



## Reports of Cases

### JUDGMENT OF THE COURT (First Chamber)

22 October 2015\*

(Reference for a preliminary ruling — Trade marks — Directive 2008/95/EC — Further grounds for refusal or invalidity — Word mark — Same letter sequence as an earlier trade mark — Addition of a descriptive word combination — Existence of a likelihood of confusion)

In Case C-20/14,

REQUEST for a preliminary ruling under Article 267 TFEU from the Bundespatentgericht (Federal Patents Court, Germany), made by decision of 25 April 2013, received at the Court on 17 January 2014, in the proceedings

**BGW Beratungs-Gesellschaft Wirtschaft mbH**, formerly BGW Marketing- & Management-Service GmbH

v

**Bodo Scholz**,

THE COURT (First Chamber),

composed of A. Tizzano, Vice-President of the Court, acting as President of the First Chamber, F. Biltgen, A. Borg Barthet (Rapporteur), E. Levits and M. Berger, Judges,

Advocate General: P. Mengozzi,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

- the Polish Government, by B. Majczyna, acting as Agent,
- the European Commission, by G. Braun and F.W. Bulst, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 12 March 2015

gives the following

\* Language of the case: German.

## Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Article 4(1)(b) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25).
- 2 The request has been made in proceedings between BGW Beratungs-Gesellschaft Wirtschaft mbH, formerly BGW Marketings- & Management-Service GmbH ('BGW') and Mr Scholz concerning the word mark BGW Bundesverband der deutschen Gesundheitswirtschaft.

### Legal context

#### *EU law*

- 3 Article 3 of Directive 2008/95, entitled 'Grounds for refusal or invalidity', provides in paragraph 1(b) and (c):

'1. The following shall not be registered or, if registered, shall be liable to be declared invalid:

...

- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services;

...'

- 4 Article 4 of Directive 2008/95, entitled 'Further grounds for refusal or invalidity concerning conflicts with earlier rights', provides in paragraph 1(b):

'1. A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:

...

- (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; the likelihood of confusion includes the likelihood of association with the earlier trade mark.'

*German law*

- 5 Paragraph 9(1) of the Law on trade marks (Markengesetz) of 25 October 1994 (BGBl. I p. 3082; 1995 I p. 156; 1996 I p. 682) is worded as follows:

‘The registration of a trade mark may be cancelled ...

2. if because of its identity with, or similarity to, a trade mark which has been applied for or registered and which has an earlier priority date 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; the likelihood of confusion includes the likelihood of association with the earlier trade mark, ...’

**The facts of the dispute in the main proceedings and the question referred for a preliminary ruling**

- 6 On 11 December 2006, the word mark BGW Bundesverband der deutschen Gesundheitswirtschaft (‘the later mark’) was registered at the German Patent and Trade Mark Office (Deutsches Patent- und Markenamt) under the number 306 33 835, inter alia for goods and services in Classes 16, 35, 41 and 43 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, corresponding to the following description:

‘Class 16: Printed matter;

Class 35: Advertising; business management; business administration; office functions; professional business consultancy; business organisation consultancy; business management consultancy; organisation of exhibitions and trade fairs for commercial or advertising purposes; public relations;

Class 41: Education; providing of training; entertainment; sporting and cultural activities; organisation of exhibitions for cultural or educational purposes; leisure services; operation of health clubs; arranging and conducting of colloquiums; arranging and conducting of conferences, congresses and symposiums; providing sports facilities; rental of sports equipment; services of a sports and gymnastics instructor; arranging and conducting of seminars, workshops, lectures, discussions and courses; leisure consultancy; arranging and conducting of training courses; providing information for visitors to health resorts on sporting and cultural activities; health resort consultancy;

Class 43: Services for providing food and drink and accommodation for visitors; reservation and arrangement of accommodation for visitors, especially visitors to health resorts; services of retirement homes; operation of holiday camps.’

- 7 BGW brought an opposition to that registration, on the basis of the following German word and figurative mark No 304 06 837 ('the earlier mark'):



- 8 The earlier mark has been registered since 21 July 2004 for goods and services in Classes 16, 35 and 41 of the Nice Agreement corresponding to the following description:

'Class 16: Paper, cardboard and goods made from these materials, so far as included in class 16; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging, so far as included in class 16;

Class 35: Advertising; business management; business administration; office functions;

Class 41: Education; providing of training; entertainment; sporting and cultural activities; publication and editing of newspapers, magazines and books; editing of texts; organisation of fairs and exhibitions for entertainment, cultural and sporting purposes; film production; rental of films; rental of camcorders, sound recorders, television and radio equipment; correspondence courses; arranging and conducting of conferences, congresses and symposiums; online publishing of electronic books and journals; radio entertainment; arranging and conducting of seminars and workshops; translation; instruction and education; arranging and conducting of colloquiums; scriptwriting services; video production; organisation of competitions.'

- 9 By decision of 2 October 2009, the German Patent and Trade Mark Office upheld the opposition brought by BGW in part and partially cancelled the registration of the later mark on account of the existence of a likelihood of confusion between the two marks at issue. Following an appeal by the proprietor of the later mark, that decision was set aside by decision of 9 January 2012, on the ground that BGW had not demonstrated use of its mark in such a way as to preserve the rights acquired.
- 10 BGW brought an action for annulment of that decision before the Bundespatentgericht (Federal Patents Court).
- 11 That court considers, on the basis of numerous documents submitted to it by BGW, that use of the earlier mark in such a way as to preserve the rights acquired has been demonstrated, at least as regards 'printed matter' and the services of 'advertising', 'arranging and conducting of seminars' and 'organisation of competitions', services which BGW supplies principally to undertakings in the health sector, in particular to opticians and hearing aid professionals. The national court concludes that the marks at issue cover goods which are identical and services which are in part identical and in part similar.

- 12 As regards the similarity of the marks, the national court takes the view that the overall impression of the earlier mark is dominated exclusively by the sequence of letters 'BGW'; the figurative component merely emphasises that sequence visually and is irrelevant phonetically. So far as concerns the later mark, the national court takes the view that the word combination 'Bundesverband der deutschen Gesundheitswirtschaft' is descriptive and is devoid of any distinctive character inasmuch as it merely indicates that the goods and services at issue are provided by an association of health sector undertakings operating nationwide, without enabling the commercial origin of those goods and services to be identified precisely.
- 13 The national court is inclined to take the view that the overall impression of the later mark is also dominated by the sequence of letters 'BGW'. In any event, the Bundespatentgericht (Federal Patents Court) adds that, irrespective of how the word combination is to be assessed, that sequence of letters has to be acknowledged as having at least an independent distinctive role within the later mark, in accordance with the judgment in *Medion* (C-120/04, EU:C:2005:594). Therefore, according to that court, when the relevant public is faced with the later mark, it will recognise the earlier mark, the only difference being that the acronym 'BGW' — which is in itself meaningless — will now be clarified by the (descriptive) explanatory indication 'Bundesverband der deutschen Gesundheitswirtschaft'.
- 14 Consequently, the national court, citing the judgment in *AMS v OHIM — American Medical Systems (AMS Advanced Medical Services)* (T-425/03, EU:T:2007:311), takes the view that there is no doubt that, so far as the goods and services referred to in paragraph 11 of the present judgment are concerned, there is a likelihood of confusion between the marks at issue on the part of the relevant public.
- 15 That court, however, considers that it is not able to give a ruling to that effect on account of the Court's position in the judgment in *Strigl and Securvita* (C-90/11 and C-91/11, EU:C:2012:147), in which the Court held that Article 3(1)(b) and (c) of Directive 2008/95 is applicable to a word mark which consists of the juxtaposition of a descriptive word combination and a letter sequence which is non-descriptive in itself, if the relevant public perceives that sequence as being an abbreviation of that word combination by reason of the fact that it reproduces the first letter of each word of that combination, and the mark in question, considered as a whole, can thus be understood as a combination of descriptive indications or abbreviations which is therefore devoid of distinctive character. Furthermore, the national court states that, in paragraph 38 of that judgment, the Court held that the letter sequence which reproduces the initial letters of the words comprising the word combination occupies only an ancillary position in relation to the word combination.
- 16 The national court therefore takes the view that it is not possible to state that a component of a composite mark, in this case the sequence of letters 'BGW', understood as an acronym in the later mark, has a dominant or at least independent distinctive role if such a component occupies only an ancillary position.
- 17 The fact that the judgment in *Strigl and Securvita* (C-90/11 and C-91/11, EU:C:2012:147) concerned the absolute grounds for refusal of registration under Article 3 of Directive 2008/95 does not, according to the Bundespatentgericht (Federal Patents Court), justify a different assessment being made in the main proceedings, which involve the further ground for refusal set out in Article 4(1)(b) of that directive, since the public's perception of a mark cannot, in principle, depend on whether it is a ground for refusal under Article 3 or Article 4 of Directive 2008/95 that is concerned.

- 18 In those circumstances, the Bundespatentgericht (Federal Patents Court) decided to stay the proceedings and to refer the following question to the Court of Justice for a preliminary ruling:

‘Must Article 4(1)(b) of Directive 2008/95 be interpreted as meaning that, in the case of identical and similar goods and services, there may be taken to be a likelihood of confusion for the public if a distinctive sequence of letters which dominates the earlier word/figurative trade mark of average distinctiveness is made use of in a third party’s later mark in such a way that the sequence of letters is supplemented by a descriptive combination of words relating to it which explains the sequence of letters as an abbreviation of the descriptive words?’

### Consideration of the question referred

- 19 By its question the national court asks, in essence, whether Article 4(1)(b) of Directive 2008/95 is to be interpreted as meaning that, in the case of identical or similar goods and services, there may be a likelihood of confusion on the part of the relevant public between an earlier mark consisting of a letter sequence, which is distinctive and is the dominant element in that mark of average distinctiveness, and a later mark which reproduces that letter sequence and to which is added a descriptive combination of words, the initial letters of which correspond to the letters of that sequence, with the result that that sequence is perceived by that public as the acronym of that combination of words.
- 20 Since the national court has asked that question in the light of the doubts which it has as regards the application of the judgment in *Strigl and Securvita* (C-90/11 and C-91/11, EU:C:2012:147) in assessing the similarity between the marks at issue in the main proceedings, it is therefore appropriate, in the first place, to assess the scope and the relevance of that judgment.
- 21 In the cases in the main proceedings which gave rise to the judgment in *Strigl and Securvita* (C-90/11 and C-91/11, EU:C:2012:147), what was at issue were two word marks, one consisting of the sign ‘Multi Markets Fund MMF’ to designate an investment fund which invests in many financial markets and the other of the sign ‘NAI - Der Natur-Aktien-Index’ to designate a share index showing the shares of ecologically-oriented undertakings. Inasmuch as, in those cases, the national court took the view that the signs ‘MMF’ and ‘NAI’, taken in isolation, were not descriptive for the purposes of Article 3(1)(c) of Directive 2008/95, it asked the Court whether the grounds for refusal under Article 3(1)(b) and/or (c) of that directive were applicable to a word mark which consists of the juxtaposition of a descriptive word combination and a letter sequence which is not descriptive in itself but which reproduces the initial letters of each of the words making up that word combination.
- 22 The question underlying the abovementioned cases therefore consisted in determining whether a composite mark consisting of a word combination attached to its acronym was capable of being registered in the light of Article 3(1)(b) and (c) of Directive 2008/95 and not in assessing, as is the case here, whether there may be a likelihood of confusion, within the meaning of Article 4(1)(b) of that directive, between an earlier mark consisting of a sequence of letters and a later mark, which reproduces that sequence juxtaposed with a word combination.
- 23 First, the absolute grounds for refusal of registration set out in Article 3(1)(b) and (c) of Directive 2008/95 and the relative grounds for refusal of registration set out in Article 4(1)(b) of that directive pursue different aims and are intended to protect distinct interests.
- 24 The general interest underlying Article 3(1)(c) of Directive 2008/95 is that of ensuring that signs which describe one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (judgment in *Strigl and Securvita*, C-90/11 and C-91/11, EU:C:2012:147, paragraph 31 and the case-law cited).

- 25 The notion of general interest underlying Article 3(1)(b) of that directive is indissociable from the essential function of a trade mark, which is to guarantee the identity of the origin of the product or service covered by the mark to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin (see judgment in *Eurohypo v OHIM*, C-304/06 P, EU:C:2008:261, paragraph 56 and the case-law cited).
- 26 By contrast, Article 4(1)(b) of Directive 2008/95 is intended to protect the individual interests of proprietors of earlier marks that come into conflict with the sign applied for and thus guarantees the trade mark as an indication of origin if there is a likelihood of confusion (see, to that effect, judgment in *Medion*, C-120/04, EU:C:2005:594, paragraphs 24 and 26 and the case-law cited).
- 27 Although the relevant public's perception of a sign cannot be dependent on the ground for refusal of registration in question, as the national court rightly observes, the angle from which that perception is viewed, however, varies according to whether what is being assessed is the descriptiveness of a sign or the existence of a likelihood of confusion.
- 28 As the Advocate General stated at point 29 of his Opinion, whereas, in assessing the descriptiveness of a sign, attention is focused on the mental processes which may lead to relationships being established between the sign or its various components and the goods/and or services concerned, in assessing the likelihood of confusion, the examination relates to the processes by means of which the sign is remembered, recognised and recalled and to associative mechanisms.
- 29 Secondly, in paragraph 32 of the judgment in *Strigl and Securvita* (C-90/11 and C-91/11, EU:C:2012:147), the Court pointed out that the three capital letters in each of the signs, namely, 'MMF' and 'NAI', represented the initial letters of the word combinations to which they were attached and that the word combination and the letter sequence, in each case, were intended to clarify each other and to draw attention to the fact that they were linked, each letter sequence being designed to support the public's perception of the word combination, by simplifying its use and by making it easier to remember.
- 30 In that regard, the Court stated, in paragraphs 37 and 38 of that judgment, that, if the letter sequences at issue were perceived by the relevant public to be abbreviations of the word combinations with which they were juxtaposed, those sequences could not be more than the sum of all the elements of the mark, taken as a whole, even though they might be considered to have distinctive character in themselves. On the contrary, according to the Court, such letter sequences occupied only an 'ancillary position' in relation to the word combination to which they were attached.
- 31 It is apparent from the grounds of the judgment in *Strigl and Securvita*, (C-90/11 and C-91/11, EU:C:2012:147) that whether a sign consisting of a letter sequence juxtaposed with a word combination is to be refused registration under Article 3(1)(b) and (c) of Directive 2008/95 must be assessed on a case-by-case basis, according to the perception which the relevant public has of the interdependence between the various elements of the sign and of the sign as a whole.
- 32 Consequently, the statement in paragraph 38 of that judgment, which is referred to by the national court, that the letter sequence which reproduces the initial letters of the words comprising that word combination occupies only an ancillary position in relation to the word combination, must be read in that way and cannot be interpreted as being the expression of a general rule for assessing the ancillary nature of a sequence of letters which reproduces the first letter of each of the words in the word combination with which it is juxtaposed.

- 33 That statement simply makes clear, for the purposes of the application of the grounds for refusal set out in Article 3(1)(b) and (c) of Directive 2008/95, that a letter sequence, even if it is distinctive in itself, may be descriptive when it is reproduced in a composite mark in which it is combined with a descriptive principal expression of which it is perceived to be the abbreviation, which must be determined on a case-by-case basis.
- 34 It follows from the foregoing that, in the light of the different legal context of the cases which gave rise to the judgment in *Strigl and Securvita* (C-90/11 and C-91/11, EU:C:2012:147) and the scope which must be attributed to that judgment, the findings in it are not capable of being applied to the main proceedings for the purposes of assessing whether there is a similarity between the two marks at issue.
- 35 In the second place, it is necessary to bear in mind the case-law according to which the global assessment of the likelihood of confusion must, so far as concerns the visual, phonetic or conceptual similarity of the marks at issue, be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant elements. 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 engage in an analysis of its various details (judgment in *Bimbo v OHIM*, C-591/12 P, EU:C:2014:305, paragraph 21 and the case-law cited).
- 36 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 (judgment in *OHIM v Shaker*, C-334/05 P, EU:C:2007:333, paragraph 41, and judgment in *Aceites del Sur-Coosur v Koipe and OHIM*, C-498/07 P, EU:C:2009:503, paragraph 61).
- 37 Although the overall impression conveyed to the relevant public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components, 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 (judgment in *OHIM v Shaker*, C-334/05 P, EU:C:2007:333, paragraphs 41 and 42, and judgment in *Nestlé v OHIM*, C-193/06 P, EU:C:2007:539, paragraphs 42 and 43 and the case-law cited).
- 38 In that regard, the Court has stated that, even if the element common to the marks at issue cannot be regarded as dominating the overall impression, it must be taken into account in the assessment of the similarity of those marks, to the extent that it constitutes in itself the earlier mark and retains an independent distinctive role in the trade mark consisting, inter alia, of that element, for which registration is sought. Where a common element retains an independent distinctive role in the composite sign, the overall impression produced by that sign may lead the public to believe that the goods or services at issue come, at the very least, from companies which are linked economically, in which case a likelihood of confusion must be held to be established (judgment in *Medion*, C-120/04, EU:C:2005:594, paragraphs 30 and 36, and order in *ecoblue v OHIM and Banco Bilbao Vizcaya Argentaria*, C-23/09 P, EU:C:2010:35, paragraph 45).
- 39 However, the Court has also stated that a component of a composite sign does not retain such an independent distinctive role if, together with the other component or components of the sign, that component forms a unit having a different meaning as compared with the meaning of those components taken separately (judgment in *Bimbo v OHIM*, C-591/12 P, EU:C:2014:305, paragraph 25).
- 40 It must also be pointed out, as the Advocate General stated at point 40 of his Opinion, that, in principle, even an element which has only a weak distinctive character may dominate the overall impression of a composite mark or have an independent distinctive role in that mark within the

meaning of the case-law resulting from the judgment in *Medion* (C-120/04, EU:C:2005:594), since, it may, because of, inter alia, its position in the sign or its size, make an impression on consumers and be remembered by them.

- 41 In the present case, it will be for the national court to ascertain the overall impression made on the relevant public by the later mark, by means of, inter alia, an analysis of the components of that mark and of their relative weight in the perception of that public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion (judgment in *Bimbo v OHIM*, C-591/12 P, EU:C:2014:305, paragraph 34).
- 42 It is, however, important to point out that the mere fact that the later mark consists of a sign reproducing the letter sequence that constitutes the only word element of the earlier mark and of a combination of words the initial letters of which correspond to that sequence cannot, on its own, preclude a likelihood of confusion with that earlier mark.
- 43 Accordingly, in the circumstances of the main proceedings, the national court will have to examine, among other factors, whether the links which the relevant public may establish between the letter sequence and the word combination, in particular the possibility that the former may be perceived as an acronym of the latter, are such that that sequence may be perceived and remembered separately by the relevant public in the later mark. Likewise, it will, if necessary, have to assess whether the elements of which the later mark consists, taken as a whole, form a separate logical unit which has a different meaning from that of those elements taken separately.
- 44 Consequently, the answer to the question referred is that Article 4(1)(b) of Directive 2008/95 must be interpreted as meaning that, in the case of identical or similar goods and services, there may be a likelihood of confusion on the part of the relevant public between an earlier mark consisting of a letter sequence, which is distinctive and is the dominant element in that mark of average distinctiveness, and a later mark which reproduces that letter sequence and to which is added a descriptive combination of words, the initial letters of which correspond to the letters of that sequence, with the result that that sequence is perceived by that public as the acronym of that combination of words.

### Costs

- 45 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (First Chamber) hereby rules:

**Article 4(1)(b) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that, in the case of identical or similar goods and services, there may be a likelihood of confusion on the part of the relevant public between an earlier mark consisting of a letter sequence, which is distinctive and is the dominant element in that mark of average distinctiveness, and a later mark which reproduces that letter sequence and to which is added a descriptive combination of words, the initial letters of which correspond to the letters of that sequence, with the result that that sequence is perceived by that public as the acronym of that combination of words.**

[Signatures]