General Court: Nice Classification is intended to serve exclusively administrative purposes

European Union - Dr Helen G Papaconstantinou and Partners

In *GAT Microencapsulation GmbH (formerly GAT Microencapsulation AG) v Office for Harmonisation in the Internal Market* (OHIM) (Case T-720/13, September 30 2015), the General Court has upheld a decision of the Fifth Board of Appeal of OHIM in opposition proceedings involving the marks KARIS and CARYX.

In April 2001 Austrian company GAT Microencapsulation GmbH filed a Community trademark (CTM) application for the word sign KARIS to cover a broad list of goods and services in Classes 1, 5 and 35 of the Nice Classification.

In September 2011 German company BASF SE opposed the registration of the mark, claiming a likelihood of confusion between the contested mark and the following prior marks:

- the Community and international word marks CARYX, both filed in June 2010, covering plant growth regulating preparations in Class 1 and fungicides in Class 5; and
- the Hungarian, Italian and Benelux word marks AKRIS, all filed in 2010 and covering herbicides in Class 5.

Although the applicant made certain restrictions to the list of goods and services in its application, BASF argued that there was still a likelihood of confusion.

The Opposition Division of OHIM upheld the opposition in part, finding, among other things, that there was a likelihood of confusion between the mark KARIS and the CTM CARYX in respect of goods in Classes 1 and 5.

The applicant then filed an appeal, which the Fifth Board of Appeal of OHIM allowed in part, finding "capsules and micro capsules for medicines", "sanitary preparations for medical purposes" and "veterinary products" in Class 5 to be dissimilar to the goods covered by the earlier CTM CARYX, which was the only mark considered in the comparison for reasons of procedural economy.

The applicant appealed to the General Court, claiming infringement of Article 8(1)

(b) of the Community Trademark Regulation (No 207/2009).

The applicant complained that the Board of Appeal had opined that the relevant public showed only an average level of attention and had not taken into account professionals, to whom the goods were primarily of interest. The General Court, however, found that the Board of Appeal had correctly taken into consideration a relevant public consisting both of professionals and consumers with a merely average level of attention, as well as goods aimed at professionals only and goods aimed at the wider public.

Upon comparing the goods, the General Court stressed the importance of not comparing the goods in a single class but also goods between classes to the extent that they are relevant when assessing the likelihood of confusion. The court seized this opportunity to stress that the classification tool TMclass, to which the applicant referred, does not form part of the Nice Classification system and has no legal effect on trademark examination or the comparison of goods and services. The inclusion of a term in the taxonomic structure of the Nice Agreement serves only administrative purposes and its scope of protection is determined only by its usual meaning. Thus, the mere fact that the goods under comparison pertained to different classes did not preclude a finding that they were similar or even identical, taking into consideration their nature and purpose.

Turning to the comparison of the signs, the General Court confirmed the finding of the Board of Appeal that there was a similarity from a conceptual point of view. The court was not convinced by the applicant's assessment, raised before it for the first time in the proceedings and therefore inadmissible, that CARYX was associated to the plant genus carex, or that it brought to mind the word 'care' in relation to plant care. Thus, it upheld the finding of the Board of Appeal that the two signs were fanciful and meaningless and therefore had an average level of distinctiveness.

The court further found that the signs CARYX and KARIS are visually similar, since they have the same length and share the letters 'a' and 'r', which appear in the same position. The court also held that the ending 'yx' of CARYX differs from the ending 'is' of KARIS, but it is not a dominant element of the mark.

Upon assessing the phonetic impression given by the marks, the court upheld the finding of the Board of Appeal that there was phonetic similarity between the two marks, since the only difference in the way that the two words are pronounced is the 'k' sound in the last letter of CARYX ('x' being usually pronounced as 'ks').

The court further considered the applicant's argument that the marks in dispute co-existed in certain territories. In this respect, the court held that, while the co-existence of earlier marks in the market could reduce the likelihood of confusion, in line with established case law, that possibility could be taken into account only if, at the very least, during the OHIM proceedings concerning the relative grounds for refusal, the applicant had proved that:

- such co-existence was based on the absence of any likelihood of confusion on the part of the relevant public; and
- the marks at issue were identical.

However, the evidence produced by the applicant (website extracts concerning a fungicide named Caryx and copies of a packaging for Karis) was considered by the court to be purely administrative, failing to provide information on the actual marketing of the goods and to prove co-existence based on the absence of a likelihood of confusion as far as the relevant public was concerned.

Finally, the court confirmed the finding of the Board of Appeal that there was a likelihood of confusion based on the high degree of similarity between the signs and the covered goods and stressed that, in light of all the similarities, an enhanced level of attention of the relevant public did not suffice to prevent consumer confusion as to the origin of the covered goods.

The General Court thus dismissed the applicant's action.

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