Reports of Cases

JUDGMENT OF THE COURT (Third Chamber)

24 May 2012 *

(Appeal — Community trade mark — Figurative mark 'F1-Live' — Opposition by the proprietor of international and national word marks F1 and Community figurative mark F1 Formula 1 — Lack of distinctive character — Descriptive element — Removal of the protection provided to an earlier national trade mark — Likelihood of confusion)

In Case C-196/11 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 27 April 2011,

Formula One Licensing BV, established in Rotterdam (Netherlands), represented by K. Sandberg and B. Klingberg, Rechtsanwältinnen,

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, acting as Agent,

defendant at first instance,

Global Sports Media Ltd, established in Hamilton (Bermuda), represented by T. de Haan, avocat,

intervener at first instance,

THE COURT (Third Chamber),

composed of K. Lenaerts, President of the Chamber, J. Malenovský, E. Juhász (Rapporteur), G. Arestis and T. von Danwitz, Judges,

Advocate General: P. Cruz Villalón,

Registrar: L. Hewlett, Principal Administrator,

having regard to the written procedure and further to the hearing on 14 December 2011,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

* Language of the case: English.

Judgment

1 By its appeal, Formula One Licensing BV asks the Court to set aside the judgment in Case T-10/09 *Formula One Licensing* v *OHIM - Global Sports Media (F1-LIVE)* [2011] ECR II-427 ('the judgment under appeal'), by which the General Court dismissed its action for annulment of the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 16 October 2008 (Case R 7/2008-1), relating to opposition proceedings between Racing-Live SAS and Formula One Licensing BV ('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), as amended by Council Regulation (EC) No 1992/2003 of 27 October 2003 (OJ 2003 L 296, p. 1), ('Regulation No 40/94'), was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), which entered into force on 13 April 2009. Nevertheless, in view of the time at which the events occurred, the present dispute is governed by Regulation No 40/94.

3 The fifth recital in the preamble to Regulation No 40/94 states:

'… the Community law relating to trade marks nevertheless does not replace the laws of the Member States on trade marks; … it would not in fact appear to be justified to require undertakings to apply for registration of their trade marks as Community trade marks; … national trade marks continue to be necessary for those undertakings which do not want protection of their trade marks at Community level'.

4 Under Article 8(1)(b) of that regulation, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for must not 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.

5 Article 8(2)(a) of that regulation provides:

'for the purposes of paragraph 1, "Earlier trade marks" 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:

   i) Community 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;

   iii) trade marks registered under international arrangements which have effect in a Member State;

   iv) trade marks registered under international arrangements which have effect in the Community'.

6 According to Article 8(5) of Regulation No 40/94, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for

which the earlier trade mark is registered, where in the case of an earlier Community trade mark the trade mark has a reputation in the Community and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

7 Under Article 3(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), and Article 3(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 (Codified version) (OJ 2008 L 299, p. 25), which repealed and replaced Directive 89/104, trade marks which are devoid of any distinctive character shall not be registered or if registered shall be liable to be declared invalid.

Background to the dispute

8 On 13 April 2004, Racing-Live SAS, which was subsequently replaced by Global Sports Media Ltd ('Global Sports Media') as proprietor of the trade mark applied for, filed an application for registration of a Community trade mark with OHIM for the figurative mark reproduced below:



9 The goods and services in respect of which registration of the trade mark was sought are in Classes 16, 38 and 41 of the Nice Agreement of 15 June 1957 concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised and amended ('the Nice Agreement'), and correspond, for each of those classes, to the following description:

— Class 16: 'Magazines, pamphlets, books; all the aforesaid goods relating to the field of formula 1';

— Class 38: 'Communication and dissemination of books, magazines and newspapers via computer terminals; all the aforesaid services relating to the field of formula 1', and

— Class 41: 'Electronic publication of books, journals and periodicals; entertainment information; arranging competitions on the Internet; reservation of tickets for shows; on-line gaming; all the aforesaid services relating to the field of formula 1'.

10 The application for registration was published in *Community Trade Marks Bulletin* No 5/2005 and on 2 May 2005 Formula One Licensing BV ('Formula One Licensing') filed a notice of opposition against registration of the trade mark applied for, on the basis of Article 8(1)(b) and (5) of Regulation No 40/94.

11 The opposition was based inter alia on the following earlier trade marks, for which a reputation was claimed:

— Word mark 'F1' protected by (i) an International Registration under No 732 134 of 20 December 1999 for Denmark, Germany, Spain, France, Italy and Hungary for goods and services in Classes 16, 38, and 41 within the meaning of the Nice Agreement, (ii) by a national registration in Germany under No 30 007 412 of 10 May 2000 in respect of services in Class 41 within the meaning of that Agreement, and (iii) by a national registration in the United Kingdom under No 2 277 746 D of 13 August 2001 in respect of goods and services in Classes 16 and 38 within the meaning of the Agreement; and

— Figurative mark 'F1 Formula 1', registered in the Community under No 631531 on 19 May 2003 in respect of goods and services in Classes 16, 38 and 41 within the meaning of the Nice Agreement, reproduced hereunder:



12 On 17 October 2007, the Opposition Division of OHIM upheld the opposition on the basis of the earlier International Registration No 732 134 for the word mark 'F1'. It found that the goods and services covered by the two marks were similar or identical and that the signs at issue were similar to a medium degree and, in consequence, that there was a likelihood of confusion between those marks for the purposes of Article 8(1)(b) of Regulation No 40/94.

13 On 14 December 2007, Racing-Live SAS brought an appeal against that decision. By the contested decision of 16 October 2008, the First Board of Appeal of OHIM upheld the appeal and annulled the Opposition Division's decision, considering in substance that the earlier trade marks and the trade mark applied for could not give rise to a likelihood of confusion and that the fact that they coincide in the word element 'Fl' is insufficient in this respect because this element is perceived as descriptive in the trade mark.

The action before the General Court and the judgment under appeal

14 By application lodged at the Registry of the Court of First Instance on 14 January 2009, Formula One Licensing brought an action for the annulment of the contested decision. That action, containing two pleas, was dismissed by the General Court.

15 By its first plea, the appellant alleged an infringement of Article 8(1)(b) of Regulation No 40/94.

16 In paragraph 28 of the judgment under appeal, the General Court noted, as regards the similarity of the goods and services at issue, that 'the Board of Appeal found in paragraphs 25 and 26 of the contested decision that the intervener's activities — the selling of printed matter and communication over the internet (the goods and services in classes 16 and 38) — were identical to the applicant's activities, and that the online publication and online entertainment services in the field of Formula 1 (services in class 41) were very similar to the services offered by the applicant'.

17 With regard to the comparison of the signs at issue and their perception by the relevant public, the General Court, acknowledging that the 'F1' sign in the international trade mark and the 'F1' element in the trade mark applied for are the same, first examined the role of the 'F1' element in the latter, in particular the issue of whether that element is 'dominant'.

18 The General Court, on the basis of the evidence before it, considered, in paragraphs 43 and 44 of the judgment under appeal, that the term 'Formula 1' is used to designate, in generic terms, the sport of motor racing and that 'the abbreviation F1 is just as generic as the term "Formula 1"'.

19 As regards the appellant's argument concerning the earlier trade mark, the General Court held, in paragraph 46 of the judgment under appeal, that the sole fact that the earlier word mark has been registered as a national or international trade mark does not prevent it from being largely descriptive or, in other words, from having only a weak intrinsic distinctive character in relation to the goods and services it covers. However, the General Court pointed out, in paragraph 47 of the judgment under appeal, that the validity of an international or national trade mark — in the present case, the appellant's marks — may not be called into question in proceedings for registration of a Community trade mark, but only in cancellation proceedings brought in the Member State concerned.

20 The General Court, in paragraph 49 of the judgment under appeal, reached the conclusion that '[i]n the light of those considerations and of the evidence submitted, it must be held that the relevant public will not perceive the "F1" element in the mark applied for as a distinctive element, but as an element with a descriptive function'. Likewise, in paragraph 57 of the judgment under appeal, the General Court held that consumers will regard 'F1' in ordinary typeset as an abbreviation of 'Formula 1', that is to say, as a description, and concluded that there is no likelihood of confusion between the marks at issue.

21 Next, the General Court carried out a visual, phonetic, and conceptual comparison of the mark applied for and the earlier Community mark and, in paragraph 61 of the judgment under appeal, concluded that '[i]n the present case, with regard to the overall assessment of the likelihood of confusion, which established in particular a lack of visual similarity and only limited phonetic and conceptual similarities, it is sufficient to hold that the Board of Appeal was correct in finding that there was no likelihood of confusion between the two marks, since the relevant public will not confuse the mark applied for with the applicant's logotype mark. In that connection, it should be noted that the fact that the public attributes a generic meaning to the sign F1 means that it will understand that the mark applied for concerns Formula 1, but, because of its totally different layout, the public will not make a connection between that mark and the activities of the applicant'.

22 By its second plea, the appellant alleged, before the General Court, an infringement of Article 8(5) of Regulation No 40/94.

23 The General Court, before rejecting that plea, held, in paragraph 67 of the judgment under appeal:

'As is clear from paragraph 66 of the contested decision, the only sign in respect of which the applicant has shown use and, possibly, reputation, is the F1 Formula 1 logotype, which it registered in the European Union under No 631 531. Accordingly, the first question to address is whether the figurative marks at issue are identical or similar. The distinctive character and the reputation of the logotype sign lie in the virtual fusion of the letter "F" and the numeral "1", presented in sharply contrasting colours. The sole fact that the letter "F" and the numeral "1" are present in the mark applied for — a presence which has no distinctive character — is insufficient to support the inference that there is a link between the two marks. Consequently, notwithstanding a certain phonetic and conceptual resemblance, the Board of Appeal's finding that no element of the mark applied for reminds the public of the F1 Formula 1 logotype must be upheld, since the two signs cannot be regarded as similar.'

Forms of order sought

24 By its appeal, Formula One Licensing claims that the Court should set aside the judgment under appeal, uphold its application for annulment of the contested decision or, alternatively, refer the case back to the General Court for reconsideration and that the Court should order OHIM and Global Sports Media to pay the costs, including those incurred at first instance.

25 OHIM claims that the Court should dismiss the appeal and order the appellant to pay the costs.

26 Global Sports Media claims that the Court should dismiss the appeal and order the appellant to pay the costs.

The appeal

27 In support of its appeal, Formula One Licensing puts forward three pleas.

28 The first plea, alleging an infringement of Article 8(1)(b) of Regulation No 40/94, relating to the distinctive character of the 'F1' element, has four parts. These parts allege, respectively, a lack of reference to specific goods and services, a distortion of the facts regarding the 'F1' element and the term 'Formula 1', failure to recognise acquisition of distinctive character as a result of use as part of a registered Community trade mark, and unlawful removal of the protection afforded to an earlier trade mark.

29 The second and third pleas allege an infringement of Article 8(1)(b) of Regulation No 40/94 resulting from an error in assessing the likelihood of confusion and an infringement of Article 8(5) of that regulation.

30 It is appropriate to begin by examining the fourth part of the first plea.

Arguments of the parties

31 By the fourth part of its first plea, Formula One Licensing claims that the General Court, in paragraphs 44, 49, 51, 57, 61 and 67 of the judgment under appeal, has reduced the distinctive character and the protection of the earlier word mark 'F1' to zero and has thus infringed Article 8(1)(b) of Regulation No 40/94.

32 Formula One Licensing considers that the General Court's finding that the designation 'Fl' is perceived as generic is vitiated by an error in law in that it entails a *de facto* annulment of the appellant's registered trade mark 'F1' in standard typeset, such annulment being inadmissible. The appellant notes that in this regard the General Court held, in paragraph 48 of the judgment under appeal, that OHIM had a duty to verify the way in which the relevant public perceives the 'F1' element in the mark applied for. However, it submits that this verification has its limits, since it cannot culminate in effectively reducing the distinctive character of earlier marks — and thus their scope of protection — to zero.

33 The appellant points out that, in proceedings for registration of a Community trade mark, the General Court is not entitled to deny the distinctive character of the mark cited in opposition and call into question its validity. In this respect, it refers to Case T-134/06 *Xentral* v *OHIM - Pages jaunes* (*PAGESJAUNES.COM*) [2007] ECR II-5213, paragraph 36, according to which the validity of a national trade mark may not be called into question in proceedings for registration of a Community trade mark, but only in cancellation proceedings brought in the Member State concerned.

34 According to Formula One Licensing, the General Court therefore erred in law by denying the distinctive character of the earlier trade marks in a standard typeset.

35 OHIM submits that the appellant, in claiming that the earlier word mark 'F1' had been deprived of any scope of protection, refers to paragraphs 44, 49, 51, 57, 61 and 67 of the judgment under appeal, but that these paragraphs contain only statements regarding the perception of the word element 'F1' in the trade mark applied for. OHIM notes that the reproduction of an earlier sign in a contested

Community trade mark cannot lead to a finding of likelihood of confusion if the use of that sign in the contested mark is made for purely descriptive purposes and that, in the present case, the General Court rightly concluded, in paragraph 51 of the judgment under appeal, that the sign 'F1' does not play a distinctive independent role within the mark applied for, because its role is simply not that of a distinctive element in the contested sign.

36 Global Sports Media considers that the fourth part of the first plea is based on a misreading of the judgment under appeal, since the General Court did not cancel the 'F1' word mark, but simply found that the relevant public perceives the 'F1' element in the trade mark 'F1-LIVE' as a generic term. It adds that the use for descriptive purposes of the term 'F1' is allowed, since such use of an element cannot be challenged under trade mark law (Cases C-100/02 *Gerolsteiner Brunnen* [2004] ECR I-691, paragraph 19, and C-48/05 *Adam Opel* [2007] ECR I-1017, paragraphs 42 and 43).

Findings of the Court

37 In the words of the fifth recital in the preamble to Regulation No 40/94, and, furthermore, in the words of the sixth recital in the preamble to Regulation No 207/2009, 'The Community law relating to trade marks … does not replace the laws of the Member States on trade marks'.

38 The General Court pointed out, in paragraph 47 of the judgment under appeal, that, according to its own case law, the validity of an international or national trade mark — in the present case, the appellant's marks — may not be called into question in proceedings for registration of a Community trade mark, but only in cancellation proceedings brought in the Member State concerned (Case T-7/04 *Shaker* v *OHIM - Limiñana y Botella (Limoncello della Costiera Amalfitana shaker)* [2008] ECR II-3085, paragraph 26). It should be noted that this case law is based on the idea that the Community legislature has established a system based on the coexistence of the Community trade mark with national trade marks, since the General Court cited, in paragraph 26 of that judgment, Case T-6/01 *Matratzen Concord* v *OHIM - Hukla Germany* (*MATRATZEN*) [2002] ECR II-4335, paragraph 55.

39 The reasoning of the General Court must be approved in this respect.

40 It follows from the coexistence of Community trade marks and national trade marks, and from the fact that the registration of the latter does not fall within the sphere of competence of OHIM, and that judicial review in respect of them does not fall within the jurisdiction of the General Court, that in proceedings opposing the registration of a Community trade mark, the validity of national trade marks may not be called into question.

41 Therefore, in such opposition proceedings, it is not possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as the lack of distinctive character, provided by Article 7(1)(b) of Regulation No 40/94 and Article 3(1)(b) of Directives 89/104 and 2008/95. In this respect, it should be noted that the characterisation of a sign as descriptive or generic is equivalent to denying its distinctive character.

42 It is true that, as is clear from paragraph 48 of the judgment under appeal, where an opposition, based on the existence of an earlier national trade mark, is filed against the registration of a Community trade mark, OHIM and, consequently, the General Court, must verify the way in which the relevant public perceives the sign which is identical to the national trade mark in the mark applied for and evaluate, if necessary, the degree of distinctiveness of that sign.

43 However, as the appellant rightly points out, their verification has limits.

44 Their verification may not culminate in a finding of the lack of distinctive character of a sign identical to a registered and protected national trade mark, since such a finding would not be compatible with the coexistence of Community trade marks and national trade marks or with Article 8(1)(b) of Regulation No 40/94, read in conjunction with Article 8(2)(a)(ii).

45 Such a finding would be detrimental to national trade marks identical to a sign considered as being devoid of distinctive character, as the registration of such a Community trade mark would bring about a situation likely to eliminate the national protection of those marks. Hence, such a finding would not respect the system established by Regulation No 40/94, which is based on the coexistence of Community trade marks and national trade marks as stated by the fifth recital in the preamble to that regulation, given that the validity of an international or national trade mark may be called into question for lack of distinctive character only in cancellation proceedings brought in the Member State concerned by virtue of Article 3(1)(b) of Directives 89/104 and 2008/95.

46 It should be noted that Article 8(2)(a)(ii) of Regulation No 40/94 expressly provides, in opposition proceedings, for trade marks registered in a Member State to be taken into consideration as earlier trade marks.

47 It follows that, in order to avoid infringing Article 8(1)(b) of Regulation No 40/94, it is necessary to acknowledge a certain degree of distinctiveness of an earlier national mark on which an opposition against the registration of a Community trade mark is based.

48 However, the General Court has not done so in this case.

49 First, the General Court stated, in paragraph 44 of the judgment under appeal, that the 'F1' sign can be used in a descriptive context and that, as an abbreviation, it is just as generic as the term 'formula 1'. It considered, in paragraphs 49 and 51 of the judgment, that the 'f1' element in the mark applied for is not perceived as a distinctive element, but as an element with a descriptive function.

50 The General Court then held, in paragraphs 57 and 61 of the judgment under appeal, that consumers regard the 'F1' element in an ordinary typography as being the abbreviation of 'formula 1', that is to say, a description, and that the public attributes a generic meaning to the sign 'F1'. Finally, it added, in paragraph 67 of the judgment, that the presence of the letter 'f' and the numeral '1' in the mark applied for has no distinctive character.

51 Although the findings set out in paragraphs 44, 49, 51, 57, 61 and 67 of the judgment under appeal are made with regard to the sign in the earlier trade mark or with regard to the 'F1' element in the trade mark applied for, given that the General Court considered, in paragraph 54 of the judgment, that that sign and that element are the same, by doing so the General Court thus held that the sign is generic, descriptive and devoid of any distinctive character.

52 Hence, the General Court called into question the validity of those earlier trade marks in proceedings for registration of a Community trade mark and therefore infringed Article 8(1)(b) of Regulation No 40/94.

53 In those circumstances, Formula One Licensing is justified in claiming that the judgment under appeal is vitiated by an error in law.

54 Consequently, the judgment under appeal must be set aside on that ground without there being any need to consider the other pleas raised by the appellant.

55 In accordance with the first paragraph of Article 61 of the Statute of the Court of Justice of the European Union, where the Court of Justice sets aside a decision of the General Court, it may itself give final judgment in the matter, where the state of the proceedings so permits, or refer the case back to the General Court for judgment.

56 In the present case, the conditions in which the Court may itself give final judgment on the matter are not met.

57 The decision on the substance requires the examination of the question of whether, without a finding of a lack of distinctive character of the 'F1' sign in the earlier trade marks, it may be found that Article 8(1)(b) of Regulation No 40/94 does not apply. That involves an examination of the facts which the General Court is better placed to carry out.

58 Consequently, it is necessary to refer the case back to the General Court and to reserve the costs.

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

1. Sets aside the judgment of the General Court of the European Union of 17 February 2011 in Case T-10/09 *Formula One Licensing* v *OHIM — Global Sports Media (F1-LIVE);*

2. Refers the case back to the General Court of the European Union;

3. Reserves the costs.

[Signatures]