

In *Wohlfahrt v Office for Harmonisation in the Internal Market* (OHIM) (Case T-580/10, May 16 2012), the General Court has rejected Harald Wohlfahrt's appeal against a decision of the Fourth Board of Appeal of OHIM in which the latter had upheld an opposition by Ferrero.

In July 2002 Wohlfahrt applied to register the word mark KINDERTRAUM as a Community trademark (CTM) for goods in Classes 15, 16, 20, 21 and 28 of the Nice Classification. On publication, Ferrero filed an opposition based on an earlier Italian registration for the word mark KINDER, registered, among other things, for goods in Classes 16 and 28. The opposition was directed against Wohlfahrt's application in relation to Classes 16 and 28 only. The grounds for opposition were those laid down in Article 8(1)(b) and (5) of the Community Trademark Regulation (40/94), now the Community Trademark Regulation (207/2009).

In May 2009 the Opposition Division of OHIM upheld Ferrero's opposition on the basis that there was a likelihood of confusion in respect of all the goods applied for in Classes 16 and 28. Wohlfahrt appealed.

The Fourth Board of Appeal rejected the appeal, agreeing that there was a likelihood of confusion between the marks. In arriving at this decision, the board held that:

- Wohlfahrt's request for evidence that Ferrero had made genuine use of its mark was inadmissible since the mark had been, on the date of publication of Wohlfahrt's application, registered for less than five years;
- the goods covered by the marks were identical; and
- the marks were sufficiently similar to give rise to a likelihood of confusion.

In further appealing to the General Court, Wohlfahrt raised three pleas, namely:

- infringement of Article 42(2);
- a lack of reasoning; and
- infringement of Article 8(1)(b).

The General Court first considered Wohlfahrt's plea alleging violation of Article 42(2). It confirmed OHIM's decision that Ferrero was not required to furnish proof of use of its mark. Ferrero's Italian mark was registered on July 8 2002, while the KINDERTRAUM application was published on September 29 2003. The five-year period had therefore not expired on that date, but only expired on July 8 2007. Notwithstanding the fact that

the opposition proceedings were not terminated until this date, the court pointed to the clear wording of Article 42(2), stating that the publication of the CTM application is the decisive date for establishing the grace period for non-use. The General Court thus rejected the first plea.

The court then considered the second plea. Wohlfahrt had raised the allegation in the proceedings before the Board of Appeal that Ferrero had no interest in its KINDER mark in relation to Classes 16 and 28 and that, as a consequence, this mark was applied for in bad faith. The Fourth Board of Appeal did not address this issue in its decision, and Wohlfahrt claimed that this omission resulted in a lack of reasoning.

The General Court set out the established principle that a statement of reasons must disclose, in a clear and unequivocal manner, the reasoning followed by OHIM in such a way as to enable the parties to ascertain the reasons for the decision and to enable the competent EU court to exercise its power of review. Nevertheless, the court explained that it is not necessary for the reasoning to examine all the relevant facts and points of law. In particular, when a board of appeal of OHIM upholds a lower level decision in its entirety, that decision, together with the board's statement of reasons, forms part of the context in which the board's decision is adopted.

In the present case, the court held that the Board of Appeal was not called to particularly address the allegation of bad faith. First, the Opposition Division had already touched upon this point in its decision and, second, it was apparent that Wohlfahrt's allegation lacked any justification.

The court then turned to the third plea. It observed that Wohlfahrt did not put into question that the relevant public was the average Italian consumer and that the conflicting goods were identical. With respect to the necessary assessment of the similarity of the signs, Wohlfahrt focused on the argument that the term 'Kinder' ('children' in German) was descriptive in relation to the goods in question, and referred to earlier decisions of OHIM and the German Federal Supreme Court. The General Court however dismissed Wohlfahrt's argument, stating that the average Italian consumer would not understand the meaning of the German word 'Kinder' and, therefore, would not draw any descriptive meaning from the term. The court equally dismissed Wohlfahrt's claim that the fact that the public in the Northern Italian Province of South Tyrol was German speaking was to be taken into account. Only 1% of the Italian population live in South Tyrol; therefore, the association to the German language in this province did not have any effect on the assessment of the average Italian consumer taken by OHIM. The court thus also dismissed the third plea.

This decision will come as a welcome victory for Ferrero after various setbacks in its fight against trademarks which are similar to its KINDER mark (see the decisions of the German Federal Supreme Court in *KINDER KRAM* (I ZR 6/05) and *KINDERZEIT* (I ZR 94/04), both dated September 20 2007; and the decision of the Court of Justice of the European Union in *TIMI/KINDERJOGHURT* (Case C-552/09 P)).

Ferrero's strategy to base the opposition on its Italian registration for KINDER proved right since the German word 'Kinder' was held not to be understood by the public in Italy. This will be interesting for other trademark owners whose brand has a descriptive meaning in one language, but no meaning in other countries.

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This article first appeared on WTR Daily, part of World Trademark Review, in May 2012. For further information, please go to www.worldtrademarkreview.com

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