

JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

15 February 2005 *

In Case T-169/02,

Cervecería Modelo, SA de CV, established in Mexico, represented by C. Lema Devesa and A. Velázquez Ibáñez, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by J. Crespo Carrillo and I. de Medrano Caballero, acting as Agents,

defendant,

the other party to the proceedings before the OHIM Board of Appeal, and interveners before the Court of First Instance, being,

* Language of the case: Spanish.

Modelo Continente Hipermercados, SA, established in Senhora da Hora (Portugal), represented by N. Cruz, J. Pimenta and T. Colaço Dias, lawyers,

ACTION brought against the decision of the Third Board of Appeal of OHIM of 6 March 2002 (Cases R 536/2001-3 and R 674/2001-3), concerning opposition proceedings between Cervecería Modelo, SA de CV and Modelo Continente Hipermercados, SA,

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (First Chamber),

composed of B. Vesterdorf, President, P. Mengozzi and I. Labucka, Judges,

Registrar: H. Jung,

having regard to the application lodged at the Court Registry on 30 May 2002,

having regard to the response lodged at the Court Registry on 12 December 2002,

having regard to the response of the intervener lodged at the Court Registry on 25 November 2002,

further to the hearing on 14 September 2004,

gives the following

Judgment

Background to the dispute

- 1 On 19 May 1999, Cervecería Modelo, SA de CV 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.
- 2 The trade mark for which registration was sought is the figurative sign reproduced below, bearing the colours gold, orange, white, black and brown ('the NEGRA MODELO trade mark'):



3 The goods and services in respect of which registration of the trade mark was sought were in Classes 25, 32 and 42 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 descriptions for each class:

— class 25: ‘Clothing’;

— class 32: ‘Beer’;

— Class 42: ‘Services related to bars, restaurants and night clubs’.

4 The application was published on 17 January 2000 in *Community Trade Marks Bulletin* No 5/2000.

5 On 17 April 2000, Modelo Continente Hipermercados, SA lodged an opposition against the applicant’s application, pursuant to Article 42 of Regulation No 40/94. The opposition related to all the goods and services referred to in the applicant’s application for a Community trade mark. The opposition was based on the following national figurative trade mark:



- 6 That trade mark had been registered in Portugal on 20 January 1995 for ‘articles of clothing, including footwear’ in class 25 and on 20 April 1995 for ‘syrups, beers, refreshing drinks and non-alcoholic beverages’ in class 32.

- 7 By Decision No 763/2001 of 23 March 2001, the Opposition Division of OHIM granted the application for registration in respect of ‘clothing’, ‘services related to bars, restaurants and night clubs’ and, allowing the opposition in part, rejected the application for the good in class 32 (‘beer’), on the ground that there was a likelihood of confusion between the opposing signs for that good.

- 8 On 23 May 2001, the applicant brought an appeal (Case R 536/2001-3) against the decision of the opposition division, claiming that registration of the trade mark sought for the product in class 32 (‘beer’) should not have been refused.

- 9 On 23 May 2001, the intervener brought an appeal (Case R 674/2001-3) against that decision, in so far as it granted the application for registration.

- 10 By decision of 6 March 2002 (‘the contested decision’), the Third Board of Appeal of OHIM dismissed the appeals and upheld the registration of the trade mark for the goods and services in classes 25 and 42 and the refusal to register the good in class 32, on the ground that for that good there was a likelihood of confusion between the Community trade mark sought and the earlier national trade mark.

Forms of order sought by the parties

11 The applicant claims that the Court should:

- annul the contested decision;

- order OHIM to pay the costs.

12 OHIM and the intervener contend that the Court should:

- dismiss the application;

- order the applicant to pay the costs.

Law

13 In support of its application, the applicant relies on a single plea in law, alleging breach of Article 8(1)(b) of Regulation No 40/94.

Arguments of the parties

- 14 The applicant maintains, first, that the likelihood of confusion between the trade mark NEGRA MODELO for which registration is sought and the intervener's trade mark Modelo must be assessed on the basis of the prior use of the intervener's mark. Since, in the applicant's submission, the intervener has adduced no evidence of serious use of its trade mark, there can be no likelihood of confusion between that trade mark and the applicant's trade mark.
- 15 Second, the applicant refers to the reputation of the trade mark NEGRA MODELO; it observes that the Board of Appeal did not take that reputation sufficiently into account when assessing the likelihood of confusion with the intervener's trade mark and also that that reputation prevents consumers from being misled and thus precludes any likelihood of confusion.
- 16 Third, the applicant disputes the Board of Appeal's finding that there was a likelihood of confusion between the earlier trade mark and that proposed for registration. It submits that the Board did not carry out a global appreciation of the likelihood of confusion, on the basis of the overall impression given by the trade marks in question in visual, aural and conceptual terms, contrary to what the Court of Justice stated at paragraph 25 of its judgment in Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819. Furthermore, the Board precluded from the global appreciation the figurative elements and the colours described in the application for a Community trade mark NEGRA MODELO. Last, it incorrectly separated the words 'negra' and 'modelo', being of the view that the former was descriptive.

- 17 OHIM submits, first of all, that according to Article 43(2) of Regulation No 40/94, proof that the earlier trade mark on which the opposition is based has been used must be adduced by the opponent if the applicant so requests. In the present case, the applicant did not request the opponent to adduce such proof.
- 18 Next, as regards the argument which the applicant derives from the alleged reputation of its trade mark, OHIM observes that the documents which it produces in support of such reputation refer to the use of the mark in Spain, whereas it is in Portugal that the likelihood of confusion must be evaluated. At the hearing, moreover, OHIM challenged the admissibility of the documents, on the ground that they were presented for the first time before the Court.
- 19 As regards the appreciation of the likelihood of confusion, OHIM submits that while in visual terms the degree of similarity between the trade marks in question is lesser, it is greater in aural and conceptual terms. As regards, in particular, conceptual similarity, OHIM contends that the Board did not arbitrarily break down the sign to which the trade mark relates but, on the contrary, made a global analysis of all of its constituent elements.
- 20 The intervener submits that there is no contradiction between the global appreciation of the likelihood of confusion and the examination of the distinctive and dominant elements of the trade mark, as the unitary and unfragmented vision of the trade mark shows that one of its components is predominant.
- 21 From the conceptual aspect, the intervener further maintains that the word 'negra' has a particular meaning, namely 'having a very dark colour: black', and that it is used in Portugal in everyday language to designate a type of brown beer. By reference to the goods designated by the trade marks in question, the word 'negra' therefore has no distinctive character.

Findings of the Court

- 22 Under Article 74(1) of Regulation No 40/94, in proceedings relating to relative grounds for refusal of registration, the examination is to be restricted to the facts, evidence and arguments provided by the parties and the relief sought. It follows that, in relation to a relative ground for refusal of registration, elements of law and of fact which are pleaded before the Court without having previously been raised before the departments of OHIM cannot affect the legality of a decision of OHIM's Board of Appeal (see, in respect of new facts, Case T-115/03 *Samar v OHIM — Grotto (GAS STATION)* [2004] ECR II-2939, paragraph 13).
- 23 Consequently, in the context of the review of the legality of decisions of OHIM's Boards of Appeal, for which the Court has jurisdiction under Article 63 of Regulation No 40/94, those elements of fact and of law cannot be examined for the purpose of assessing the legality of the decision of the Board of Appeal and must therefore be declared inadmissible (*GAS STATION*, paragraph 14).
- 24 In the present case, as it is not disputed that the objections based on non-use of the earlier trade mark and the reputation of the trade mark proposed for registration were not assessed by the Board of Appeal, since the applicant did not rely on them, they must be declared inadmissible.
- 25 As regards the appreciation of a likelihood of confusion between the trade marks in question, it should be recalled that, according to the case-law of the Court of Justice on the interpretation of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) and of the Court of First Instance in relation to Regulation No 40/94, there is a likelihood of confusion if the public may believe that the goods or services in question come from the same undertaking or, as the case may be, from

economically-linked undertakings (Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 29; *Lloyd Schuhfabrik Meyer*, paragraph 17; Case T-104/01 *Oberhauser v OHIM — Petit Liberto (Fifties)* [2002] ECR II-4359, paragraph 25; Case T-99/01 *Mystery Drinks v OHIM — Karlsberg Brauerei (MYSTERY)* [2003] ECR II-43, paragraph 29; and Joined Cases T-183/02 and T-184/02 *El Corte Inglés v OHIM — González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-965, paragraph 64).

- 26 In particular, according to Article 8(1)(b) of Regulation No 40/94, the appreciation of the existence of a likelihood of confusion implies the identity or similarity of the goods or services designated by the conflicting signs and also identity or similarity between those signs.
- 27 In the present case, as regards the similarity of the products, it is common ground that the good designated by the earlier trade mark and by the trade mark proposed for registration is the same, namely beer.
- 28 As regards the similarity between the conflicting signs, it is on the Portuguese market that the likelihood of confusion was identified by the Board of Appeal (paragraph 50 of the contested decision). The Board of Appeal also found that the relevant consumer was the average Portuguese consumer, well informed and reasonably observant and circumspect, by reference to whom it therefore assessed the impression that the trade marks in question might produce. Those findings of the Board of Appeal have not been challenged in these proceedings.
- 29 As regards the appreciation of the likelihood of confusion, it follows from the contested decision (paragraph 36 et seq.) that the Board of Appeal compared the trade marks in question by considering the overall impression produced by the conflicting marks in visual, aural and conceptual terms.

- 30 Contrary to what the applicant maintains, the Board of Appeal therefore did not fail to comply with the obligation to make a global appreciation of the likelihood of confusion.
- 31 As regards the applicant's observation concerning the separate appreciation of the words 'negra' and 'modelo', it should be recalled that the global appreciation of the likelihood of confusion between two marks must be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components (see, by analogy, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23; *Lloyd Schuhfabrik Meyer*, paragraph 25; and *Fifties*, paragraph 34).
- 32 As regards marks composed of a number of words, the attempt to determine the dominant component inevitably entails an analysis of the meaning which each of those words has for the relevant consumer.
- 33 That approach must be based, first, on an examination of the trade marks in question, 'each considered as a whole', and, second, on the 'intrinsic qualities' of each of the components by comparison with those of the other components (Case T-6/01 *Matratzen Concord v OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraphs 34 and 35).
- 34 Nor will the relevant public generally consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark (Case T-129/01 *Alejandro v OHIM — Anheuser-Busch (BUDMEN)* [2003] ECR II-2251, paragraph 53; Case T-10/03 *Koubi v OHIM — Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraph 60; and Case T-117/02 *Grupo El Prado Cervera v OHIM — Debuschewitz (CHUFAFIT)* [2004] ECR II-2073, paragraph 51).

35 In the present case, it cannot be disputed that the word ‘modelo’ is the dominant component of the complex trade mark NEGRA MODELO.

36 ‘Negra’ is a descriptive component, since it may be used in Portuguese to designate brown beer, i.e. the type of beer sold under the trade mark NEGRA MODELO.

37 Consequently, the attention of the average Portuguese consumer will be focused on the word ‘modelo’.

38 It follows that ‘modelo’ is the dominant component of the trade mark NEGRA MODELO, both where that word is considered in relation to the other components of the trade mark and where the overall impression which it produces is appreciated. The Board of Appeal was therefore correct, at point 42 of the contested decision, to classify the word ‘modelo’ in the mark proposed for registration as dominant.

39 As regards the applicant’s argument that the Board failed to take into consideration the particular graphic features of the trade mark NEGRA MODELO, it should be noted that, in the analysis of the overall impression created by the marks in question in visual, aural and conceptual terms, there is no need for the likelihood of confusion to exist in respect of all of those terms. As OHIM correctly recalls, it is possible that certain differences existing on one of those levels may be neutralised, in the overall impression produced for the consumer, by similarities existing on other levels. Regard being had to the aural and conceptual similarities between the signs in question, the visual differences between the signs are not such as to dispel a likelihood of confusion (*Fifties*, paragraph 46).

- 40 In the present case, the aural and conceptual identity between the dominant component of the mark proposed for registration and the earlier mark neutralises the visual differences deriving from the graphic particularities of the mark proposed for registration, so that those differences do not serve to dispel a likelihood of confusion.
- 41 Furthermore, that similarity concerns two trade marks designating the same product, beer. In that regard, it should be borne in mind that a lesser degree of similarity between marks may be offset by a greater degree of similarity between the designated goods or services (see, by analogy, *Canon*, paragraph 17, *Lloyd Schuhfabrik Meyer*, paragraph 19, and *Fifties*, paragraph 27).
- 42 It follows from the foregoing that the appreciation in the contested decision of the likelihood of confusion between the applicant's trade mark NEGRA MODELO and the intervener's trade mark Modelo is not unlawful, as the Board of Appeal correctly found that the word 'modelo' is dominant in the applicant's trade mark and that that word is identical to the only word constituting the earlier mark.
- 43 In the present case, the identity of the good designated by the conflicting signs merely reinforces the similarity between them.
- 44 On the basis of the foregoing, it must be held that there is a likelihood that the relevant public will be led to believe that the goods designated by the conflicting signs are from the same undertaking or, at least, from economically-linked undertakings.

- 45 Furthermore, the existence of that likelihood of confusion is borne out by the fact that the average consumer only rarely has the opportunity to make a direct comparison between the different marks but must place his trust in the imperfect picture of them which he has kept in his mind (*Lloyd Schuhfabrik Meyer*, paragraph 26, and *GAS STATION*, paragraph 37).
- 46 Consequently, it must be held that there is a likelihood of confusion between the *NEGRA MODELO* and *Modelo* trade marks, within the meaning of Article 8(1)(b) of Regulation No 40/94.
- 47 It follows from all of the foregoing that the grounds on which the applicant seeks a declaration that the Board of Appeal infringed Article 8(1)(b) of Regulation No 40/94 cannot be upheld. The application must therefore be dismissed.

Costs

- 48 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, the unsuccessful party is to be ordered to pay the costs if they have been applied for. As the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by OHIM and the intervener.

On those grounds,

THE COURT OF FIRST INSTANCE (First Chamber)

hereby:

- 1. Dismisses the application;**
- 2. Orders the applicant to pay the costs.**

Vesterdorf

Mengozzi

Labucka

Delivered in open court in Luxembourg on 15 February 2005.

H. Jung

B. Vesterdorf

Registrar

President