



## Reports of Cases

### JUDGMENT OF THE COURT (Second Chamber)

8 May 2014\*

(Appeal — Community trade mark — Opposition proceedings — Application for registration of the word mark BIMBO DOUGHNUTS — Earlier Spanish word mark DOGHNUTS — Relative grounds for refusal — Regulation (EC) No 40/94 — Article 8(1)(b) — Global assessment of the likelihood of confusion — Independent distinctive role of one element of a composite word mark)

In Case C-591/12 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 10 December 2012,

**Bimbo SA**, established in Barcelona (Spain), represented by C. Prat, abogado, and by R. Ciullo, Barrister,

appellant,

the other parties to the proceedings being:

**Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)**, represented by A. Folliard-Monguiral and J. Crespo Carrillo, acting as Agents,

defendant at first instance,

**Panrico SA**, established in Esplugues de Llobregat (Spain), represented by D. Pellisé Urquiza, abogado,

intervener at first instance,

THE COURT (Second Chamber),

composed of R. Silva de Lapuerta, President of the Chamber, J.L. da Cruz Vilaça, G. Arestis, J.-C. Bonichot and A. Arabadjiev (Rapporteur), Judges,

Advocate General: P. Mengozzi,

Registrar: L. Hewlett, Principal Administrator,

having regard to the written procedure and further to the hearing on 7 November 2013,

after hearing the Opinion of the Advocate General at the sitting on 23 January 2014,

gives the following

\* Language of the case: English.

## Judgment

- 1 By its appeal, Bimbo SA seeks to have set aside the judgment in Case T-569/10 *Bimbo v OHIM — Panrico (BIMBO DOUGHNUTS)* EU:T:2012:535 (‘the judgment under appeal’), by which the General Court of the European Union dismissed its action seeking alteration — or, in the alternative, annulment — of the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 7 October 2010 (Case R 838/2009-4), concerning opposition proceedings between Panrico SA and Bimbo (‘the contested decision’).

### Legal context

- 2 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1). Regulation No 207/2009 came into force on 13 April 2009.

- 3 Paragraph 1 of Article 8 of Regulation No 40/94, entitled ‘Relative grounds for refusal’, provided:

‘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.’

### Background to the dispute

- 4 The background to the dispute is summarised as follows in paragraphs 1 to 14 of the judgment under appeal:

‘1 On 25 May 2006, [Bimbo] filed an application for registration of a Community trade mark with [OHIM] under [Regulation No 40/94], as amended (replaced by [Regulation No 207/2009]).

2 The trade mark for which registration was sought is the word sign BIMBO DOUGHNUTS.

3 The goods for which registration was sought are in Class 30 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 description: “pastry and bakery products, specially doughnuts”.

4 The Community trade mark application was published in *Community Trade Marks Bulletin* No 42/2006 of 16 October 2006.

5 On 16 January 2007, [Panrico] filed a notice of opposition pursuant to Article 42 of Regulation No 40/94 (now Article 41 of Regulation No 207/2009) to registration of the mark applied for in respect of all the goods referred to in paragraph 3 above.

- 6 The opposition was based on a number of earlier national and international word and figurative trade marks. In particular, it was based on the Spanish word mark DOGHNUTS, registered on 18 June 1994 under No 1288926 for goods within Class 30 corresponding to the following description: “all kinds of confectionary and pastry products and preparations and products and preparations for sweets and confections; sugar, chocolate, tea, cocoa, coffee and substitutes thereof, vanilla, essences and products and preparations for making caramel cream and cakes, chocolate and sugar-based foodstuffs, ices, candy, chocolates, round-shaped dough biscuits, chewing gum tablets and biscuits”.
- 7 The grounds raised in support of the opposition were those set out in Article 8(1)(b) and Article 8(5) of Regulation No 207/2009.
- 8 On 25 May 2009, the Opposition Division allowed the opposition.
- 9 On 24 July 2009, the applicant filed an appeal with OHIM, under Articles 58 to 64 of Regulation No 207/2009, against the decision of the Opposition Division.
- 10 By [the contested decision], the Fourth Board of Appeal [(“the Board of Appeal”)] dismissed the appeal. Like the Opposition Division, the Board of Appeal merely compared the trade mark applied for with the earlier Spanish word mark DOGHNUTS (“the earlier trade mark”) and concluded on that basis that there was a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 207/2009.
- 11 The Board of Appeal noted that “doughnut” was an English word meaning a “ring-shaped small spongy cake made of dough”. According to the Board of Appeal, the word does not exist in Spanish, where its equivalents are “donut” or “rosquilla”. The Board of Appeal took the view that, for the average Spanish consumer (excluding those who speak English), the word “doughnut” did not describe the goods in question or their qualities and did not have any particular connotation in relation to them. In the Board’s view, the earlier sign (like the sign applied for) would be perceived as a foreign or fantasy term by most consumers.
- 12 The Board of Appeal also considered the signs at issue to be similar, to the extent that the earlier trade mark was incorporated almost identically in the mark applied for. It considered there to be an average degree of visual and phonetic similarity between the marks at issue. In its view a conceptual comparison was not possible.
- 13 The Board considered that the goods covered by the marks at issue were identical and that the earlier trade mark had an average degree of distinctiveness.
- 14 Taking account of the average distinctiveness of the earlier trade mark, the Board of Appeal concluded that, in an overall appraisal of the likelihood of confusion, owing to the average degree of visual and phonetic similarity between the signs, there was a likelihood of confusion on the part of the relevant consumers for all the goods at issue, which were found to be identical.’

### **Procedure before the General Court and the judgment under appeal**

- 5 Bimbo brought an action seeking alteration — or, in the alternative, annulment — of the contested decision.
- 6 In support of its application for annulment of the contested decision, Bimbo raised two pleas in law, alleging: (i) infringement of Articles 75 and 76 of Regulation No 207/2009 and (ii) infringement of Article 8(1)(b) of that regulation.

- 7 By the judgment under appeal, the General Court declared inadmissible the application for alteration of the contested decision and rejected the pleas raised in support of the application for annulment of that decision.

### Forms of order sought

- 8 Bimbo claims that the Court of Justice should set aside the judgment under appeal, annul the contested decision and order OHIM to pay the costs.
- 9 OHIM contends that the Court should dismiss the appeal and order Bimbo to pay the costs.
- 10 Panrico contends that the Court should declare its response admissible and well founded, uphold the judgment under appeal and order Bimbo to pay the costs.

### The appeal

- 11 Bimbo relies on a single ground of appeal, which is in two parts and which alleges infringement of Article 8(1)(b) of Regulation No 207/2009.
- 12 Given that the application for registration of the Community trade mark at issue was filed on 25 May 2006 and that that date is determinative for the purposes of identifying the applicable substantive law (see, to that effect, orders in Case C-14/12 P *Shah v Three-N-Products Private* EU:C:2013:349, paragraph 2, and Case C-346/12 P *DMK v OHIM* EU:C:2013:397, paragraph 2), the present dispute is governed by the procedural provisions of Regulation No 207/2009 and the substantive provisions of Regulation No 40/94.

#### *The first part of the single ground of appeal*

#### Arguments of the parties

- 13 Bimbo submits, first of all, that by the reasoning set out in paragraph 97 of the judgment under appeal, the General Court confused the concepts of ‘distinctiveness’ and ‘wholly meaningless element’, on the one hand, and ‘independent distinctive role’, on the other. Bimbo argues that neither the inherent distinctive character nor the degree of meaning of one component of a composite mark should be confused with the distinctive role of that component in the mark. The term ‘role’ suggests that it is a concept that must be assessed in the light of the characteristics of the other components of the sign concerned.
- 14 Next, the General Court’s reasoning implies, according to Bimbo, that any trade mark composed of two elements, one of which is a trade mark with a reputation and the other a trade mark with an average degree of distinctiveness, with no particular meaning for the relevant public, will be regarded as consisting of two components with an independent distinctive role. However, the Court of Justice has held that, usually, the average consumer perceives a trade mark as a whole, and it is only in particular cases that the Court has accepted that it is possible that a component of a composite mark may retain an independent distinctive role in the composite sign concerned.
- 15 To the same effect, the Court of Justice stated, in paragraph 38 of the judgment in Case C-51/09 P *Becker v Harman International Industries* EU:C:2010:368, that, in a composite mark, a surname does not retain an independent distinctive role in every case solely because it will be perceived as a surname. A finding that an element has such a role may be based only on an examination of all the relevant factors of each case.

- 16 Lastly, Bimbo maintains that the notions of ‘unitary whole’ and ‘logical unit’, used by the General Court, do not appear in the case-law of the Court of Justice. If, by those notions, the General Court meant that the composite trade mark contains different ‘unconnected’ elements, that fact would not imply that those elements have an independent distinctive role.
- 17 OHIM and Panrico dispute the merits of Bimbo’s arguments. In particular, OHIM contends that the first part of the single ground of appeal relied on is inadmissible, since it is apparent from paragraph 97 of the judgment under appeal that the General Court confined itself to examining the actual meaning of the sign for which registration was sought and that it did, therefore, carry out an assessment of the facts.

#### Findings of the Court

- 18 As regards the admissibility of the first part of the single ground of appeal, it should be noted that Bimbo submits that the General Court confused certain legal concepts; that it disregarded the rule that it is only in exceptional cases that one component of a composite trade mark may be found to have an independent distinctive role; and that it used terminology extraneous to the relevant case-law. Consequently, contrary to what OHIM contends, Bimbo is not merely seeking a new assessment of the facts from the Court of Justice, but is alleging that the General Court erred in law. It follows that the first part of the single ground of appeal is admissible.
- 19 As to the merits, 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, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see Case C-334/05 P *OHIM v Shaker* EU:C:2007:333, paragraph 33, and Case C-193/06 P *Nestlé v OHIM* EU:C:2007:539, paragraph 32).
- 20 The existence of a likelihood of confusion on the part of the public must be assessed globally, account being taken of all factors relevant to the circumstances of the case (see, to that effect, Case C-251/95 *SABEL* EU:C:1997:528, paragraph 22; *OHIM v Shaker* EU:C:2007:333, paragraph 34; and *Nestlé v OHIM* EU:C:2007:539, paragraph 33).
- 21 The global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks at issue, must be based on the overall impression given by the marks, account being taken, in particular, of 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, to that effect, *SABEL* EU:C:1997:528, paragraph 23; *OHIM v Shaker* EU:C:2007:333, paragraph 35; and *Nestlé v OHIM* EU:C:2007:539, paragraph 34).
- 22 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 (*OHIM v Shaker* EU:C:2007:333, paragraph 41).
- 23 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. However, 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* EU:C:2007:333, paragraphs 41 and 42, and *Nestlé v OHIM* EU:C:2007:539, paragraphs 42 and 43 and the case-law cited).

- 24 In this connection, the Court of Justice has stated that it is possible that an earlier mark used by a third party in a composite sign that includes the name of the company of the third party retains an independent distinctive role in the composite sign. Accordingly, in order to establish the likelihood of confusion, it suffices that, on account of the earlier mark still having an independent distinctive role, the public attributes the origin of the goods or services covered by the composite sign to the owner of that mark (Case C-120/04 *Medion* EU:C:2005:594, paragraphs 30 and 36, and order in Case C-353/09 P *Perfetti Van Melle v OHIM* EU:C:2011:73, paragraph 36).
- 25 None the less, 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 (see, to that effect, order in Case C-23/09 P *ecoblue v OHIM and Banco Bilbao Vizcaya Argentaria* EU:C:2010:35, paragraph 47; *Becker v Harman International Industries* EU:C:2010:368, paragraphs 37 and 38; and order in *Perfetti Van Melle v OHIM* EU:C:2011:73, paragraphs 36 and 37).
- 26 In the present case, the General Court found, in paragraphs 79 and 81 of the judgment under appeal, that, even if the element ‘bimbo’ were dominant in the trade mark for which registration was sought, the ‘doughnuts’ element was not negligible in the overall impression produced by that trade mark and, accordingly, the ‘doughnuts’ element had to be taken into account in the comparison of the trade marks at issue.
- 27 In paragraph 97 of that judgment, the General Court stated that, since the ‘doughnuts’ element is wholly meaningless for the relevant public, that element did not form, together with the other element of the sign, a unit having a different meaning as compared with the meaning of those elements taken separately. It accordingly found that the ‘doughnuts’ element still had an independent distinctive role in the trade mark for which registration was sought and had therefore to be taken into account in the global assessment of the likelihood of confusion.
- 28 In paragraph 100 of the judgment under appeal, the General Court held that, in the light of all factors relevant to the case, the global assessment confirmed the Board of Appeal’s conclusion that there was a likelihood of confusion.
- 29 Accordingly, the General Court did not conclude that there was a likelihood of confusion merely from the finding that, in the trade mark applied for, the ‘doughnuts’ element has an independent distinctive role, but based its conclusion in that regard on a global assessment that included the different stages of the examination required under the case-law referred to in paragraphs 19 to 25 above, and in the course of which it took into account the factors of the case. It thus correctly applied Article 8(1)(b) of Regulation No 40/94.
- 30 That conclusion is not invalidated by the other arguments put forward by Bimbo.
- 31 In so far as Bimbo criticises the General Court, first of all, for having used, in paragraph 97 of the judgment under appeal, the terms ‘distinctive character’ and ‘wholly meaningless element’, suffice it to point out that, in that paragraph, the General Court merely rejected Bimbo’s submissions purporting to establish that, being devoid of distinctive character, the ‘doughnuts’ element is not to be taken into account in the assessment of the likelihood of confusion.
- 32 The General Court thereby supplemented its assessment, set out in paragraph 81 of the judgment under appeal, that the ‘doughnuts’ element was not negligible in the overall impression produced by the trade mark for which registration was sought and that it had therefore to be taken into account in the comparison of the trade marks at issue. In so doing, the General Court in no way confused the terms in question.

- 33 Next, in so far as Bimbo argues that the General Court disregarded the rule that a finding that one component of a composite sign has an independent distinctive role constitutes an exception, that must be duly substantiated, to the general rule that the consumer normally perceives a trade mark as a whole, it should be pointed out that the purpose of examining whether any of the components of a composite sign has an independent distinctive role is to determine which of those components will be perceived by the target public.
- 34 Indeed, as the Advocate General observed in points 25 and 26 of his Opinion, it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target 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.
- 35 The determination of which components of a composite sign contribute to the overall impression made on the target public by that sign is to be undertaken before the global assessment of the likelihood of confusion of the signs at issue. Such an assessment must be based on the overall impression produced by the trade marks at issue, since the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details, as has been stated in paragraph 21 above. Therefore, this does not involve an exception, that must be duly substantiated, to that general rule.
- 36 Moreover, the individual assessment of each sign, as required by the settled case-law of the Court of Justice, must be made in the light of the particular circumstances of the case and cannot therefore be regarded as being subject to general presumptions. As the Advocate General observed in point 24 of his Opinion, it is clear, in particular, from the case-law subsequent to *Medion* (EU:C:2005:594), that the Court of Justice did not introduce, in that judgment, a derogation from the principles governing the assessment of the likelihood of confusion.
- 37 Lastly, as regards the argument summarised in paragraph 16 above, the expressions ‘unitary whole’ and ‘logical unit’, used by the General Court in paragraph 97 of the judgment under appeal, clearly correspond to the expression ‘unit having a different meaning’, used by the Court of Justice in the case-law referred to in paragraph 25 above.
- 38 It follows from the foregoing considerations that the assessment carried out by the General Court is not vitiated by the errors of law alleged by Bimbo and that, consequently, the first part of the single ground of appeal relied on must be rejected as unfounded.

*The second part of the single ground of appeal*

Arguments of the parties

- 39 Bimbo submits, first of all, that the General Court based its finding that there was a likelihood of confusion on the assumption that the ‘doughnuts’ element has an independent distinctive role, without taking into account all the other factors specific to the case.
- 40 Thus, according to Bimbo, the General Court did not take into account the fact that the trade mark for which registration was sought is characterised by its first element, ‘bimbo’, a trade mark with a wide reputation in Spain for the goods in respect of which registration of that trade mark was sought. Nor did the General Court observe that the earlier mark is not highly or particularly distinctive, or that the term ‘doughnuts’ was not reproduced identically in the trade mark for which registration was sought.

- 41 Next, Bimbo argues that, where a widely known trade mark forms the first element of a composite mark, the strength of the widely known mark normally serves to prevent the overall impression produced by the composite mark from being perceived by the relevant public as attributing the origin of the goods in question to the owner of the earlier mark or to economically-linked undertakings.
- 42 Consequently, according to Bimbo, in order to find that there was a likelihood of confusion between the trade marks at issue, the General Court had to substantiate the reasons why, exceptionally, in the present case, the mark for which registration was sought would, in the light of the overall impression produced by it on the relevant public, give rise to a likelihood of confusion.
- 43 Lastly, Bimbo submits that, in assessing the likelihood of confusion, the General Court did not properly take account of the fact that, in contrast to common practice in the commercial sector concerned in the case that gave rise to the judgment in *Medion* (EU:C:2005:594), it would be very unusual, in the bakery sector, to enter into commercial agreements or associations for the purposes of offering goods.
- 44 OHIM and Panrico dispute Bimbo's arguments.

#### Findings of the Court

- 45 First of all, as the Advocate General observed in points 37 to 42 of his Opinion, having regard to the reasoning set out inter alia in paragraphs 91 to 100 of the judgment under appeal, the General Court cannot be accused of having automatically inferred that there was a likelihood of confusion between the signs at issue from the fact that the 'doughnuts' element has an independent distinctive role in the trade mark for which registration was sought.
- 46 It can be seen from those paragraphs of the judgment under appeal that the General Court did carry out a global assessment of the likelihood of confusion and that it took into account, for that purpose, the factors specific to the case. Moreover, that assessment was based on a detailed examination, undertaken in paragraphs 52 to 89 of the judgment under appeal, of all of the points raised by Bimbo and, in particular, of the reputation of that mark. The arguments that Bimbo has adduced in this connection before the Court of Justice are therefore based on an incorrect reading of that judgment and must, on that ground, be rejected.
- 47 Next, in the light of the findings made in paragraphs 33 and 34 above, the arguments summarised in paragraphs 41 and 42 above are based on a misinterpretation of the relevant case-law and must, on that ground, be rejected.
- 48 Lastly, as to Bimbo's argument summarised in paragraph 43 above, suffice it to state that, as OHIM has rightly pointed out, it was raised for the first time before the Court of Justice and, in accordance with settled case-law, it must therefore be rejected as inadmissible.
- 49 It follows that the second part of the single ground of appeal relied on by Bimbo must be rejected as being in part inadmissible and in part unfounded.
- 50 Consequently, the single ground of appeal must be rejected and the appeal dismissed.

#### Costs

- 51 Under Article 184(2) of the Rules of Procedure of the Court of Justice, where an appeal is unfounded, the Court is to make a decision as to the costs. Under Article 138(1) of those rules, which apply to the procedure on appeal by virtue of Article 184(1) of those rules, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.



<sup>52</sup> Since Bimbo has been unsuccessful and OHIM and Panrico have applied for costs, Bimbo must be ordered to pay the costs.

On those grounds, the Court (Second Chamber) hereby:

- 1. Dismisses the appeal;**
- 2. Orders Bimbo SA to pay the costs.**

[Signatures]