeleTech Holdings v OHIM — Teletech International (TELETECH GLOBAL VENTURES)* [2005] ECR II-1767, paragraph 65). Therefore, in invalidity proceedings relating to relative grounds for invalidity, the onus is on the party which brought the invalidity proceedings in reliance on an earlier national trade mark to prove its existence and, as the case may be, the extent of protection (see, in

that sense, Case T-318/03 *Atomic Austria v OHIM — Fabricas Agrupadas de Muñecas de Onil (ATOMIC BLITZ)* [2005] ECR II-1319, paragraph 33).

- ⁶⁶ On the other hand, it is for OHIM to examine whether, in the context of invalidity proceedings, the conditions for the application of the ground for invalidity which has been pleaded have been met. In that context, it is necessary to assess the correctness of the facts pleaded, and the probative value of the evidence submitted by the parties (see, in that sense, *ATOMIC BLITZ*, cited in paragraph 65 above, paragraph 34).
- ⁶⁷ OHIM may be called upon to take account, in particular, of the national law of the Member State in which the earlier mark, on which the application for a declaration of invalidity is based, is protected. In that case, it must, of its own motion and by whatever means considered appropriate, obtain information about the national law of the Member State concerned, where such information is necessary in order for it to assess the applicability of the ground for invalidity in question and, in particular, the correctness of the facts pleaded or the probative value of the documents lodged. Restricting the factual basis of the examination by OHIM does not preclude it from taking into consideration, in addition to the facts which have been expressly put forward by the parties to the invalidity proceedings, facts which are well known, that is, facts which are likely to be known by anyone or which may be learnt from generally accessible sources (see, in that sense, *ATOMIC BLITZ*, cited in paragraph 65 above, paragraph 35).
- ⁶⁸ The applicant's arguments must be examined in the light of the foregoing considerations.
- ⁶⁹ As regards, first, the argument that the Board of Appeal defined or, in the alternative, applied the English law of passing-off incorrectly in respect of the present case, it must be stated that an incorrect interpretation or application of the national law of a Member State may constitute an error of law, but not an infringement of Article 74(1),

in fine, of Regulation No 40/94. Given that OHIM is required to assess, of its own motion, the applicability of a ground for invalidity pleaded and to obtain information, of its own motion, about the national law of the Member State concerned, where such information is necessary, a possible error in the interpretation or application of the national law cannot be regarded as a transgression of the limits of the dispute between the parties.

70 In relation, next, to the applicant's argument that the Board of Appeal 'invented findings' and indulged in surmise and hypothesis to support its findings regarding the alleged likelihood of confusion between the marks at issue, the following should be noted. The Board of Appeal examined, as it was obliged to, in paragraphs 44 to 47 of the contested decision, whether one of the conditions for an action for passing-off had been met, that is to say, whether there was misrepresentation of the earlier mark. In that regard, it first set out the national law in paragraph 44 of the contested decision, and then applied that law to the present case in paragraphs 45 to 47 of the contested decision.

71 Given that it was for the Board of Appeal to examine whether the earlier sign relied on by the intervener allowed it to prohibit use of a subsequent trade mark within the meaning of Article 8(4)(b) of Regulation No 40/94, the Board of Appeal was obliged to consider the issue of whether there was a misrepresentation which was liable to lead the public to believe that the goods offered for sale by the applicant were those of the intervener. The fact that, in paragraph 47 of the contested decision, it made assertions such as 'it is inevitable that the public will not be able to distinguish the rice and their marks' or 'the presence of misrepresentation is beyond any doubt', cannot therefore be regarded as a transgression of the limits of the dispute between the parties. The applicant's argument on that point, in actual fact, relates, not to an infringement of Article 74(1) of Regulation No 40/94, but to an error of law which the Board

of Appeal might have made when applying the national law, read in conjunction with Article 8(4) of Regulation No 40/94.

⁷² As regards the argument that the Board of Appeal wrongly assumed that there had been damage, despite the lack of evidence or assertion of such damage, it must also be stated that the Board of Appeal was bound to examine whether the conditions for an action for passing-off under the laws of the United Kingdom had been met. The fact that it found, in paragraph 49 of the contested decision, that it was reasonable to conclude that the intervener might suffer damage in the form of direct or indirect loss of sales does not therefore constitute an infringement of Article 74(1) of Regulation No 40/94.

⁷³ By its argument that the intervener failed to prove that it had acquired goodwill and that its market share was too small, the applicant is in fact claiming that the Board of Appeal erred in law in the context of assessing the existence of goodwill and not that it infringed Article 74(1) of Regulation No 40/94 by taking account of facts or evidence which had not been submitted by the parties.

⁷⁴ As regards the applicant's argument that the Board of Appeal erred in failing to take account of the anatomical, aesthetic and artistic differences between the representations of the elephants' heads in the marks at issue, it should be pointed out that that argument actually relates to whether the Board of Appeal erred in law in the context of assessing whether there was misrepresentation, and not to an infringement of Article 74(1) of Regulation No 40/94.

- 75 By its argument that the Board of Appeal did not take account of the fact that most of the evidence provided by the intervener did not show use of the earlier mark at the relevant time in relation to rice, the applicant is actually criticising the Board of Appeal for not having assessed correctly the evidence provided by the intervener. Such an argument concerns a possible error of appraisal by the Board of Appeal and not an infringement of Article 74(1) of Regulation No 40/94.
- 76 The applicant's argument that the Board of Appeal's approach is illogical (see paragraph 61 above) also relates to an alleged error of law and not to an infringement of Article 74(1) of Regulation No 40/94.
- 77 So far as concerns the applicant's argument that the Board of Appeal had no factual basis for its conclusion, in paragraph 43 of the contested decision, that it was 'very unlikely that the level of sales growth that was experienced after the filing date would have occurred without the presence of goodwill generated from the business at that date,' the following should be noted. It was for the Board of Appeal to determine whether the intervener had acquired goodwill as required under the laws of the United Kingdom in the context of an action for passing-off. If the Board of Appeal had found that goodwill had existed without a sufficient factual basis, that would constitute an error of assessment. The applicant does not claim that the Board of Appeal relied on evidence which was not submitted by the parties, but that the Board of Appeal drew the wrong conclusions from the factual evidence which was put before it.
- 78 As regards, lastly, the applicant's argument that the Board of Appeal failed to show the necessary rigour by using the expression 'goodwill generated from the business,' it must be pointed out that this in fact relates to a possible error of law on the part of the Board of Appeal.

- 79 It follows from the foregoing that the applicant's arguments do not in fact relate to an infringement of Article 74(1) of Regulation No 40/94, but refer to alleged errors of law which the Board of Appeal may have committed when applying national law, or to errors of assessment. Those arguments, therefore, will be examined in the context of the second plea.
- 80 As for the alleged infringement of Article 73 of Regulation No 40/94, it should be recalled that, under the second sentence of Article 73 of Regulation No 40/94, decisions of OHIM may be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.
- 81 In that context, it must be pointed out that the assessment of the facts forms part of the decision-making act. The right to be heard extends to all the matters of fact or of law which form the basis for the decision-making act, but not to the final position which the administration intends to adopt (see Case T-303/03 *Lidl Stiftung v OHIM - REWE-Zentral (Salvita)* [2005] ECR II-1917, paragraph 62 and the case-law cited). The Board of Appeal was not therefore obliged to hear the applicant on the assessment of the matters of fact and of law on which it chose to base its decision. It therefore did not infringe Article 73 of Regulation No 40/94.
- 82 It follows from all of the foregoing that the second part of the first plea must be rejected, as must, consequently, the first plea in its entirety.

The second plea: infringement of Article 8(4) of Regulation No 40/94

Arguments of the parties

- ⁸³ The applicant claims that the Board of Appeal was wrong to take the view, in paragraph 26 of the contested decision, that the level of goodwill is low only where the nature of the business is transient. In addition, it wrongly considered that the standard of proof required under English law is not the same as in the case of distinctiveness acquired through use. The applicant takes the view that the standard of proof required under English law is the same for all civil cases.
- ⁸⁴ The Board of Appeal, it submits, ignored or misunderstood the fact that the intervener had to discharge the burden of proof for each element of the conditions which must be met in an action for passing-off. The Board of Appeal limited itself, in paragraphs 47 to 49 of the contested decision, to making assumptions as regards the existence of a likelihood of confusion and of damage, even though those assumptions were not supported by any evidence.
- ⁸⁵ Moreover, the Board of Appeal misdirected itself or misunderstood the nature of the product. The contested Community trade mark was registered for rice, without specificity as to the type of rice. In the contested decision, the Board of Appeal made reference, in a number of places, to the fact that the intervener supplied specialised types of rice. However, it later took the view that the intervener was the holder of rights for rice and that the goods protected under the marks at issue were identical. Thus, it wrongly concluded that the intervener's trade was in a niche for special types of rice when it was considering certain elements of the case, but then, in other parts

of the contested decision, it assumed that the product and the relevant market related to rice in general.

⁸⁶ The marks at issue display sufficient visual and conceptual differences in relation to the depiction of the elephant, and the Board of Appeal ought to have taken that into account.

⁸⁷ Furthermore, the marks at issue co-existed peacefully for some years on the market without any instances of confusion having come to the attention of either party.

⁸⁸ OHIM and the intervener submit that the second plea should be rejected.

Findings of the Court

— Preliminary remarks

⁸⁹ Under Article 52(1)(c) of Regulation No 40/94, a Community trade mark is to be declared invalid, on application to OHIM, where there is an earlier right as referred to

in Article 8(4) of that regulation and the conditions set out in that paragraph are fulfilled. Article 8(4) of Regulation No 40/94 provides that, upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for may not be registered where and to the extent that, pursuant to the law of the Member State governing that sign, rights to that sign were acquired prior to the date of application for registration of the Community trade mark and where that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.

90 It follows from the combination of those two provisions that the proprietor of a non-registered trade mark which is of more than mere local significance can obtain the cancellation of a subsequent Community trade mark where and to the extent that, under the law of the relevant Member State, first, rights to that sign were acquired prior to the date of application for registration of the Community trade mark, and, second, that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.

91 For the purposes of applying Article 8(4) of Regulation No 40/94, the Board of Appeal must take into consideration both the national legislation applicable by virtue of the reference made by that provision and the judicial decisions delivered in the Member State concerned. On that basis, the applicant for a declaration of invalidity must establish that the sign at issue comes within the scope of application of the law of the Member State relied on and that it enables the use of a subsequent mark to be prohibited (Joined Cases T-114/07 and T-115/07 *Last Minute Network v OHIM — Last Minute Tour (LAST MINUTE TOUR)* [2009] ECR II-1919, paragraph 47; see, also, by way of analogy, the judgment of 12 June 2007 in Joined Cases T-53/04 to T-56/04, T-58/04 and T-59/04 *Budějovický Budvar v OHIM — Anheuser-Busch (BUDWEISER)*, not published in the ECR, paragraph 74).

⁹² In the present case, the law of the Member State which is applicable to the non-registered national trade mark is the Trade Marks Act 1994, section 5(4) of which provides:

‘A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing-off) protecting an non-registered trade mark or other sign used in the course of trade ...’

⁹³ It follows from that provision, as interpreted by the national courts (*Reckitt & Colman Products Ltd v Borden Inc. & Ors* (1990) R.P.C. 341, 406 HL), that, to obtain in this case the cancellation of the contested Community trade mark in order to protect its non-registered national trade mark, the intervener must establish, in accordance with the legal rules governing actions for passing-off laid down by the laws of the United Kingdom, that three conditions are satisfied: the goodwill acquired; misrepresentation; and damage caused to that goodwill.

⁹⁴ The Board of Appeal set out those three conditions in paragraph 23 of the contested decision (see paragraph 10 above) and the applicant concedes, moreover, that the Board of Appeal correctly identified the theoretical approach in actions for passing-off.

⁹⁵ The applicant nevertheless takes the view that, for each of those elements, the Board of Appeal did not apply that theoretical approach correctly to the present case. Each of those three conditions must, therefore, be examined in order to determine whether the Board of Appeal established correctly that they were satisfied in the present case.

— Goodwill

- 96 The applicant, in essence, criticises the Board of Appeal for having concluded that there was goodwill notwithstanding the slight nature of the intervener's presence on the market for rice in the United Kingdom.
- 97 At the outset, it is necessary to determine the relevant date in respect of which the intervener had to prove that it had acquired goodwill. The Board of Appeal took the view that the relevant date was the date on which the application for the contested Community trade mark was filed, namely 29 April 1996. The intervener claims that, under the laws of the United Kingdom, the relevant date is that on which first use was made of the contested Community trade mark on the market, namely, in this case, the year 2003.
- 98 It is true, as the intervener points out, that it follows from national case-law that, in an action for passing-off, goodwill must be established from the date on which the defendant to the action commenced offering its goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).
- 99 According to Article 8(4) of Regulation No 40/94, however, the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before that date of filing (*LAST MINUTE TOUR*, cited in paragraph 91 above, paragraph 51), namely, in the present case, 29 April 1996. As the Board of Appeal pointed out in paragraph 27 of the contested decision, the wording of Article 8(4) of Regulation No 40/94 is clear in that respect.

- 100 The Board of Appeal, therefore, acted correctly in examining whether the intervener had proved that it had acquired goodwill on 29 April 1996.
- 101 The Board of Appeal stated, correctly, in paragraph 24 of the contested decision, that goodwill has been described as ‘the attractive force which brings in custom’ (*IRC v Muller & Co’s Margarine* (1901) A.C. 217, 224, H.L.).
- 102 The Board of Appeal also took the view that goodwill is normally proved by evidence of, inter alia, trading activities, advertising and consumers’ accounts. Genuine trading activities, which result in acquiring reputation and gaining customers, are, according to the Board of Appeal, usually sufficient to establish goodwill (contested decision, paragraph 25).
- 103 With respect to the evidence provided by the intervener, the following matters must be noted.
- 104 The intervener produced, inter alia, a statutory declaration from its director, dated 13 December 1998, which indicated the annual tonnage of rice sold from 1988 to 1997. According to that declaration, the intervener sold 84 tonnes of rice under the earlier mark in the United Kingdom in 1995, 52 tonnes in 1996 and between 42 and 68 tonnes per year between 1988 and 1994.
- 105 As the Board of Appeal found in paragraph 31 of the contested decision, the content of the statutory declaration is corroborated by the remainder of the evidence

submitted by the intervener. While it is true that the majority of that evidence submitted by the intervener concerns a period subsequent to 29 April 1996, it is nevertheless the case that some of the evidence provided relates to a period prior to that date. For example, as the Board of Appeal noted in paragraph 30 of the contested decision, the intervener provided eight sales invoices issued between 1992 and 29 April 1996 and sent to customers located in London, Kent and Middlesex, in relation to the sale of rice bearing the words 'Golden Elephant'.

¹⁰⁶ Further, the intervener produced shop till rolls which show sales of rice on various dates in the months of March and April 1993, December 1994, and January, February and March 1995. In that regard, the applicant claims that the till rolls refer only to 'G/E' or 'GE' rice and not to the earlier mark. However, it must be held that that fact alone does not suffice to deprive them of all evidential value. In fact, as the Board of Appeal pointed out in paragraph 32 of the contested decision, it is normal that goods sold are described in an abbreviated form on till rolls. It should also be noted that this was not the only evidence provided by the intervener to demonstrate the sale of rice under the earlier mark in the United Kingdom. In that respect, it should be pointed out that the Board of Appeal is bound to carry out an overall assessment of all the evidence placed before OHIM. It cannot be ruled out that an accumulation of evidence may allow the necessary facts to be established, even though each of those pieces of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (judgment of the Court of Justice of 17 April 2008 in Case C-108/07 P *Ferrero Deutschland v OHIM and Cornu*, not published in the ECR, paragraph 36). The Board of Appeal correctly took account of the till rolls as evidence which corroborates the content of the statutory declaration.

¹⁰⁷ In any event, it must be held that, even if those till rolls were devoid of evidential value, the fact that the intervener sold rice under the earlier trade mark in the United Kingdom, at a time prior to the date on which the application for the contested Community trade mark was filed, is proven to the requisite standard by the submission of the statutory declaration in conjunction with a number of invoices.

- 108 It is true that the sales to which the statutory declaration refers must be considered to be small when compared with the total market for rice imported into the United Kingdom. According to the declaration of the Secretary General of the Rice Association, which the applicant produced before OHIM, the total amount of rice imported into the United Kingdom was, on average, 500 000 tonnes per year between 2000 and 2004, which suggests that imports between 1988 and 1996 were of a similar order. On the assumption that the total market was 500 000 tonnes in 1995, the intervener's market share would have been 0.0168 %.
- 109 It is thus necessary to examine whether the Board of Appeal acted correctly in finding that the trading activity of the intervener was, none the less, sufficient to have acquired goodwill.
- 110 In paragraph 26 of the contested decision, the Board of Appeal stated that even small businesses can have goodwill. That assertion is based on national case-law, properly cited by the Board of Appeal, that is to say, *Stannard v Reay* [1967] R.P.C. 589. In that case, it was held that a mobile fish and chips shop, with a turnover of between GBP 129 and GBP 138 per week, had acquired goodwill after trading for approximately three weeks.
- 111 As regards the applicant's argument that, in the context of an action for passing-off, in order to establish goodwill, it is necessary to prove trading activity above a minimum threshold, it should be noted that OHIM correctly points out that the section of the legal academic text and the case-law cited in the application, in that regard, relate to the likelihood of deception. It is, however, clear from national case-law that sales below a *de minimis* threshold are not sufficient (*Anheuser-Busch Inc v Budějovický Budvar Narodni Podnik* (1984) E.S.R. 413, 457 CA). In that case, it was held that the sale of small quantities of beer, which had been imported into the United Kingdom in a suitcase and sold in an American-style restaurant in Canterbury (United Kingdom), was below the *de minimis* threshold.

- 112 In the present case, the view must be taken that the intervener's sales of rice under the earlier mark made prior to the relevant date were above that *de minimis* threshold. This was not a case of occasional sales of very small quantities. The intervener had sold rice consistently under the earlier mark in the United Kingdom since 1988, that is to say, for a period of eight years prior to the date on which the applicant filed the application for the contested Community trade mark. The quantity of rice sold — between 42 and 84 tonnes per year from 1988 to 1996 — cannot be regarded as totally insignificant.
- 113 The mere fact that the intervener's market share was very small in comparison with the total amount of rice imported into the United Kingdom is not sufficient to justify a finding that those rice sales were below the *de minimis* threshold.
- 114 For example, in *Jian Tools for Sales v Roderick Manhattan Group* ((1995) F.S.R. 924, 933 (Knox J.)), the sale of 127 software program units by an American undertaking on the United Kingdom market was not considered to be below the *de minimis* threshold.
- 115 In that context, it should be observed that the courts in the United Kingdom are very unwilling to assume that a business can have customers but no goodwill (Wadlow, C., *The law of passing-off*, Sweet and Maxwell, London, 2004, point 3-11). The Board of Appeal was therefore correct in stating that even small businesses can have goodwill.
- 116 In relation to the applicant's argument that the Board of Appeal was wrong to take the view, in paragraph 26 of the contested decision, that goodwill is low only where the nature of the business is transient, suffice it to point out that that assertion was not of decisive importance in the context of the Board of Appeal's reasoning. The Board of Appeal rightly found that the trading activities of the intervener, consisting

in selling rice under the earlier mark in the United Kingdom, were sufficient for it to have acquired goodwill prior to the date on which the application for the contested Community trade mark was filed. Even if it were to be assumed that that goodwill had to be regarded as low on account of the limited quantities of the sales, it cannot, on any view, be regarded as non-existent.

- 117 As regards the applicant's argument that the Board of Appeal erred in taking the view, in paragraph 26 of the contested decision, that 'the standard of proof under English law [was] not the same as in the case of, e.g. acquired distinctiveness' and that the standard of proof required under English law is the same for all civil cases, based on the balance of probabilities, the following should be noted. The sentence from the contested decision cited above does not relate to the standard of proof in terms of the level of conviction which the court must have. That is clear from the next sentence in the contested decision, which states that 'value may be added to a business and goodwill generated without attaining the level of recognition needed to establish acquired distinctiveness or reputation within the meaning of Article 8(5) [of Regulation No 40/94]'. In that respect, the Board of Appeal made no error. The case-law cited by it in support of its stance, namely, *Phones4U Ltd v Phone4u.co.uk Internet Ltd* ((2007) R.P.C. 5, 83, 96) confirms that the standard required to prove distinctiveness for registration of a trade mark is much higher than that which is required to prove goodwill.
- 118 In the light of the foregoing, contrary to what the applicant claims, it was not necessary for the intervener to provide a market survey concerning the level of knowledge which the public had of the earlier mark.
- 119 It is also necessary to reject the applicant's argument that the Board of Appeal's reasoning, in paragraph 40 of the contested decision, is illogical inasmuch as it found that 'the Cancellation Division [had] set a higher threshold for goodwill than that

required under the English law of passing-off, but yet did not endorse the Cancellation Division's finding that passing-off had not been proved. Given that the Board of Appeal considered that the Cancellation Division had, in error, set the threshold too high for proving goodwill, it is entirely logical that it did not endorse the finding of the Cancellation Division.

- 120 As regards the applicant's argument that the Board of Appeal erred in finding, in paragraph 43 of the contested decision, that it was very unlikely that the level of growth in rice sales under the earlier mark that was experienced after the date of filing of the application for the contested Community trade mark would have occurred without the presence of goodwill generated from the business at that date, and that the Board of Appeal failed to show rigour by using the expression 'goodwill generated from the business', it must be held that paragraph 43 of the contested decision constitutes a reason included in the contested decision for the sake of completeness. The intervenor had proved goodwill to the requisite standard, as at the date on which the application for the contested Community trade mark was filed, even without taking into account the level of growth of sales after that date.
- 121 As regards the argument that the Board of Appeal failed to show rigour by using the expression 'goodwill generated from the business', and according to which the intervenor ought to have proved the goodwill linked to the name or the mark at issue, it should also be pointed out that an action for passing-off does not protect the goodwill attached to a trade mark, in and of itself, but protects a right of property in the business or goodwill in connection with which the mark was being used (Wadlow, C., *The law of passing-off*, Sweet and Maxwell, London, 2004, point 3-4). The wording used by the Board of Appeal cannot therefore be criticised.
- 122 In any event, if the applicant's argument should be understood to mean that it is criticising the Board of Appeal for having taken account of all of the intervenor's

commercial trading in order to establish goodwill, it must be pointed out that such an argument is factually inaccurate. The Board of Appeal referred to the intervener's commercial trading consisting in the sale of rice under the earlier mark on the market in the United Kingdom in order to establish its goodwill, and not to all of the intervener's commercial trading.

— Misrepresentation

¹²³ The Board of Appeal took the view that the contested Community trade mark was a misrepresentation of the earlier mark (see paragraph 17 above).

¹²⁴ In that regard, the applicant criticises the Board of Appeal for relying on hypotheses which were not supported by any evidence. Furthermore, according to the applicant, the Board of Appeal ought to have taken into account the peaceful co-existence of the marks at issue on the market without any instances of confusion having been brought to the attention of either party. The Board of Appeal, the applicant submits, was bound to take account of the lack of confusion and the acquiescence of the intervener. In addition, the Board of Appeal omitted to take into account the differences between the representations of the elephants' heads in the marks at issue.

¹²⁵ It is necessary to examine, first, the admissibility of the applicant's argument alleging the peaceful co-existence of the marks at issue, in the absence of any instance of confusion between them, and the acquiescence of the applicant.

- 126 OHIM points out, rightly, that that argument has been made for the first time before the General Court. It must be borne in mind that, pursuant to Article 135(4) of the Rules of Procedure, the parties' pleadings may not change the subject-matter of the proceedings before the Board of Appeal.
- 127 It should also be recalled that, pursuant to Article 74(1), in fine, of Regulation No 40/94, which is applicable in cancellation proceedings relating to a relative ground for invalidity, OHIM's examination in the present case was restricted to the facts and evidence provided by the parties (see paragraph 65 above).
- 128 The alleged acquiescence of the intervener concerning the use, by the applicant, of the contested Community trade mark constitutes a ground of defence which the applicant did not submit before OHIM and which OHIM was not required, of its own motion, to examine under Article 74(1), in fine, of Regulation No 40/94. That argument is therefore inadmissible, as it seeks to change the subject-matter of the proceedings before the Board of Appeal.
- 129 However, the applicant also claims that the Board of Appeal ought, in its examination as to whether there was misrepresentation, to have taken account of the fact that the intervener had adduced no evidence of any instance of confusion. In that regard, it should be borne in mind that OHIM is required, of its own motion, to obtain information about the national law of the Member State concerned, where such information is necessary in order for it to assess the applicability of the ground for invalidity in question and, in particular, the correctness of the facts pleaded or the probative value of the documents lodged (see paragraph 67 above). It must also be observed that the intervener did not challenge, during the administrative procedure, the fact that the applicant had started using the contested Community trade mark in the United Kingdom in November 2003.

- 130 The applicant takes the view, essentially, that the laws of the United Kingdom in such a situation, in the context of an action for passing-off, require the claimant to adduce evidence of specific instances of confusion which have occurred in order to prove misrepresentation. That argument must be held to be admissible, since — assuming the applicant's interpretation of the laws of the United Kingdom is correct — the Board of Appeal ought to have examined whether the intervener had adduced evidence of specific instances of confusion. The issue of whether the applicant's interpretation of the laws of the United Kingdom is correct is one relating to the merits of that argument and not to its admissibility.
- 131 On the merits, it should be pointed out that, in order to assess whether the presentation in question constituted misrepresentation, it is necessary to examine whether the sale of rice under the contested Community trade mark in the United Kingdom is likely to lead the public to attribute the commercial origin of that product to the intervener.
- 132 In this context, it is necessary to examine whether, on a balance of probabilities, it is likely that a substantial number of members of the relevant public will be misled into purchasing the applicant's goods in the belief that they are the intervener's (see, to that effect, *Reckitt & Colman Products Ltd v Borden Inc. & Ors*, cited in paragraph 93 above, paragraph 407). Moreover, it is clear from the national case-law that the misrepresentation of goods by the defendant in an action for passing-off must be assessed with regard to the claimant's customers and not the general public (*Reckitt & Colman Products Ltd v Borden Inc. & Ors*, cited in paragraph 93 above; see, also, to that effect, *LAST MINUTE TOUR*, cited in paragraph 91 above, paragraph 60).
- 133 In the present case, the Board of Appeal correctly stated, in paragraph 45 of the contested decision, that the goods at issue were identical. The contested Community trade mark is registered in respect of rice and the earlier mark was used for that same product. As regards the applicant's argument that the earlier mark has been used for

special types of rice, it must be noted that the special types of rice form part of the product 'rice' in respect of which the contested Community trade mark is registered. The fact that the intervener has not marketed all types of rice does not invalidate the finding that the goods are identical.

- 134 The Board of Appeal further stated, without being challenged by the applicant on that point, that the word element of the signs at issue is identical. As the Board of Appeal pointed out, the word 'brand' in the contested Community trade mark is an addition which is not distinctive. The two signs consist, in essence, of the 'golden elephant' element, above which is placed its translation in Chinese, and the representation of an elephant's head.
- 135 It is true, as the applicant points out, that there are considerable differences in the actual representation of the elephants' heads. The earlier mark shows an elephant head front on. A crown is on the elephant's head, its trunk is lowered and the elephant is surrounded by a disc decorated with a pattern of bunting forming a circle. By contrast, the contested Community trade mark shows an elephant's head drawn in a more stylised manner, and viewed side on. The elephant is wearing a flat decorative cloth headdress and its trunk is raised.
- 136 In the present case, it is very likely that a significant number of the intervener's customers will presume, when confronted with rice described by a mark containing the word element 'golden elephant' in English and in Chinese and the representation of an elephant's head, that it is rice marketed by the intervener. The differences in how the elephants' heads are drawn are not, in themselves, sufficient to call into question the existence of misrepresentation. In that context, it should be pointed out that a typical consumer will not be able precisely to remember every detail of the mark (Wadlow, C., *The law of passing-off*, Sweet and Maxwell, London, 2004, point 8-41).

137 Moreover, even if the intervener's customers were to notice the difference in the design of the elephant, it is highly likely that they would consider that to be a mere ornamental difference. Thus, the claimants in an action for passing-off were successful, in a case in which the defendants had used, for yarn, a label representing two elephants carrying a banner, just like the labels used by the claimants for identical goods. The differences in the depiction of the elephants were considered not to be decisive, since it was held that even people likely to notice the differences between the two labels would probably consider that these were only differences of ornamentation, leaving the distinctive and characteristic symbol substantially unchanged, and that the claimants had themselves made those changes to the mark (*Johnston v Orr-Ewing* (1882) 7 App. Cas. 219, 225, HL). Likewise, it is highly likely that a customer of the intervener, if he were to notice the differences in the designs of the elephants, would take the view that the contested Community trade mark is merely a variation on, or an amended version of, the earlier mark.

138 It must be observed that the word element of the marks at issue is highly distinctive, because it is imaginative and is in no way descriptive of rice. In those circumstances, there is an inevitable risk that the intervener's customers, when confronted with rice described by a mark containing the same word element and the design of an elephant's head, will attribute the commercial origin of that rice to the intervener, despite the differences in the depictions of the elephants.

139 Contrary to what the applicant claims, it is not apparent from the contested decision that the Board of Appeal completely ignored the differences between the two depictions of an elephant's head. While it is true that the Board of Appeal did not carry out an explicit analysis of the differences between those depictions, it must be noted that the Board of Appeal did not consider that the marks at issue were identical on a visual level, but only that there was a 'marked visual resemblance' (paragraph 46 of the contested decision). That finding is justified in view of the presence of an identical

word element in English and in Chinese, and the presence of the design representing an elephant's head.

- ¹⁴⁰ As regards the applicant's argument that the intervener ought to have adduced evidence of specific instances of confusion, the following should be observed. Under the laws of the United Kingdom, it is for the court in question to determine whether it is likely that the relevant public will be deceived. Examples of specific instances of confusion may be useful, but the decision of the court does not depend solely or even primarily on the evaluation of such evidence (*Parker-Knoll Ltd v Knoll International Ltd* (1962) R.P.C. 265, 285, 291 HL).
- ¹⁴¹ The absence of evidence of specific instances of confusion may play a role in the sense that it is possible that that fact may reflect adversely on the claimant's case in an action for passing-off, if the goods of the defendant to that action have been openly on the market for a long time (Wadlow, C., *The law of passing-off*, Sweet and Maxwell, London, 2004, point 10-13). None the less, absence of evidence of specific instances of confusion may often be readily explained and are rarely decisive (*Harrods Ltd v Harrodian School Ltd* (1996) R.P.C. 697, 716 CA).
- ¹⁴² There may, of course, be cases of so doubtful a nature that a court cannot properly come to a conclusion without evidence as to the existence of misrepresentation (see, to that effect, *AG Spalding & Bros v A.W. Gamage Ltd* (1915) R.P.C. 273, 286).
- ¹⁴³ In the present case, however, the Board of Appeal correctly took the view, in paragraph 47 of the contested decision, that it was inevitable that consumers who had been exposed to the earlier mark would identify the rice sold under the contested Community trade mark with the rice distributed by the intervener. In view of the identical nature of the word element and the fact that the figurative element in the

marks at issue is an elephant's head, that conclusion can be drawn merely from a comparison of the two marks. In such circumstances, the absence of evidence of specific instances of confusion cannot be regarded as a determining factor.

- ¹⁴⁴ It follows from the foregoing that, in the circumstances of the present case, the Board of Appeal was right to find that there was misrepresentation and it was not necessary for the intervener to adduce evidence of specific instances of confusion.

— Damage or likelihood of damage

- ¹⁴⁵ The Board of Appeal held, in paragraph 49 of the contested decision, that, as the intervener had shown the existence of goodwill in the United Kingdom for a mark that bears a strong resemblance to the contested Community trade mark, and one that covers identical goods, it was reasonable to conclude that the intervener might suffer damage.

- ¹⁴⁶ In that regard, the applicant considers that the Board of Appeal wrongly assumed damage, despite the lack of evidence or assertion as to such damage. The Board of Appeal, it argues, simply made assumptions on that point.

- ¹⁴⁷ It must be pointed out that it is clear from the national case-law that, in the context of an action for passing-off, the claimant is not obliged to prove that he has suffered damage. It is sufficient that damage is likely.

- 148 A misrepresentation which leads the relevant public to believe that the goods of the defendant to an action for passing-off are those of the claimant to that action is intrinsically likely to damage the claimant if the fields of business of the claimant and defendant are reasonably close (Wadlow, C., *The law of passing-off*, Sweet and Maxwell, London, 2004, point 4-13).
- 149 In the present case, it has been held that the goods in question were identical and that a significant number of the intervener's customers would consider rice sold by the applicant under the contested Community trade mark as coming from the intervener. In those circumstances, there is indeed a genuine likelihood that the intervener would lose sales because its customers — who intend to buy its rice — would, erroneously, buy the applicant's rice.
- 150 The Board of Appeal was therefore correct to find that there was a likelihood of damage.
- 151 Accordingly, the second plea must be rejected, as, consequently, must the applicant's action in its entirety.

2. The second and third heads of the form of order sought by the intervener

- 152 By the second and third heads of the form of order which it seeks, the intervener requests, in addition, or in the alternative, first, annulment of the contested decision in so far as the Board of Appeal states therein that the appropriate date for determining the issue of passing-off is the date on which the Community trade mark application

was filed and, second, alteration of the contested decision so that it states that the appropriate date for determining the issue of passing-off is the date of first use of the Community trade mark.

153 In that regard, suffice it to recall that it is clear from the findings in paragraphs 97 to 100 above that the Board of Appeal was correct to take the view that the relevant date for which the intervener had to prove that goodwill had been acquired was the date on which the Community trade mark application was filed. It follows clearly from the wording of Article 8(4)(a) of Regulation No 40/94 that the rights to the earlier sign must have been acquired prior to that date.

154 The second and third heads of the form of order sought by the intervener must therefore be rejected, without it being necessary for the Court to rule on the issue of whether they are admissible, even though they do not seek to have the operative part of the contested decision amended.

3. The heads of the form of order sought by the intervener relating to the grounds for invalidity in Article 51(1)(a) and (b) of Regulation No 40/94 respectively

155 It should be borne in mind that, in its written pleading submitting new pleas in law, the intervener seeks the annulment of the contested decision inasmuch as it found the plea based on the ground for invalidity laid down in Article 51(1)(a) of Regulation No 40/94 to be inadmissible. It also seeks the alteration of the contested decision, so that the intervener's pleas based on the grounds for invalidity laid down in Article 51(1)(a) and (b) of Regulation No 40/94 be declared admissible and well founded,

and so that the contested Community trade mark be declared invalid on the basis of either or both of those additional pleas (see paragraph 26 above).

156 In that regard, the intervener submits that the Board of Appeal was wrong not to find in its favour on those two grounds, and that it ought to have declared the mark at issue invalid on those two additional grounds.

157 Those new pleas and heads of form of order sought were submitted by the intervener following the dismissal as inadmissible, by the order in *Golden Elephant Brand*, cited in paragraph 22 above, of the separate action which it had brought against the contested decision. The intervener takes the view that those new pleas are admissible because they are based on matters of law or of fact which came to light in the course of the procedure, within the meaning of Article 48(2) of the Rules of Procedure. It takes the view that the order in *Golden Elephant Brand*, cited in paragraph 22 above, constitutes a new matter of law or of fact.

158 The applicant and OHIM contend that those pleas should be rejected. The applicant considers, in particular, that they are not 'new pleas' within the meaning of Article 48(2) of the Rules of Procedure, since they are the same pleas in law as those which were relied on by Hoo Hing in the context of the case giving rise to the order in *Golden Elephant Brand*, cited in paragraph 22 above, and which were rejected. According to the applicant, that order cannot properly be used to form the basis of an argument that it has thereby created a sufficient or relevant 'change in law or fact' that has 'come to light' in a manner which can properly found a legitimate re-opening of the matter. OHIM contends, inter alia, that the new pleas were submitted out of time and are therefore inadmissible

159 It must be borne in mind, first of all, that, under Article 134(2) of the Rules of Procedure, in the context of proceedings relating to intellectual property rights,

interveners have the same procedural rights as the main parties and may, inter alia, apply for a form of order and put forward pleas in law independently of those applied for and put forward by the main parties. Under Article 134(3) of those Rules, an intervener may, in his response, seek an order annulling or altering the contested decision on a point not raised in the application and put forward pleas in law not raised in the application.

¹⁶⁰ In the present case, the intervener did not put forward the relevant pleas in its response, as provided for in Article 134(3) of the Rules of Procedure.

¹⁶¹ In accordance with Article 48(2) of the Rules of Procedure, no new plea in law may be introduced in the course of proceedings unless it is based on matters of law or of fact which came to light in the course of the procedure. Consideration of the admissibility of the plea is to be reserved for the final judgment.

¹⁶² It is therefore necessary to examine whether, in the present case, there is such a new matter of law or of fact which would allow the intervener to introduce new pleas in the course of proceedings.

¹⁶³ It must be pointed out that, in the present case, there was nothing objectively to prevent the intervener from submitting, at the response stage, the pleas which it raised in its written pleading of 17 December 2009. The intervener did not raise those pleas by reason of the fact that it had raised those same pleas in the context of a separate action which it had brought against the contested decision in the case which gave rise to the order in *Golden Elephant Brand*, cited in paragraph 22 above.

- 164 However, the intervener's lawyers could have known that the action which they had lodged was inadmissible.
- 165 In that regard, it should be noted that the intervener relies on, first, the fact that, in the order in *Golden Elephant Brand*, cited in paragraph 22 above, the Court stated that a party that had sought a declaration that a Community trade mark was invalid on several grounds, and had been successful on only one ground, does not have standing to appeal to the Court. It must, however, be pointed out that the Court's reasoning in that order was based on settled case-law, namely, the order in Case T-194/05 *TeleTech Holdings v OHIM — Teletech International (TELETECH INTERNATIONAL)* [2006] ECR II-1367 and the judgment in Case T-215/03 *Sigla v OHIM — Elleni Holding (VIPS)* [2007] ECR II-711.
- 166 Second, the intervener claims that, in paragraph 40 of the order in *Golden Elephant Brand*, cited in paragraph 22 above, the Court stated that the pleas that were raised in the case giving rise to that order could legitimately be raised in the context of the present proceedings. In that regard, it must be held that, in paragraph 40 of the order in *Golden Elephant Brand*, cited in paragraph 22 above, the Court merely explained the content of Article 134 of the Rules of Procedure in order to reply to the argument raised by Hoo Hing in that case to the effect that it was obliged to bring its own action against the contested decision because there is no provision allowing a successful party to file a cross-appeal outside the time in which an unsuccessful party may file an appeal (see order in *Golden Elephant Brand*, cited in paragraph 22 above, paragraphs 22, 39 and 40).
- 167 It is true that, at the time when the intervener lodged its response, the Court had not yet rejected the separate action brought by the intervener as inadmissible. However, even if the intervener had had knowledge of the legal position only after delivery of the order in *Golden Elephant Brand*, cited in paragraph 22 above, that fact could not constitute a new matter of law or of fact. The circumstance that a party became aware

of a factual matter during the course of the procedure before the Court does not mean that that element constitutes a matter of fact which came to light in the course of the procedure. A further requirement is that the applicant was not in a position to be aware of that matter previously (Case T-139/99 *AICS v Parliament* [2000] ECR II-2849, paragraph 62). *A fortiori*, the fact that a party became aware of the legal position only in the course of the procedure cannot constitute a new matter of law or of fact within the meaning of Article 48(2) of the Rules of Procedure.

- 168 In the present case, when drafting the response, the intervener's lawyers could have known that the separate action which they had lodged was inadmissible and they could also have been aware of the provisions of Article 134 of the Rules of Procedure.
- 169 There is therefore no new matter of law or of fact, within the meaning of Article 48(2) of the Rules of Procedure, which could justify the introduction of new pleas by the intervener.
- 170 It follows from the foregoing that the new pleas raised by the intervener, and the new related heads of the form of order sought, must be rejected as inadmissible.
- 171 As regards the intervener's proposition that the Court, of its own motion, raise the pleas relating to the grounds for invalidity laid down in Article 51(1)(a) and (b) of Regulation No 40/94 respectively, suffice it to state that the Court can raise pleas of its own motion only where those pleas relate to public policy (Case T-44/00 *Mannesmannröhren-Werke v Commission* [2004] ECR II-2223, paragraph 126). The pleas at issue in the present case concern the substance and are not pleas relating to public policy.

Costs

- 172 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Furthermore, under Article 87(3) of those Rules, where each party succeeds on some and fails on other heads, the Court may order that the costs be shared or that each party bear its own costs.
- 173 In the present case, the applicant has been unsuccessful in its action and the intervener has been successful in respect of its first head, but unsuccessful in respect of the second and third heads of the form of order which it sought and in respect of the heads relating to the grounds for invalidity laid down in Article 51(1)(a) and (b) of Regulation No 40/94 respectively.
- 174 It must be held that the unsuccessful heads of the form of order sought by the intervener are of secondary importance in comparison with the applicant's form of order seeking annulment of the contested decision and with the first head of the intervener's form of order seeking dismissal of the action.
- 175 In addition, the intervener's head seeking an order that OHIM pay the costs must be rejected, as OHIM has been successful.
- 176 In the light of the foregoing, the Court considers that, on a fair assessment of the circumstances of the case, the applicant must bear its own costs, pay those incurred by

OHIM and one half of those incurred by the intervener, and that the intervener must bear half of its own costs.

¹⁷⁷ As regards, lastly, the intervener's request to have the costs reserved in the case giving rise to the order in *Golden Elephant Brand*, cited in paragraph 22 above, pending the final decision in relation to the invalidity proceedings as a whole, suffice it to state that the decision on the costs in respect of that case has already been made in that order, and that that decision has become final, as there has been no appeal lodged by any party. The intervener's request must therefore be rejected.

On those grounds,

THE GENERAL COURT (Eighth Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Rejects the form of order sought by Hoo Hing Holdings Ltd for partial annulment and alteration of the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 7 May 2008 (Case R 889/2007-1), relating to invalidity proceedings between Hoo Hing Holdings and Tresplain Investments Ltd;**

- 3. Orders Tresplain Investments to bear its own costs and to pay those incurred by OHIM and one half of those incurred by Hoo Hing Holdings, and orders Hoo Hing Holdings to bear half of its own costs.**

Martins Ribeiro

Papasavvas

Dittrich

Delivered in open court in Luxembourg on 9 December 2010.

[Signatures]

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