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**DECISION
of the Third Board of Appeal
of 25 April 2001**

In Case R 283/1999-3

Hollywood S.A.S.

11, rue de la Vanne
F-92120 Montrouge
France

Opponent and appellant

represented by Martine Dehaut, cabinet Ernest Gutmann-Yves Plasseraud S.A.,
3, rue Chauveau-Lagarde, F-75008 Paris, France

v

Souza Cruz S.A.

Rua Candelaria, 66
Rio de Janeiro, RJ
Brazil

Applicant and respondent

represented by Mark J. Hickey, Castle, 17 Lansdowne Road, Croydon Surrey,
CR0 2BX, UK, and Richard Gilbey, 90, rue d'Amsterdam, F-75009 Paris, France

APPEAL relating to opposition proceedings No B 2073 (Community trademark
application No 6 775)

THE THIRD BOARD OF APPEAL

composed of S. Sandri (Chairman and Rapporteur), Th. Margellos (Member) and
A. Bender (Member)

Registrar: E. Gastinel

gives the following

Decision

Summary of the facts and forms of order sought

- 1 By Community trademark application No 6775, filed on 1 April 1996, Souza Cruz S.S. ('the applicant') sought to register the word mark

HOLLYWOOD

for the following goods:

Class 34 – Cigarettes, tobacco, tobacco products, smokers' articles, lighters and matches.

- 2 This application was published in Community Trade Marks Bulletin No 7/97 of 16 June 1997.
- 3 On 19 September 1997, Kraft Jacobs Suchard France and its successor Hollywood S.A.S. ('the opponent') filed notice of opposition to this Community trademark application on the basis of French trademark No 1395012

HOLLYWOOD

registered on 18 April 1952. This trademark covers the following goods:

Class 30 – Chewing gum.

- 4 The opponent based its opposition on Article 8(5) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark ('CTMR'). It claimed that its trademark had acquired a reputation in France and that, following major advertising campaigns, this trademark had come to evoke for consumers, and more particularly for young people, an image of dynamism, youth, health and vitality. In the opponent's view, the fact that the contested application identifies tobacco products, which are naturally harmful to health, would be detrimental to the image and repute of the earlier trademark.
- 5 In a decision of 25 March 1999 ('the contested decision'), notified to the parties on the same day, the Opposition Division rejected the opposition, concluding that:
 - '- the two signs in dispute, consisting of exactly the same word, "HOLLYWOOD", are identical signs;
 - the earlier "HOLLYWOOD" trademark has a reputation in respect of chewing gum in France within the meaning of Article 8(5) CTMR, but this does not mean that it calls up in consumers an image of vitality, health and

wellbeing, the concept on which the opponent bases its claims to debasement of its trademark;

- in the absence of any evidence that the earlier trademark has an image evocative of health and wellbeing, it is not possible to evaluate possible debasement of such an image, or potential detriment to it;
- and, lastly, in the absence of any evidence of effective use of the applicant's "HOLLYWOOD" trademarks for tobacco products in France, the mere fact that they coexist with the opponent's "HOLLYWOOD" trademark in the French register does not per se constitute due cause within the meaning of Article 8(5) CTMR'.

6 On 25 May 1999, the opponent filed an appeal against the contested decision. In the 'Extent of appeal' section of the notice of appeal (see Point 31 of the appeal form), the appellant stated that: 'the opponent asks that the decision be quashed, since it believes that the applicant needed to show that its trademark was recognised by consumers as symbolising health, dynamism, youth, wellbeing, in as much as its claims as regards debasement of its trademark were based on this image and not on repute alone; having failed to provide evidence of such an image, possible debasement of the latter and potential detriment cannot be evaluated. The opponent is filing its appeal in order to contest the decision given on these two points'.

7 The statement of grounds of the appeal was filed with the Office on 23 July 1999. In it, the appellant asked the Boards of Appeal to review the contested decision on the grounds that:

- 'in France, the "Hollywood" trademark is very well-known; in particular, the trademark's image with consumers, in association with health, dynamism and youth, has duly been proved;
- this image is indissociable from the "Hollywood" trademark's reputation, and the use without due cause of an identical trademark to identify tobacco products will indisputably affect this trademark's image, by blurring the consumer's perception of it in a negative way;
- The power of attraction and hence the reputation of the [appellant's] "Hollywood" trademark will be substantially diminished by its coexistence with the applicant's "Hollywood" trademark, and this will result in definite detriment to the "Hollywood" trademark's financial value;
- confusion could ensue in consumers' minds, since they might think that the tobacco products bearing the "Hollywood" trademark have been put on the market with the [appellant] company's consent, by an undertaking that has a business relationship with it'.

8 On page 7 of this statement, the appellant adds that registration of the opposed trademark would enable the applicant to take 'unfair' advantage of the earlier 'trademark's exceptional reputation'.

- 9 In support of its conclusions, the appellant submitted a number of new documents and, in particular, a poll carried out by the Euro RSCG advertising agency, extracts from a 1997 study carried out by Société Etude et Stratégie en Marketing et Communication Thema, a copy of Directive 98/43/EC of 6 July 1998 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising and sponsorship of tobacco products, a poll carried out by Institut IPSOS in 1999, and studies carried out by Institut Sofres in 1999.
- 10 On 5 August 1999, the Office sent the respondent a copy of the appellant's statement of grounds and invited it to submit its observations within a period of two months. At the respondent's request, this deadline was extended to 7 January 2000.
- 11 The respondent's observations, dated 7 January 2000, questioning in particular the admissibility of the new evidence, but not the admissibility of the new points of claim, were received by the Office by fax on 8 January 2000. They were transmitted to the appellant, which responded on 26 April 2000 with new observations. While the appellant criticised the substance of the respondent's observations, in addition, and in particular, it drew the attention of the Board of Appeal to the inadmissibility of these same observations, given that they had reached the Office 'after the period' granted to the respondent.
- 12 The respondent was informed of the appellant's observations on 6 June 2000 by fax. On 18 July 2000, the respondent essentially replied by fax as follows: (a) in the course of the evening of 7 January 2000, 'for several hours it was not possible to access the disk on which the observations had been recorded' because the computer had crashed; (b) the respondent endeavoured 'to transmit the observations to the OHIM and at 11.38 p.m. a transmission was effected, 24 pages of which were successfully transmitted according to the transmission report'. The respondent, which submitted the transmission report in question, therefore asked that the first 24 pages be regarded as having been transmitted prior to expiry of the deadline of 7 January 2000. Furthermore, it considers that, pursuant to Rule 80(2) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark ('IR'), the Office should have advised it that the first transmission was incomplete and that, in the absence of such a warning, the Board of Appeal should accept the transmission of the documents in their entirety.
- 13 By order of 18 October 2000, the Board of Appeal ordered the parties to convene for a hearing on 12 February 2001, drawing their attention to the points that were to be discussed. At this hearing, the parties argued the merits of these points and replied to questions put by the Board of Appeal. With the respondent's consent, the appellant submitted packets of chewing gum marketed under its 'HOLLYWOOD' trademark and a copy of French Law

No 91-32 of 10 January 1991 on the combating of nicotine addiction and alcoholism. For its part, the respondent also submitted some sample sticks of chewing gum.

- 14 Meanwhile, on 11 January 2001, the opponent had informed the Office that the trademark in question had been ceded to Hollywood S.A.S., which had therefore become its proprietor.

Reasons

- 15 The appeal complies with Articles 57, 58 and 59 CTMR and Rule 48 IR. It is therefore admissible.

A. *On the procedure*

a) *The parties' statements*

- 16 For procedural reasons, we must begin by verifying whether the respondent's observations dated 7 January 2000 can be deemed to have reached the Office by the deadline of 7 January 2000 specified.

- 17 Pursuant to Rule 19 IR, applicable *mutatis mutandis* to proceedings before the Boards of Appeal in accordance with Rule 50(1) IR, the Office shall communicate the statement of grounds of appeal to the respondent and shall invite it to file its observations within such period as it may specify.

- 18 In the case in suit, on 5 August 1999 the Office sent the statement to the respondent, giving it two months in which to file its observations.

- 19 In accordance with Rule 19(2) IR, the respondent requested and obtained an extension of this period to 7 January 2001, the period during which it was to communicate to the Office its observations in response to the appellant's statement.

- 20 The Board of Appeal draws attention to the fact that a document may be deemed to have been duly notified or communicated once it is received by its addressee and the latter is put in a position to take note thereof (cf. Judgment of the Court of First Instance of 29 May 1991 in Case T-12/90, Bayer AG v. Commission, paragraph 19, European Court Reports 1991, p. II-219).

- 21 It follows that a deadline may be deemed to have been met when the document to be transmitted reaches the addressee prior to expiry of the period specified.

- 22 In this case, on 8 November 1999, in accordance with Rule 71 IR, the respondent requested an extension of the period previously specified for submission of its observations on the appellant's statement, to 7 January 2000. This extension was granted by fax of 19 November 1999. Therefore the extended period expired at midnight on 7 January 2000. The Office received the respondent's observations, dated 7 January 2000, contained in a fax whose transmission began at 11.38 p.m. Greenwich Mean Time. However, it emerges from the originals transmitted by the registry to the Board of Appeal that owing to the time difference between London and Alicante the Office began receiving this fax only at 0.44 a.m. on 8 January 2001 according to the time in Alicante.
- 23 It follows that the respondent's observations dated 7 January 2000 were not received by the Office until 8 January, i.e. after the period granted to it to submit them had expired. Hence the Board of Appeal is not in a position to take into consideration the said observations, whose lateness was pleaded by the appellant.
- 24 Incidentally, it is also noted that that the fax received by the Office on 8 January, beginning at 0.44 a.m., contains only the first two pages, the remaining 22 being completely blank.
- 25 In the case in suit, the respondent may not rely on Rule 80(2) IR, which assumes that a communication has been received within the period specified. In fact, the observations reached the Office after the specified period had expired.
- 26 The Board of Appeal must also examine whether the appellant's observations dated 26 April 2000 should be taken into consideration.
- 27 In accordance with Article 59 CTMR, the written statement setting out the grounds of appeal must be filed within four months after the date of notification of the decision appealed from. Moreover, Article 61(2) CTMR provides that the Board of Appeal shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, on communications from the other parties or issued by itself. It follows that the appellant may not submit a statement outside this four-month period, except in response to observations by the respondent and in so far as such a response is essential and has been authorised by the Board of Appeal. Consequently, the observations of 26 April 2000, as a response to observations not considered by the Board of Appeal, should not be deemed admissible with the exception of the part relating to the lateness of the observations of 7 January 2000.
- 28 In *inter partes* proceedings, however, the parties are in control of the subject matter (cf. Decision of 23 January 2001 in Case R 687/1999-3 – POP SWATCH/POL WATCH, paragraph 28; Decision of 21 June 2000 in

Case R 615/1999-3 – NEGRETTO/NEGRITO, paragraph 22). This approach is confirmed by Article 74(1) 2nd sentence CTMR, which stipulates that ‘in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought’.

29 The principle of availability of subject matter was established by the Court of Justice in its Judgment of 14 December 1995 in Joined Cases C-430/93 and C-431/93, van Schijndel, European Court Reports 1995, p. I-4705, in which it laid down ‘the principle that, in a civil suit, it is for the parties to take the initiative’, a principle obliging it ‘to keep to the subject matter of the dispute and to base its decision on the facts put before it’ by the parties, and which is based on ‘conceptions prevailing in most of the Member States (...); it safeguards the rights of the defence; and it ensures proper conduct of proceedings by, in particular, protecting them from the delays inherent in examination of new pleas’ (paragraphs 20 and 21).

30 In the present case, having received the appellant’s observations of 26 April 2000, in its response of 18 July 2000 the respondent did not raise the issue of their admissibility. Therefore the Board of Appeal could not reject *ex officio* arguments whose admissibility was not called into question by the party against whom they are addressed. Consequently, the Board of Appeal will take the observations dated 26 April 2000 into consideration.

31 The arguments submitted in the hearing of 12 February 2001 will be taken into consideration by the Board of Appeal in their entirety, in so far as they related only to points indicated in the notice of convocation and were intended only to clarify them. Similarly, the Board of Appeal accepts the evidence submitted at the hearing, since the parties have expressly authorised this.

b) The extent of appeal

32 The extent of the appeal filed in the present case must be precisely determined. Pursuant to the principle of devolution and the nature of the appeal provided for in Title VII CTMR, the Boards of Appeal are competent only to know the points of the contested decision which have been contested by the filing of an appeal within the meaning of Articles 57 to 62 CTMR, pursuant to the principle of *tantum devolutum quantum appellatum* (cf. Decision of 23 January 2001 in Case R 158/2000-3 – CAMOMILLA/CAMOMILLA, paragraphs 15 to 20; POP SWATCH/POL WATCH Decision cited above, paragraph 29; Decision of 6 April 2000 in Case R 620/1999-3 – PREMIX, paragraph 14). Since the devolutionary effect is restricted by the notice of appeal, the Board of Appeal may know only the points of claim submitted to it.

33 Consequently, given that the contested decision ruled on the reputation of the trademark on which the opposition is based, and since no appeal has been filed

against this point in the decision, it remains established that the trademark in question has a reputation within the meaning of Article 8(5) CTMR.

34 Furthermore, the Board of Appeal notes that in order to determine the precise extent of the questions it is called on to decide, the appeal must be interpreted in such a way as to take into consideration not only the explicit reference made by the appellant to the contested points in the contested decision, but also any other claim which can be objectively derived from the appeal and the statement of grounds of the appeal provided for in Article 59 CTMR, which makes it possible definitively to identify what the appellant really wants (cf. PREMIX Decision cited above, paragraph 15).

35 The points of claim as formulated either in the notice of appeal or in the text and conclusions of the statement of grounds can be summarised as being that the Board of Appeal should reject the trademark application on the grounds that:

- A. there is a likelihood that the two marks could be associated, in the sense that consumers could think that tobacco products bearing the 'Hollywood' trademark have been put on the market with the appellant's consent, by an undertaking which has a business relationship with the appellant;
- B. the image which the opponent's trademark has with consumers, associated with health, dynamism and youth, has duly been proved, and use of the trademark applied for without due cause would indisputably affect this image;
- C. use of the trademark applied for without due cause would substantially weaken the distinctive character and repute of the opponent's trademark;
- D. registration of the trademark in question would enable it to take unfair advantage of the earlier trademark's exceptional reputation.

36 Certain of these points of claim, in particular those under 'A.' and 'D.', appear to be completely new in comparison with the action before the Opposition Division, which related exclusively to detriment to the trademark's image.

37 However, as indicated in paragraphs 28 to 30 above, in *inter partes* proceedings the parties are in control of the subject matter. Having received the statement of grounds of the appeal, the respondent did not at any time raise the issue of the admissibility of the new points of claim and, in any case, even if an objection had been raised, it could not have been taken into consideration, given the inadmissibility of the late observations of 7 January 2000. Hence the Board of Appeal cannot reject *ex officio* claims whose admissibility was not called into question within the specified period by the party against whom they are addressed. The defence of inadmissibility raised at the hearing cannot be accepted, since it was not raised within the period specified. Consequently, in the present case, the Board of Appeal will take into consideration all the points of claim formulated in the appeal.

c) New evidence

- 38 Similarly, certain evidence referred to by the opponent before the Board of Appeal was not mentioned or submitted before the Opposition Division, in particular the evidence relating to detriment to the reputation and image of the trademark.
- 39 The Board of Appeal considers that the party responsible for proving a fact or an action in opposition proceedings should bring the evidence before the Opposition Division within the period granted to it, on pain of inadmissibility (cf. Decision of 18 October 2000 in Case R 550/1999-3 – DUKE/DUKE, paragraph 30; Decision of 18 October 2000 in Case R 74/2000-3 – ELS/ILS, paragraph 18; Decision of 5 July 2000 in Case R 462/1999-3 – BABY BUBBLES/BUBBLY BABY, paragraph 24). However, it is always possible to submit new arguments which the party was not in a position to submit earlier for reasons outside its control, after the fashion of official certificates which had not been provided in due time through the fault of the administration responsible for issuing them, or which had first been shown to be necessary in the course of the appeal proceedings.
- 40 In the present case, it was up to the opponent, as from the beginning of the proceedings, to provide evidence of the trademark's image and of detriment to it. It follows that the proof, which was new in comparison with that already submitted to the Opposition Division and was already available at that time, could not, therefore, be taken into consideration in the present proceedings before the Board of Appeal. In this case, however, pursuant to the principle of free availability of subject matter (see paragraph 28 above), it will nevertheless be taken into consideration, since the other party did not raise an objection to its admissibility within the period specified.

B. On the substance

a) The likelihood of association

- 41 The Board of Appeal must address the issue of the likelihood of association of the two marks such that, according to the appellant, consumers would think that tobacco products bearing the 'HOLLYWOOD' trademark have been put on the market with the appellant's consent, by an undertaking which has a business relationship with the appellant.
- 42 Article 8(1)(b) CTMR provides that the trademark applied for shall not be registered 'if because of its identity with or similarity to the earlier trademark and the identity or similarity of the goods or services covered by the trademarks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trademark is protected; the likelihood of confusion includes the likelihood of association with the earlier trademark'.
- 43 The Court of Justice has held a number of times that 'the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope' (cf. Judgment of the Court of Justice of 11 November 1997

in Case C-251/95, Sabèl BV v. Puma AG, paragraphs 22 and 23, European Court Reports 1997, p. I-6191 ('the Sabèl judgment').

- 44 It follows that Article 8(1)(b) CTMR covers the likelihood of confusion *stricto sensu* (i.e. the possibility that consumers will think that the goods or services identified by the two marks originate from the same undertaking) as well as the likelihood of confusion *lato sensu* (which includes hypotheses in which consumers are capable of ascribing a separate origin to each of the products concerned, but believe that there is a link between their proprietors at undertaking level – subsidiary or association – or another kind of contractual relationship – licence, sponsorship, franchise or group).
- 45 It must be borne in mind that the seventh recital of the preamble to the Regulation on the Community trade mark, repeating the tenth recital of the Trade Mark Directive (First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, OJ EC 1989, L 40, p. 1), states that 'the protection afforded by a Community trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and the goods or services; whereas the protection applies also in cases of similarity between the mark and the sign and the goods or services; whereas an interpretation should be given of the concept of similarity in relation to the likelihood of confusion; whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection'.
- 46 The likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (Sabèl judgment, paragraph 22).
- 47 A global assessment of the likelihood of confusion, including the likelihood of association, implies some interdependence between the relevant factors and, in particular, a similarity between the trademarks and between the goods or services identified. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa (cf. Judgment of the Court of Justice of 29 September 1998 in Case C-39/97, Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc., paragraph 17, European Court Reports 1998, p. I-5507 ('the Canon judgment')).
- 48 The more distinctive the earlier trademark, the greater will be the likelihood of confusion (Sabèl judgment, paragraph 24). Consequently, marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character. It follows that, for the purposes of Article 8(1)(b) CTMR, registration of a trademark may have to be refused, despite a lesser degree of

similarity between the goods or services covered, where the marks are very similar and the earlier trademark, in particular its reputation, is highly distinctive (Canon judgment, paragraphs 18 and 19).

- 49 Despite this weakening of the speciality rule, even where a trademark is identical with another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered (Canon judgment, paragraph 22).
- 50 In assessing the similarity of the goods or services concerned, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, in particular, their nature, their use and whether they are in competition with each other or are complementary (Canon judgment, paragraph 23).
- 51 In the present case, and in the light of the parameters which have just been quoted, there is no similarity between tobacco and chewing gum and they cannot be compared.
- 52 In particular, the fact that a tobacconist may also sell chewing gum does not suffice to establish that the distribution and sales networks of the two products coincide. It emerges from the statements made by the parties at the hearing that in France, cigarettes are sold only by tobacconists and are the subject of a State monopoly. On the other hand, chewing gum is regularly and freely sold in other distribution networks such as hypermarkets, food retailers, service stations, cinemas, cafés, etc., and only to a very limited extent in tobacconists' shops.
- 53 The appellant does not appear to have been able to show a closer link between these products. The two products cannot be said to be complementary because they meet the same need for oral gratification and release. On the one hand, it is highly unlikely that a person would smoke a cigarette as a substitute for chewing gum. On the other hand, such a link vis-à-vis complementarity is also not shown by the statement made by the appellant at the hearing, namely that chewing gum is a 'positive substitute' for cigarettes. While it is well-known that some smokers try to chew gum to increase the intervals between cigarettes and reduce their consumption of them, this does not confer on straightforward chewing gum the role of general substitute for tobacco products.
- 54 Similarly, such evidence is not adduced simply by the fact that chewing gum in 'tablet' form may be sold in rectangular boxes (like those submitted by the appellant to the hearing), vaguely resembling packets of cigarettes.
- 55 The appellant does not argue that certain multinationals control both cigarette manufacture and the manufacture of foodstuffs, which could possibly cover chewing gum. Moreover, this would not prove per se the existence of a likelihood of confusion including a likelihood of association.

56 It must therefore be concluded that the appellant has been unable to show similarity within the meaning of Article 8(1)(b) CTMR between the goods identified, which would justify the existence of a likelihood of confusion (including a likelihood of association) on the part of the public in the territory in which the earlier trademark is protected, even though it is not disputed that the ‘HOLLYWOOD’ trademark has a fairly highly distinctive character.

b) Existence and reputation of an image specific to the earlier trademark

57 Secondly, the appellant pleads that use of the trademark applied for without due cause would affect the image associated with health, dynamism and youth which its trademark has with consumers. This ground of appeal falls within the field of application of Article 8(5) CTMR. The appellant considers that its trademark, whose reputation has already been shown, would be compromised as regards both its distinctive character per se and its image.

58 To respond to this point of claim by the appellant, while restricting ourselves for the moment to possible detriment to the image in question, the Board of Appeal must specify the nature and content of trademark rights, in particular, the rights of a trademark with a reputation.

59 The French version of Article 8(5) CTMR uses the same word, ‘renommée’ to define both the protected trademark and the subject of detriment. It stipulates that ‘sur opposition du titulaire d’une marque antérieure (...), la marque demandée est (...) refusée à l’enregistrement si elle est identique ou similaire à la marque antérieure et si elle est destinée à être enregistrée pour des produits ou des services qui ne sont pas similaires à ceux pour lesquels la marque antérieure est enregistrée, lorsque (...) elle jouit d’une renommée dans l’État membre concerné et que l’usage sans juste motif de la marque demandée tirerait indûment profit du caractère distinctif ou de la renommée de la marque antérieure ou qu’il leur porterait préjudice’ [upon opposition by the proprietor of an earlier trade mark (...), the trade mark applied for shall not be registered where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where (...) the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark] (our italics).

60 In other language versions, a distinction between the two concepts is brought out. In particular, the English and German versions speak of a trademark which has a ‘reputation’ or a ‘bekannte Marke’ and of detriment to ‘repute’ and ‘Wertschätzung’. In certain versions of the Regulation on the Community trade mark, a distinction is made between the trademark’s ‘notoriété’ (‘reputation’) and the ‘bien protégé contre le préjudice’ resulting from registration of the trademark applied for (‘repute’).

61 The Board of Appeal considers that the fact that a trademark has a reputation simply means that it is known by a significant part of the relevant public. On

the other hand, a trademark's reputation in the sense of recognition of the sign does not decide in advance the particular significance this reputation may have, in the sense of 'repute', of image, to which registration of the trademark applied for would be detrimental.

- 62 The fact that the trademark's image, together with its distinctive character, is the subject of protection pursuant to Article 8(5) CTMR is confirmed by an analysis of the jurisprudence of the Court of Justice.
- 63 It has been established that the trademark's essential function is 'to guarantee the identity of the origin of the trade-marked product to the consumer or ultimate user, by enabling it without any possibility of confusion to distinguish that product from products which have another origin' (cf. Judgments of the Court of Justice of the European Communities of 23 May 1978 in Case C-102/77, *Hoffmann-La Roche & Co. AG v. Centrafarm Vertriebsgesellschaft Pharmazeutischer Erzeugnisse mbH*, paragraph 7, *European Court Reports* 1978, p. 1823, and of 30 November 1993 in Case C-317/91, *Deutsche Renault AG v. Audi AG*, paragraph 14, *European Court Reports* 1993, p. I-6227). The Court of First Instance has applied the same concepts to the Community trademark (cf. Judgment of 8 July 1999 in Case T-163/98, *BABY-DRY*, paragraph 14; and Judgment of 31 January 2001 in Case T-135/99, *Cine Action*, paragraph 24).
- 64 The fact that in Article 4 CTMR the legislator defined trademarks as signs capable of distinguishing goods does not mean that he intended to restrict the field of protection covered by the exclusive right granted to the trademark's proprietor to the trademark's power of distinction. In stipulating that the function of 'the protection afforded by a Community trade mark (...) is in particular to guarantee the trade mark as an indication of origin', the seventh recital of the preamble to the Regulation on the Community trade mark implicitly confirms that functions other than that of indicating origin are protected.
- 65 Community trademark law ascribes particular importance to the function of indicating origin, which it considers to be essential, but this does not mean that it rules out protection of other functions exercised by trademarks. The Court of Justice has recognised the existence of certain of these functions, following the example of the function of indicating quality in the sense that, in a system of undistorted competition, the trademark must offer a guarantee that all goods or services bearing it have been produced under the control of a single undertaking which is accountable for their quality (cf. Judgment of 17 October 1990 in Case C-10/89, *SA CNL-SUCAL NV v. HAG GF AG*, paragraphs 13 and 14, *European Court Reports* 1990, p. I-3711; *Canon judgment*, paragraph 28), the trademark's advertising function (cf. Judgments of 11 July 1996 in *Joined Cases C-427/93, C-429/93 and C-436/93, Bristol-Myers Squibb et al. v. Paranova A/S*, paragraph 75, *European Court Reports* 1996, p. I-3457, and of 11 November 1997 in Case C-349/95, *Frits Loendershoot Internationale v. George Ballantine & Son Ltd. et al.*, paragraph 26, *European Court Reports* 1997, p. I-6227), in particular through

the function of concentration of the goodwill and prestige acquired (cf. Judgments of 4 November 1997 in Case C-337/95, *Parfums Christian Dior SA and Parfums Christian Dior BV v. Evora BV*, paragraphs 44 and 45, European Court Reports 1997, p. I-6013 ('the Dior judgment'), and of 23 February 1999 in Case C-63/97, *Bayerische Motorenwerke AG and BMW Nederland v. Ronald Karel Deenik*, paragraphs 40 and 52, European Court Reports 1999, p. I-905).

- 66 In the Dior judgment, the Court recognised in particular that the trademark's value included the 'prestigious image of the goods in question' and 'their aura of luxury' (paragraph 45). Hence, in addition to being an indication of origin, the trademark may also serve as a medium for a message associated with it, which must be protected along with it.
- 67 Therefore the trademark is not only a sign affixed to a product to indicate its business origin, but is also a vehicle for communicating a message to the public, and itself represents financial value. This message is incorporated into the trademark through usage, essentially for advertising purposes, which enables the trademark to be endowed with the message itself, whether it be informative or symbolic. The message may refer to the product's qualities, or indeed to intangible values such as luxury, lifestyle, exclusivity, adventure, youth, etc. It may result from the qualities of the product or service for which it is used, but also from its proprietor's reputation or other elements based on the particular presentation of the product or service or on the exclusivity of sales networks.
- 68 In the light of these aspects, the idea that the appellant's trademark conveys a message of health, dynamism and youth cannot in principle be ruled out, provided that evidence of this is adduced. However, in order to be protected within the meaning of Article 8(5) CTMR, this image must have acquired a level of repute. The Opposition Division considered that the opponent had submitted adequate evidence of the existence of the trademark's reputation, but that it had not proved the existence of an image associated with the trademark possessing this reputation. Therefore the evidence to be adduced must focus specifically on the existence of this image associated with the trademark which possesses the reputation.
- 69 The public amongst which the earlier trademark must have acquired a reputation is that concerned by that trademark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector (Judgment of the Court of Justice of 14 September 1999 in Case C-375/97, *General Motors Corporation v. Yplon SA*, European Court Reports 1999, p. I-5421, paragraph 24 ('the Chevy judgment')). The degree of knowledge required must be considered to be reached when the image of the earlier trademark is known by a significant part of the public concerned by the goods or services covered by that trademark.
- 70 In examining whether this condition is fulfilled, account must be taken of all the relevant facts of the case, and in particular the market share held by the

trademark, the proportion of the target public which knows or recognises the image, the intensity, geographical extent and duration of the use made in association with the said image, and the size of the investment made by the undertaking in promoting the actual image, as well as the fact that the question has been the subject of decisions by national intellectual property offices or of judgments by national courts.

- 71 In the present case, the videotape recounting the history of 'HOLLYWOOD' advertisements, the analysis effected by the EURO RSCG agency, the study carried out by THEMA, and the documents on turnover and investment in advertising show not only the strategic effort made by the appellant to develop the image in question around its trademark, but also the scale and size of the investment undertaken to promote this image.
- 72 Moreover, the videotape shows that the message in question has been continuously disseminated and underlined by product advertising ever since the 'HOLLYWOOD' trademark appeared on the market 50 years ago. This image appears to have been used for all the products marketed with the 'HOLLYWOOD' trademark and throughout the territory concerned.
- 73 Furthermore, account must be taken of the fact that chewing gum as a product is intrinsically associated with young consumers.
- 74 The Trade Mark Review constitutes an independent and qualified source (cf. Decision of 14 April 2000 in Case R-254/1999-1 – Vara bow three-dimensional mark, paragraph 22). The article in this review devoted to the 'HOLLYWOOD' trademark states in particular that 'the trademark is identified with four recurrent themes: music, action, joie de vivre and friendship', that 'the trademark's three strong values (are) freedom, exchange and escape', that 'consumers identify with the lifestyle offered by the trademark: freedom, sportsmanship and conviviality', that the trademark is located 'under the sign of sport, the fitness culture and surpassing of oneself'.
- 75 The fact that other chewing gum trademarks could also bear the same image or could even bear it more strongly does not, moreover, rule out the existence of this image for the 'HOLLYWOOD' trademark.
- 76 This bundle of indications corroborating the existence and reputation of the image in question constitutes convincing evidence that an image of health, dynamism and youth is effectively associated with the 'HOLLYWOOD' trademark by an adequate number of consumers.
- 77 The Board of Appeal considers that the appellant has adduced adequate evidence of the existence in France of an image of health, dynamism and youth indissociable from the trademark in question.

c) Detriment to the image of the earlier trademark

- 78 The appellant pleaded the existence of the image in question in the context of application of Article 8(5) CTMR.
- 79 The fact that the appellant failed on the basis of Article 8(1)(b) CTMR does not mean that it cannot successfully bring a claim on the basis of Article 8(5) CTMR. This is because the conditions for application of the two provisions are different, and the analysis of each ground for refusal must be conducted independently. The reasoning of the Court of First Instance with regard to the independence of absolute grounds for refusal can also be extended to relative grounds for refusal (cf. Judgment of 26 October 2000 in Case T-345/99, *Trustedlink*, paragraph 31).
- 80 For Article 8(1)(b) CTMR to be applicable, given the existence of identical or similar trademarks and identical or similar goods or services, there must be a likelihood of confusion on the part of the public in the territory in which the earlier trademark is protected.
- 81 In contrast, under the aegis of Article 8(5) CTMR, it is not necessary to show that the goods or services are identical or similar, or that there is a likelihood of confusion. It suffices for the trademarks simply to be identical or similar. On the other hand, other very strict conditions must be fulfilled. The earlier trademark must have a reputation in the territory concerned. Use of the trademark applied for must be wrongful. It must take unfair advantage of or be detrimental to the distinctive character or the repute of the earlier trademark.
- 82 This does not mean that a trademark of repute cannot be protected under the heading of Article 8(1) CTMR, whose conditions are easier to fulfil, when identity of or similarity between the goods or services identified exists. Similarly, the fact that Article 8(5) CTMR does not require similarity between the goods or services does not prevent the existence of similarity from being taken into consideration in the context of Article 8(5) in as much as the greater the degree of similarity, the greater will be the likelihood of the existence of unfair advantage or detriment.
- 83 The conditions to be fulfilled under the heading of Article 8(5) CTMR are not the same as those required under the heading of Article 8(1) CTMR as regards the likelihood of association included in the likelihood of confusion. The fact that these conditions are not fulfilled under the heading of Article 8(1) CTMR does not prevent the appellant from successfully showing that it can fulfil the conditions stipulated in Article 8(5) CTMR.
- 84 Hence, once an image associated with a trademark which has a reputation has been shown to exist, the fact that the contested sign is detrimental to this image must still be demonstrated.
- 85 It must, therefore, be shown that the trademark is sullied or debased by its association with something unseemly. This may happen when the trademark is used, on the one hand, in an unpleasant, obscene or degrading context or, on the other hand, in a context which is not inherently unpleasant but which

proves to be incompatible with the trademark's image. In all cases, there is a comparison which is injurious to the trademark's image and what is known in English as dilution by tarnishment.

- 86 A trademark is tarnished in this way when the consumer's ability to associate it with the goods or services for which it is registered is reduced by the fact that:
- a) it is linked with goods of poor quality or which evoke undesirable or questionable mental associations which conflict with the associations or image generated by legitimate use of the trademark by its proprietor;
 - b) it is linked with goods incompatible with the quality and prestige associated with the trademark, even though it is not per se a matter of unseemly use of the trademark;
 - c) its word or figurative element is amended or altered in a negative way.
- 87 Therefore the proprietor of the earlier trademark must show that use of the applicant's trademark would prompt unseemly or at least negative mental associations with the opponent's trademark, or associations conflicting with its image, which would be detrimental to it.
- 88 The detriment in question may be only potential, in as much as the contested sign has not yet been registered, much less used. This is confirmed by a comparison of the different terms used in Article 5(2) Trade Mark Directive and in Article 8(5) CTMR. While the Directive, which uses the terms 'takes unfair advantage of or is detrimental to', does not appear to be satisfied with a potential risk of fulfilment of the conditions envisaged, in contrast the Regulation on the Community trade mark, in using the conditional form ('would take unfair advantage of, or be detrimental to,') accepts a simple probability.
- 89 The evidence of detriment required may be simply a logical analysis and may result from deductions based on the rules of probability. In this context, an opinion poll is possible but not compulsory, and would not be sufficient on its own.
- 90 In the present case, the polls are not in a position to explain why and how damage could be done to the trademark image in question. In view of the context in which the poll was carried out, with the same sample of consumers being faced successively with questions evoking the appellant's products, then questions about the images associated with its trademark, and lastly with a request for a value judgement on the coexistence of the trademarks in dispute, this reduces its evidential value somewhat.
- 91 The reference made to Directive 98/43/EC of the European Parliament and the Council of 6 July 1998 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising and sponsorship of tobacco products is not relevant, since this Directive was annulled by the Judgment of the Court of Justice of 5 October 2000 in

Case C-376/98, Germany v. European Parliament and Council of the European Union.

- 92 Nor is the reference to the French Law on the combating of nicotine addiction relevant. Articles 2 and 3 of this law prohibit all tobacco advertising, direct or indirect, and regard any advertising of or publicity for a product other than tobacco as indirect advertising when, by using a trademark, it evokes (*rappelle*) tobacco. Enforcement of this law could not prevent registration of the trademark applied for in the present case, but could only prohibit advertising of it.
- 93 Nonetheless, the legislative instruments cited are expressive of a culture and an attitude which are generally negative and opposed to tobacco consumption. It has been scientifically proved that tobacco is harmful to health, and it is a well-known fact that in certain countries at least, including France, tobacco is now associated with something that is harmful to health. This is also confirmed by the warnings manufacturers are obliged to print on cigarette packets.
- 94 Moreover, tobacco consumption has negative connotations in as much as it leads to bad breath and causes yellowing of smokers' teeth and fingers. Furthermore, in view of the harm caused not only to active smokers but also to passive smokers, cigarette smoking may involve restricted access to certain places such as restaurants and cinemas, and may be poorly tolerated by other people.
- 95 Therefore the negative connotation conveyed by tobacco contrasts strikingly with the 'HOLLYWOOD' trademark's image. No worse comparison can be imagined for a confectionery manufacturer than one with products capable of causing death. Use of the 'HOLLYWOOD' trademark in correlation with tobacco products would produce a regrettable association with the health risks and other negative feelings just cited by the Board of Appeal.
- 96 This conclusion is not contradicted by the fact that, in the commercial practice of promotional sponsorship, cigarette trademarks are often associated with the world of sport, vitality and joie de vivre. One need only think of the Marlboro, Fortuna, Camel, Gauloises and Merit trademarks. The fact that the proprietors of these trademarks have endeavoured to endow them with an image of sportsmanship, vitality, etc., does not mean that they have succeeded. In particular, this does not prove that, in the countries concerned, tobacco is not associated with a negative image, an image which is precisely the opposite of that conveyed by the 'HOLLYWOOD' trademark. Instead, it illustrates the dual need to circumvent statutory prohibitions on direct advertising of tobacco and to make tobacco products more attractive, in an attempt to overcome a negative image and to reassure consumers.
- 97 It must be emphasised that in the present case, the Community trademark has not been applied for only for 'cigarettes, tobacco, tobacco products, smokers' articles', but also for 'lighters and matches'. The latter can be used in an

extremely wide variety of circumstances and in connection with many products, and not simply to light a cigarette. Lighters and matches per se do not share the same image and the same mental association as tobacco. They cannot be immediately and directly compared with tobacco. It follows that no detriment to the 'HOLLYWOOD' trademark's image has been demonstrated with regard to these products.

d) Lack of due cause

- 98 It must be borne in mind that Article 8(5) CTMR makes opposition by the earlier trademark of repute subject to the lack of due cause for using the trademark applied for.
- 99 Whatever the content to be ascribed to the term 'due cause', in this case the Board of Appeal finds that the respondent has raised the issue of the existence of due cause only at the hearing, and has not mentioned it in its statements.
- 100 Before the Opposition Division, the applicant had invoked under the heading of due cause the fact that it possesses a French 'HOLLYWOOD' trademark which it has never used for cigarettes, with a filing date later than that of the appellant's trademark.
- 101 The Board of Appeal considers that it must generally be imposed as a condition for due cause that the trademark applicant should be obliged to be using the sign in question, such that notwithstanding the detriment caused to the proprietor of the earlier trademark, the applicant cannot reasonably be required to abstain from using the trademark, or the applicant has a specific right to use this sign, over which the right of the opposing trademark's proprietor does not take precedence. In particular, the condition of due cause is not fulfilled per se by the fact that (a) the sign is particularly suitable for identifying the products for which it is used, (b) the applicant has already used this sign for these products or similar products within and/or outside the relevant territory of the Community, or (c) the applicant invokes a right ensuing from a filing over which the filing by the proprietor of the opposing trademark takes precedence.
- 102 Therefore the Board of Appeal would not regard the fact that the applicant possesses an identical trademark registered subsequently in France as constituting due cause.
- 103 Consequently, it must be concluded that registration of the trademark applied for for 'cigarettes, tobacco, tobacco products, smokers' articles', which would be used without due cause, would be detrimental to the image of the 'HOLLYWOOD' trademark, an image which is protected within the meaning of Article 8(5) CTMR. On the other hand, it has not been demonstrated that registration of the same trademark for 'lighters and matches' would be detrimental to this image.

e) Detriment to the distinctive character of the earlier trademark

- 104 The appellant also claims that registration of the trademark in question would substantially weaken the distinctive character of the opposing trademark.
- 105 This involves a classic form of dilution, namely dilution by blurring. This dilution occurs when consumers identify the trademark used by third parties with different goods or services with different origins. This dilutes the trademark's ability to identify a single originating undertaking without a likelihood of confusion as regards the origin of the goods or service or the existence of contractual or similar relationships between the holders of the right. This results in a comparison which weakens or reduces the trademark's distinctive character.
- 106 A trademark's distinctive character is not a static fact, but may on the contrary evolve over time. Hence the distinctive character of a trademark which is weak at the time of registration may be strengthened by the use made of it. Conversely, the distinctive character of a strong trademark may be weakened by its misuse.
- 107 The benefits bestowed by the exclusive right to the trademark on its proprietor may include the trademark's power to stimulate purchase of the products for which it is registered. This power may also be detrimentally affected by the fact that persons other than the proprietor use the trademark or a similar sign for products other than those for which it is registered. This detrimental effect may consist in the fact that owing to the loss of its exclusive character, the trademark is no longer capable of evoking in the minds of the public an immediate association with the products for which it is registered and used. This other usage may therefore be detrimental to the trademark's proprietor.
- 108 The detrimental effect may consist in the circumstance that use of the trademark for a particular type of product other than those for which it is registered would make the trademark less attractive for the latter type of products. This will be the case when this other type of products, although not per se having a negative influence on the public's perception, nevertheless influences it in such a way that the trademark is detrimentally affected in terms of its power to stimulate purchase of the products for which it was registered. This leads to an erosion of distinctive character caused by the proliferation of 'parasitic' trademarks which, although not debasing the original trademark, are so numerous that they deprive the trademark of its distinctive character and hence of its impact.
- 109 The trademark's ability to stimulate purchase normally depends on the degree of distinctive character and reputation it possesses. With regard to Article 5(2) Trade Mark Directive, which is transposed into Article 8(5) CTMR, the Court of Justice has ruled that the stronger the earlier trademark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it' (Chevy judgment, paragraph 30).
- 110 As already emphasised in paragraph 81, the detriment in question may be only potential, given that the contested sign has not yet been registered.

- 111 The evidence required can only be logical and deductive in nature, resulting from a probability analysis taking account of all the circumstances of the case in question.
- 112 This evidence cannot be limited simply to the existence of the reputation of the opponent's trademark and to its identity with or similarity to the trademark applied for. This would involve automatic and indiscriminate recognition of a likelihood of dilution for all trademarks of repute and would negate the purpose of the condition of evidence of detriment. Any utilisation of the same trademark or a similar trademark for different goods and services could then involve dilution and, consequently, be detrimental to the distinctive character of the earlier trademark. Since it is not the intention of Article 8(5) CTMR to prevent registration of any trademark identical with or similar to a trademark of repute, application of this provision must depend on the degree of dilution. Zero or virtually zero dilution will not suffice to establish a likelihood of dilution within the meaning of Article 8(5) CTMR.
- 113 In the present case, the appellant has confined itself to pleading the existence of a hypothetical likelihood of dilution without providing the Board of Appeal with any information in support of its existence, as required by Article 8(5) CTMR. On the contrary, the fact that the appellant has not reacted to the registration of a 'HOLLYWOOD' trademark in France by undertakings other than its own constitutes an indication, even if it is only a weak one, that it is not too concerned about whether consumers will no longer be in a position to make a unique connection between the trademark and its product.
- 114 On the basis of what has been stated above, the Board of Appeal concludes that the level of dilution which would result from the sale of products under the same trademark would not suffice to justify opposition to registration of the trademark applied for within the meaning of Article 8(5) CTMR.

f) Taking of unfair advantage of the repute of the earlier trademark

- 115 The Court of Justice has ruled that 'the stronger the earlier trademark's distinctive character and reputation, the easier it will be to accept that detriment has been caused to it' (Chevy judgment, paragraph 30). The Board of Appeal considers that an even closer link must exist between the level of a trademark's reputation and the possibility that an identical trademark will take advantage of that reputation.
- 116 In the present case, the Opposition Division has established that the appellant's trademark has a reputation, but has said nothing specific about its strength in the sense of the wording used by the Court of Justice.
- 117 The Board of Appeal considers that the evidence adduced by the appellant with regard to the market share held by the trademark, the intensity, geographical extent and duration of the use made of it, and the size of the investment made

in promoting it, has shown that the reputation enjoyed by its trademark is very strong within the meaning of the Chevy judgment.

- 118 Moreover, the trademark is highly distinctive. From a conceptual point of view, it is remote from the goods identified, from their qualities or characteristics.
- 119 The existence of a reputation cannot be assessed in general terms. A trademark familiar to a large part of the public will normally enjoy a certain reputation and will therefore possess added value which goes beyond the distinguishing effect common to all trademarks. It is also possible that a trademark may be used only in a limited market sector, in which it has a strong reputation, and that owing to the specialised nature of this sector it has not achieved a significant level of repute among consumers in other sectors. It follows that, in principle, it is not possible to take advantage of the repute of a trademark restricted to a specific sector, which is not known to consumers of goods and services in other sectors in respect of which the applicant has applied for registration.
- 120 In the present case, it is not disputed that the ‘HOLLYWOOD’ trademark possesses a reputation in France and is known to the public at large, including smokers. It is one of France’s highest-selling chewing-gum brands and has become a trademark familiar to virtually the whole population.
- 121 The ability of a trademark of repute to refer or transfer an image determined by one product or service to another product or service leads third parties to wish to take advantage of the financial value of this reputation, in as much as the use of this trademark of repute in connection with different products or services will facilitate promotion of their commercial success.
- 122 However, the repute of the opponent’s trademark alone, even if it is identical with or similar to the trademark applied for, does not suffice to demonstrate the existence of unfair advantage. Article 8(5) CTMR is not intended to prevent registration of all trademarks identical with or similar to a trademark of repute. Also, application of this provision will be dependent on evidence of the existence of a serious likelihood that unfair advantage will be taken of the distinctive character or the repute of the earlier trademark.
- 123 In this context, it has already been emphasised that the commercial and advertising practice of cigarette brands often associates them with the world of sport, vitality and joie de vivre, representing a specific commercial strategy on the part of tobacco manufacturers, as brought out at the Board of Appeal’s hearing.
- 124 It has been clearly established that registration of the trademark applied for for cigarettes and tobacco products would enable unfair advantage to be taken of the repute, including the image as described earlier, of the ‘HOLLYWOOD’ trademark. The applicant therefore has a strong interest in slipping into this line of commercial and advertising policy by evoking the repute and the image associated with the appellant’s ‘HOLLYWOOD’ trademark.

- 125 On the other hand, such an interest has not been demonstrated with regard to lighters and matches. The appellant was not in a position to show the existence of a likelihood that undue advantage would be taken by means of registration of the sign applied for for these products.
- 126 It has already been stated that in the present case, the applicant cannot claim due cause within the meaning of Article 8(5) CTMR. The Board of Appeal will simply add that, in order to evaluate the existence of this condition in relation to undue advantage, an assessment must also be made of whether the Community trademark applied for would be descriptive of or allusive or suggestive in respect of the goods or services claimed. In that case, the consumer who comes into contact with the trademark might pay more attention to the descriptive significance of the trademark instead of making a mental association with the earlier trademark of repute.
- 127 In the present case, it is clear that the 'HOLLYWOOD' trademark does not appear to be at all descriptive of or allusive or suggestive in respect of tobacco products, and that its use could not be justified in any way.
- 128 All these factual and legal aspects lead to the conclusion that use of the trademark applied for for 'cigarettes, tobacco, tobacco products, smokers' articles' would take unfair advantage of the repute of the earlier trademark. On the other hand, it has not been shown that equal advantage could be taken by registering the trademark applied for for 'lighters and matches'.

Conclusions

- 129 To summarise, having determined the extent of appeal in application of the rules of procedure, the Board of Appeal considers that the repute of the 'HOLLYWOOD' trademark in France and the image of health, dynamism and youth associated with it have been proved by the appellant. Furthermore, the Board of Appeal considers that it has been proved that registration of the trademark applied for for 'cigarettes, tobacco and tobacco products' would be detrimental to the trademark's image, association with a tobacco trademark enabling the latter to take undue advantage of the repute of the trademark on which the opposition is based.
- 130 On the other hand, no evidence has been adduced to prove that registration of the trademark applied for for 'lighters and matches' would be detrimental to the image and the advantage taken of the repute of the opponent's earlier trademark.
- 131 Consequently, it is not possible to allow the application for registration of a Community trademark sought by the applicant/respondent for 'cigarettes, tobacco and tobacco products'.

Costs

- 132 Pursuant to Article 81(1) and (2) CTMR, where each party succeeds on some and fails on other heads in the appeal, without prejudice to the apportionment of costs decided in the contested opposition decision, and given the course taken by the case, the Board of Appeal considers that, in the present case and in respect of the appeal proceedings, reasons of equity dictate that each party shall bear its own costs. In particular, the Board of Appeal has taken into consideration the novelty and complexity of the questions raised, as well as the fact that the appellant has raised points before the Board of Appeal which it had not raised before the Opposition Division.

Order

On those grounds,

THE BOARD

hereby:

- 1. Annuls Decision No 105/99 of the Opposition Division of 25 March 1999.**
- 2. Allows the opposition in respect of ‘cigarettes, tobacco, tobacco products and smokers’ articles’.**
- 3. Rejects the opposition in respect of ‘lighters and matches’.**
- 4. Orders that each party shall bear its own costs in respect of the appeal proceedings, while the opponent remains liable for the costs of the opposition proceedings.**

Delivered on 25 April 2001 at a public hearing within the meaning of Article 75(3) Regulation on the Community trade mark.

S. Sandri

Th. Margellos

A. Bender

Registrar:

E. Gastinel