

JUDGMENT OF THE GENERAL COURT (eighth chamber)

25 March 2010*

In Joined Cases T-5/08 to T-7/08,

Société des produits Nestlé SA, established in Vevey (Switzerland), represented by
A. von Mühlendahl, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs)
(OHIM), represented by R. Pethke, acting as Agent,

defendant,

* Language of the case: English.

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

Master Beverage Industries Pte Ltd, established in Singapore, represented by N. Clarembeaux, D. Vervaet and P. Maeyaert, lawyers,

ACTIONS brought against three decisions of the Second Board of Appeal of OHIM of 1 October 2007 (Cases R 563/2006-2, R 568/2006-2 and R 1312/2006-2) concerning opposition proceedings between Société des produits Nestlé SA and Master Beverage Industries Pte Ltd,

THE GENERAL COURT (Eighth Chamber),

composed of M.E. Martins Ribeiro, President, S. Papasavvas and A. Dittrich (Rapporteur),
Judges,

Registrar: N. Rosner, Administrator,

having regard to the applications lodged at the Court Registry on 4 January 2008,

having regard to the response of OHIM lodged at the Court Registry on 27 June 2008,

having regard to the response of the intervener lodged at the Court Registry on 30 June 2008,

having regard to the order of 23 May 2008 joining cases T-5/08, T-6/08 and T-7/08,

further to the hearing on 30 April 2009,

gives the following

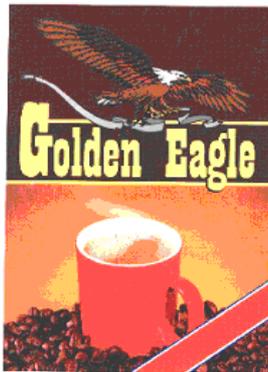
Judgment

Background to the dispute

- ¹ On 7 May 2003 the intervener, Master Beverage Industries Pte Ltd, filed three Community trade mark applications with 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 (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).

2 The three marks for which registration was sought (together ‘the marks applied for’) are the following figurative signs:

- in Case T-5/08 (Community trade mark application No 3157005), the light brown, dark brown, red, yellow, gold, white, silver and blue Golden Eagle sign (‘mark No 1’) represented as follows:



- in Case T-6/08 (Community trade mark application No 3156924), the dark brown, light brown, red, gold, white and yellow Golden Eagle Deluxe sign (‘mark No 2’) represented as follows:



- in Case T-7/08 (Community trade mark application No 3157534), the dark brown, light brown, red, gold, white and yellow Golden Eagle Deluxe sign ('mark No 3') represented as follows:



- 3 The goods in respect of which registration was sought come within Class 30 of the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: 'coffee, artificial coffee, coffee based beverages, coffee beverages with milk'.
- 4 The trade mark application concerning mark No 1 was published in *Community Trade Marks Bulletin* No 5/2004 of 2 February 2004, that concerning mark No 2 in *Community Trade Marks Bulletin* No 83/2003 of 24 November 2003 and that concerning mark No 3 in *Community Trade Marks Bulletin* No 82/2003 of 17 November 2003.
- 5 On 1 April 2004 the applicant, Société des produits Nestlé SA, filed a notice of opposition, pursuant to Article 42 of Regulation No 40/94 (now Article 41 of Regulation No 207/2009), to the registration of mark No 1. It also filed a notice of opposition to registration of mark No 2 on 23 February 2004 and to that of mark No 3 on 17 February 2004.

- 6 The oppositions were based, in particular, on earlier international and national marks representing a red mug on a bed of coffee beans ('the earlier marks').
- 7 They concern, first, the red, black, brown, white, orange and gold international figurative mark, registered under the reference IR 726641 and represented as follows:



- 8 This mark was registered on 18 January 2000, pursuant to the Madrid Agreement concerning the International Registration of Marks of 14 April 1891, as revised and amended, in respect of goods coming within Class 30 of the Nice Agreement and corresponding to the following description: 'coffee and coffee extracts, coffee and coffee extract blends, instant coffees, decaffeinated coffees, decaffeinated coffee extracts.'
- 9 The mark is, inter alia, protected in the following Member States of the European Union: Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands, Austria and Portugal.
- 10 That sign was also registered as a national trade mark in Greece on 8 May 2000 under No 142377 in respect of goods coming within Class 30 of the Nice Agreement, in particular for 'coffee, coffee extracts and coffee based preparations, artificial coffee and artificial coffee extracts.'

- 11 The oppositions also concern the international figurative mark, described as being red, brown and golden, registered under reference IR 633089 and represented in black and white as follows:



- 12 This mark was registered on 9 March 1995, pursuant to the Madrid Agreement, in respect of goods coming within Class 30 of the Nice Agreement, and corresponding to the following description: 'coffee and coffee extracts, coffee and coffee extract blends, instant coffees, decaffeinated coffees, decaffeinated coffee extracts'.
- 13 The mark is protected, inter alia, in the following Member States of the European Union: Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands, Austria and Portugal.
- 14 Furthermore, that sign was registered as a national trade mark in respect of the same goods in a number of Member States of the European Union, namely Denmark (registered on 3 February 1995 under No 976.1995), Greece (registered on 17 August 1999 under No 122009) and Finland (registered on 20 September 1995 under No 140164).
- 15 The oppositions were based on all the abovementioned goods protected by the earlier marks and directed against all the goods referred to in the Community trade mark applications.

- 16 The grounds relied on in support of the oppositions were those referred to in Article 8(1)(b) of Regulation No 40/94 (now Article 8(1)(b) of Regulation No 207/2009) and Article 8(5) of Regulation No 40/94 (now Article 8(5) of Regulation No 207/2009).
- 17 By decisions of 27 February (Case T-5/08), 27 March (Case T-6/08) and 6 September 2006 (Case T-7/08), the Opposition Division rejected the oppositions.
- 18 On 25 April (Cases T-5/08 and T-6/08) and 5 October 2006 (Case T-7/08), the applicant filed notices of appeal against the decisions of the Opposition Division.
- 19 By three decisions of 1 October 2007 ('the contested decisions'), the Board of Appeal dismissed those appeals. It found, in essence, that the oppositions were unfounded because the marks at issue were not similar.

Forms of order sought

- 20 The applicant claims that the Court should:

— annul the contested decisions;

- order the registration of the marks applied for;

- order the applicant to pay the costs, including those incurred by the intervener before the Board of Appeal.

²³ At the hearing, in reply to a question from the Court, the intervener indicated that its second head of claim, seeking an order for the registration of the marks applied for, is in actual fact indissociable from its first head of claim, formal note of which was taken in the minutes of the hearing.

Law

²⁴ In support of its action, the applicant relies on two pleas, alleging, respectively, infringement of Article 8(1)(b) of Regulation No 40/94 and infringement of Article 8(5) of Regulation No 40/94.

1. *The first plea, alleging infringement of Article 8(1)(b) of Regulation No 40/94*

Arguments of the parties

²⁵ The applicant claims that it should have succeeded in its oppositions on the basis of the earlier marks (see paragraphs 7 to 14 above). It points out that it uses those

figurative marks on all the containers of its Nescafé instant coffee sold under the name 'Classic', of which it sells more than 50 000 tonnes in the European Union each year at a value of more than EUR 1 billion.

²⁶ It considers that the Board of Appeal was wrong to find that the marks at issue were not similar. The earlier marks are composed of a combination of the following nine elements:

- a mug;

- the colour of the mug is red;

- the mug has an open surface showing its content;

- the mug has a handle;

- the inner surface of the mug is white;

- the mug is filled with a hot beverage;

- steam is rising from the mug;

- the mug is sitting in a bed of coffee beans;

- the background is brown and orange-golden and the mug is surrounded by a halo.

27 The nine elements of the earlier marks are reproduced in their entirety in the marks applied for. There is a very high degree of visual similarity between the marks applied for and the earlier marks. Furthermore, the lower part of mark No 1 and the right-hand sides of marks Nos 2 and 3, on the one hand, and the earlier marks, on the other, are conceptually identical.

28 The applicant submits that, according to the case-law established in Case C-120/04 *Medion* [2005] ECR I-8551, if an earlier mark is integrated into a later mark, the marks are similar when their common element has an independent distinctive role in the composite later mark.

29 The Board of Appeal was wrong to find that the applicant's earlier marks were not very distinctive. On the contrary, those marks have an inherently high degree of distinctiveness. In addition, they have a reputation, and that is independent of the fact that they were used together with the trade mark Nescafé.

30 OHIM and the intervener contend that this plea should be rejected.

31 OHIM is of the opinion that the Board of Appeal was correct to find that the marks at issue were not similar. The earlier marks have an inherently weak distinctive character and the evidence adduced by the applicant does not show that the earlier marks have acquired a high degree of distinctiveness or a reputation. It submits that, in the marks applied for, the representation of the mug merely serves as a 'decorative background' and does not have an independent distinctive role. Also, the earlier marks are not reproduced faithfully in the marks applied for.

32 The intervener is also of the opinion that the Board of Appeal was correct to find that the marks at issue were not similar. It claims that, in contrast to the earlier marks, the marks applied for contain word elements, which are the dominant elements of those marks. As regards mark No 1, the differences between it and the earlier marks are even more pronounced on account of the representation of an eagle which has a high degree of distinctiveness and which is the dominant figurative element of mark No 1. Given the widespread use of the image of a drinking vessel and coffee beans in relation to the promotion of beverages, the differences between the representations of those elements in the marks at issue must be regarded as significant. The image of the mug and the coffee beans is descriptive and does not have an independent distinctive role in the marks applied for. The intervener considers, furthermore, that the marks at issue are not conceptually similar.

Findings of the Court

Preliminary observations

33 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 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. In addition, under Article 8(2)(a)(ii) and (iii) of Regulation No 40/94 (now Article 8(2)(a)(ii) and (iii) of Regulation No 207/2009), ‘earlier trade marks’ means, respectively, trade marks registered in a Member State and trade marks registered under international arrangements which have effect in a Member State with a date of application for registration which is earlier than the date of application for registration of the Community trade mark.

- ³⁴ According to settled case-law, the risk that the public might believe that the goods or services in question come from the same undertaking, or from economically-linked undertakings, constitutes a likelihood of confusion. According to that same case-law, the likelihood of confusion must be assessed globally, according to the relevant public’s perception of the signs and goods and services concerned and taking into account all factors relevant to the case, in particular the interdependence between the similarity of the signs and that of the goods or services designated (see Case T-162/01 *Laboratorios RTB v OHIM - Giorgio Beverly Hills (GIORGIO BEVERLY HILLS)* [2003] ECR II-2821, paragraphs 30 to 33, and the case-law cited).

Comparison of the goods

- ³⁵ It must be held that the Board of Appeal was correct to find, in the contested decisions (paragraph 28 of the contested decision in Case T-5/08 and paragraph 27 of the contested decisions in Cases T-6/08 and T-7/08), that the goods in question were identical, as is clear from paragraphs 3, 8, 10 and 12 above.
- ³⁶ However, it considered that the marks at issue were not similar, with the result that an essential condition for the application of Article 8(1)(b) of Regulation No 40/94 was not met. It must therefore be examined whether the Board of Appeal was right to find that the marks at issue were not similar.

Comparison of the signs

37 The global assessment of the likelihood of confusion, in relation to the visual, phonetic or conceptual similarity of the marks in question, must be based on the overall impression created by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global assessment of that likelihood of confusion. In this regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see Case C-334/05 P *OHIM v Shaker* [2007] ECR I-4529, paragraph 35 and the case-law cited).

38 In that context, for the purposes of assessing the degree of distinctiveness of a mark, it is necessary to carry out an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect and by analogy, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 22). When assessing the distinctiveness of an element of a composite mark, the same criterion applies, so that it is necessary to assess the greater or lesser capacity of that element of the mark to identify the goods or services for which that mark has been registered as coming from a particular undertaking.

— The elements of the marks at issue to be taken into account when comparing the signs

39 The assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant

public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *OHIM v Shaker*, paragraph 37 above, paragraph 41, and the case-law cited). It is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker*, paragraph 37 above, paragraph 42 and judgment of 20 September 2007 in Case C-193/06 P *Nestlé v OHIM*, not published in the ECR, paragraph 43). That may be the case, in particular, where that component is likely by itself to dominate the image which the relevant public retains of that mark, with the result that the other components of the mark are negligible in the overall impression created by the mark (*Nestlé v OHIM*, paragraph 43).

⁴⁰ In the present case, the Board of Appeal found that the dominant element in the marks applied for was the word element 'golden eagle' in marks Nos 2 and 3, and the word element 'golden eagle' together with the representation of an eagle in mark No 1. It took the view that the representation of a red mug and coffee beans appears as a purely decorative element in the marks applied for. Despite the presence of similar figurative elements, the marks at issue are not similar, because of the differences between the figurative elements and because there are no word elements in the earlier marks.

⁴¹ It must be examined, first, whether the elements identified by the Board of Appeal constitute the dominant elements of the marks applied for and whether the other elements of those marks should be regarded as negligible.

⁴² Mark No 1 consists, essentially, of the following elements: the representation of an eagle; the word element 'golden eagle' placed under that representation of an eagle; a

red mug containing coffee on a bed of coffee beans situated under the word element, and a red line running across the lower right-hand corner of the mark.

- 43 It must be held that the combination of the word element ‘golden eagle’ and the representation of an eagle has the more important role in mark No 1. As the Board of Appeal pointed out, it is generally the word element which consumers use to identify and purchase goods. In addition, the size of the word element is not negligible. It is also a very distinctive element, as it is fanciful for the goods in question. For a consumer who does not have a sufficient knowledge of English to be able to understand the meaning of the word element, that element is nevertheless very distinctive, since he or she will perceive it as a fanciful element devoid of real meaning. Likewise, the representation of an eagle has a very distinctive character for designating coffee and coffee-based beverages because such a representation cannot be regarded as suggestive of the goods in question.
- 44 By contrast, the representation of a red mug on a bed of coffee beans in the lower part of mark No 1 has a low degree of distinctiveness for the goods in question. A red mug and coffee beans cannot be regarded as highly distinctive, since they are suggestive of the goods in question (see, to that effect, as regards the representation of a cowhide for milk and dairy products, Case T-153/03 *Inex v OHIM - Wiseman (Representation of a cowhide)* [2006] ECR II-1677, paragraph 36). On the contrary, as the Board of Appeal noted, they are banal. In relation to the marketing of coffee or coffee-based beverages, the representation of coffee ready for drinking in a mug and coffee in the form of beans comes naturally to mind.
- 45 However, the element consisting of a red mug on a bed of coffee beans cannot be regarded as entirely negligible in the overall impression created by mark No 1. While that element is far less likely to indicate the commercial origin of the goods in question than the word element and the figurative element representing an eagle, it

nevertheless occupies about one half of mark No 1 and is not entirely negligible in the overall impression created by that sign.

- ⁴⁶ Marks Nos 2 and 3 consist of, essentially, the word element ‘golden eagle deluxe’ on the left-hand side of the signs, a red mug containing coffee on the right-hand side and coffee beans in the lower part. In those marks, the word element ‘golden eagle’ must be regarded as being of greater importance. As has been stated above, that combination of words is fanciful in relation to the goods in question, whether it is understood or not. Moreover, the consumer tends to rely on the word element rather than a figurative element to identify and purchase goods. In addition, the figurative element in marks Nos 2 and 3 has a low degree of distinctiveness. Nevertheless, it cannot be regarded as entirely negligible. Those figurative marks cannot be reduced to their word element. Although it is written in large lettering, the word element occupies only part of the surface area of those marks.
- ⁴⁷ Given that the element consisting of the red mug and coffee beans cannot be regarded as entirely negligible in the overall impression created by the marks applied for, the comparison between the signs at issue cannot be limited to the elements of those marks which are of greater importance.
- ⁴⁸ As regards the earlier marks, there is also no element which dominates those marks to such an extent that the other elements are negligible in the overall impression created by them.
- ⁴⁹ It follows from the foregoing that the comparison between the signs at issue must be based on the overall impression created by those signs, and cannot be limited to some of their elements.

— Visual similarity

- 50 In the present case, it is appropriate to analyse, first, the similarity between the part of the marks applied for consisting of the representation of a mug and coffee beans, on the one hand, and the earlier marks, on the other, and then to compare the marks applied for, taken as a whole, with the earlier marks. In that regard, nothing precludes analysing, first, the similarity between the marks at issue in the light of one element of a composite mark and then assessing that similarity globally.
- 51 As regards mark No 1, it should be observed that the lower part of that mark and the earlier marks have in common the representation of a red mug with a white inside surface on a bed of coffee beans. Furthermore, in each of those marks the mug handle is pointing to the right, the mug is full with a hot beverage (apparently coffee) and steam is rising from the mug. The background colour of those marks is also similar inasmuch as the background of mark No 1 is orange and the halo surrounding the mug in the earlier mark registered under reference IR 726641 is also orange. It is further possible to distinguish, in mark No 1, a type of halo surrounding the mug, although the contours of that halo are less clear than those in the earlier mark registered under reference IR 726641.
- 52 As to the differences between the lower part of mark No 1 and the earlier marks, the following should be pointed out. The most pronounced difference between the marks at issue lies in the fact that, in the earlier marks, the red mug is decorated with a golden line on the outside which does not appear on the red mug in mark No 1. Furthermore, in the earlier marks, the coffee in the mug is a very dark colour, almost black, while in mark No 1 it is a light brown colour. In addition, in contrast to the earlier marks, a red line runs across the lower right-hand corner of mark No 1.
- 53 As regards marks Nos 2 and 3, it should be pointed out that, in common with the earlier marks, they have a representation of a red mug with a white inside surface and

coffee beans. In addition, in each of those marks, the mug is full with a hot beverage (apparently coffee) and steam is rising from the mug. The background colour of those marks is also similar, as the background to marks Nos 2 and 3 is partly orange and partly brown, like that of the earlier mark registered under reference IR 726641.

54 However, in contrast to the earlier marks, the red mug in marks Nos 2 and 3 is not decorated with a golden line on the outside. It must also be noted that there are differences between marks Nos 2 and 3 and the earlier marks regarding perspective and the part of the mug which is visible. In the earlier marks, the mug handle is pointing to the right while, in marks Nos 2 and 3, it is pointing to the left. Further, in the earlier marks, nearly the entire mug is visible and only a very small part of it is covered by the coffee beans on which it is resting. By contrast, in marks Nos 2 and 3, only the upper part of the mug is visible and the image seems to have been cut at the middle of the handle.

55 Furthermore, marks Nos 2 and 3 have the shape of a rectangle, the breadth of which is much greater than its height. The mug is placed not in the centre, but on the right-hand side of the marks. By contrast, the earlier mark registered under reference IR 633089 has the shape of a square and the earlier mark registered under reference IR 726641 has the shape of a rectangle, which is shorter in breadth than in height. In the earlier mark registered under reference IR 722641, the mug is in the centre and occupies a very sizeable part of the surface area. The surface area covered by the coffee beans and the background seems quite small. By contrast, in marks Nos 2 and 3, the red mug is placed on the right-hand side and is far short of covering a sizeable part of the surface area. In the earlier mark registered under reference IR 633089, the mug is placed in the middle of a bed of coffee beans. The bed of coffee beans covers approximately one quarter of the height of that mark. By contrast, in marks Nos 2 and 3 the coffee beans cover a much greater part of the surface area.

56 As regards the halo, which the applicant submits as one of the nine elements in the earlier marks (see paragraph 26 above), the Court considers that marks Nos 2 and 3

do not give the impression that a halo surrounds the mug. The impression given by those marks is rather that, on the left-hand side of the sign, the background is brown and, on the right-hand side and in the centre of the signs, the background is orange.

- 57 As regards mark No 3, it should also be noted that the coffee contained in the mug is light brown in colour, while in the earlier marks the coffee is a very dark colour, almost black.
- 58 It follows from all of the foregoing that the earlier marks and that element of the marks applied for consisting of the representation of a red mug and coffee beans must be held to be similar.
- 59 As regards the comparison of the overall impression created by the marks at issue, it must be borne in mind, at the outset, that the element of the marks applied for consisting of the representation of a red mug and coffee beans is of low distinctiveness and that the word elements of the marks applied for, and the figurative element representing an eagle in mark No 1, are very distinctive.
- 60 It must also be pointed out that, according to the case-law, where a composite mark is composed by juxtaposing one element and another mark, that latter mark, even if it is not the dominant element in the composite mark, still can have an independent distinctive role therein. In such a case, the composite mark and that other mark may be held to be similar (see, to that effect, *Medion*, paragraph 28 above, paragraphs 30 and 37). It must be observed that *Medion*, paragraph 28 above, concerned a situation in which the earlier mark had been reproduced identically in the later mark. Nevertheless, it must be held that, in the event that the earlier mark is not reproduced

identically in the later mark, it is still possible that the signs at issue are similar on account of the similarity between the earlier mark and one element of the later mark which has an independent distinctive role.

- 61 In the present case, as regards mark No 1, given that the element consisting of the representation of a red mug on a bed of coffee beans cannot be considered to be entirely negligible in the overall impression created by that sign, and in the light of the similarity between that element and the earlier marks, mark No 1 and the earlier marks cannot be regarded as totally dissimilar. However, since the element consisting of the representation of a red mug on a bed of coffee beans has not been reproduced identically in mark No 1 and since that element of mark No 1 is not very distinctive, whereas the word element and the figurative element consisting of the representation of an eagle are very distinctive, the visual similarity between mark No 1 and the earlier marks must be held to be weak.
- 62 As regards marks Nos 2 and 3, given that the element consisting of the representation of a red mug and coffee beans cannot be considered to be entirely negligible in the overall impression created by those signs, and in the light of the similarity between that element and the earlier marks, it must also be held that marks Nos 2 and 3 and the earlier marks cannot be regarded as totally dissimilar.
- 63 However, it is not possible to ignore the differences, noted in paragraphs 54 to 57 above, between the earlier marks and the element of marks Nos 2 and 3 consisting of the representation of a red mug and coffee beans. Since that element of marks Nos 2 and 3 is not very distinctive, whereas their word element is very distinctive, the visual similarity between those marks applied for and the earlier marks must be held to be weak.

- 64 In relation to the finding of the Board of Appeal that the differences between the representation of a red mug and coffee beans in the marks applied for, and their representation in the earlier marks, become an important consideration in the light of the low degree of distinctive character of the earlier marks (paragraph 26 in each of the contested decisions), the following must be held.
- 65 The distinctive character of the earlier mark is one of the factors to be taken into account when assessing the likelihood of confusion (Case T-112/03 *L'Oréal v OHIM - Revlon (FLEXI AIR)* [2005] ECR II-949, paragraph 61, and judgment of 13 December 2007 in Case T-134/06 *Xentral v OHIM - Pages jaunes (PAGESJAUNES.COM)*, ECR II-5213, paragraph 70; see also, to that effect and by analogy, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 24). In that context, it is necessary to distinguish between the notion of the distinctive character of the earlier mark, which determines the protection afforded to that mark, and the notion of the distinctive character which an element of a composite mark possesses, which determines its ability to dominate the overall impression created by the mark (order of the Court of Justice of 27 April 2006 in Case C-235/05 P *L'Oréal v OHIM*, not published in the ECR, paragraph 43). While it is true that it is necessary to examine the distinctiveness of an element of a composite mark at the stage of assessing the similarity of the signs in order to determine any dominant element of the sign, the degree of distinctiveness of the earlier mark is an element to be taken into account in the context of the global assessment of the likelihood of confusion. It is therefore not appropriate to take account of what may be a low degree of distinctiveness of the earlier mark at the stage of assessing the similarity of the signs.

— Phonetic similarity

- 66 The applicant claims that the Board of Appeal did not carry out a comparison of the signs at issue at a phonetic level. It is of the opinion that the fact that the marks

applied for have a word element is irrelevant in that regard, since they contain the independent distinctive element consisting of a red mug on a bed of coffee beans.

⁶⁷ In that regard, suffice it to state that, as the earlier marks contain no word element, a phonetic comparison between the marks at issue is not relevant. It cannot be argued that there is a phonetic similarity between the marks at issue because the consumer, when describing the marks at issue, would use expressions like ‘red mug’ and ‘coffee beans’. When referring to the marks applied for, the public will cite their word element, but not describe their figurative element.

— Conceptual similarity

⁶⁸ The applicant criticises the Board of Appeal for not comparing the marks at issue conceptually. In that regard, it claims that the lower part of mark No 1 and the right-hand sides of marks Nos 2 and 3, on the one hand, and the earlier marks, on the other, are conceptually identical.

⁶⁹ OHIM takes the view that the conceptual difference between the marks at issue is clear because the earlier marks do not contain the strong concept of the golden eagle present in the marks applied for.

⁷⁰ In that regard, it must be observed that, in the contested decisions, the Board of Appeal indeed does not explicitly rule on the conceptual similarity of the marks at issue. It must also be noted that the lower part of mark No 1 and the right-hand sides of

marks Nos 2 and 3 consist of a red mug, full of coffee, and coffee grains, exactly like the earlier marks.

- 71 In addition, it should be recalled that the element of the marks applied for consisting of the representation of a red mug on a bed of coffee beans has a low degree of distinctiveness because it is suggestive of the goods in question.
- 72 The concept of the eagle is highly distinctive for the goods in question because it has no connection with them (see paragraph 43 above). It must, however, be pointed out that a consumer who does not have sufficient knowledge of English to understand the meaning of the word 'eagle' could not perceive the reference made to the concept of the eagle in marks Nos 2 and 3.
- 73 In the present case, some conceptual similarity between the marks at issue cannot therefore be ruled out.
- 74 It follows from all of the foregoing that the Board of Appeal was wrong to find, in the contested decisions (paragraph 28 of the contested decision in Case T-5/08 and paragraph 27 of the contested decisions in Cases T-6/08 and T-7/08) that the marks at issue were dissimilar. Since there is similarity, albeit slight, at the visual and conceptual levels, the Board of Appeal should have assessed the likelihood of confusion between the marks at issue.
- 75 It follows from the foregoing that the first plea must be accepted and the contested decision annulled on that basis, without it being necessary to examine the second plea.

2. *The request for an amendment to the contested decisions*

- ⁷⁶ As regards the second head of claim, requesting the Court to determine that the applications for registration of the marks applied for should be rejected, the Court holds as follows.
- ⁷⁷ The possibility of amending the contested decision, which is open to the Court pursuant to Article 63(3) of Regulation No 40/94 (now Article 65(3) of Regulation No 207/2009), is, in principle, restricted to situations in which the case has reached a stage permitting final judgment, which means that the Court must be able to establish, on the basis of evidence submitted to it, the decision which the Board of Appeal was required to take (Case T-334/01 *MFE Marienfelde v OHIM - Vétoquinol (HIPO-VITON)* [2004] ECR II-2787, paragraph 63). In this instance, the present case is not at a stage permitting final judgment because the Board of Appeal did not carry out a global assessment of the likelihood of confusion in the contested decisions.
- ⁷⁸ Therefore, the applicant's request that the contested decisions be amended must be rejected.

Costs

- ⁷⁹ Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. In addition, under that same provision, where there are several unsuccessful parties the Court is to decide how the costs are to be shared.

80 In the present case, as OHIM and the intervener have been unsuccessful, they must be ordered to pay the applicant's costs, in accordance with the form of order sought by the applicant.

On those grounds,

THE GENERAL COURT (Eighth Chamber)

hereby:

- 1. Annuls the decisions of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 1 October 2007 (Cases R 563/2006-2, R 568/2006-2 and R 1312/2006-2);**
- 2. Dismisses the actions as to the remainder;**

3. Orders OHIM and Master Beverage Industries Pte Ltd to bear their own costs and pay those incurred by Société des produits Nestlé SA.

Martins Ribeiro

Papasavvas

Dittrich

Delivered in open court in Luxembourg on 25 March 2010.

[Signatures]