

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

15 January 2003

In Case T-99/01,

Mystery drinks GmbH, in judicial liquidation, established in Eppertshausen (Germany),
represented by T. Jestaedt, V. von Bomhard and A. Renck, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM),
represented by A. von Mühlendahl, B. Weggenmann and C. Røhl Sjøberg, acting as Agents,

defendant,

the intervener before the Court of First Instance being

Karlsberg Brauerei KG Weber, established in Homburg (Germany), represented by R. Lange,

ACTION brought against the decision of the Third Chamber Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 12 February 2001 (Case R 251/2000-3), concerning the registration of the sign MYSTERY as a Community trade mark, which was opposed by the national trade mark Mixery, THE COURT OF FIRST INSTANCE OF THE EUROPEAN COMMUNITIES (Second Chamber), [...] gives the following

Judgment

1. On 25 October 1996, the applicant filed an application under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, for a Community figurative trade mark ('the application') at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM).

2. The sign for which registration was sought is the sign reproduced below:



3. The goods in respect of which registration of the trade mark was sought were in Classes 29, 30 and 32 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:

- 'Snacks, in particular dried fruits, nuts, potato chips and potato sticks', in Class 29;
- 'Cocoa, sugar, honey, treacle and goods made from these materials, in particular candies and other sweets; pastry and confectionery; icecreams; chewing gum', in Class 30;
- 'Non-alcoholic beverages with the exception of non-alcoholic beer', in Class 32.

4. The application was published in *Community Trade Marks Bulletin* No 21/98 of 23 March 1998.

5. On 16 June 1998, Karlsberg Brauerei KG Weber ('the intervener') filed an opposition under Article 42 of Regulation No 40/94 against the registration of that Community trade mark. The ground relied on in support of the opposition was the likelihood of confusion, within the

meaning of Article 8(1)(b) of Regulation No40/94, between the mark claimed and an earlier national mark owned by the intervener. The earlier mark in question is the word mark Mixery registered in Germany as No 395 02 709 to designate the following products:

- 'Beers and beverages containing beer', in Class 32.

6. By decision of 4 February 2000, the Opposition Division rejected the opposition.

7. On 3 March 2000, the intervener filed an appeal at OHIM, under Article 59 of Regulation No 40/94, against the decision of the Opposition Division.

8. By decision of 12 February 2001 ('the contested decision'), which was notified to the applicant on 27 February 2001, the Third Chamber Board of Appeal annulled in part the decision of the Opposition Division.

9. The Board of Appeal considered, in substance, that there was a likelihood of confusion between the earlier trade mark and the trade mark claimed for products in Class 32. None the less, that likelihood was ruled out for products in Classes 29 and 30.

Procedure and forms of order sought by the parties

10. The applicant claims that the Court should:

- annul the contested decision;
- order OHIM to pay the costs.

11. OHIM contends that the Court should:

- take into account the parties' pleadings;
- apportion the costs according to the outcome of the proceedings and, furthermore, not order it to pay the costs.

12. The intervener claims that the Court should dismiss the action.

13. By letter of 5 September 2002, the applicant informed the Court that it was insolvent. Moreover, it may be inferred from its observations that it intends to continue the proceedings. Furthermore, the applicant was not represented at the hearing.

The law

Preliminary observations

14. In its pleadings, OHIM does not express any views on either the applicant's claims or on the fate of the contested decision.

15. In that regard, OHIM's pleadings are inadmissible. However, the intervener has claimed that the application should be dismissed. The Court must therefore examine the present dispute in accordance with Article 134(4) of the Rules of Procedure of the Court of First Instance.

The single plea in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94

Arguments of the parties

16. The applicant submits that a trade mark such as the intervener's, which is not particularly distinctive, must enjoy only limited protection, particularly since the relevant public associates the trade mark Mixery with words like 'mixen' (to mix) or 'mix' (mixture), which indicate that the

beverage is a mixture or a cocktail. Even by intensive usage, such a trade mark cannot attain the status of a 'really strong' trade mark.

17. Furthermore, the reputation of the intervener's trade mark has never been sufficiently demonstrated.

18. The applicant further claims that the arguments and documents attesting to the reputation of the trade mark Mixery were not submitted in the context of the opposition proceedings and cannot be submitted for the first time before the Board of Appeal. It likewise maintains that the question of the highly distinctive nature of a trade mark is a question of law. Thus, the applicant contends that, in accordance with the second phrase of Article 74(1) of Regulation No 40/94, no challenge on its part was necessary in respect of facts which, moreover, were not properly submitted.

19. As regards comparison of the signs, the applicant claims that:

- typographically, the conflicting signs are different because the central letters, 'IX' and 'YST', differ and because the initial 'M' of the sign MYSTERY is in a very stylised form;

- aurally, the signs are different; their syllables differ considerably from each other; in the first syllable, the 'i' of Mixery is shorter and clearer than the 'Y' of MYSTERY and, in the second syllable, the 'St' of MYSTERY is pronounced differently from the 'x' of Mixery, a consonant rarely used;

- conceptually, the signs in issue, which have a clear meaning, differ considerably; the word MYSTERY evokes, in Germany, the word 'Mysterium'; on the other hand, the sign Mixery clearly refers to the word 'mix' (mixture) or 'mixen' (to mix).

20. The applicant further claims that the visual impression of the trade mark is of primary importance, since in shops customers do not order the product orally and since only a tiny proportion of those beverages are ordered in establishments with a high level of sound, where consultation of the list beforehand precludes any likelihood of confusion. In addition, the beverage is normally served with the bottle showing the trade mark. Where the beverage is taken from the barrel, the trade mark appears on the tap or even on the glass or the beer mat.

21. As regards a comparison of the products, the applicant maintains that they are not similar. Non-alcoholic beverages are not manufactured at the same sites as beer and are sold in completely separate departments. Furthermore, the determining difference between the beverages relates to whether or not they contain alcohol, having regard to the restrictions associated with age or with driving a motor vehicle, and consumers are very aware of that difference.

22. In conclusion, the applicant maintains that there is no likelihood of confusion between the trade mark claimed and the earlier trade mark.

23. The intervener submits that, owing to its reputation, the trade mark Mixery has a very distinctive nature. It states, in that regard, the factors susceptible of supporting recognition of that reputation.

24. Contrary to the applicant's contentions, the reference to a high degree of distinction had already been referred to in the context of the opposition proceedings, and that factor was correctly understood by the Board of Appeal as meaning that it was a known trade mark.

25. The intervener states that aural confusion is ruled out by the applicant only on the basis of an artificial analysis based on a fragmented analysis of the trade mark. Likewise, the argument based on the use of the list of beverages is irrelevant, since it merely refers to the likelihood of confusion at a different level.

26. The intervener contends that it is impossible to claim that the products are not similar. In that regard, the intervener submits that it is not true to state that non-alcoholic beverages and mixtures based on beer are manufactured at different production sites.

27. Last, the intervener claims that consumers cannot be divided into two separate categories, since there is a significant number of consumers to whom the two products are addressed at the same time.

Findings of the Court

28. Article 8(1)(b) of Regulation No 40/94 provides that, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for is not to be registered where, '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'.

29. According to the case-law of the Court of Justice on Article 4(1)(b) 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), a provision which is in essence the same as Article 8(1)(b) of Regulation No 40/94, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion (Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 29, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17).

30. According to the same case-law, the likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22; *Canon*, paragraph 16; *Lloyd Schuhfabrik Meyer*, paragraph 18; and Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40).

31. That global assessment of the likelihood of confusion implies some interdependence between the factors taken into account, as stated at the seventh recital to Regulation No 40/94, and in particular similarity between the trade marks and between the goods or services. Accordingly, a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa (*Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19).

32. In addition, the perception of marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25). For the purposes of that global assessment, the average consumer of products concerned is deemed to be reasonably well informed and reasonably observant and circumspect. In addition, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but has to place his trust in the imperfect image of them that he has retained in his mind. It should also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question (*Lloyd Schuhfabrik Meyer*, paragraph 26).

33. In the present case, the Court observes, first of all, that the Board of Appeal found at point 32 of the contested decision that the intervener's trademark had a high degree of distinctiveness.

34. That finding cannot be inferred solely from the matters contained in that regard in the decision. The high degree of distinctiveness of a trade mark must be established either in the light of the intrinsic qualities of the mark or owing to the reputation associated with it. On the one hand, although the Board found that the distinctiveness of the earlier mark was not reduced by the evocation of a descriptive word and that it was sufficiently original to function as a mark, it did not specify the intrinsic qualities of that mark which would enable that distinctiveness to be classified as rather high. On the other hand, the Court observes that, as the applicant essentially submitted, the matters taken from the indications provided by the intervener, in particular the bare assertion that the mark is a 'fashionable beverage among young people' and the mere reference to internet pages relating in particular to the advertising sponsorship of a function after the application for registration cannot be held to be sufficient to establish the distinctiveness of the earlier mark resulting from the reputation attached to it (see, on that point, *Lloyd Schuhfabrik Meyer*, cited above, paragraphs 22 and 23).

35. Accordingly, the Board of Appeal's finding that the opponent's mark had a rather high degree of distinctiveness must be set aside without its being necessary to adjudicate on the other points relating to the examination of reputation raised by the applicant.

36. However, the error thus made by the Board of Appeal is not in itself sufficient to render its decision invalid. The likelihood of confusion between the mark claimed and the earlier mark may be established without reference to the high degree of distinctiveness of the earlier mark. The Court must therefore consider whether, irrespective of the error referred to above, the contested decision correctly established the likelihood of confusion.

37. In this case, given that beverages in Class 32 are everyday consumer items and that the earlier mark on which the opposition is based is registered and protected in Germany, the relevant public by reference to which the likelihood of confusion must be assessed is composed of average consumers in that Member State.

38. In the light of those considerations, it is necessary to compare, first, the goods concerned and, second, the signs in question, in order to determine whether registration of the sign MYSTERY is capable of giving rise to the likelihood of confusion with the earlier mark Mixery.

39. With regard, first, to comparison of the goods, it should be recalled that, according to the case-law of the Court of Justice, when assessing the similarity of the goods or services concerned, all the relevant factors which characterise their relationship should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary (*Canon*, paragraph 23).

40. In that regard, the Board of Appeal found that the earlier mark is protected not only in respect of beers but also of mixed beverages containing beer, which might be non-alcoholic. The Board of Appeal also found that beers and other beverages could come, in particular in the bottling and marketing stages, from the same undertakings, could be sold side by side and had the same destination. Furthermore, in the minds of consumers, mixed beverages based on beer might be substituted for either beer or non-alcoholic beverages. The Board of Appeal therefore rightly concluded that the goods concerned in Class 32 were similar.

41. As regards the applicant's arguments concerning the special attention which consumers pay to the alcoholic content of beverages, in the light of the restrictions associated with age or driving, they cannot be accepted since, as the Board of Appeal observed, the differences between certain beverages from the point of view of alcoholic content ((beers with reduced alcohol content, beers without alcohol or mixed beverages) would tend to become blurred and would not

prevent consumers from considering that both products were manufactured under the control of the same undertaking.

42. As regards, second, comparison of the mark and the sign claimed, according to case-law, the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25). Furthermore, the Court of Justice has held that it is possible that mere aural similarity between trade marks may create a likelihood of confusion (*Lloyd Schuhfabrik Meyer*, paragraph 28).

43. It is therefore necessary to compare, in visual, aural and conceptual terms, the sign 'MYSTERY', as reproduced at paragraph 2 above, and the mark Mixery.

44. Visually, it is quite clear, as the Board of Appeal observed, that the two signs may be readily distinguished by their graphic form, particularly because the sign MYSTERY is presented in a figurative form including, in particular, a stylised capital 'M'.

45. Aurally, the Board of Appeal found that, having regard to the rules of pronunciation of German and English, by which the word 'Mystery' is inspired, the common features in the dominant elements on both sides prevailed phonetically by comparison with the differences, which meant that the signs were similar.

46. In that regard, the applicant's argument relating to the importance of those differences cannot be accepted. Those differences can be detected aurally, as submitted by the applicant, only in so far as the applicant carries out a fragmented analysis, syllable by syllable, and omits to compare the pronunciation of the word as a whole.

47. Conceptually, the Board of Appeal found that, in spite of the absence in similarity between the signs in question in that regard, the evocative meaning of them was not sufficiently direct and precise to be immediately perceived by consumers and therefore to enable them to be distinguished with certainty. In that regard, it cannot be accepted that the relevant public will carry out a sufficiently elaborate analysis of the signs to find that possible meaning.

48. In the light of all the foregoing considerations, and in particular of the great similarity of the products and the aural similarity of the signs in question, it must be held that the Board of Appeal correctly concluded that there was a likelihood of confusion in the minds of the relevant public between the mark claimed and the earlier mark, within the meaning of Article 8(1)(b) of Regulation No 40/94. That conclusion cannot be invalidated by the applicant's argument that the visual impression is of primary importance. It is sufficient that there is a likelihood of confusion and not that confusion be established. Since the goods in question are also consumed after being ordered orally, the aural similarity of the signs in question is in itself sufficient to give rise to the likelihood of confusion.

49. In those circumstances, the plea alleging infringement of Article 8(1)(b) of Regulation No 40/94 must be rejected. The application must therefore be dismissed.

Costs

50. Under the first subparagraph of Article 87(3) of the Rules of Procedure, where each party succeeds on some and fails on other heads, or where the circumstances are exceptional, the Court may order that each party is to bear its own costs.

51. In the present case, as the applicant has been unsuccessful, as OHIM submitted inadmissible pleadings and as the intervener did not apply for costs, each of the parties must be ordered to bear its own costs.

On those grounds, THE COURT OF FIRST INSTANCE (Second Chamber) hereby:

- 1. Dismisses the application;**
- 2. Orders the parties to bear their own costs.**

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