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## General Court partially annuls Board of Appeal's decision in TROPICAL case

European Union - [Grau & Angulo](#)

- **Aviário sought declaration of invalidity of figurative mark TROPICAL in Classes 5 and 31 based on earlier Portuguese word mark TROPICAL in Class 31**
- **Board of Appeal declared that contested mark was invalid for all goods concerned**
- **General Court found that board had erred in finding that “products and preparations for breeding of birds, reptiles and amphibians” in Class 31 and “veterinary, therapeutic, disinfecting and sanitary products and preparations for use in terraristics” in Class 5 were similar to “food for fish” in Class 31**

### Background

On 31 October 2003 Mr Tadeusz Ogrodnik (hereinafter ‘the applicant’) filed an application for registration of an EU trademark for goods in Classes 5 and 31. Registration was sought for the following figurative sign:



The trademark was registered on 7 September 2007 (No 3435773).

On 21 November 2011 Aviário Tropical SA (hereinafter ‘Aviário’) filed before the EUIPO an application for a declaration of invalidity of the trademark, invoking the earlier Portuguese word mark TROPICAL (No 196004), registered in Class 31 for “food for fish, live fish and live plants”. The application was based on Article 53(1)(a) of Regulation 207/2009, now article 60(1)(a) of Regulation 2017/1001 (relative grounds for invalidity), in conjunction with Article 8(1)(b) of Regulation 207/2009, now Regulation 2017/1001

(existence of a likelihood of confusion with the earlier mark). During the cancellation proceedings, the applicant requested Aviário to submit documents to prove the genuine use of its earlier mark.

On 15 July 2013 the Cancellation Division rejected the application for a declaration of invalidity in its entirety, finding that Aviário had not proved the genuine use of its earlier trademark TROPICAL during the relevant period.

On 4 October 2013 Aviário filed an appeal based on Articles 58 to 64 of Regulation 207/2009 (now articles 66 to 71 of Regulation 2017/1001) against the Cancellation Division's decision.

By a decision of 22 September 2014, the Fourth Board of Appeal of the EUIPO allowed Aviário's appeal and upheld the application for a declaration of invalidity with respect to all the goods covered by the contested trademark. The Board of Appeal considered that Aviário had proved the genuine use of its earlier TROPICAL mark as regards to "food for fish" in Class 31 and that there was a likelihood of confusion between the contested mark and the earlier mark.

In response, the applicant brought an action before the General Court.

### **First General Court decision**

By its judgment of 21 July 2016 ([Case T-804/14](#)), the General Court annulled the Board of Appeal's decision. It held that there was an error of assessment regarding some of the goods and that the Board of Appeal had failed to adjudicate on the applicant's arguments relating to the coexistence of the marks at issue. As a result, the court was not able to alter such decision.

The case was then referred back to the EUIPO. By decision of 14 February 2017, the Board of Appeal annulled the Cancellation Division's decision and declared that the contested trademark was invalid for all the goods concerned.

In light of this new decision, the applicant brought an action before the General Court.

### **Second General Court decision**

The applicant claimed that the court should:

- annul the decision of the Board of Appeal since it had:
  - wrongly concluded that some of the goods in Class 31, namely "products and preparations for the cultivation of plants and aquarium plants" and "products and preparations for the breeding of birds, reptiles, amphibians" covered by the contested trademark were in part similar to the "food for fish" covered by the earlier trademark;
  - wrongly found that the goods in Class 5, namely "veterinary, therapeutic, disinfecting and sanitary products and preparations for use in aquaristics, terraristics, fauna breeding and flora cultivation" covered by the contested trademark were in part similar to the "food for fish" covered by the earlier trademark; and
  - erred in concluding that there was a likelihood of confusion on the part of the relevant public and applied erroneous criteria when concluding that the previous coexistence could not influence the likelihood of confusion in this case.
- dismiss the appeal brought by the other party against the decision of the Cancellation Division; and

- order the EUIPO to pay the costs.

First of all, the General Court considered that, according to the *res judicata* rule, the applicant could not, by this action, challenge findings already upheld by the court in its first judgment. For this reason, the court declared inadmissible the applicant's claim requesting the dismissal of the appeal against the Cancellation Division's decision of 15 July 2013, as the proof of genuine use of the earlier mark had already been upheld by the General Court.

Regarding the degree of similarity of the goods covered by the contested trademark in Class 31 ("products and preparations for the cultivation of plants and aquarium plants") and Class 5 ("veterinary, therapeutic, disinfecting and sanitary products and preparations for use in aquaristics and fauna breeding" and "disinfecting and sanitary products and preparations for flora cultivation") and the "food for fish" of the earlier trademark, the court considered that, even though the goods differed in their nature and method of use (as the applicant stated), the Board of Appeal had correctly found that the products covered by both trademarks were similar (to a low or average degree) given that the goods:

- were complementary;
- had a common intended purpose (fishkeeping);
- may be manufactured and sold by the same businesses; and
- were aimed at the same consumers.

On the other hand, the court upheld the applicant's argument that the board had erred in its assessment of the similarity between the goods covered by the contested trademark in Class 31 ("products and preparations for the breeding of birds, reptiles and amphibians") and in Class 5 ("veterinary, therapeutic, disinfecting and sanitary products and preparations for use in terraristics") and the "food for fish" of the earlier trademark. In the court's opinion, it could not be inferred from the mere fact that the relevant goods are sold within the same market segment and use the same distribution channels that they are similar. According to the court, the market segment (in this case, that of small pets) defined by the board was very broad and could not be of relevance for the purposes of determining the relationship between the goods. With regard to the distribution channels, the court noted that the same business may produce or distribute very different goods, and that very disparate goods may be sold at the same point of sale.

Regarding the applicant's last argument (ie, that the peaceful coexistence of the trademarks diminished the likelihood of confusion), the General Court held that the applicant could not exempt himself from his obligation to demonstrate that the peaceful coexistence on which he relied was based on the absence of any likelihood of confusion. According to the court, relevant evidence could be:

- the fact that the relevant public recognised each of the trademarks at issue before the application for registration of the contested mark was filed; and
- a sufficiently lengthy coexistence capable of influencing the perception of the relevant consumer.

In the present case, the court noted that, although the applicant demonstrated a continuous period of undisputed use of the marks at issue on the Portuguese market (16 years), this was insufficient to infer that such coexistence was based on the absence of a likelihood of confusion. For this reason, the court rejected the applicant's argument as unfounded.

Consequently, the General Court:

- annulled the decision of the Board of Appeal insofar as it had upheld the declaration of invalidity in respect of “products and preparations for the breeding of birds, reptiles, amphibians” in Class 31 and “veterinary, therapeutic, disinfecting and sanitary products and preparations for use in terraristics” in Class 5, and thus, declared the validity of the contested trademark with respect to these products;
- dismissed Aviário’s appeal against the Cancellation Division’s decision regarding the products mentioned above;
- dismissed the action as to the applicant’s remaining claims; and
- ordered each party to pay half of the costs.

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