OPINION OF ADVOCATE GENERAL KOKOTT

delivered on 8 March 2007 [1]

I — Introduction

1. By the present appeal the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM') challenges the judgment of the Court of First Instance delivered on 15 June 2005 in *Shaker* v *OHIM*. [2] The principal issue is how the likelihood of confusion between a word mark and a complex word and figurative mark should be assessed.

2. The Court found that there was no likelihood of confusion between the marks concerned, as the dominant component of the complex trade mark is a figurative representation, and there is therefore insufficient similarity to the word mark. OHIM on the other hand contends that, considered globally (taking into account also the phonetic and conceptual aspects), there is a likelihood of confusion.

II — Legal framework

3. Article 8(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark [3] ('Regulation No 40/94') governs the likelihood of confusion as a relative ground for refusal of registration:

'Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

(a) ...

1 — Original language: German.

2 — Case T-7/04 *Shaker* v *OHIM* [2005] ECR II-2305.

3 — OJ 1994 L 11, p. 1.

(b) if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.'

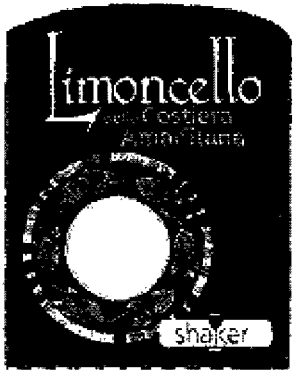
4. The seventh recital in the preamble to Regulation No 40/94 explains the concept of the likelihood of confusion in the case of similarity of goods or services: 'the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection'.

III — Facts and judgment of the Court of First Instance

5. The Court describes the facts in paragraphs 1 to 13 of the judgment under appeal as follows: [4]

'1 On 20 October 1999 the applicant [Shaker di L. Laudato & C. Sas ('Shaker')] filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended ('Regulation No 40/94').

2 The trade mark for which registration has been sought is the figurative sign reproduced below:



4 — The deletions and clarifications in paragraphs 1, 4 to 6 and 10 are my own.

3 The goods in respect of which registration has been sought fall within Classes 29, 32 and 33 of the Nice Agreement concerning the Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended ('the Nice Agreement') and correspond to the following descriptions for each of those classes:

— Class 29: "Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats";

— Class 32: "Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages";

— Class 33: "Alcoholic beverages (except beers)".

4 ...

5 ...

6 Following the [request] ... by OHIM, the applicant limited its application, as regards goods in Class 33, to lemon liqueurs from the Amalfi Coast [and withdrew the application for registration in respect of Class 32].

7 The application for a Community trade mark was published in *Community Trade Marks Bulletin* No 30/00 on 17 April 2000.

8 On 1 June 2000 Limiñana y Botella, SL ('the opponent') filed a notice of opposition pursuant to Article 42(1) of Regulation No 40/94 against the registration of the mark applied for.

9 The ground relied on in support of the opposition was the likelihood of confusion provided for by Article 8(1)(b) of Regulation No 40/94, as between, on the one hand, the mark applied for in so far as it concerns goods in Class 33 of the Nice Agreement and, on the other hand, the opponent's word mark also pertaining to goods in Class 33, registered in

1996 at the Oficina Española de Patentes y Marcas of the Ministerio de ciencia y tecnología (Spanish patents and trade marks office):

"LIMONCHELO"

10 By decision of 9 September 2002, the OHIM Opposition Division upheld the opposition and consequently refused registration of the mark claimed [in respect of Class 33].

11 The Opposition Division justified its decision by stating, in essence, that there was a likelihood of confusion on the Spanish market, within the meaning of Article 8(1)(b) of Regulation No 40/94, as between the trade mark applied for and the earlier mark, given the identity of the goods in question and the similarity between the marks. The Opposition Division concluded that the marks at issue were similar following an assessment of their visual, phonetic and conceptual similarities, from which it was clear, in OHIM's view, that there were visual and phonetic similarities between the dominant element of the mark claimed, which consists of the term 'limoncello', and the earlier trade mark.

12 On 7 November 2002 the applicant filed an appeal at OHIM under Articles 57 to 62 of Regulation No 40/94 against the Opposition Division's decision.

13 By decision of 24 October 2003 ('the contested decision'), the Second Board of Appeal dismissed the applicant's appeal. In essence, the Board of Appeal found, having stated that the goods covered by the earlier mark encompassed those covered by the mark claimed, that the dominant element of the mark claimed was the word 'limoncello' and that the trade mark claimed and the earlier trade mark were visually and phonetically very close to one another and that there was consequently a likelihood of confusion between the two marks.'

6. The Court annulled the decision of the Second Board of Appeal of OHIM of 24 October 2003 and altered it so that the appeal brought before OHIM by the applicant was well founded and consequently the opposition had to be rejected.

7. The Court proceeded on the basis that the goods in question are identical.

8. As regards the similarity of the marks, the Court stated that a particularly noteworthy feature of this case was the fact that a complex word and figurative mark was in conflict with a word mark. A complex trade mark, one of whose components is identical or similar to another mark, could not be regarded as being similar to that other mark, unless the identical or similar component formed the dominant element within the overall impression created by the complex mark.

9. So far as the trade mark applied for was concerned, the representation of the round dish decorated with lemons had to be regarded as being clearly the dominant component. That component had nothing in common with the earlier mark. Therefore, there was no likelihood of confusion between the two marks by the Spanish reference public. The position was not altered by the visual, phonetic or conceptual similarity of the words 'limoncello' or 'limonchelo' in the trade marks.

10. As there was no likelihood of confusion between the marks, there was no need to assess the distinctiveness of the earlier trade mark.

IV — Appeal

11. OHIM's appeal was based originally on two grounds:

12. First, it is claimed that the Court of First Instance has interpreted and applied Article 8(1)(b) of Regulation No 40/94 incorrectly by denying any likelihood of confusion by reference to an exclusively visual assessment of the trade mark applied for.

13. In addition, the second ground of appeal complained of an obvious contradictoriness and 'illogicality' of the judgment. That complaint related to a passage in the Italian version of the judgment, which, due to a translation error, contained contradictory wording. After the 'obvious slip' in the judgment had been rectified in that respect by order of 26 January 2006 pursuant to Article 84 of the Rules of Procedure of the Court of First Instance, OHIM withdrew the appeal in relation to the second ground upon enquiry by the Court of Justice.

14. OHIM claims that the Court should

1. set aside the judgment under appeal;

2. order Shaker di L. Laudato & C. Sas to pay the costs.

15. Shaker submits that the assessment of the facts is a matter solely for the Court of First Instance, which had made an appropriate assessment. Shaker therefore contends that the Court should

1. dismiss the appeal;

2. order the applicant to pay the costs.

V — Assessment

16. OHIM raises a number of objections to the judgment under appeal. What appears to me to be crucial, however, is the criticism of the Court's comparison of the trade marks.

17. It is clear from the seventh recital in the preamble to Regulation No 40/94 that the appreciation of the likelihood of confusion 'depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified'. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case. [5]

18. The Court of First Instance recognised the need for a global comparison of both trade marks in paragraph 49 of the judgment under appeal, but went on to state in paragraph 50:

'Consequently, it must be held that a complex trade mark, one of whose components is identical or similar to another mark, cannot be regarded as being similar to that other mark, unless that component forms the dominant element within the overall impression created by the complex mark.'

19. The Court established this premiss in *MATRATZEN* [6] and has since applied it in a

5 — Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22.

6 — Case T-6/01 *Matratzen Concord* v *OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 33.

whole series of judgments. [7] The question arises, however, as to how to proceed if a trade mark does not have a dominant component or if several components have a dominating effect.

20. The Court therefore already qualified its premiss in *MATRATZEN*. It stated that this approach does not mean that only one component of a complex trade mark is to be taken into consideration and compared with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. However, that does not mean that the overall impression created in the mind of the relevant public by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components. [8]

21. Those qualifications were relied upon by the Court of Justice also, when it dismissed the appeal against the judgment in *MATRATZEN*. [9] The premiss that two marks may be regarded as similar only if they correspond as to the dominant component accordingly covers only a particular category of cases. [10] That category of cases is established by the definition of the dominant component of a trade mark in paragraph 50 of the judgment under appeal. Such a component must be 'likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it'. It is only if *all* other components of the mark are negligible that the dominant component alone can be assessed as to similarity.

22. If the basic premiss is thus confined to those cases in which complex marks are

7 — Case T-32/03 *Leder & Schuh* v *OHIM — Schuhpark Fascies (JELLO SCHUHPARK)* [2005] ECR II-1, paragraph 39; Case T-359/02 *Chum* v *OHIM — Star TV (STAR TV)* [2005] ECR II-1515, paragraph 44; Case T-390/03 *CM Capital Markets* v *OHIM — Caja de Ahorros de Murcia (CM)* [2005] ECR II-1699, paragraph 46; Case T-31/03 *Grupo Sada* v *OHIM (GRUPO SADA)* [2005] ECR II-1667, paragraph 49; Case T-352/02 *Creative Technology* v *OHIM — Vila Ortiz (PC WORKS)* [2005] ECR II-1745, paragraph 34; Case T-385/03 *Miles International* v *OHIM (BIKER MILES)* [2005] ECR II-2665, paragraph 39; Case T-40/03 *Murúa Entrena* v *OHIM — Bodegas Murúa (Julián Murúa Entrena)* [2005] ECR II-2831, paragraph 52; Case T-135/04 *GfK* v *OHIM — BUS (Online Bus)* [2005] ECR II-4865, paragraph 59; Case T-3/04 *Simonds Farsons Cisk* v *OHIM — Spa Monopole (KINJI by SPA)* [2005] ECR II-4837, paragraph 46; Case T-214/04 *Royal County of Berkshire Polo Club* v *OHIM — Polo/Lauren (ROYAL COUNTY OF BERKSHIRE POLO CLUB)* [2006] ECR II-239, paragraph 39; Case T-194/03 *Il Ponte Finanziaria* v *OHIM — Marine Enterprise Projects (BAINBRIDGE)* [2006] ECR II-445, paragraph 94; Case T-35/04 *Athinaiki Oikogeniaki Artopoiia* v *OHIM — Ferrero (FERRÔ)* [2006] ECR II-785, paragraph 48; Case T-153/03 *Inex* v *OHIM — Wiseman (Kuhhaut)* [2006] ECR II-1677, paragraph 27.

8 — *MATRATZEN*, cited in footnote 6, paragraph 34. See also Case T-112/03 *L'Oréal* v *OHIM — Revlon (FLEXI AIR)* [2005] ECR II-949, paragraph 79.

9 — Order in Case C-3/03 P *Matratzen Concord* v *OHIM (MATRATZEN)* [2004] ECR II-3657, paragraph 32.

10 — See also Advocate General Jacobs' Opinion in Case C-120/04 *Medion* [2005] ECR I-8551, point 33.

dominated solely by a dominant component to the exclusion of all other components, it is not inconsistent with the judgment which the Court of Justice delivered subsequently in *Medion*. [11] In that case the Court found that a likelihood of confusion arose from a non-dominant component.

23. That judgment was based on the combination of an earlier trade mark (LIFE) with a manufacturer's name (THOMSON LIFE), whereby the manufacturer's name was regarded as the dominant component of the complex mark. In such cases there is a likelihood, particularly where the manufacturer's name is widely known, that the origin of the goods covered by the complex sign will be attributed by the public also to the goods bearing the earlier trade mark. [12] The likelihood of confusion which was considered possible in *Medion* arose, therefore, from the fact that, in addition to the dominant component, there was a perception of a further component which was identical to the earlier mark. Thus, given the overall impression of the mark, that second component was not at all negligible. In such a case, the premiss referred to in paragraph 50 of the judgment under appeal would therefore not apply.

24. What is decisive as far as the present case is concerned is, therefore, whether the Court did in fact — on the basis of its own definition — identify a dominant component of the trade mark applied for which was such that all other components were negligible. However, the Court makes no such finding.

25. On the contrary, in paragraph 57 of the judgment under appeal the Court describes the plate as dominant in relation to the other elements and, in paragraph 58, it finds that the plate covers most of the lower two thirds of the mark claimed, whilst the word 'limoncello' covers only a large part of the upper third. In its subsequent comparison of the various elements of the trade mark applied for, in paragraph 60 et seq. of the judgment under appeal, the Court confines itself to denying that those other elements are dominant. None of those stages in its assessment, however, leads to the conclusion that the plate dominates the trade mark applied for to such an extent that all other elements are negligible.

26. Consequently, according to the findings of the Court of First Instance, the trade mark applied for does not contain a component that would justify restricting — in accordance with the approach it has developed — the comparison of the marks, in terms of the likelihood of confusion, to that particular

11 — Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 32 et seq.

12 — *Medion*, cited in footnote 11, paragraphs 31 and 34.

component. Instead, a global assessment of the likelihood of confusion should have been made with regard to both marks. As that did not happen, the judgment under appeal contains an error of law and should be set aside.

VI — Consequences of setting aside the judgment under appeal

27. According to the second sentence of the first paragraph of Article 61 of the Statute of the Court of Justice, the Court may, where a decision of the Court of First Instance is quashed, itself give judgment in the matter where the state of the proceedings so permits. Alternatively, it may refer the case back to the Court of First Instance for judgment.

28. If the Court wished to give judgment in the present case, it would have to undertake its own assessment of the facts (namely, the comparison of the two trade marks) without any basis in the judgment under appeal upon which to do so. Assessment of the facts is, however, the responsibility of the Court of First Instance. Furthermore, the parties have made no submissions to the Court of Justice in relation to those factual issues. The Court of Justice could, at most, take account of their written pleadings at first instance, without being able to refer back to any responses given in the oral hearing before the Court of First Instance. Consequently, it is my opinion that the state of the present proceedings does not permit judgment to be given. Accordingly, the Court should refer the case back to the Court of First Instance for judgment.

VII — Costs

29. Where the Court refers the case back to the Court of First Instance for judgment, there is no basis for a decision as to costs to be made under Article 122 of the Rules of Procedure and that decision is reserved for the final judgment.

30. Any other decision as to costs appears to be possible in principle only in relation to the second ground of appeal. OHIM withdrew that ground of appeal, as it was based on a translation error in the judgment of the Court of First Instance which was rectified by order of 26 January 2006 pursuant to Article 84 of the Rules of Procedure of the Court of First Instance only after the appeal had been filed. The question might arise, therefore, whether it would be right for one of the parties to be ordered to bear the costs of that ground of appeal. In the present case that ground of appeal is, however, of such little significance that it is not appropriate to treat it separately for the purpose of costs.

VIII — Conclusion

31. Accordingly I propose that the Court:

(1) sets aside the judgment of the Court of First Instance in Case T-7/04 *Shaker* v *OHIM* [2005] ECR II-2305;

(2) refers the case back to the Court of First Instance of the European Communities for judgment;

(3) reserves the costs of the proceedings.