JUDGMENT OF THE COURT OF FIRST INSTANCE (Third Chamber)

11 May 2005 *

In Case T-390/03,

CM Capital Markets Holding SA, established in Madrid (Spain), represented initially by N. Moya Fernández and J. Calderón Chavero, and subsequently by J. Calderón Chavero and T. Villate Consonni, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by O. Montalto and I. de Medrano Caballero, acting as Agents,

defendant,

* Language of the case: Spanish.

the other party to the proceedings before the Board of Appeal of OHIM having been

Caja de Ahorros de Murcia, established in Murcia (Spain),

ACTION against a decision of the First Board of Appeal of OHIM of 17 September 2003 (Case R 244/2003-1), relating to opposition proceedings between CM Capital Markets Holding SA and Caja de Ahorros de Murcia,

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (Third Chamber),

composed of M. Jaeger, President, V. Tiili and O. Czúcz, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Registry of the Court of First Instance on 24 November 2003,

having regard to the response lodged at the Registry of the Court of First Instance on 2 April 2004,

further to the hearing on 28 October 2004,

gives the following

Judgment

Background to the dispute

1 On 7 December 1999 the Caja de Ahorros de Murcia ('the claimant') requested the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) to register as a Community trade mark, under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, a figurative sign consisting of a red square crossed through with a yellow line inside which the letters 'C' and 'M' are written in white as follows:



2 That application was submitted in order to designate goods and services in Classes 1 to 42 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.

3 On 23 October 2000 the trade mark application was published in the *Community Trade Marks Bulletin* No 84/2000.

4 On 23 January 2001, CM Capital Markets Holding SA brought an opposition against the mark applied for based on Spanish registrations Nos 2 000 040, 2 000 041, 2 000 042 and 2 000 043 designating services in Classes 35, 36, 38 and 42 for the following figurative mark ('the earlier mark'):



5 The opposition was based on all the services protected by the earlier mark and against part of the goods and services designated in the Community trademark application. The grounds relied on were those under Article 8(1)(a) and (b) and 8(4) of Regulation No 40/94.

6 By decision of 27 January 2003, the Opposition Division partially upheld the opposition for the services regarded as identical or similar, namely 'business management, business administration, office functions' in Class 35; 'insurance, financial affairs, monetary affairs, banking business, real-estate affairs' in Class 36; 'telecommunications' in Class 38; and 'legal services, scientific and industrial research' in Class 42, on the ground that there was a likelihood of confusion in respect of those services on the part of the Spanish public.

7 On 25 March 2003, the claimant brought an appeal against the Opposition Division's decision.

8 By decision of 17 September 2003 ('the contested decision') the First Board of Appeal upheld the appeal and annulled the Opposition Division's decision. The Board of Appeal held that there was no similarity between the marks at issue and found accordingly that there was no likelihood of confusion.

Forms of order sought

9 The applicant claims that the Court of First Instance should:

— annul the contested decision;

— accordingly, uphold the opposition in its entirety;

— order the Opposition Division of OHIM to refuse registration of the mark at issue;

— order OHIM to pay the costs.

10 OHIM contends that the Court of First Instance should:

— dismiss the application as unfounded;

— order the applicant to pay the costs.

11 At the hearing the applicant withdrew the second head of claim asking that the opposition should be upheld in its entirety.

Law

Admissibility of the forms of order sought by the applicant

12 By its third head of claim the applicant asks the Court of First Instance to order the Opposition Division to refuse registration of the mark in question. The applicant seeks, therefore, an order directing OHIM to refuse registration of the mark applied for in respect of the relevant goods and services.

13 In that connection, it must be recalled that in the context of an action brought before the Community courts against a decision of OHIM the latter is required under Article 63(6) of Regulation No 40/94 to take the measures necessary to comply with the judgment. Accordingly, the Court of First Instance is not entitled to issue directions to OHIM. It is for the latter to draw the appropriate inferences from

the operative part of the judgment of the Court of First Instance and the grounds on which it is based. The applicant's claim seeking an order by the Court of First Instance directing the Opposition Division of OHIM to refuse registration of the mark in question is therefore inadmissible (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld* v *OHIM (Giroform)* [2001] ECR II-433, paragraph 33, Case T-388/00 *Institut für Lernsysteme* v *OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 19, and Case T-34/00 *Eurocool Logistik* v *OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 12).

Substance

14 The applicant puts forward a single plea in law alleging an infringement of Article 8 (1)(b) of Regulation No 40/94.

Arguments of the parties

15 The applicant takes the view that the Board of Appeal carried out an incorrect examination of the likelihood of confusion between the marks which are the subject of the dispute.

16 It submits that the Board of Appeal's assessment of the difference between the marks is incorrect. Although it is true that the earlier mark is composed of the element 'CM' and the expression 'capital markets', the latter should not be taken into account since it concerns a generic expression for the services protected by the earlier mark.

17 The applicant also claims that the mark applied for reproduces the most distinctive part of the earlier mark, which creates a likelihood of confusion, especially where the advertising for the services at issue has a phonetic character, since the lettering and colours making up those marks are irrelevant in those circumstances.

18 The applicant emphasises the importance of the phonetic element and its predominance over the visual element of the mark on account of the importance of the oral transmission of marks in business by advertising and by consumers during acquisitions. The great similarity of the phonetic element of the marks at issue cannot be ignored.

19 The applicant disputes the importance given by the Board of Appeal to the colours and the lettering of the marks at issue, which are only secondary compared to the fact that the marks share the element 'CM' and are identical or very similar in scope, which is decisive as regards the overall image that the consumer has of the marks concerned, and which is capable of giving rise a likelihood of confusion.

20 The applicant refers to an earlier decision of OHIM, of 4 September 2002, delivered in Case R 223/2001-4, in which the Fourth Board of Appeal held that the earlier mark and the mark 'CM 1824' were incompatible because 'CM' was the predominant element in the two marks, in spite of their lettering and different representations and although 'CM' was accompanied by other elements. The Board of Appeal stated in that decision that the expression 'capital markets' applied to all the services protected by that the earlier mark and that it would not be perceived by consumers as forming an integral part of the latter. It therefore held that the new registration applied for would give rise to a likelihood of confusion.

21 According to the applicant, transposing the criteria set out in that decision to the present case, it is appropriate to highlight both the fact that the predominant element 'CM' is phonetically identical and that the scope of the marks at issue is identical, confirming the likelihood of association and confusion which exists between them.

22 OHIM submits that the Board of Appeal has not made any error of fact or law and has correctly applied the legislation and the Community case-law in concluding that the signs at issue were neither identical nor similar and, therefore, that there was no likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94.

Findings of the Court

23 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 where 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.

24 Under Article 8(2)(a)(ii) of Regulation No 40/94 earlier marks are to be understood as trade marks registered in a Member State with a date of application for registration which is earlier than that of the Community trade mark.

25 In the present case the earlier trade mark, on which the opposition was based, is protected in Spain. Therefore, in order to establish the existence of any likelihood of confusion between the marks at issue the point of view of the relevant public in Spain must be taken into account.

26 The Court of First Instance adopts, in that connection, the Board of Appeal's definition of the target public. The Board of Appeal rightly held that the services designated by the marks, which are the subject of the present proceedings, are aimed at a specialised group of persons, including experts and persons who require professional advice on financial, legal or commercial matters, notably clients of banks or lawyers. That is, therefore, a user profile which is very specialised or well informed. It must also be observed that the applicant does not dispute that definition.

27 Therefore, the likelihood of confusion must be assessed in relation to a Spanish consumer who is very attentive and well informed.

28 According to settled case-law, the likelihood of confusion is constituted by the likelihood that the public may believe that the goods or services at issue come from the same undertaking or, as the case may be, from economically-linked undertakings.

29 According to that case-law, the likelihood of confusion must be assessed globally, according to the perception the relevant public has of the marks and goods or services at issue, and taking account of all the relevant factors in the case, in particular the interdependence between the similarity of the marks 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 31 to 33, and the case-law cited).

30 First, it is common ground that the services covered by the marks in question are identical.

31 In those circumstances the outcome of the proceedings depends on the degree of similarity between the signs. Next, it must be considered whether the degree of similarity between the signs in question is sufficiently great as to lead to the conclusion that a likelihood of confusion exists between them.

32 As is clear from settled case-law, the global assessment of the likelihood of confusion, as far as concerns the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, inter alia, their distinctive and dominant components (see Case T-292/01 *Phillips-Van Heusen* v *OHIM — Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 47, and the case-law cited).

33 It is therefore appropriate to make a comparison of the opposing signs in this case from a visual, phonetic and conceptual point of view.

34 First, as regards the visual comparison of the marks at issue, the Board of Appeal observed that in the earlier mark the sign was composed of two elements, the expression 'capital markets' written in black cursive script with the letters 'C' and 'M' placed one on top of the other, while the mark applied for was composed of only the letters 'C' and 'M' in standard type in white in a red square crossed through by a yellow line. The Board of Appeal also noted in the contested decision that the letters 'C' and 'M' of the mark applied for were not placed one on top of the other but were side by side, that they were inside a brightly coloured square and that they were white, while in the earlier mark the letters were black. According to the Board of Appeal, the visual impression produced by the two marks is totally different and that difference is accentuated by the presence, in the earlier mark, of the expression 'capital markets'.

35 It must be stated from the outset that the figurative elements claimed for the mark applied for constitute a specific graphic configuration different from that formed by the earlier mark. As the Board of Appeal rightly pointed out, the letters 'C' and 'M' are not placed one on top of the other, but are side by side and are inside in a brightly coloured square. Furthermore, the letters are white while in the earlier mark they are black.

36 In addition, the expression 'capital markets' is important in the visual perception of the earlier mark, given its original position in the most visible area. It is for that reason immediately perceptible.

37 It is true that the importance of the expression 'capital markets' is diminished by the fact that its meaning alludes to the services protected by the earlier mark. Therefore the dominant element in the two marks, in spite of their lettering and various representations, is the common element 'CM'. The secondary importance of the expression 'capital markets' is, therefore, likely to result in a degree of visual similarity between the marks in question.

38 However, that visual similarity has only a minor impact. The element 'CM' appears in both of the signs in combinations which are dissimilar and in colours and letters which are totally different.

39 It is clear from those findings that although the two marks have the element 'CM' in common, they present visual differences which are not inconsiderable. Therefore, in the overall visual perception of the signs in question the existence of elements which are specific to each sign has the result that the overall impression of each sign is different

40 Accordingly, as the Board of Appeal rightly held, the signs in question, considered as a whole, are not visually similar.

41 Second, as regards the phonetic comparison, it should be noted, first, that the applicant emphasises the importance of the phonetic element and its predominance over the visual element, as regards the use of the marks on the market and in advertising. It submits that the strong similarity of the phonetic element of the marks at issue cannot be ignored.

42 It is clear that the Board of Appeal did not make a specific comparison, from a phonetic point of view, of the marks in question.

43 In that regard it should be observed generally that two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects (Case T-6/01 *Matratzen Concord* v *OHIM — Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 30, and Case T-286/02 *Oriental Kitchen* v *OHIM — Mou Dybfrost (KIAP MOU)* [2003] ECR II-4953, paragraph 38).

44 In this case, it must be observed that the element 'CM' constitutes both the verbal element of the trade mark applied for and one of the verbal elements of which the earlier trade mark consists. The mark applied for must therefore be regarded as identical, from the aural point of view, to the earlier mark. However, according to the case-law that finding is not in itself a sufficient basis for holding that the two marks in question, each considered as a whole, are similar (*MATRATZEN*, paragraph 31).

45 As already recalled, the assessment of the similarity between two marks must be based on the overall impression produced by them, taking account, in particular, of their distinctive and dominant components (see, by way of analogy, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23, and Case C-342/97 *Lloyd Schuhfabrik-Meyer* [1999] ECR I-3819, paragraph 25).

46 According to settled case-law, a complex trade mark cannot be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark unless that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it (*MATRATZEN*, paragraph 33).

47 The case-law has made clear that that approach does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. However, that does not mean that the overall impression created in the mind of the relevant public by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components (*MATRATZEN*, paragraph 34).

48 It should also be recalled, moreover, that the target public will not generally consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark (see, to that effect, Case T-129/01 *Alejandro* v *OHIM — Anheuser-Busch (BUDMEN)* [2003] ECR II-2251, paragraph 53, and Case T-117/02 *Grupo El Prado Cervera* v *OHIM — Héritiers Debuschewitz (CHUFAFIT)* [2004] ECR II-2073, paragraph 51).

49 In this case, it must be held that the expression 'capital markets' has a meaning which evokes the services designated by the earlier mark. The dominant element in that mark is thus 'CM'.

50 Since the mark applied for is identical from a phonetic point of view to the dominant element of the earlier mark, there is a phonetic similarity between the signs in question.

51 It is true, as OHIM maintains, that the marks in question have certain phonetic differences. On one hand, in Spanish pronunciation, the earlier mark is composed of five syllables ('ca-pi-tal-mar-kets') and two phonemes 'ce-eme', while the mark applied for contains only two phonemes ('ce-eme'). On the other hand, the five initial syllables ('ca-pi-tal-mar-kets') of the earlier mark produce a very different sound from that produced by the phonemes which make up the mark applied for.

52 However, those differences result from the fact that the earlier mark is composed of a group formed by the element 'CM' and by the expression 'capital markets'. In that connection, it must be recalled that the expression 'capital markets' has a meaning which evokes the services covered by the earlier mark and that, therefore, its importance is lessened.

53 It is clear from those findings that the signs in question, considered as a whole, have a certain phonetic similarity.

54 Third, as regards the conceptual comparison of the signs in question, the applicant claims that the expression 'capital markets' of the earlier mark should not be taken into consideration as it concerns a generic expression for the services protected by that mark.

55 In the contested decision, the Board of Appeal did not make a comparison of the signs from a semantic point of view. However, in the course of the analysis of the distinctive character of the earlier mark, it stated that the expression 'capital markets' should not be ignored, its purpose being not only to refer to the sphere of activity in which the undertaking operates but also to help, with the element 'CM', to identify the commercial origin of the services provided, so that a consumer will designate, mention and remember the earlier mark as the expression 'capital markets CM', and not simply by means of the element 'CM'.

56 In that connection, it is appropriate, first of all, to emphasise the fact that the dominant element of the earlier mark is the element 'CM', since 'capital markets' is a term which brings to mind the services protected by the mark.

57 However, in this case, in spite of the fact that the expression 'capital markets' cannot be regarded as a dominant element of the earlier mark, it is appropriate to hold, as OHIM did, that that expression may constitute a relevant factor for the purposes of conceptually analysing the marks in question.

58 It must be observed, first, that if the relevant public is aware of the meaning of the expression 'capital markets' the marks in question will appear different to it on the

conceptual level, and, if it is not aware of that meaning, it will not notice the conceptual likeness between them either, since the marks would mean nothing to it.

59 Second, since the dominant element of the earlier mark 'CM' has no intrinsic semantic value, the expression 'capital markets', in spite of the fact that its character is descriptive of the services covered by the mark gains importance from the conceptual point of view. In that connection, it must be observed, as OHIM stated, that the expression 'capital markets', referring to capital markets in English, is likely to be linked by the public in question to the element which accompanies that expression, 'CM'. The expression 'capital markets' may therefore confer a semantic value on the element 'CM', by clothing it with the image of the financial markets. On the other hand, the element 'CM' of the mark applied for does not generally have any meaning in itself.

60 Third, it must be added that it is possible that the target public is capable of establishing a conceptual link between the mark applied for and the undertaking providing the services designated by that mark, 'CM' being the shortened initials of the company name of the applicant, Caja de Ahorros de Murcia. In that regard, account must be taken of the fact that the relevant public in these proceedings is composed of a specialised sample of persons, a public which is very attentive and well informed.

61 It is clear from those findings that the signs in question are not conceptually similar.

62 Now that the signs at issue in this case have been compared from the visual, phonetic and conceptual points of view, it should be recalled next that, according to the case-law of the Court, the distinctive character of the earlier trade mark, deriving

from the inherent characteristics of the mark or its reputation, must be taken into account when determining whether any similarity between the goods or services covered by the two marks is sufficient to give rise to a likelihood of confusion (see, by way of analogy, Case C-39/97 *Canon* [1998] ECR I-5507, paragraphs 18 and 24, and *Lloyd Schuhfabrik Meyer*, paragraph 20). Furthermore, the Court has held that since the more distinctive the earlier mark, the greater will be the likelihood of confusion (see, by analogy, *SABEL*, paragraph 24), marks with a highly distinctive character, either *per se* or because of the recognition they possess on the market, enjoy broader protection than marks with a less distinctive character (see, by analogy, *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20).

63 In that connection, it must be observed that the applicant does not challenge the assessments carried out by the Board of Appeal in the contested decision concerning the distinctive character of the earlier mark. The Board of Appeal stated that it shared the claimant's analysis, according to which the earlier mark had limited distinctiveness.

64 It must therefore be held that the earlier mark does not have a highly distinctive character.

65 In the course of the global appreciation of the likelihood of confusion, account must therefore be taken, as is clear from the abovementioned considerations, that the likelihood of confusion must be assessed in relation to a Spanish consumer who is very attentive and well informed, that the services covered by the marks in question are identical, that the signs in question are neither visually nor conceptually similar, but that there is a certain phonetic similarity between the two marks, and, finally, that the earlier mark does not have a highly distinctive character.

66 Given all those circumstances, it must be observed that the degree of similarity between the marks in question is not so great as to justify finding that there is a likelihood of confusion between them. Without there being any need to examine the applicant's argument alleging the predominance of the phonetic element of the mark as against the visual element, it is sufficient to state that, in any event, the visual and conceptual differences between the signs in question are capable, in this case, of counteracting the phonetic similarity noted above.

67 That conclusion is supported by the fact that the relevant public is highly specialised in the sphere of the services concerned and, therefore, likely to demonstrate a high degree of attention when choosing those services.

68 Finally, as regards OHIM's allegedly divergent practice in decisions, it must be recalled that the legality of the Boards of Appeals' decisions must be assessed purely by reference to Regulation No 40/94, as interpreted by the Community judicature, and not on the basis of OHIM's practice in earlier decisions (see *CHUFAFIT*, paragraph 57 and the case-law cited). Therefore, the argument alleging that the contested decision may be inconsistent with the decision of the Fourth Board of Appeal of OHIM in case R 223/2001-4 is irrelevant and cannot be upheld.

69 In the light of the foregoing the Board of Appeal rightly held that there was no likelihood of confusion between the marks in question.

70 It follows that the application must be dismissed.

Costs

71 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. Since the applicant has been unsuccessful, and OHIM has asked for costs, the applicant must be ordered to pay OHIM's costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Third Chamber)

hereby:

1. Dismisses the application;

2. Orders the applicant to pay the costs.

Jaeger Tiili Czúcz

Delivered in open court in Luxembourg on 11 May 2005.

H. Jung M. Jaeger

Registrar President