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General Court: tequila and beer are not similar
European Union - MAQS Law Firm

Examination/opposition
International procedures

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In *Yilmaz v Office for Harmonisation in the Internal Market* (OHIM) (Case T-584/10, October 3 2012), the General Court has upheld a decision of the Second Board of Appeal of OHIM in which the latter had annulled a decision of the Opposition Division, thereby allowing the registration of the figurative mark TEQUILA MATADOR HECHO EN MEXICO under Article 8(1)(b) of the [Community Trademark Regulation](#) (207/2009).

In 2004 *Tequila Cuervo SA de CV* filed an application for the figurative mark TEQUILA MATADOR HECHO EN MEXICO for a broad list of goods in Class 33 of the [Nice Classification](#), including "alcoholic beverages". Mustafa Yilmaz filed a notice of opposition based on the earlier German word mark MATADOR and the international trademark MATADOR (designating numerous European countries), which covered the class heading in Class 32, namely: "beers; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages". The opponent's registrations dated from 2002 and, therefore, were not subject to the use requirement.

As the description of the goods covered by the application was still broad and included "alcoholic beverages", the Opposition Division ruled in favour of the opponent, finding that the goods and the signs were similar.

The applicant appealed and restricted the list of goods to "tequila originating in Mexico, alcoholic cocktails containing tequila originating from Mexico, tequila liqueurs originating in Mexico" in Class 33. By decision of October 13 2010, the Second Board of Appeal of OHIM overturned the Opposition Division's decision, allowing the registration of the mark. The board held, among other things, that:

- for reasons of procedural economy, the likelihood of confusion was to be examined by comparing the mark applied for with the earlier German mark;
- the relevant public consisted of the average consumers in Germany;
- in accordance with the case law of the General Court (see *Coca-Cola v OHIM (MEZZOPANE)* (T-175/06) and *Bodegas Montebello v OHIM* (Case T-430/07)), the alcoholic beverages covered by the mark applied for are different to both "beers" and "mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages" covered by the earlier German mark, due to their nature, origin, ingredients, method of production, intended purpose, use, lack of substitutability and lack of complementarity, even if some of those goods are, to some extent, in competition with each other;
- the finding that there is no similarity between the goods at issue is also valid in those member states other than Germany in which the earlier international mark is protected; and
- one of the cumulative conditions under Article 8(1)(b) of the regulation (ie, identity or similarity of the goods) was thus not fulfilled, so that, even if the signs were found to be identical, there would be no likelihood of confusion.

The opponent appealed to the General Court, urging the court to pay due consideration to two Opposition Division decisions from 2011 holding that "alcoholic beverages" were similar to "beers" and "mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages". However, the court had to consider its own decision in *MEZZOPANE*, in which it held that "wines" and "beers" were not similar, as well as other decisions concerning the similarity of goods in Classes 32 and 33.

With regard to whether the goods were used together, the court noted the existence of alcoholic cocktails which mix beer with other alcoholic beverages, in particular tequila, but held that this did not remove the differences between the goods at issue, since this is true of many drinks which are not similar (see, as regards rum and cola, *Lidl Stiftung v OHIM* (Case T-296/02), Paragraph 57).

Considering whether the parties' goods were complementary, the court reiterated that complementary goods are goods which are closely connected in the sense that one is indispensable or important for the use of the other (*Sergio Rossi v OHIM* (Case T-169/03), Paragraph 60). In the present case, the alcoholic beverages covered by the mark applied for were neither indispensable nor important for the use of beers, and vice versa. There was nothing in the file to support the conclusion that a purchaser of one of those products would be led to purchase the other.

As to whether the goods at issue were in competition with each other, the court considered the numerous

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decisions on this topic. In *MEZZOPANE*, the court had held that wine and beer are, to a certain extent, in competition with each other on the grounds that, in accordance with the case law of the Court of Justice of the European Union (ECJ) concerning areas other than the Community trademark, wine and beer are, to a certain extent, capable of meeting identical needs, which means that a certain measure of mutual substitutability must be acknowledged. However, the ECJ stated, as the General Court has also pointed out, that, in view of the significant differences in quality - and, accordingly, in price - between wines, the decisive competitive relationship between beer (a popular and widely consumed beverage) and wine must be established by reference to those wines which are the most accessible to the public at large - that is to say, generally speaking, the lightest and least expensive varieties. The General Court held that the tequila goods covered by the mark applied for were, in general, significantly stronger and considerably more expensive than "those wines which are the most accessible to the public at large", with the result that the ECJ's findings were not applicable to the present case.

Finally, the General Court considered the two Opposition Division decisions relied on by the opponent, and noted that OHIM is under a duty to exercise its powers in accordance with the general principles of EU law, such as the principle of equal treatment and the principle of sound administration. However, these principles must be reconciled with the principle of legality. The court held that, even though the goods at issue may sometimes be mixed and consumed together, the decisions cited by the opponent incorrectly found that the goods concerned were complementary. The differences between the goods at issue in the present case, in respect of all the relevant factors relating to them, are far more substantial than the differences between the goods noted in *MEZZOPANE*, with the result that those differences make it very unlikely that the relevant public would believe that the same undertaking produces and markets the two types of beverage at the same time. Accordingly, the court dismissed the appeal.

With this decision, the court held in effect that "tequila" and "beer" are not similar as a matter of law. While the court can be said to be opponent-friendly as regards the similarity of marks, this case shows that, as regards the similarity of goods/services, the court is willing to let general principles of consistency override individual nuances.

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