## World Trademark Review.

"Parts of vehicles" and "vehicles" in Class 12 are similar European Union - ITEM doo International Examination/opposition

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In *Industrie Aeronautiche Reggiane Srl v EU Intellectual Property Office (EUIPO)* (Case T-541/15, June 20 2017), the EU General Court held that "parts of vehicles" and "vehicles" in Class 12 of the Nice Classification are similar. The court explained that "parts of vehicles" are essential for the use of motor vehicles and they are therefore complementary.

In December 2010 Industrie Aeronautiche Reggiane Srl filed a trademark application for a word mark NSU with the EUIPO for the goods in Class 12 of the Nice Classification, namely for: "automobiles; motorcycles, namely two-wheeled vehicles with combustion engines and a cylinder capacity exceeding 125cc, if heat engines; all-terrain vehicles".

In March 2011 Audi AG filed a notice of opposition based on an earlier word mark NSU, registered in Germany in 1918 for goods in Classes 7 ("Machines, parts of machines"), 8 ("Tools") and 12 ("Land vehicles, air vehicles and water vehicles, automobiles, bicycles, accessories for automobiles and bicycles, parts of vehicles"). The opposition was based on Article 8(1)(a) and (b) of Regulation 207/2009. On request of the applicant the Opposition Division assessed, among other things, whether the earlier trademark had been put to genuine use in accordance with Article 42(2) and (3) of Regulation 207/2009, and decided that it had been used merely for "bicycles" in Class 12.

The EUIPO Opposition Division partially upheld the opposition and refused registration of the trademark applied for, in relation to certain goods in Class 12, and rejected the opposition for the remainder.

In August 2014 the applicant appealed against the Opposition Division decision, namely the part which upheld the opposition. In January 2015 the opponent filed an ancillary appeal requesting the annulment of the Opposition Division decision with regard to the goods in Class 12 for which the opposition had been rejected.

The EUIPO Second Board of Appeal annulled the Opposition Division decision in relation to all the goods in Class 12 for which the opposition had been rejected and upheld the opposition against the applicant's trademark in relation to all the goods in Class 12. The board of appeal found that the signs at issue were identical and that "parts of vehicles" covered by the earlier trademark were complementary to all the goods in Class 12 covered by the mark applied for. The board held that there was a direct connection between the compared goods as "parts of vehicles" are essential for the use of all the vehicles covered by the mark applied for. Further, it stated that those two groups of goods could be intended for the same public (ie, specialised public and the public at large) and marketed alongside each other in the same outlets. As regards the proof of genuine use of the earlier mark, the board found that such use had been shown not only for "bicycles" in Class 12, as had been found by the Opposition Division, but also for "parts of machines" in Class 7, for "accessories for automobiles and bicycles, parts of vehicles" in Class 12 and to a very limited extent also for "land vehicles" and "automobiles". Consequently, the board of appeal concluded that the relative grounds for the refusal of the applicant's trademark according to an Article 8(1)(b) were met.

The applicant filed an action for annulment of the board of appeal's decision before the EU General Court, alleging:

- infringement of Article 42(2) and (3) of Regulation 207/2009 (genuine use of earlier mark); and
- infringement of Article 8(1)(b) of Regulation 207/2009 (similarity of goods).

The court upheld the board of appeal decision confirming the identity of the marks at issue and the similarity between the goods in question. According to the case law regarding similarity between the complementary goods (or services), the court held that, in spite of the differences between a finished product and the components of that product (ie, their nature, purpose and method of use), they may be regarded as being similar precisely because of their close connection, which makes the former indispensable or important for the use of the latter. Further, the court agreed with the board of appeal that the goods covered by the trademarks at issue were directed at the same public and that they used the same distribution channels. The court also agreed with the board of appeal's findings on the genuine use of the earlier mark (ie, the mark had genuinely also been used for parts of vehicles). The court therefore concluded that "parts of vehicles" in Class 12 are similar to "vehicles" in the same class, so given that the signs were identical there existed a likelihood of confusion on the part of relevant public.

In the present case, the EU General Court followed its established case law and took into account the

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principle that goods (or services) are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other and is not merely auxiliary or ancillary. The fact that the goods were complementary was of importance in this case, even though the nature, the purpose and the method of use were different and the goods were not in competition. The complementarity of the goods in question weighed in favour of their similarity, which was even more likely since the goods were intended for the same public and used the same distribution channels.

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