

European Court of Justice, 28 April 2004, Matratzen Concord v OHIM



TRADEMARK LAW

Global assessment likelihood of confusion

- In that regard, the claim that the Court, by considering separately the elements of the trade mark applied for, failed to assess globally the likelihood of confusion, taking into account all the factors relevant to the circumstances of the case, is unfounded.

The Court rightly pointed out, in paragraph 34 of the contested judgment, that the assessment of the similarity between two marks does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. It also held that 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.

Furthermore, as is clear from paragraphs 38 to 48 of the contested judgment, the Court, in order to decide whether the two trade marks are similar from the point of view of the relevant public, devoted a significant part of its reasoning to an appreciation of their distinctive and dominant elements and of the likelihood of confusion on the part of the public, a likelihood which it appreciated globally, taking into account all the factors relevant to the circumstances of the case.

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European Court of Justice, 28 April 2004

(J.N. Cunha Rodrigues, F. Macken and K. Lenaerts)

ORDER OF THE COURT OF JUSTICE (Fourth Chamber)

28 April 2004 (1)

(Appeal – Community trade mark – Regulation (EC) No 40/94 – Similarity between two trade marks – Likelihood of confusion – Application for a figurative Community trade mark containing the word ‘Matratzen’ – Earlier word mark MATRATZEN)

In Case C-3/03 P,

Matratzen Concord GmbH, formerly Matratzen Concord AG, established in Cologne, Germany, represented by W.-W. Wodrich, Rechtsanwalt, with an address for service in Luxembourg, appellant,

APPEAL against the judgment of the Court of First Instance of the European Communities (Fourth Chamber) of 23 October 2002 in Case T-6/01 Matratzen Concord v OHIM – Hukla Germany (Matratzen) [2002] ECR II-4335, by which the Court dismissed the application brought against the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 31 October 2000 refusing to register a figurative mark as a Community trade mark (Joined Cases R 728/1999-2 and R 792/1999-2, seeking to have that judgment set aside, the other party to the proceedings being:

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl and G. Schneider, acting as Agents, defendant at first instance,

THE COURT (Fourth Chamber),

composed of J.N. Cunha Rodrigues, President of the Chamber, F. Macken (Rapporteur) and K. Lenaerts, Judges,

Advocate General: C. Stix-Hackl,

Registrar: R. Grass,

after hearing the Advocate General,

makes the following

Order

1 By application lodged at the Court Registry on 6 January 2003, Matratzen Concord GmbH (‘Matratzen’) brought an appeal under Article 49 of the EC Statute of the Court of Justice against the judgment of the Court of First Instance of 23 October 2002 in Case T-6/01 Matratzen Concord v OHIM – Hukla Germany (Matratzen) [2002] ECR II-4335 (‘the contested judgment’), by which the Court dismissed the action brought against the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (‘OHIM’) of 31 October 2000 refusing to register a figurative mark as a Community trade mark (Joined Cases R 728/1999-2 and R 792/1999-2) (‘the contested decision’), seeking to have that judgment set aside.

Legal background

2 Article 8 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) provides:

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

...

(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.

2. For the purposes of paragraph 1, “earlier trade mark” means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:

...
(ii)
trade marks registered in a Member State, or, in the case of Belgium, the Netherlands or Luxembourg, at the Benelux Trade Mark Office ...

...?
3 Article 12 of the regulation, entitled 'Limitation of the effects of a Community trade mark', states:
'A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

...
(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of the goods or services;

...
provided he uses them in accordance with honest practices in industrial or commercial matters.'

4 Under Article 106(1) of the regulation, entitled 'Prohibition of use of Community trade marks':

'This regulation shall, unless otherwise provided for, not affect the right existing under the laws of the Member States to invoke claims for infringement of earlier rights within the meaning of Article 8 or Article 52(2), in relation to the use of a later Community trade mark. Claims for infringement of earlier rights within the meaning of Article 8(2) and (4) may, however, no longer be invoked if the proprietor of the earlier right may no longer apply for a declaration that the Community trade mark is invalid in accordance with Article 53(2).'

Facts

5 On 10 October 1996, the appellant filed an application for registration as a Community trade mark of the word and figurative trade mark reproduced below:

for goods falling within Classes 10 (cushions; pillows; mattresses; air cushions and beds for medical purposes), 20 (mattresses; air beds; beds; duckboards, not of metal; loose covers; bedding) and 24 (bed blankets; pillow shams; bed linen; eiderdowns [down coverlets]; cambric covers; mattress covers; sleeping bags), under the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks of 15 June 1957, as revised.

6 On 21 April 1998, Hukla Germany SA ('Hukla'), the proprietor of a word mark consisting of the word 'Matratzen', registered in Spain for the products falling within Class 20 ('the earlier mark'), filed a notice of opposition at the Opposition Division of OHIM pursuant to Article 42 of Regulation No 40/94.

7 By decision of 22 September 1999, the Opposition Division rejected the opposition in respect of the categories of goods in Class 10 and upheld it in respect of the categories of goods in Classes 20 and 24. Both Matratzen and Hukla appealed against that decision.

8 By the contested decision, the Second Board of Appeal of OHIM dismissed the appeal brought by Matratzen and allowed that brought by Hukla. In essence, the Board of Appeal considered that, in Spain, the two trade marks at issue would be seen as being

similar and that some of the products covered by the two trade marks were identical and others highly similar. On the basis of that analysis, the Board of Appeal took the view that there was a likelihood of confusion, within the meaning of Article 8(1)(b) of Regulation No 40/94, in respect of all the products covered by the application.

The procedure before the Court of First Instance and the contested judgment

9 On 9 January 2001, Matratzen brought an action before the Court of First Instance for annulment of the contested decision for infringement of Article 8(1)(b) of Regulation No 40/94 and breach of the principle of the free movement of goods.

10 With regard to the alleged infringement of Article 8(1)(b) of Regulation No 40/94, the Court, pointing out that the perception 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, stated, in paragraph 27 of the contested judgment, that the point of view of the public in the Member State in which the earlier mark is registered, namely Spain, must be taken into consideration.

11 It held, first, in paragraph 30 of the contested judgment, that two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects, inter alia the visual, aural and conceptual aspects. The Court found that, in the present case, the word 'Matratzen' was both the earlier trade mark and one of the signs of which the trade mark applied for consisted and, therefore, that it must be held that the earlier mark was identical, from a visual and aural point of view, to one of the signs making up the trade mark applied for. However, that finding was not in itself a sufficient basis for holding that the two trade marks in question, each considered as a whole, were similar.

12 The Court stated, in paragraph 32 of the contested judgment, that the assessment of the similarity between two marks must be based on the overall impression created by them, in light, in particular, of their distinctive and dominant components. It added, in paragraph 34 of the contested judgment, that that approach does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark, but, on the contrary, it entails examining the marks in question, each considered as a whole. However, it pointed out in the same paragraph that 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.

13 Next, in accordance with the criteria relevant to the case, the Court examined the components of the trade mark applied for, namely the words 'Matratzen', 'Concord' and 'markt', and also the figurative sign of each in relation to the others. It considered, in paragraph 43 of the contested judgment, that the words 'Matratzen' and 'Concord' could be considered to be the most important components. However, according to the Court, the word 'Matratzen', which is characterised by a pre-

ponderance of consonants with hard pronunciation and bears no resemblance to any Spanish word, appeared more likely than the word 'Concord' to be kept in mind by the relevant public. It concluded that the word 'Matratzen' was the dominant element of the trade mark applied for. It therefore held, in paragraph 44 of the contested judgment, that, from the point of view of the relevant public, there existed a visual and aural similarity between the two trade marks.

14 Finally, it held, in paragraph 48 of the contested decision, that, considered cumulatively, the degree of similarity between the trade marks in question and the degree of similarity between the goods covered by them was sufficiently high and that the Board of Appeal was therefore entitled to hold that there was a likelihood of confusion between the trade marks in question.

15 In paragraph 49 of the contested judgment, it held that that conclusion was not invalidated by Matratzen's arguments based on Article 12(b) of Regulation No 40/94. It considered that, even if that provision could have a bearing on the registration procedure, that bearing would be limited, as regards assessment of the likelihood of confusion, to precluding a descriptive sign from forming part of a complex trade mark as a distinctive and dominant element within the overall impression created by that mark. In this case, the word 'Matratzen' was not descriptive, from the point of view of the relevant public, of the goods covered by the trade mark applied for.

16 As regards the alleged infringement of the principle of the free movement of goods, the Court held, in paragraph 54 of the contested judgment, that registration, as a national trade mark, of a sign which, in the language of another Member State, is descriptive of the goods or services concerned does not constitute a barrier to the free movement of goods. In paragraph 58 of the contested judgment, it pointed out that, according to the case-law of the Court of Justice, Article 30 EC allows derogations from the principle of the free movement of goods arising from the exercise of the rights conferred by a national trade mark only to the extent to which such derogations are justified in order to safeguard the rights which constitute the specific subject-matter of the industrial property concerned. The right attributed to a trade-mark proprietor of preventing any use of the trade mark which is likely to impair the guarantee of origin so understood is part of the specific subject-matter of the trade-mark rights.

17 The Court pointed out, in paragraph 57 of the contested judgment, that under Article 106(1), Regulation No 40/94 does not affect the right existing under the laws of the Member States to bring claims for infringement of earlier rights in relation to the use of the later Community trade mark. It pointed out that if, in a specific case, there exists a likelihood of confusion between an earlier national trade mark and a sign for which an application for registration as a Community trade mark has been made, the use of that sign may be prohibited by the national court in infringement proceedings.

18 The Court therefore dismissed the application.

The appeal

19 Matratzen claims that the Court should set aside the contested judgment and reject the opposition lodged on 21 April 1998 by Hukla. It also seeks an order for costs against OHIM.

20 OHIM contends that the appeal should be dismissed and seeks an order for costs against Matratzen.

21 Under Article 119 of the Rules of Procedure, where the appeal is clearly unfounded, the Court may at any time, acting on a report from the Judge-Rapporteur and after hearing the Advocate General, by reasoned order dismiss the appeal.

The first plea

Arguments of the parties

22 By its first plea, Matratzen claims that the Court of First Instance, in interpreting the notion of similarity referred to in Article 8(1)(b) of Regulation No 40/94, did not fulfil the requirement of the case-law of the Court of Justice to appreciate globally the likelihood of confusion on the part of the public taking into account all factors relevant to the circumstances of the case. Neither the figurative element nor any of the verbal elements should be overlooked in a proper analysis and appreciation of the trade mark applied for.

23 In its assessment of the factual circumstances fundamental to the evaluation of the likelihood of confusion, the Court erred in law by holding that the word 'Matratzen' constituted the dominant element of the trade mark applied for. According to Matratzen, it should have held that the word 'Concord' predominated. The correct assumption is that, in the trade mark applied for, the element 'Matratzen', which is a foreign-sounding word for the Spanish consumer, is of secondary importance, whereas the term 'Concord', which originates from the Romance language area with which he is familiar, remains, at least more clearly and easily, fixed in his memory.

24 It is clear from the total lack of information on the use of the trade mark, on its possible importance, on evidence that its distinctive nature may have increased, on the extent to which it is known on the market, and also of other similar information, that it can only be assumed that the distinctiveness is just barely adequate and therefore rather weak. Applying by analogy the principles of the limitation of the effects of a mark, as set out inter alia in Article 12(b) of Regulation No 40/94, the word mark 'Matratzen', which is not very distinctive, cannot successfully be relied on as against a word and figurative trade mark with a strong distinctive nature. For that reason, too, registration of the trade mark applied for in the register of Community trade marks held by OHIM should not be refused.

25 OHIM contends that the plea seeks to challenge findings and assessments of fact, which cannot, as a rule, be subject to review by the Court on appeal. It also maintains that the Court of First Instance referred to the relevant case-law, particularly as regards the methodological procedure by which the two trade marks are to be compared.

Findings of the Court

26 Under Article 8(1)(b) of Regulation No 40/94, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for is not to be registered 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 two 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.

27 The very terms in which that provision is couched therefore preclude its application if there is no likelihood of confusion on the part of the public (see, regarding the identical provision in 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), [Case C-39/97 Canon \[1998\] ECR I-5507](#), paragraph 18, and [Case C-425/98 Marca Mode \[2000\] ECR I-4861](#), paragraph 34).

28 Likelihood of confusion on the part of the public must be assessed globally, taking into account all the factors relevant to the circumstances of the case (see to this effect [Case C-251/95 SABEL \[1997\] ECR I-6191](#), paragraph 22; [Case C-342/97 Lloyd Schuhfabrik Meyer \[1999\] ECR I-3819](#), paragraph 18, and [Marca Mode](#), cited above, paragraph 40).

29 In addition, 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. The perception of the 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 the mark as a whole, and does not proceed to analyse its various details (see to this effect [SABEL](#), paragraph 23, and [Lloyd Schuhfabrik Meyer](#), paragraph 25).

30 In the present case, in deciding whether, from the point of view of that consumer, there was visual and aural similarity between the two trade marks, the Court did not err in law in its interpretation of Article 8(1)(b) of Regulation No 40/94.

31 In that regard, the claim that the Court, by considering separately the elements of the trade mark applied for, failed to assess globally the likelihood of confusion, taking into account all the factors relevant to the circumstances of the case, is unfounded.

32 The Court rightly pointed out, in paragraph 34 of the contested judgment, that the assessment of the similarity between two marks does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. It also held that 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.

33 Furthermore, as is clear from paragraphs 38 to 48 of the contested judgment, the Court, in order to decide whether the two trade marks are similar from the point of view of the relevant public, devoted a significant part of its reasoning to an appreciation of their distinctive and dominant elements and of the likelihood of confusion on the part of the public, a likelihood which it appreciated globally, taking into account all the factors relevant to the circumstances of the case.

34 Moreover, by maintaining that the Court, in a misinterpretation of the facts in the case, held that the word 'Matratzen' constitutes the dominant element of the trade mark applied for, Matratzen is in fact merely challenging the Court's appraisal of the facts without, however, alleging any distortion of the evidence before the Court. That appraisal does not constitute a point of law which is subject, as such, to review by the Court of Justice on appeal (Case C-104/00 P DKV v OHIM [2002] ECR I-7561, paragraph 22; orders of 5 February 2004 in Case C-326/01 P Telefon & Buch v OHIM [2004] ECR I-0000, paragraph 35, and Case C-150/02 P Streamserve v OHIM [2004] ECR I-0000, paragraph 30).

35 It should also be noted, with regard to Matratzen's argument relating to Article 12(b) of Regulation No 40/94, that that provision concerns the limitation of the effects of the Community trade mark itself by providing that the right conferred by its registration does not entitle the proprietor to prohibit a third party from using, under certain circumstances, in the course of trade, indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of them, that is to say descriptive indications. It does not concern the status of an earlier trade mark, within the meaning of Article 8(2) of Regulation No 40/94. The Court did not therefore err in law by holding that the argument relating to Article 12(b) of Regulation No 40/94 was irrelevant.

36 Therefore, these grounds are not vitiated by any error of law.

37 Consequently, the first plea must be rejected as manifestly unfounded.

The second plea

Arguments of the parties

38 Matratzen claims that the Court erred in law by finding, in paragraph 54 of the contested judgment, that it in no way appears that the principle of the free movement of goods prohibits a Member State from registering, as a national trade mark, a sign which, in the language of another Member State, is descriptive of the goods or services concerned. In the present case, the opposition lodged against the trade mark applied for on the ground that it is similar to the earlier trade mark registered in Spain, an earlier trade mark which, in Germany, is descriptive of the relevant products, constitutes an unlawful exercise of the rights recognised by the law of a Member State on intellectual property under the second sentence of Article 30 EC.

39 OHIM contends that in opposition proceedings it is not possible either to challenge an earlier national trade

mark or to question its validity. It considers that the corollary of the coexistence of the legal system of Community trade marks and the national legal systems is, in particular, that the eligibility of a mark for protection is to be assessed according to the same legal criteria, but that the outcome of the examination may vary from one country to another because it is the point of view of the relevant public in each country which matters. Therefore, it is quite conceivable for a trade mark to be registered in a Member State although it is descriptive in a language other than the language of that State.

Findings of the Court

40 According to settled case-law, in the context of the application of the principle of the free movement of goods, the EC Treaty does not affect the existence of rights recognised by the legislation of a Member State in matters of intellectual property, but only restricts, depending on the circumstances, the exercise of those rights ([Case 119/75 Terrapin \[1976\] ECR 1039](#), paragraph 5, and [Case 58/80 Dansk Supermarked \[1981\] ECR 181](#), paragraph 11).

41 Article 30 EC allows derogations from the fundamental principle of the free movement of goods between Member States only to the extent to which such derogations are justified in order to safeguard the rights which constitute the specific subject-matter of the industrial property concerned. In that context, the essential function of the trade mark is to guarantee to the consumer or end user the identity of the trademarked product's origin by enabling him to distinguish it without any risk of confusion from products of different origin. Therefore, the right attributed to a trademark proprietor of preventing any use of the trade mark which is likely to impair the guarantee of origin so understood is therefore part of the specific subject-matter of the trade-mark rights, the protection of which may justify derogations from the principle of the free movement of goods (Joined [Cases C-427/93, C-429/93 and C-436/93 Bristol-Myers Squibb and Others \[1996\] ECR I-3457](#), paragraph 48, and [Case C-143/00 Boehringer Ingelheim and Others \[2002\] ECR I-3759](#), paragraphs 12 and 13).

42 Consequently, by holding, in paragraphs 54 and 56 of the contested decision, that the principle of the free movement of goods does not prohibit either a Member State from registering, as a national trade mark, a sign which, in the language of another Member State, is descriptive of the goods or services concerned, or the proprietor of such a trade mark from opposing, where there is a likelihood of confusion between that national trade mark and a Community trade mark applied for, registration of the latter, the Court of First Instance was not mistaken as to the objectives of the propositions in paragraphs 40 and 41 of this order, and accordingly interpreted them correctly.

43 The second plea must therefore be rejected as clearly unfounded.

44 It is apparent from the foregoing that the appeal is clearly unfounded and must therefore be dismissed.

Costs

45 Under Article 69(2) of the Rules of Procedure of the Court of Justice, applicable to appeals by virtue of Article 118, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since OHIM has applied for costs and the appellant has been unsuccessful, the latter must be ordered to pay the costs.

On those grounds,

THE COURT (Fourth Chamber)

hereby orders:

1. The appeal is dismissed.
2. The appellant shall bear the costs.

Luxembourg, 28 April 2004.
