

JUDGMENT OF THE GENERAL COURT (Fifth Chamber)

23 May 2019 [\(*\)](#) [\(1\)](#)

(EU trade mark — Invalidity proceedings — EU word and figurative marks ANN TAYLOR and AT ANN TAYLOR — Absolute ground for invalidity — Article 59(1)(b) of Regulation (EU) 2017/1001 — Bad faith)

In Joined Cases T-3/18 and T-4/18,

Holzer y Cia, SA de CV, established in Mexico City (Mexico), represented by N. Fernández Fernández-Pacheco and A. Fernández Fernández-Pacheco, lawyers,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by A. Lukošūtė and H. O'Neill, acting as Agents,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being:

Ancco, Inc., established in New York, New York (United States), represented by D. Rose, J. Warner, E. Preston, Solicitors, and P. Roberts, QC,

TWO ACTIONS brought against two decisions of the Second Board of Appeal of EUIPO of 2 and of 8 November 2017 (Cases R 2370/2016-2 and R 2371/2016-2), relating to invalidity proceedings between Ancco and Holzer y Cia,

THE GENERAL COURT (Fifth Chamber),

composed of D. Gratsias (Rapporteur), President, I. Labucka and I. Ulloa Rubio, Judges,

Registrar: N. Schall, administrator,

having regard to the applications lodged at the Court Registry on 9 January 2018,

having regard to the responses of EUIPO lodged at the Court Registry on 23 March 2018,

having regard to the responses of the intervener lodged at the Court Registry on 23 March 2018,

having regard to the decision of 22 October 2018 joining Cases T-3/18 and T-4/18 for the purposes of the oral part of the procedure and of the decision closing the proceedings,

further to the hearing on 22 November 2018,

gives the following

Judgment

Background to the dispute

Case T-3/18

- 1 On 4 April 2011, the applicant, Holzer y Cia, SA de CV, filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended (replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).
- 2 Registration as a mark was sought for the word sign ANN TAYLOR.
- 3 The goods in respect of which registration was applied for are in Class 14 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: 'Clocks and watches'.
- 4 The application for the trade mark was published in *Community Trade Marks Bulletin* No 2011/119 of 28 June 2011.
- 5 The mark at issue was registered on 5 October 2011 under number 9 865 651 for the goods referred to in paragraph 3 above.
- 6 On 20 March 2014, the intervener, Ancco, Inc., the holder of the word mark ANN TAYLOR in the US, in particular for clothing in Class 25, as well as several identical or similar trade mark registrations for the same goods in a number of countries, filed an application for a declaration of invalidity of that mark on the basis of Article 56(1) of Regulation No 207/2009 (now Article 63(1) of Regulation 2017/1001).
- 7 The grounds relied on in support of that application were, first, the absolute ground for invalidity set out in Article 52(1)(b) of Regulation No 207/2009 (now Article 59(1)(b) of Regulation 2017/1001) and, secondly, the relative grounds for invalidity set out in Article 53(1)(a) and (c) of Regulation No 207/2009 (now Article 60(1)(a) and (c) of Regulation 2017/1001).
- 8 On 4 November 2016, the Cancellation Division upheld the intervener's application, on the basis of Article 52(1)(b) of Regulation No 207/2009 and, without examining the other grounds for invalidity relied on, found the mark at issue to be invalid. The Cancellation Division found that the intervener had succeeded in showing that the application for the contested mark had been filed in bad faith, within the meaning of the aforementioned provisions of Regulation No 207/2009, since it was apparent that the trade mark had been filed with the true aim of forming an association between that mark and the identical sign used by the intervener and to benefit from that sign's attractiveness.

- 9 On 19 December 2016, the applicant filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009 (now Articles 66 to 71 of Regulation 2017/1001) against the decision of the Cancellation Division (Case R 2370/2016-2).
- 10 By decision of 2 November 2017, the Second Board of Appeal dismissed the applicant's appeal and confirmed the decision of the Cancellation Division. In particular, the Board of Appeal noted that the contested mark and the marks used by the intervener were identical or highly similar and that the goods covered by the contested mark were products adjacent to the clothing industry, to which the intervener's goods belonged, and there was therefore a close correlation with them. The Board of Appeal went on to find that the applicant had knowledge of the intervener's marks. Finally, the Board of Appeal concluded, in the light of the facts presented by the intervener, that the applicant had sought to lay its hands on the ANN TAYLOR sign in a manner that fell short of standards of acceptable commercial behaviour.

Case T-4/18

- 11 On 18 September 2012, the applicant filed a second application for registration of an EU trade mark.
- 12 Registration as a mark was sought for the following figurative sign:



- 13 That registration was sought for goods identical to those referred to in paragraph 3 above.
- 14 The application for the trade mark was published in *Community Trade Marks Bulletin* No 2012/238 of 14 December 2012.
- 15 The trade mark at issue was registered on 25 March 2013 under number 11 197 647.
- 16 On 20 March 2014, the intervener filed an application for a declaration of invalidity in respect of that mark on the same grounds as those referred to in paragraph 7 above.
- 17 On 4 November 2016, the Cancellation Division upheld the intervener's application for reasons similar to those set out in paragraph 8 above and held the mark referred to in paragraph 12 above to be invalid.
- 18 On 19 December 2016, the applicant filed a notice of appeal before the Board of Appeal (Case R 2371/2016-2).
- 19 By decision of 8 November 2017, the Second Board of Appeal dismissed the applicant's appeal based on similar considerations to those referred to in paragraph 10 above.

Forms of order sought

- 20 The applicant claims that the General Court should:
- annul the decisions of the Board of Appeal of 2 November 2017 in Cases R 2370/2016-2 and R 2371/2016-2 ('the contested decisions');
 - 'therefore, confirm the validity of the [registrations] of the [European Union trademarks No 9 865 651 and No 11 197 647] for all the products for which the said [applications] sought protection';

- order the intervener to pay the costs of the proceedings.

21 EUIPO contends that the Court should:

- dismiss the actions;
- order the applicant to pay the costs.

22 The intervener contends that the Court should:

- dismiss the actions;
- order the applicant to pay the costs.

Law

- 23 As a preliminary point, it should be noted, as the applicant stated at the hearing, in response to a question from the Court, that its ‘applications’ for the registration of the marks at issue to be upheld do not constitute separate heads of claim seeking the annulment of the contested decisions. Therefore, as noted by the use of the term ‘therefore’, the applicant must be regarded as referring only to the legal effects of the annulment of the contested decisions, which, in its view, can only lead to the rejection by EUIPO of the intervener’s applications for a declaration of invalidity and, consequently, the confirmation of the registration of the marks at issue. Moreover, it should be noted that, in the concluding part of the application, the applicant submits only heads of claim seeking annulment. The preliminary observations of EUIPO, supported by the intervener at the hearing, according to which the applicant is not entitled to ask the Court to confirm the validity of the registration of the marks at issue, are therefore irrelevant.
- 24 In substance, the applicant relies on a single plea in law alleging, in essence, infringement of Article 59(1)(b) of Regulation 2017/1001, in that, according to the applicant, the Board of Appeal was wrong to find that the application for registration of the marks at issue had been filed in bad faith. In support of that plea, the applicant puts forward three complaints alleging errors of assessment concerning, respectively: (1) the existence of a similarity between the signs at issue entailing a likelihood of confusion and the knowledge by the proprietor of the marks at issue of the existence of an identical or similar mark; (2) the intentions of the proprietor of the marks at issue at the time they were filed; and (3) the probative value of the evidence submitted by the intervener in support of its application for a declaration of invalidity and the burden of proof.
- 25 The intervener submits that, by raising those grounds of complaint, the applicant is not acting in a manner consistent with Article 72(2) of Regulation 2017/1001, since it is not alleging that the Board of Appeal made any error of law or procedure but merely disputes its findings and conclusions.
- 26 In that regard, first, it should be recalled that, under Article 72(2) of Regulation 2017/1001, an appeal against decisions of the Boards of Appeal may be brought, *inter alia*, in respect of a breach of that regulation.
- 27 As stated in paragraph 24 above, the present action is based on a single plea in law, alleging, in essence, infringement of a provision of Regulation 2017/1001, namely Article 59(1)(b) of that regulation.
- 28 Moreover, it follows from the case-law that, in the context of Article 72(2) of Regulation No 2017/1001, the General Court may carry out a full review of the lawfulness of decisions of the Boards of Appeal of EUIPO, if necessary examining whether the Board of Appeal concerned made a correct legal characterisation of the facts of the dispute or whether its assessment of the facts placed before it was flawed (judgment of 18 December 2008, *Les Éditions Albert René v OHIM*, C-16/06 P, EU:C:2008:739, paragraph 39).
- 29 The applicant is therefore entitled, in its single plea, to ask the Court to review the accuracy of the assessments of both the law and the facts underlying the contested decisions.
- 30 In particular, contrary to what the intervener argued at the hearing, the applicant is entitled to ask the Court to examine, in the context of its review of the lawfulness of the contested decisions, the evidence submitted by the parties before EUIPO in order to check whether the Board of Appeal took sufficient account thereof and correctly assessed their respective relevance or probative value and whether, on that basis, it was entitled to hold that the marks at issue had been filed in bad faith.
- 31 In that regard, although the concept of bad faith is not defined in EU law, it may be inferred from its usual meaning and the context and objectives of Article 59(1)(b) of Regulation 2017/1001 that, as Advocate General Sharpston stated in point 60 of her Opinion in *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:148), it refers to the subjective motivation of the applicant seeking the registration of the trade mark at issue, namely a dishonest intention or other sinister motive, entailing conduct departing from accepted principles of ethical behaviour or honest commercial and business practices (Opinion of Advocate General Sharpston in *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:148, point 60, and judgment of 7 July 2016, *Copernicus-Trademarks v EUIPO — Maquet (LUCO)*, T-82/14, EU:T:2016:396, paragraph 28).
- 32 That concept is therefore not applicable where the application for registration can be regarded as fulfilling a legitimate objective and the applicant’s intention is not contrary to the essential function of a trade mark, which is to guarantee to the consumer or end user the identity of the origin of the goods or services concerned, by enabling him, without any likelihood of confusion, to distinguish those goods or services from those of others (see, to that effect, judgments of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 44 to 49, and of 7 July 2016, *LUCO*, T-82/14, EU:T:2016:396, paragraph 29).
- 33 Thus, Article 59(1)(b) of Regulation 2017/1001 meets the general interest objective of preventing trade mark registrations that are abusive or contrary to honest commercial and business practices (see, to that effect and by analogy, judgment of 3 June 2010, *Internetportal und Marketing*, C-569/08, EU:C:2010:311, paragraphs 36 and 37). Such registrations are contrary to the principle that the application of EU law cannot be extended to cover abusive practices on the part of a trader which do not make it possible to attain the objective of the legislation in question (see, to that effect and by analogy, judgments of 14 December 2000, *Emsland-Stärke*, C-110/99, EU:C:2000:695, paragraphs 51 and 52, and of 7 July 2016, *LUCO*, T-82/14, EU:T:2016:396, paragraph 52).
- 34 It is for the applicant for a declaration of invalidity who intends to rely on Article 59(1)(b) of Regulation 2017/1001 to establish the circumstances which make it possible to conclude that an application for registration of a European Union trade mark was filed in bad faith, the good faith of the applicant being presumed until proven otherwise (judgment of 8 March 2017, *Biernacka-Hoba v EUIPO — Formata Boguslaw Hoba (Formata)*, T-23/16, not published, EU:T:2017:149, paragraph 45).
- 35 In that regard, if, insofar as it characterises the applicant’s intention at the time of filing the application for registration of an EU trade mark, the concept of bad faith, within the meaning of Article 59(1)(b) of Regulation 2017/1001, constitutes a subjective element, it must be determined in the

light of the objective circumstances of the case (see, to that effect, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 42).

- 36 This being so, where EUIPO finds that the objective circumstances of the particular case relied on by the applicant for a declaration of invalidity may lead to the rebuttal of the presumption of good faith applying to the application for registration of the mark at issue, it is for the proprietor thereof to provide plausible explanations on the objectives and commercial logic pursued by the application for registration of that mark.
- 37 The owner of the trade mark is best placed to provide EUIPO with information on his intentions at the time of applying for registration of that mark and in order to provide it with evidence capable of convincing it that, in spite of the existence of objective circumstances such as those referred to in paragraph 36 above, those intentions were legitimate (see, to that effect and by analogy, judgments of 9 November 2016, *Birkenstock Sales v EUIPO (Representation of a pattern of wavy, crisscrossing lines)*, T-579/14, EU:T:2016:650, paragraph 136, and of 5 May 2017, *PayPal v EUIPO — Hub Culture (VENMO)*, T-132/16, not published, EU:T:2017:316, paragraphs 51 to 59).
- 38 It is in the light of those considerations that the applicant's various heads of claim should be examined.

The first complaint, alleging an error of assessment by the Board of Appeal relating to the similarity between the signs at issue giving rise to a likelihood of confusion and to awareness, by the proprietor of the marks at issue, of the existence of a similar mark

- 39 The applicant maintains that a confusing similarity between the signs at issue and the knowledge by the proprietor of the marks at issue of the existence of a similar mark are two of the requirements necessary for a finding of bad faith on the part of that proprietor.
- 40 The present complaint contains two parts, one alleging an error when determining whether the first of those requirements was met, the other alleging an error when determining whether the second was met.
- 41 In the first part, the applicant submits that the Board of Appeal erred in finding that there was a similarity liable to cause confusion between the signs at issue, whereas there is no identity of or similarity between the goods covered. The applicant maintains that it is clear from EUIPO decisions that clothing and watches are different goods, as a result of which a consumer will not make a connection between the marks at issue. The applicant also takes the view that the intervener has failed to prove, to the required legal standard, the reputation of the earlier mark.
- 42 In the context of the second part, the applicant submits that, in the present case, it did not know at the time of applying for the marks at issue of the existence of a mark that was identical or liable to cause confusion, that is to say, an earlier registered mark that included the word elements 'Ann Taylor', for goods in Class 14. In addition, the applicant submits that, even supposing that it had known of the existence of such a mark filed in respect of clothing, that would not be relevant.
- 43 EUIPO and the intervener dispute that line of argument.
- 44 It is necessary to examine in turn the two parts of the present complaint.

The first part, alleging an error of assessment by the Board of Appeal relating to the similarity between the signs at issue giving rise to a likelihood of confusion

- 45 First of all, it should be noted that this part is based on three premisses.
- 46 In the first place, as confirmed by the Commission at the hearing, the applicant maintains that, having regard to the criteria laid down by the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361), the intervener was required, in order to prove bad faith, to establish the presence in the European Union of a sign identical or similar to the sign whose registration is sought, for identical or similar goods, giving rise to a likelihood of confusion.
- 47 In the second place, the applicant relies, implicitly but necessarily, on the premiss that the Board of Appeal found, in the present case, that there existed in the European Union an identical or similar sign for identical or similar goods giving rise to a likelihood of confusion.
- 48 In the third place, the applicant takes the view that, in order to prove bad faith, the intervener had to establish the reputation of the earlier mark in the European Union.
- 49 These three premisses are incorrect.
- 50 In that regard, as regards, first of all, the first of those premisses, it should be recalled that, according to the case-law, the existence of the applicant's bad faith at the time of filing the application for registration must be assessed globally, account being taken of all factors relevant to the circumstances of the case (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 35 and 37).
- 51 The Court has held that such circumstances could include, inter alia, the fact that the applicant knows or must know that a third party is using an identical or similar sign for identical or similar goods or services capable of being confused with the sign for which registration is sought; the applicant's intention to prevent that third party from continuing to use such a sign; and the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought in the European Union (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraph 53).
- 52 However, it is apparent from the grounds set out in the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361), that the three circumstances listed in paragraph 51 above are only examples drawn from a number of factors which can be taken into account in order for it to be possible to rule on whether the applicant was acting in bad faith at the time when the application was filed (judgment of 14 February 2012, *Peeters Landbouwmachines v OHIM — Fors MW (BIGAB)*, T-33/11, EU:T:2012:77, paragraph 20). In that judgment, the Court confined itself to answering the questions of the national court which related, in essence, to the question whether such circumstances were relevant (see, to that effect, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 22 and 38). Thus, the fact that any one of those circumstances is not present does not necessarily preclude, depending on the circumstances of the case, a declaration that the applicant acted in bad faith (see, to that effect, judgment of 7 July 2016, *LUCEO*, T-82/14, EU:T:2016:396, paragraph 147).
- 53 In that regard, it should be noted that, as Advocate General Sharpston pointed out in point 60 of her Opinion in *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:148), the concept of 'bad faith', within the meaning of Article 59(1)(b) of Regulation 2017/1001 cannot be confined to a limited category of specific circumstances. The general interest objective of preventing trade mark registrations that are abusive or contrary to honest commercial and business practices, recalled in paragraph 33 above, would be compromised if bad faith could be demonstrated only in the circumstances exhaustively set out in the judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli* (C-529/07, EU:C:2009:361) (see, to that effect and by analogy, judgment of 3 June 2010, *Internetportal und Marketing*, C-569/08, EU:C:2010:311, paragraph 37).

- 54 It is thus settled case-law that, in the context of the overall assessment of the existence of the applicant's bad faith, account may also be taken of the origin of the contested sign and of its use since its creation, of the commercial logic underlying the filing of the application for registration of that sign as an EU trade mark, and of the chronology of events leading up to that filing (see judgment of 26 February 2015, *Pangyrus v OHIM — RSVP Design (COLOURBLIND)*, T-257/11, not published, EU:T:2015:115, paragraph 68 and the case-law cited).
- 55 Furthermore, it is important to note that contrary to Article 60 of Regulation 2017/1001, which lists the grounds for the relative invalidity of a European Union trade mark and thus seeks to protect the private interests of the holders of certain prior rights which conflict with the trade mark in question, Article 59(1) of that regulation, which provides, in particular, that the applicant's bad faith when filing a trade mark application constitutes a ground for absolute invalidity, is intended to protect the general interest. Therefore, the assessments which are relevant in order to establish whether one of the grounds of relative invalidity above existed are not necessarily applicable to a finding of the existence of bad faith (see, to that effect and by analogy, judgment of 22 October 2015, *BGW*, C-20/14, EU:C:2015:714, paragraphs 23 to 34).
- 56 In particular, the applicant for a declaration of invalidity invoking bad faith cannot be systematically required to establish the existence of a likelihood of confusion, within the meaning of Article 8(1)(b) of Regulation 2017/1001, between the earlier trade mark of which he is the owner and of the contested mark. As EUIPO and the intervener noted at the hearing, doing so would largely deprive the provisions of Article 59(1)(b) of Regulation 2017/1001 of their effectiveness. Moreover, those provisions, which are intended to protect the public interest, may be relied on by any natural or legal person and not only by holders of prior rights.
- 57 In the present case, it is sufficient to note that, for the purpose of proving the bad faith of the applicant at the time of the filing of the marks at issue, the intervener pleaded, before EUIPO, circumstances relating to the applicant's filing and use in Mexico of marks identical to the marks at issue, circumstances which, in its view, reflect the intention of that company to appropriate dishonestly its similar mark registered in the United States for clothing. The requirements set out in Article 8(1)(b) of Regulation 2017/1001 manifestly cannot constitute appropriate criteria to determine the relevance of those circumstances.
- 58 As regards, next, the second premiss of the present part, it is sufficient to note that, in the present case, the Board of Appeal merely observed the identity of or similarity between the marks at issue and the intervener's signs, and a correlation between the watches in Class 14 covered by those marks and the clothing goods in Class 25 for which the aforementioned signs were used. However, as the applicant itself noted, in paragraph 26 of the contested decisions, the Board of Appeal expressly stated that those goods could not be regarded as similar within the meaning of the judgment of 29 September 1998, *Canon* (C-39/97, EU:C:1998:442), which concerned the circumstances in which the similarity of goods or services could give rise to a likelihood of confusion. The Board of Appeal cannot therefore be accused of having based the contested decisions on incorrect factual considerations on the ground that it incorrectly held, in the present case, that there was a likelihood of confusion.
- 59 Finally, with respect to the third premiss of the present part, it should be noted that the reputation of the earlier mark is, *inter alia*, a requirement for the application of Article 8(5) and Article 60(1)(a) of Regulation 2017/1001, which may be relied upon where there is a risk that the use of the mark applied for takes unfair advantage of the distinctive character or repute of the earlier mark, or is prejudicial thereto. According to settled case-law, the types of injury referred to in those provisions are the consequence of a certain degree of similarity between the earlier mark and the mark applied for, by virtue of which the relevant section of the public makes a connection between those marks, that is to say establishes a link between them even though it does not necessarily confuse them (see judgment of 11 December 2014, *Coca-Cola v OHIM — Mitico (Master)*, T-480/12, EU:T:2014:1062, paragraph 26 and the case-law cited).
- 60 However, for reasons similar to those mentioned in paragraphs 55 and 56 above, while the reputation of an earlier sign in the European Union may, depending on the circumstances of the case, constitute a relevant factor for the assessment of bad faith, the applicant for a declaration of invalidity who relies upon that ground cannot be required to establish it systematically, in line with what is required of the applicant for a declaration of invalidity relying on the conditions of Article 60(1)(a) and Article 8(5) of Regulation 2017/1001. In particular, as recalled in paragraph 35 above, bad faith underpins the applicant's intention at the time of filing the trade mark at issue. However, as noted by the intervener at the hearing, the possible impacts of the use of that trade mark on the reputation of an earlier mark are not necessarily relevant.
- 61 In any event, even assuming that the reputation of the intervener's marks are relevant in the present case, it is their reputation in the US and Mexico rather than in the European Union which should be taken into account in the light of the circumstances relied on by the intervener. As confirmed by its observations at the hearing, the applicant relies only on the intervener's marks' lack of reputation in the European Union.
- 62 It follows from the foregoing that the Board of Appeal did not commit an error of law or of assessment, in the present case, on account of the existence of an identical or similar sign for identical or similar goods liable to be confused with the signs for which registration is sought or of the lack of reputation in the European Union of the intervener's earlier signs.
- 63 However, notwithstanding the erroneous nature of the premisses of the present part of the plea, it is necessary to examine its merits in so far as it refers to the error allegedly made by the Board of Appeal that there was a link between the goods covered by the marks at issue and those covered by the signs used by the intervener, and that that correlation was relevant in order to establish the applicant's bad faith when filing those marks.
- 64 In that regard, it should be noted, in the first place, that the existence of identical or similar signs used in relation to goods belonging to a neighbouring market segment to that of goods for which the mark at issue was registered may be relevant in order to establish bad faith on the part of the applicant.
- 65 Even if, in such a situation, the goods covered by the identical or similar signs are different, the proximity of the respective market segments can provide the applicant for the contested mark with the opportunity, if it is his intention, to implement strategies for exploiting it that are wrongful or contrary to honest commercial and business practices. For example, it will be open to it to use it in order deliberately to cause, in the mind of professionals or of the public, an association with the company which owns or uses identical or similar signs or in order to prevent an expansion of that undertaking's activities in the market segment for which its mark is registered, although the expansion of those activities could constitute, for that undertaking, a legitimate commercial expansion strategy.
- 66 In the second place, it should be noted that the findings of the Board of Appeal relating, on the one hand, to the use by the intervener of the ANN TAYLOR sign (or of the highly similar ANNTAYLOR sign) and, on the other, of the identity of or similarity between the marks at issue and those signs are not flawed.
- 67 In that regard, it is sufficient to note, on the one hand, that, in the light of the evidence provided by the intervener as part of the invalidity proceedings, the Board of Appeal was able to establish the use since 1954, at least in the United States, of the ANN TAYLOR mark by that company, *inter alia* for clothing, and that several registrations of identical or similar marks held by the same company had been made in nearly 90 countries, in particular for the same goods. It should be noted, in particular, that the intervener filed trade mark applications with EUIPO and the authorities of several Member States for the ANN TAYLOR sign or highly similar signs prior to the filing of the application for registration of the marks at issue.
- 68 Moreover, it must be held that the word mark at issue and the word mark ANN TAYLOR owned by the intervener are identical, and that it is similar to ANNTAYLOR, one of its other word marks, the only difference, in the latter case, residing in the space between the element 'ann' and

the element 'taylor'. In addition, it is true that, as is apparent from the assessments of the Cancellation Division, endorsed by the Board of Appeal, the general impression created by the contested figurative mark does not differ fundamentally from that created by the marks of the intervener mentioned above, because of the inclusion of the capitalised 'ANN TAYLOR' element in that figurative mark and the distinctive independent and dominant position it occupies therein.

- 69 In the third place, it follows from the case-law that, irrespective of whether goods in Class 14, such as watches, and goods in Class 25, such as clothing, are similar within the meaning of Article 8(1)(b) of Regulation 2017/1001, such goods belong to market segments which are proximate. In particular in the field of luxury goods, those goods are sold under well-known brands of reputed designers and manufacturers, and clothing manufacturers therefore turn to the market for goods in Class 14, including that of watches (see, to that effect, judgment of 12 February 2015, *Compagnie des montres Longines, Francillon v OHIM — Cheng (B)*, T-505/12, EU:T:2015:95, paragraphs 47 to 49 and the case-law cited).
- 70 Moreover, it is apparent from the case-law that, even if a complementary link between watches and clothing goods cannot be established for the purpose of establishing whether those goods are similar, the fact remains that it is common to those goods to play a role in a person's physical appearance, so that their purchase may be motivated, at least in part, by the image they will give thereof, or even by the search for a certain 'aesthetic complementarity' (see, to that effect and by analogy, judgments of 9 July 2015, *CMT v OHIM — Camomilla (Camomilla)*, T-98/13 and T-99/13, not published, EU:T:2015:480, paragraph 75, and of 28 September 2016, *The Art Company B & S v EUIPO — G-Star Raw (THE ART OF RAW)*, T-593/15, not published, EU:T:2016:572, paragraph 42).
- 71 The Board of Appeal thus did not err in finding a correlation between the goods covered by the marks at issue and the goods in the clothing sector for which the intervener's marks were used or delivered. Furthermore, the Board of Appeal was fully entitled to find that fashion designers' practice of expanding their offer to goods belonging to market segments related to clothing was illustrated in the present case by increasing the range of goods covered by the intervener's marks to goods other than clothing, such as shoes, jewellery, sunglasses, perfumes and watches.
- 72 Therefore, the Board of Appeal correctly took the view that the fact that marks which are identical or highly similar to the marks at issue were used and protected since 1954 for goods belonging to a related market constituted, in the present case, a relevant factor for the purposes of assessing the existence of the applicant's bad faith when filing the marks at issue.
- 73 The applicant's arguments and the evidence submitted in support of those arguments do not call that conclusion into question.
- 74 On the one hand, although it is true that, having regard to the principles of equal treatment and of sound administration, EUIPO must take into account the decisions previously taken in respect of similar applications and consider with especial care whether it should decide in the same way or not, the way in which those principles are applied must be consistent with the principle of legality (see, to that effect and by analogy, judgment of 28 June 2018, *EUIPO v Puma*, C-564/16 P, EU:C:2018:509, paragraph 61 and the case-law cited).
- 75 In the present case, first, the applicant refers before the General Court to two decisions which are subsequent to the contested decisions. Consequently, the Board of Appeal cannot be criticised for having failed to have regard thereto. Moreover, according to settled case-law, the purpose of actions before the General Court provided for under Article 65 of Regulation 2017/1001 is to review the legality of decisions of the Boards of Appeal and, in proceedings for annulment, the legality of the contested measure must be assessed on the basis of the elements of fact and of law existing at the time when the measure was adopted. Thus it is not the Court's role to re-evaluate the factual circumstances in the light of evidence adduced for the first time before it (see judgment of 21 March 2012, *Feng Shen Technology v OHIM — Majtczak (FS)*, T-227/09, EU:T:2012:138, paragraph 25, confirmed by order of 7 February 2013, *Majtczak v Feng Shen Technology and OHIM*, C-266/12 P, not published, EU:C:2013:73, paragraph 45).
- 76 Secondly, as regards the EUIPO decisions which it relied on in the context of the invalidity proceedings, the applicant merely asserts that the number of such decisions was over fifty and they all held that there was a difference between watches and clothing, without specifically referring to any in particular. Such considerations are clearly not sufficient to establish that the Board of Appeal was required to take account of such decisions. Moreover, according to settled case-law, a general reference to other documents cannot compensate for the failure to set out the essential elements of the legal argument, which must appear in the application itself. Thus, in the context of an action against a decision of a Board of Appeal of EUIPO, it is not for the Court to find in the file of the proceedings before EUIPO the arguments to which the applicant might be referring or to examine them (see, to that effect, judgment of 17 June 2008, *El Corte Inglés v OHIM — Abril Sánchez and Ricote Saugar (BoomerangTV)*, T-420/03, EU:T:2008:203, paragraphs 92 and 93 and the case-law cited).
- 77 Thirdly, it should be noted that, in the decisions cited by the applicant both before EUIPO and before the General Court, the considerations relating to the difference between clothing and watches are carried out in the context of the application of Article 8(1)(b) of Regulation 2017/1001 or Article 8(5) of that regulation. Accordingly, for the reasons given in paragraphs 55 to 61 above, those decisions are not relevant.
- 78 On the other hand, the applicant's arguments relating to the absence of a link between the marks at issue and the intervener's earlier marks, on account of the fact that they consist of a female first name and family name, must be dismissed. As correctly stated by the Board of Appeal in paragraph 25 of the contested decisions, the fact that the first name Ann and the surname Taylor are common in English-speaking countries does not necessarily mean that their combination itself is common. Furthermore, as the Board of Appeal also noted, it is not claimed that third parties use other trade marks containing that combination on the market. Nor is any such circumstance apparent from the documents in the file of the invalidity proceedings before EUIPO. Therefore, the link between the marks at issue and the intervener's marks, which are identical or highly similar, is not weakened on account of the degree of inherent distinctiveness of those marks or their use.
- 79 It follows from all the foregoing that the first part of the first plea must be rejected.

The second part of the first plea, alleging that the Board of Appeal erred in respect of the applicant's awareness, at the time that the application for the marks at issue was lodged, of the intervener's identical or similar marks

- 80 On the one hand, it should be noted that the applicant's argument that it was not aware of the existence of an earlier trade mark comprising the sign ANN TAYLOR, registered or used for goods in Class 14, must be rejected.
- 81 That argument is not such as to call into question the fact that, at the time that the marks at issue were registered, the applicant was aware of the existence of one or more earlier marks comprising the sign ANN TAYLOR and designating clothes. As is apparent from paragraphs 64 to 78 above, the Board of Appeal correctly held, in order to show bad faith, the relevance of such protected marks used for clothing, in the light, in particular, of the relationship between clothing and watches.
- 82 On the other hand, it should be noted that, as part of the second and third complaints, the applicant disputes the probative value of the evidence on which the Board of Appeal relied in order to reach the finding that it had been aware of the intervener's earlier marks. Those arguments must therefore be examined in order to assess whether the Board of Appeal was entitled or not to rely on that evidence in order to conclude that the applicant was aware of those earlier marks.

- 83 In the present case, the Board of Appeal found that the applicant's awareness of the intervener's rights over signs which were identical or similar to the marks at issue for clothing, was established on the basis of the following circumstances.
- 84 In the first place, in paragraphs 33 to 37 of the contested decisions, the Board of Appeal found, on the basis of the sworn written statements of lawyers who defended the interests of the intervener, and of an email from the applicant's lawyer sent to one of the lawyers of the intervener referred to above, that it had been established that the applicant's CEO, Mr Holzer, had attempted to contact the intervener's managers in order to obtain a licence agreement towards the early 2000s. The Board of Appeal found that those facts occurred prior to the application for registration in Mexico in 2003 of the ANN TAYLOR mark, the first trademark of the applicant to be registered in Mexico containing the word elements 'ann taylor', on which it relies in order to justify its strategy of expanding trade to the European Union. The Board of Appeal found that, in spite of its claims, the applicant had conceded that such an attempt had been made.
- 85 In the second place, in paragraph 38 of the contested decisions, the Board of Appeal noted that, on 26 August 2008, that is three years before the application for registration of the marks at issue, the intervener had initiated proceedings, before the competent Mexican courts, seeking a declaration of invalidity of the ANN TAYLOR mark, registered under No 970 460 for goods in class 14, on the basis of an identical mark for goods in the same class, registered in the United States.
- 86 In the third place, the Board of Appeal took the view that the explanations provided by the applicant in order to justify the registration of trade marks containing the word elements 'ann taylor' in reference to the name of Mr Holzer's mother were not convincing.
- 87 As regards the first of those circumstances, it must be noted at the outset that, both before EUIPO and in the application, the applicant did not deny that it attempted, prior to filing the application for registration of the first Mexican mark, to enter into trade partnership relations with the intervener. It further accepts that, as is apparent from the evidence provided by the intervener, that attempt failed on account of the latter's refusal, which was allegedly expressed discourteously, and which 'reveal[ed]', according to the applicant's declaration before EUIPO, 'the xenophobic feeling that many Americans have in relation to Mexicans'.
- 88 Therefore, even if the applicant disputes the fact that the purpose of that attempt was to conclude a licence agreement with the intervener, the fact that such an attempt was made combined with the subsequent lodging of a mark identical to that held by the intervener constitute sound indications that the applicant was aware of the intervener's earlier rights.
- 89 The soundness of those indications is not called into question by the applicant's explanations as to the origin of the choice of the ANN TAYLOR sign for registration of its first Mexican trade mark and of the marks at issue.
- 90 In that regard, as correctly found by the Board of Appeal, there is a substantial difference between the name of Mr Holzer's mother, Ana N. de H., and that sign, which the similarity between the name of that person, Ana, and the word element 'Ann' is not sufficient to alleviate. Furthermore, the applicant's remark that the first name 'Ann' is common is applicable, by analogy, to the equivalent of that name in other languages, in particular the first name 'Ana'. However, as has been pointed out in paragraph 78 above, it is not established that the combination formed by the first name 'Ann' and the surname 'Taylor' is common, entailing that the registration, by the applicant, of a mark consisting of that combination after the failure of its attempt to enter into a trade partnership with the intervener cannot be the result of coincidence (see, to that effect and by analogy, judgment of 28 January 2016, *Davó Lledó v OHIM — Administradora y Franquicias América and Inversiones Ged (DoggiS)*, T-335/14, EU:T:2016:39, paragraphs 60 and 63). With respect to the explanations put forward by the applicant at the hearing concerning the use of the element 'taylor' for the marks at issue as referring to the English expression 'tailor made', they are not apparent from the documents in the file it submitted to EUIPO. According to settled case-law, it is not for the Court to re-evaluate the factual assessments made by the Boards of Appeal of EUIPO in the light of evidence adduced for the first time before it (see judgment of 26 July 2017, *Staatliche Porzellan-Manufaktur Meissen v EUIPO*, C-471/16 P, not published, EU:C:2017:602, paragraph 25 and the case-law cited).
- 91 Moreover, the applicant disputes the validity, on the one hand, of the intervener's lawyers' sworn statements in writing on the grounds that those lawyers are employed by that company and, on the other, of the email from one of its lawyers, on the ground that that lawyer had no direct knowledge of the content and purpose of Mr Holzer's approaches and that the confidential nature of that email precluded EUIPO from taking it into account.
- 92 In the present case, first, it should be noted that nothing in the file makes it possible to conclude that the lawyers providing those statements and representing the interests of the intervener are employed by or associated with it in some other way.
- 93 By contrast, it is apparent from the annexes to the application containing those statements that two of the lawyers are partners in the law firm F., Z., L. and Z., established in New York, New York (United States), and that the other two are partners in two law firms established in Mexico, the first in law firm A. & L. and the second in the law firm O. & Cia.
- 94 It is therefore necessary to conclude that those lawyers are independent and are third parties vis-à-vis the intervener.
- 95 In addition, lawyers are in principle subject to professional discipline which requires of them, in particular, probity, failing which they may be the subject to disciplinary proceedings (see, to that effect, judgment of 14 September 2010, *Akzo Nobel Chemicals and Akros Chemicals v Commission and Others*, C-550/07 P, EU:C:2010:512, paragraphs 42 and 45).
- 96 Therefore, the probative value of the statements in question is necessarily higher than that of employees of the intervener or persons linked, in one way or another, to the intervener (see, to that effect, judgment of 13 June 2012, *Süd-Chemie v OHIM — Byk-Cera (CERATIX)*, T-312/11, not published, EU:T:2012:296, paragraph 30).
- 97 As regards the content of those statements, they relate to interactions either with the applicant's lawyers or, with respect to two of them, with Mr Holzer himself, which occurred on various occasions and during which the circumstances in which the latter attempted to enter into a trade partnership with the intervener were reported to them. It should be noted, in that regard, that the circumstances of those interactions, as they are reported, are plausible, taking into account, in particular, the various disputes between the applicant and the intervener which occurred from the date of registration of the applicant's first Mexican trade mark comprising the ANN TAYLOR sign. In addition, the fact that the interactions took place, which is not disputed, is supported, in respect of two of those statements, by the documents appended thereto, namely copies of business cards of the applicant's lawyers and an email from one of them.
- 98 Moreover, while some of the details concerning Mr Holzer's approaches of the intervener vary depending on the sworn statements in question, they all state that those approaches occurred before the registration of the applicant's mark in Mexico in 2003 and that they concerned an attempt to enter into an agreement with the intervener, in order to enable the applicant to market watches under the trade mark ANN TAYLOR.
- 99 Finally, the information set out in those statements is also set out in the aforementioned email from the applicant's lawyer, who is an independent source, distinct from those sworn statements, and therefore contributes to supporting that information.
- 100 Therefore, the Board of Appeal correctly held that those statements were reliable.

- 101 Second, as regards the email from the applicant's lawyer, it should be noted that the information supplied concerning Mr Holzer's approaches of the intervener originate from the applicant itself. The applicant is not arguing that it did not share that information with its lawyer. It further follows from the email that the lawyer in question was instructed, by his client, to monitor relations with the intervener. It is therefore implausible that he was unaware of the purpose of those approaches, whose existence is not disputed by the applicant. Therefore, the fact that he was indirectly aware of them does not undermine the probative value of his email.
- 102 Furthermore, it should be recalled that, according to settled case-law, the confidentiality of communications between lawyers and clients should be protected at EU level, provided that the correspondence with the lawyer concerns the defence of his client and that the lawyer is independent (see judgment of 14 September 2010, *Akzo Nobel Chemicals and Akros Chemicals v Commission and Others*, C-550/07 P, EU:C:2010:512, paragraphs 40 and 41 and the case-law cited). In competition matters, that protection has the effect of excluding that correspondence from the Commission's investigative powers and precluding it from relying on a decision imposing a fine for an infringement of EU competition law (judgment of 29 February 2016, *Deutsche Bahn and Others v Commission*, T-267/12, not published, EU:T:2016:110, paragraph 49).
- 103 Even supposing that that case-law is applicable to the evidence used in the proceedings before EUIPO, the email from the applicant's lawyer referred to in paragraph 84 above is sent to one of the intervener's lawyers. It is thus not a question of correspondence between lawyer and client within the meaning of the case-law cited in paragraph 102 above which is at issue. Although it is true that that email concerns information of which the applicant's lawyer was made aware by the applicant, it must be held that the applicant does not claim that it did not authorise the disclosure of that information to representatives of the intervener or the intervener itself, which, moreover, is not at all apparent from the email. The notice at the foot of the email, which appears regularly in the business correspondence, objects only to the disclosure of that email to third parties or its publication and does not, of itself, preclude its use in the context of the invalidity proceedings at issue, which concern the applicant and the intervener themselves.
- 104 In any event, it should be noted that the information relating to the purpose of Mr Holzer's approaches of the intervener set out in that email was also included in the intervener's lawyers' sworn statements and was reiterated in part by the applicant itself in its own submissions before EUIPO, as has already been pointed out in paragraph 87 above. That information was not, therefore, of itself confidential.
- 105 Consequently, the Board of Appeal was entitled to take the view that the intervener's lawyers' sworn statements and the email from one of its lawyers were valid and conclusive with a view to identifying the purpose of Mr Holzer's approaches of the intervener before registration of the ANN TAYLOR mark in Mexico.
- 106 Moreover, it should be observed that, although the applicant disputes that the purpose of those approaches was to enter into an agreement for the marketing of ANN TAYLOR branded watches, it has not provided any explanation regarding the aim and content of those approaches, even though it acknowledges that they took place. It was best placed to inform the Board of Appeal of the intentions underpinning that approach and to convince it, despite the evidence mentioned above, that those approaches had no connection with the commercial exploitation of the ANN TAYLOR mark.
- 107 In any event, the applicant does not dispute the Board of Appeal's finding that, because of the invalidity proceedings initiated by the intervener on 26 August 2008, it was necessarily aware of the intervener's ANN TAYLOR mark, as such or incorporated in a composite mark, at the time that the application for the registration of the marks at issue was made, respectively three and four years after the beginning of that procedure.
- 108 At the hearing, the applicant seemed to challenge all of those elements in claiming that, in the application, it referred to contacts with the intervener after the filing of the application for registration of the marks at issue. Thus, the applicant appeared to claim that it had not had any contacts with the intervener before 2011.
- 109 However, those claims contradict the applicant's submissions in the application and before EUIPO, which clearly refer to the approaches made by Mr Holzer mentioned in the sworn statements of the intervener's lawyers and in his own lawyer's email. It is true that those sworn statements and that email refer to exchanges with the applicant's lawyers or with Mr Holzer which were themselves made after the filing of the application for registration of the marks at issue. However, according to those sworn statements and that email, the approaches made by Mr Holzer which were discussed during those interactions took place in the early 2000s. Moreover, these submissions do not, in any event, call into question the applicant's awareness of the intervener's ANN TAYLOR mark, in particular because of the invalidity proceedings brought by the latter in 2008. Moreover, it should be noted that, in its pleadings, the applicant itself stated that it had to defend itself against allegations made by the applicant since 2003.
- 110 In the light of the foregoing, the Board of Appeal correctly held that the circumstances referred to in paragraphs 84 and 85 above show that the applicant was aware of the intervener's earlier rights in respect of the ANN TAYLOR mark before the filing of the first Mexican trade mark on which it relies in order to support its strategy for expanding trade in the European Union and, in any event, before the filing of the marks at issue. Accordingly, without it being necessary to examine whether, in paragraph 32 of the contested decisions, the Board of Appeal correctly, moreover, assumed such awareness by relying on a series of factors such as the long-standing use of that mark by the intervener in the United States for clothing and accessories, general knowledge in the economic sector concerned, the close proximity of fashion and watches and the proximity of Mexican and US markets, the second part of the first plea must be rejected and, consequently, that plea in its entirety.

The second complaint, alleging an error of assessment by the Board of Appeal concerning the applicant's intention at the time of the filing of the marks at issue

- 111 The second complaint includes two parts.
- 112 On the one hand, the applicant submits that the factors taken into account by the Board of Appeal in finding that the owner of the marks at issue deliberately sought to create an association between those marks and the intervener's marks could not be taken into consideration as they were not attributable directly to it or within its control or influence.
- 113 On the other hand, the applicant maintains that the Board of Appeal did not take into account other circumstances that would explain the applicant's behaviour and prove its good faith. In that regard, the applicant claims, in the first place, that it cannot be accused of having exploited the reputation of the intervener's mark, since that mark had no such reputation, the goods protected by the signs at issue differed and there had been genuine and continuous use of the two marks at issue. In the second place, the applicant states that there is nothing to establish that registration of the marks at issue, which was a logical step in its commercial strategy, was intended to prevent a third party from entering the market. In the third place, the applicant claims that no previous relations with the intervener were established and that the marks at issue were created independently.
- 114 EUIPO and the intervener dispute that line of argument.

The first part of the second plea, alleging that circumstances not attributable to the applicant were incorrectly taken into consideration

- 115 As a preliminary point, it is appropriate to recall the objective circumstances on which the Board of Appeal relied in order to determine the applicant's intention at the time of filing the application for registration of the marks at issue.
- 116 In paragraph 43 of the contested decisions, the Board of Appeal found that the fact that the applicant had originally wanted to conclude a licence agreement with the intervener for the marketing of its goods under the ANN TAYLOR trade mark, which it failed to obtain, constituted a first indication that the marks were not registered in good faith.
- 117 Moreover, in paragraphs 44 to 60 of the contested decisions, the Board of Appeal found that it was entitled to take into account the applicant's conduct following the filing of the application for registration of the marks at issue, in so far as there was a combination of circumstances capable of showing that its intentions at the time of that filing were not honest.
- 118 Thus, in paragraph 46 of the contested decisions, it pointed out that the applicant had sought to associate its goods with those of the intervener and to promote them by publishing on the Facebook page of the intervener relating to the ANN TAYLOR LOFT mark links to its own Facebook page dedicated to 'ANN TAYLOR watches' and on which it is presented as 'the legitimate owner of the trademark registrations for ANN TAYLOR (watches and jewellery) in Mexico, Switzerland, the European Union'.
- 119 Similarly, in paragraphs 49 to 52 of the contested decisions, the Board of Appeal took into account a witness statement of the agent of Club Premier, a Mexican loyalty program for travellers, which stated that a distributor of the applicant's goods, Promologistics, supplied ANN TAYLOR watches to it, which those two companies considered 'genuine' ANN TAYLOR goods authorised by the intervener, and two letters from the applicant's commercial director, sent to Promologistics and then forwarded to Club Premier, in which it was stated that it was the 'licencee and authorised representative' of the ANN TAYLOR trade mark. The Board of Appeal took the view that those indications had had the effect of misleading the applicant's distributor and the latter's client with respect to a link with the identical trade mark owned by the intervener.
- 120 Furthermore, in paragraphs 53 and 54 of the contested decisions, the Board of Appeal also took into account the evidence provided by the intervener showing that a Mexican distributor of the applicant's goods, TiempoMania had used, with a view to the promotion of watches sold by the applicant under its Mexican ANN TAYLOR mark, digitally altered copies of advertisements of the intervener in which, inter alia, well-known actresses featured promoting the ANN TAYLOR mark for clothing goods. It also pointed out that the intervener had produced the witness statement of a manager of TiempoMania, N. B. M., stating, in particular, that he was aware of 'the famous US clothing brand' ANN TAYLOR, when he distributed, for the first time, the applicant's goods and that, given the reputation of the mark, he assumed that those goods were manufactured under licence from the proprietor of that mark. The Board of Appeal found that that evidence further highlighted the fact that the applicant had sought to pretend to be a licensee of the intervener.
- 121 Furthermore, in paragraph 58 of the contested decisions, the Board of Appeal also noted that the intervener had shown that the applicant had sought to prevent the spread of the use of its ANN TAYLOR mark to watches by contacting the licensee of the latter, L'Amy America, in order to challenge the sublicensing of that trademark for the marketing of watches in the European Union. Finally, it also held to be relevant the evidence provided by the intervener showing that it was the practice of the applicant to file applications for trade marks which were identical to well-known third party trade marks, without the consent of the owners of the latter, for jewellery or watches in Mexico.
- 122 In paragraph 60 of the contested decisions, the Board of Appeal found that all of those facts show that the applicant had attempted to 'lay his hands' on the ANN TAYLOR mark, in a manner contrary to the standards of acceptable commercial behaviour.
- 123 It is now necessary to assess whether, in the light of the applicant's arguments, the Board of Appeal incorrectly held that those circumstances were attributable to it.
- 124 In the first place, it should be noted that, as is apparent from paragraphs 87 to 105 above, the Board of Appeal was entitled to find, without erring, that it was established to the requisite legal standard that, prior to the filing of the first Mexican mark ANN TAYLOR, the applicant had attempted to obtain the right to market watches under an identical trade mark owned by the intervener and that the latter had refused to follow up on that approach.
- 125 Consequently, the Board of Appeal was entitled to consider that those circumstances constituted a first indication of bad faith on the part of the applicant. The sequence of facts which characterises those circumstances suggests that the use of the ANN TAYLOR mark by the applicant stems from the intention to appropriate ownership of that sign for the marketing of watches and create an association with earlier marks identical or similar without the intervener's consent, having failed to obtain such consent, even though the intervener explicitly opposed such use of the trade mark referred to above.
- 126 In the second place, it should be noted that, as has been recalled in paragraph 54 above, use of the contested sign may constitute a factor to be taken into account when establishing the intention underlying the application for registration of that sign, including use subsequent to the date of that application. Consequently, the Board of Appeal correctly held that, although the circumstances relied on by the intervener with regard to the use of the applicant's Mexican trade marks occurred after the application for registration of the trade marks at issue had been filed, they were such as to clarify its intentions at the time of filing and had, therefore, to be taken into account (see, to that effect and by analogy, judgment of 16 May 2017, *Airhole Facemasks v EUIPO — industrysurf (AIR HOLE FACE MASKS YOU IDIOT)*, T-107/16, EU:T:2017:335, paragraph 41).
- 127 In the third place, as regards the advertising link placed on the intervener's Facebook page and referring to the applicant's goods, which is mentioned at paragraph 118 above, it should be noted that, although, in the context of the second complaint, the applicant does not specify how it falls outside its control, in the third complaint, it maintains that, in the proceedings before EUIPO, it produced an adequate and plausible explanation justifying the existence of that link. It states that it argued that its existence could be attributed to the applicant itself, which thus produced evidence that was difficult to refute for the purposes of the proceedings in question.
- 128 That argument is unconvincing.
- 129 As shown by the documents provided to EUIPO by the intervener, the link at issue is published in the form of a 'post' published on the intervener's Facebook page, originating from the Facebook account named 'Ann Taylor Watches' and containing the following promotional message in English: 'There is definitely no time to waste, so take a look at our new fan page for Ann Taylor watches.' That 'post' also includes a reproduction of one of the watches promoted and an indication that the applicant is the rightful owner of the ANN TAYLOR trade mark registrations for watches and jewellery in Mexico, in Switzerland and in the European Union. The advertising link in question appears, prima facie, to be taken from the Facebook page 'AnnTaylor Watches', which the applicant does not dispute as being under its control.
- 130 However, despite the objective appearance of that link, the applicant did not indicate which elements could however favour its assumption that that link could have been deliberately placed by the intervener itself. That assumption is therefore speculative in nature.
- 131 Moreover, as the Board of Appeal noted in paragraph 48 of the contested decision, that scenario is unlikely, since the intervener would be taking a commercial risk by linking its own Facebook page to another page, promoting goods which it considers infringe its rights.

- 132 Therefore, in the absence of any credible alternative explanation, it must be held that the advertising link in question is attributable to the applicant and that the Board of Appeal did not err in concluding that the applicant used the intervener's Facebook page to promote its own goods, sold under a mark identical to the ANN TAYLOR mark owned by the latter.
- 133 In the fourth place, as regards the witness statement of the agent of Club Premier and the emails sent to Promologistics referred to in paragraph 119 above, it should be noted that the applicant does not call into question the reliability of that evidence, but merely claims that it does not refer to conduct or acts attributable directly to Mr Holzer, its manager, particularly in that they constitute acts or actions of third parties of which he was not aware.
- 134 In that regard, it should be noted, first of all, that, although the testimony of the agent of Club Premier, Mr H., does not constitute a sworn statement in writing under Article 97(1)(f) of Regulation 2017/1001, the witness statement is precise and specific and the conduct it describes plausible.
- 135 Furthermore, that witness statement is corroborated by letters of the applicant's sales director sent to Promologistics, which are not documents produced at the intervener's request, unlike the witness statement, and which originate from a representative of the applicant itself.
- 136 As the Board of Appeal observed in essence, the error of the applicant's distributor and of its client concerning an alleged authorisation by the intervener to market watches under the trade mark ANN TAYLOR cannot only be attributable to them, but may be attributed in part to the commercial strategy deployed by the sales director of the applicant in relation to that distributor.
- 137 The two letters from the director in the file of the proceedings before EUIPO, whose purpose is to authorise Promologistics to sell and advertise the applicant's goods, confer on the applicant the status of 'licencee and authorised representative of the following brands: NIVADA, RAYMOND WEIL and ANN TAYLOR'.
- 138 In that regard, the Board of Appeal correctly set aside the applicant's arguments claiming, on the one hand, that, as owner of the ANN TAYLOR mark for the marketed goods in question, it was entitled to portray itself in that manner and, on the other, that the letters at issue did not expressly refer to the intervener. Thus, it is relevant that the Board of Appeal noted that the expression 'licencee and authorised representative' clearly suggested an authorisation granted by a third company.
- 139 Alternatively, the argument that a mistake was made by the applicant's sales director of the applicant, which it repeated at the hearing, cannot be accepted, given the responsibilities exercised by the latter within the company and the importance of the letters in question for the applicant's commercial activities, since they constitute acts by which it authorised its distributor to market and promote its goods. On this last point, it is difficult to see how the use of the terms 'licencee and authorised representative' was not approved by the applicant's directors, especially as use thereof was reiterated in two identical letters sent two years apart.
- 140 Furthermore, it should be noted that, in those letters, the applicant's sales director presents the applicant as the 'licencee and authorised representative' not only of the ANN TAYLOR mark, but also of the RAYMOND WEIL mark. The applicant also produced in the proceedings before EUIPO a letter from a representative of the latter undertaking confirming that it had authorised it to use that trade mark. The applicant could therefore hardly argue before the Board of Appeal that by the term 'licencee and authorised representative', it had intended to present itself as the owner of the marks at issue.
- 141 Fifthly, it should be noted that, as regards the conduct of TiempoMania and the witness statement of a manager of the company mentioned in paragraph 120 below, the authenticity of which is not disputed either, the argument that the conduct or acts could not be attributable to Mr Holzer cannot be upheld.
- 142 First, it should be observed that the intervener produced a report drawn up by the law firm A., M. and L., established in Mexico, concerning investigations that the latter had conducted, on behalf of that company, concerning the marketing of watches under the ANN TAYLOR brand.
- 143 That report is an objective and factual account of an investigation by the intervener's lawyers regarding the retail sale and promotion of ANN TAYLOR watches by TiempoMania online and in retail stores of that company in Mexico. It covers reproductions of advertising materials used by that company and of the goods as they are sold in its shops.
- 144 In particular, this report reproduces two advertisements found, in accordance with its indications, on the Facebook page of TiempoMania.
- 145 The first of these is a picture of a well-known American actress, used by the intervener for its promotional campaign for the spring/summer 2011 season and which was amended by adding the signs ANN TAYLOR and TIEMPOMANIA and reproductions of watches bearing the ANN TAYLOR mark, including the watch being on the wrist of the above-mentioned actress.
- 146 The second is a photograph of another well-known American actress, used, according to the indications in that report, for the intervener's 2013 spring campaign, to which is added, on the right, a black banner featuring on the top and in small print, the TiempoMania sign and, in larger letters at the centre and bottom, the words in Spanish '15% de descuento' ('15% off') and 'solo este mes' ('this month only').
- 147 The origin of these photographs and the changes made by TiempoMania are corroborated by its manager's statements, as well as by the further inclusion in the file relating to the invalidity proceedings, on the one hand, of other photographs of the first of the above-mentioned actresses for the intervener's spring/summer 2011 promotional campaign, the style of which is identical to that used by TiempoMania and, on the other hand, of the original photograph of the second actress in question referred to above.
- 148 Secondly, as regards the statements of TiempoMania's manager that he thought that the watches were under licence granted by the owner of the reputed clothing brand ANN TAYLOR and that this was the reason he had used the promotional materials pertaining to that trade mark, those statements are plausible, in so far as he states, in addition, that he markets and sells watches under a large number of well-known brands originally used in the fashion and clothing market segments.
- 149 In the light of those documents, the Board of Appeal was entitled to hold that they confirmed the fact that the applicant was holding itself out to its distributors as a licensee of the intervener.
- 150 In particular, it should be noted that since the applicant does not call into question the good faith of the manager of TiempoMania, it is difficult to explain that that company thought itself authorised to use the materials originally used by the intervener for the promotion of its ANN TAYLOR brand of clothing, and in particular the image of well-known actresses who took part in those promotional activities, without the applicant giving its approval or, at the very least, acting in such a manner as to suggest that use thereof was legitimate.
- 151 In any event, as the Board of Appeal noted, the applicant did not adduce any evidence that it had taken the precaution of distinguishing its mark from that of the intervener, although the latter was known to its distributors, or that it had taken steps to get TiempoMania to terminate its use of promotional materials used originally by the intervener.

- 152 Even if, as suggested by the applicant before the General Court, it had not previously been aware of these activities, which, moreover, is not credible, that purported lack of awareness does not, in any event, absolve it of its duty to take steps to prevent a future association with the intervener's marks. The applicant does not even claim that it took such steps, once it became aware of documents relating to TiempoMania produced by the intervener in the context of the invalidity proceedings.
- 153 In the sixth and final place, it must be noted that the applicant does not dispute that the filing in Mexico of marks identical to well-known marks, such as SKAGEN, MC LAREN, MIDO or ABERCOMBIE & FITCH, for jewellery and watches, which was found by the Board of Appeal to be a relevant factor, was attributable to it.
- 154 In that regard, it should be noted that it is apparent from the documents produced by the intervener in the context of the invalidity proceedings that, between 2003 and 2012, the applicant lodged trade mark applications in Mexico for the word signs SKAGEN, ABERCROMBIE & FITCH and MC LAREN for goods falling in Class 14 such as watches and jewellery and a trade mark application for the word sign MIDO for goods in Class 9, such as glasses. It also follows from those documents that identical earlier trade marks had been filed in a number of countries and, inter alia, in Mexico for goods, in particular, in Class 14 and, with regard to trade marks identical to the first three marks mentioned above, for goods in Class 25. In addition, those documents indicate that the earlier trade marks, which are in use or have been registered for a long time for those goods, enjoy a certain reputation. Finally, the intervener adduced witness statements of representatives of holders of those earlier marks attesting that the filing by the applicant of identical marks in Mexico had been made without their authorisation and that, to the best of their knowledge, there was no licensing agreement signed between the company and the applicant.
- 155 The applicant does not dispute those elements, nor the fact that it was aware of the existence of the earlier marks at issue at the time of filing the application for registration of identical marks either for goods which are identical or similar to the goods protected by those earlier marks or to goods bearing some correlation with the latter. Moreover, as observed by the Board of Appeal, it did not provide any explanation concerning those filings. The Board of Appeal was therefore entitled to take the view that they were part of the applicant's practice of using, for its own goods, reputed trade marks, without the consent of the owner of those marks.
- 156 It follows from all the foregoing that the applicant is incorrect in its submission that the Board of Appeal relied, when assessing the applicant's intention at the time of filing of the marks at issue, on circumstances which were not attributable to it.
- The second part of the second complaint, alleging that the Board of Appeal failed to take account of the circumstances referred to by the applicant as being liable to establish its good faith*
- 157 The applicant relies on the alleged lack, in the present case, of circumstances which have been accepted in previous case-law as constituting evidence of bad faith, such as the attempt to ride on the coat-tails of the reputation or to take advantage of the reputation of the earlier trade mark (judgment of 8 May 2014, *Simca Europe v OHIM — PSA Peugeot Citroën (Simca)*, T-327/12, EU:T:2014:240, paragraph 56), the act of applying for registration of a trade mark for the sole purpose of preventing a third party from entering the market and using its own trade mark (judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli, C-529/07*, EU:C:2009:361, paragraph 44), the fact of requesting financial compensation (judgment of 8 May 2014, *Simca*, T-327/12, EU:T:2014:240, paragraph 72), as well as the circumstances in which the sign at issue was created, the use made of it since its creation, the commercial logic underlying the application for registration of the sign as an EU trademark and the chronology of the events leading to the filing of the application for registration.
- 158 In that regard, in the first place, it is apparent from the case-law referred to in paragraph 52 above that the lack of an element that, in the particular context of the case or matter that they were to decide upon, the Court of Justice or the General Court had considered relevant in order to establish the applicant's bad faith does not necessarily preclude bad faith on the part of the trade mark applicant being found in different circumstances. As pointed out in paragraph 53 above, the concept of 'bad faith', within the meaning of Article 59(1)(b) of Regulation 2017/1001 cannot be confined to a limited category of specific circumstances.
- 159 In the second place, contrary to what the applicant claims, both the circumstances under which the sign at issue was created and the use and commercial logic underlying the filing of the application for registration of the marks at issue and the chronology of events leading up to that filing constitute, in the present case, relevant factors capable of establishing bad faith.
- 160 Since, as the applicant itself states, the marks at issue are intended to extend the protection of identical trade marks filed for the first time in Mexico, the Board of Appeal correctly took account of the circumstances in which they were created, the use that was made thereof, the business logic underpinning that use and the chronology of events leading up to the application for registration thereof. As is apparent from paragraphs 124 to 155 above, the Board of Appeal was entitled to infer, on the one hand, from the sequence of events characterising the creation of the applicant's first Mexican ANN TAYLOR mark, that it was its intention to use the intervener's identical mark without its consent and by causing association with it and, on the other, from the use of that Mexican mark, the implementation of a trade strategy whose effect was to create such an association.
- 161 The fact that those circumstances do not relate directly to the filing of the marks at issue and their use in the European Union is irrelevant, since the applicant has not adduced any evidence which could indicate that that filing and use had different objectives from the filing and use of the marks it had registered in Mexico. On the contrary, according to the applicant's own statements, the application for registration of the marks at issue is part of a commercial strategy seeking to extend the protection of its earlier Mexican marks.
- 162 In the third place, the applicant's argument that it cannot be criticised for seeking to ride on the coat-tails of the intervener's ANN TAYLOR mark where no such reputation exists cannot be upheld.
- 163 First, the evidence on which the Board of Appeal relied, in the absence of any credible alternative explanation, that the use of an association between the intervener's American ANN TAYLOR mark and the applicant's identical Mexican trade mark fell within the latter's commercial strategy. Accordingly, it must be inferred therefrom that the applicant took the view that it had an interest in such use, irrespective of whether the reputation of the intervener's trade mark was established.
- 164 On the other hand, it should be noted that the intervener filed trade mark applications with EUIPO and authorities of Member States for the ANN TAYLOR sign or for similar signs prior to the filing of the marks at issue. It should be added that the intervener provided evidence showing awareness of his mark among certain professionals in the field of fashion in the United Kingdom and purchases of goods marketed under that mark by consumers in the European Union. That evidence indicates the development, by the intervener, of a commercial strategy for EU consumers, from which the applicant, in view of its own strategy, may benefit. They thus do not make it possible to call into question the Board of Appeal's reasoning that the filing of the marks at issue is part of the same commercial strategy of association with the intervener's ANN TAYLOR mark as that underlying the registration and use of the intervener's Mexican marks, for which they aim to extend the protection.
- 165 In the fourth place, the fact that the intervener did not file an application for an EU trade mark or a national trade mark in a Member State comprising the ANN TAYLOR sign for watches, before the filing of the marks at issue, has no bearing in the present case. On the one hand, it follows from the considerations set out in paragraphs 64 and 65 above that the existence of identical or similar signs for goods belonging to a neighbouring market segment may be relevant, even in the absence of a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation 2017/1001, in order to establish the applicant's bad faith at the time of filing the mark at issue. On the other, as explained in

paragraphs 69 to 78 above, the Board of Appeal's finding of a correlation between the watches covered by the marks at issue and clothing for which the intervener's marks are protected is not flawed.

- 166 In the fifth place, neither the fact that the applicant did not request financial compensation from the intervener or, even assuming it to be established, the fact that there was a genuine and continuous use of the marks at issue from the time of their registration constitute, in the light of the circumstances of the case, evidence capable of demonstrating that that registration reflected legitimate intentions. The bad faith attributed to the applicant by the Board of Appeal relates neither to the attempt to compel the intervener to compensate it financially nor to the purely speculative registration of a mark, but to the intention to appropriate the ANN TAYLOR sign, without the intervener's consent, and to create an association with the earlier marks which are identical or similar to it.
- 167 In the sixth place, contrary to what the applicant claims, the fact that the filing of the marks at issue is part of a commercial strategy to extend protection of the respective marks filed in Mexico is certainly not sufficient to establish the legitimate nature of its intentions at the time of the filing, since, as noted in paragraphs 160 and 161 above, the filing and use of the Mexican trade marks at issue are themselves part of a dishonest strategy to use the sign over which the intervener has rights.
- 168 In the seventh and final place, the applicant's argument that only one isolated, and, in any event, unsubstantiated, case of conduct constituting obstruction on its part vis-à-vis the intervener or an associate company had occurred, must be rejected.
- 169 On the one hand, the fact that the claim that the applicant, through its legal representatives, contacted L'Amy America to request that it cease all marketing of watches and jewellery under the ANN TAYLOR mark in different territories, including that of the European Union, comes from a lawyer defending the interests of the intervener is not such as to deprive that claim of its probative value. As has been pointed out in paragraph 92 above, there is no evidence in the file before EUIPO that the lawyers representing the interests of the intervener, whose statements appear in that file, are employed by or linked to it in any other way. In the present case, the lawyer who mentioned contacts between the applicant's representatives and L'Amy America stated, at the beginning of his witness statement, that he was a partner in law firm F. Z., L. and Z., which has been appointed by the intervener to defend its interests since April 2013. Moreover, the facts as set out by that lawyer are credible. He indicates that the applicant's representatives first contacted him in order to express the applicant's objections in relation to an agreement between the intervener and L'Amy America relating to the marketing of watches under the ANN TAYLOR mark in different territories, possibly including that of the European Union, before sending a letter of formal notice to that company. Those contacts with the intervener's lawyer are corroborated by the email of 24 May 2013 from the applicant's lawyer referred to in paragraph 91 above, in which it asks, with reference to a previous mail, to confirm that the intervener does not have any watches bearing the ANN TAYLOR mark in transit in Europe and claims to have evidence proving the existence of a licensing agreement between that company and L'Amy America for the sale of watches bearing that trade mark.
- 170 In any event, the email of 24 May 2013 from the applicant's lawyer demonstrates, in itself, that steps were taken in order to oppose a licensing agreement between the intervener and a third company for the marketing of watches under the ANN TAYLOR mark in the European Union, which the applicant does not dispute, merely claiming that it never attempted to prevent the intervener from entering the clothing market.
- 171 On the other hand, the fact that those steps were taken constitutes a significant fact, which although alone cannot establish the applicant's intention to lay claim to the ANN TAYLOR sign, confirms such an intention established on the basis of other objective and consistent evidence. Even assuming that those steps are, in its words, 'isolated', that fact is not decisive in this case.
- 172 Furthermore, it should be noted that, although the intervener has not confirmed or denied the existence and content of the licence agreement with L'Amy America, such an agreement, concerning the marketing of watches or other accessories such as jewellery and sunglasses, is part of a legitimate commercial logic on its part. As stated in paragraph 71 above, that company had, in the past, already expanded its activities to such market segments in accordance with a practice known in the fashion sector. The applicant cannot dispute that analysis, since, as was demonstrated to the requisite legal standard by the evidence produced by the intervener itself, it attempted to conclude with the latter a licence agreement with similar content.
- 173 Consequently, the Board of Appeal was entitled to take the view that the steps taken by the applicant referred to in paragraphs 169 and 170 above reflected its intention to prevent the intervener from extending the use of its ANN TAYLOR mark to watches in the European Union, which could, if that extension was its intention, amount to a legitimate commercial strategy. Conversely, since it has been shown that the registration of the contested marks was part of a strategy of bad faith aimed at appropriating, without the consent of the intervener, the ANN TAYLOR sign and at encouraging association with the latter's identical or similar marks, the applicant's attempt to obstruct the proceedings cannot be regarded as meeting the legitimate objective of protecting the marks at issue against the unfair use of an identical or similar sign by a recent player on the market (see, to that effect and by analogy, judgment of 11 June 2009, *Chocoladefabriken Lindt & Sprüngli*, C-529/07, EU:C:2009:361, paragraphs 46 to 49).
- 174 In the light of the foregoing, the second part of the second complaint must be rejected, as must, accordingly, the second complaint in its entirety.

The third complaint, alleging an error of assessment by the Board of Appeal concerning the probative value of the evidence submitted by the intervener in support of its application for a declaration of invalidity and the burden of proof

- 175 The applicant submits that the findings of the Board of Appeal are based on incidental, doubtful and weak evidence and that the Board of Appeal placed on the applicant the burden of proving negative events, which amounts to *probatio diabolica*.
- 176 EUIPO and the intervener dispute those arguments.
- 177 In that regard, it suffices to note that, as the analysis conducted in the context of the examination of the first two complaints shows, the evidence on which the Board of Appeal's findings are based cannot be regarded as incidental, doubtful or weak.
- 178 First, it follows from paragraphs 91 to 103 above that the applicant did not show that the evidence adduced by the intervener in order to prove the existence of an attempt by Mr Holzer to obtain from it a licence agreement was not conclusive or should not be taken into account by the Board of Appeal.
- 179 Moreover, as is apparent from paragraphs 126 to 152 above, the Board of Appeal correctly held that the evidence provided by the intervener in relation to the commercial use of the applicant's Mexican ANN TAYLOR trade mark were attributable to it. Similarly, it follows from paragraphs 153 to 155 and 169 to 173 above that the Board of Appeal was entitled to take the view that those items of evidence were corroborated by evidence relating, on the one hand, to the application for registration by the applicant of marks identical to reputed earlier marks, without their owners' consent and, on the other, to steps taken in order to dispute the use in the European Union of the intervener's ANN TAYLOR brand for watches.
- 180 Accordingly, the applicant cannot claim that the Board of Appeal effected a reversal of the burden of proof to its detriment and imposed on it the obligation to adduce evidence which was impossible to provide.

181 It is true, as the applicant points out, that it is for the applicant for a declaration of invalidity to establish the circumstances making it possible to make a finding on the applicant's bad faith when applying for the registration of the mark at issue. However, as was pointed out in paragraph 36 above, it is for the latter, which is best placed to provide plausible explanations liable to convince EUIPO that its intentions were legitimate despite the presence of objective circumstances making it possible to rebut the presumption of good faith which attaches to such a filing. In the present case, there were such objective circumstances, and the applicant provided no plausible explanation enabling the Board of Appeal to find that, despite those circumstances, the filing of the marks at issue was based on legitimate intentions.

182 In the light of the foregoing, the third complaint must be rejected and, in consequence, the actions dismissed in their entirety.

Costs

183 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

184 Since the applicant has been unsuccessful in the present case, it must be ordered to pay the costs incurred by EUIPO and by the intervener, in accordance with the forms of order sought by them.

On those grounds

THE GENERAL COURT (Fifth Chamber)

hereby:

1. **Dismisses the appeals;**
2. **Orders Holzer y Cia, SA de CV to bear its own costs and those of the European Union Intellectual Property Office (EUIPO) and Ancco, Inc.**

Gratsias

Labucka

Ulloa Rubio

Delivered in open court in Luxembourg on 23 May 2019.

E. Coulon

S. Gervasoni

Registrar

President

Table of contents

Background to the dispute

Case T 3/18

Case T 4/18

Forms of order sought

Law

The first complaint, alleging an error of assessment by the Board of Appeal relating to the similarity between the signs at issue giving rise to a likelihood of confusion and to awareness, by the proprietor of the marks at issue, of the existence of a similar mark

The first part, alleging an error of assessment by the Board of Appeal relating to the similarity between the signs at issue giving rise to a likelihood of confusion

The second part of the first plea, alleging that the Board of Appeal erred in respect of the applicant's awareness, at the time that the application for the marks at issue was lodged, of the intervener's identical or similar marks


The second complaint, alleging an error of assessment by the Board of Appeal concerning the applicant's intention at the time of the filing of the marks at issue

The first part of the second plea, alleging that circumstances not attributable to the applicant were incorrectly taken into consideration

The second part of the second complaint, alleging that the Board of Appeal failed to take account of the circumstances referred to by the applicant as being liable to establish its good faith

The third complaint, alleging an error of assessment by the Board of Appeal concerning the probative value of the evidence submitted by the intervener in support of its application for a declaration of invalidity and the burden of proof

Costs

 Language of the case: English.

 This judgment is published in extract form..