

**DECISION
of the Fourth Board of Appeal
of 28 June 2023**

In case R 307/2023-4

Horizons Enterprise Limited

Reading Business Centre Fountain House,
2 Queens Walk
RG1 7QF Reading
United Kingdom

Applicant / Appellant

represented by David Arthur Brodsky, HIDDLESTON LIMITED - SUCURSAL EM PORTUGAL Urb. Vila Arco No 10, Primeiro Impasse Madeira, 9370-079 Arco da Calheta, Portugal

v

PLAYA HOLDING CORPORATION

Unit B Suite 302, 547 West 27 Street
10001 New York
United States of America

Opponent / Defendant

represented by J.D. NUÑEZ PATENTES Y MARCAS, S.L., Rambla de Catalunya, 120, 08008 Barcelona, Spain

APPEAL relating to Opposition Proceedings No B 3 151 975 (European Union trade mark application No 18 417 195)

THE FOURTH BOARD OF APPEAL

composed of N. Korjus (Chairperson), A. Kralik (Rapporteur) and L. Marijnissen (Member)

Registrar: H. Dijkema

gives the following

Decision

Summary of the facts

- 1 By an application filed on 4 March 2021, Horizons Enterprise Limited ('the applicant') sought to register the mark

ROYAL DRAGON VODKA

for the following list of goods:

Class 33: *Distilled spirits; vodka.*

- 2 The application was published on 19 May 2021.
- 3 On 4 August 2021, PLAYA HOLDING CORPORATION ('the opponent') filed an opposition against the registration of the published trade mark application for all the above goods.
- 4 The grounds of opposition were those laid down in Article 8(1)(b) EUTMR.
- 5 The opposition was based on, inter alia, EUTM registration No 6 860 555 ('the earlier mark') for the word mark

LOS DRAGONES

filed on 24 April 2008, registered on 15 January 2009, and duly renewed until 24 April 2028 for the following goods:

Class 33: *Alcoholic beverages (except beers).*

- 6 By decision of 7 December 2022 ('the contested decision'), the Opposition Division upheld the opposition and refused the trade mark applied for, for all the contested goods on the grounds that there was a likelihood of confusion. The applicant was ordered to bear the costs. The Opposition Division gave, in particular, the following grounds for its decision:
 - A request for proof of use of the earlier marks was made by the applicant, however this was not submitted by way of a separate document and therefore was found inadmissible pursuant to Article 10(1) EUTMDR.
 - The contested goods in Class 33 are included in the broad category of the opponent's *alcoholic beverages (except beers)* and are therefore, identical.
 - The goods are directed at the public at large who has an average degree of attention.
 - Visually and aurally the signs coincide in the letters 'DRAGON' and differ in the letters 'LOS' and final letters 'ES' of the earlier mark and the words 'ROYAL' and 'VODKA' of the contested sign, both these words being weak and non-distinctive. The first elements of both marks have a lesser impact than the partially coinciding elements DRAGONES/DRAGON to which consumers will pay more attention. They are, as a result, visually and aurally similar to an average degree.
 - Conceptually, both words 'DRAGONES' and 'DRAGON' will be understood as a mythical fire-spitting creature. The word 'ROYAL' of the contested sign is weak and 'VODKA' will be understood as a clear distilled alcoholic drink. As both signs convey a very similar concept as far as the elements 'DRAGON'/'DRAGONES' are concerned and as the remaining words are considered weak and non-distinctive, the signs are considered conceptually similar to an above average degree.

- In an overall assessment, it is highly probable that on account of the coincidence in the distinctive elements ‘DRAGON’/’DRAGONES’, the relevant consumer could perceive the contested mark as a sub-brand, a variation of the earlier mark, configured in a different way according to the type of goods that it designates.
 - The opposition is therefore successful based on the earlier EUTM No 6 860 555 and the contested mark must be rejected for all the contested goods. In addition there is no need to examine the other earlier rights invoked by the opponent as the earlier right EUTMR No 6 860 555 ‘LOS DRAGONES’ leads to the success of the opposition and the rejection of the contested mark in its entirety.
- 7 On 7 February 2023, the applicant filed an appeal against the contested decision, requesting that the decision be entirely set aside. The statement of grounds of the appeal was received on 11 April 2023.
- 8 In its response received on 12 June 2023, the opponent requested that the appeal be dismissed.

Submissions and arguments of the parties

- 9 The arguments raised in the statement of grounds by the applicant may be summarised as follows:
- The Office incorrectly ruled in finding that the request for proof of use had not been made in a separate document. The observations were filed including the request for proof of use and this was filed in a separate document submitted electronically on 12 April 2022.
 - The requirement in Article 10(1) EUTMR that a request be made in a ‘separate document’ simply means that the request is included within a document which can be attached and sent electronically and not within the covering electronic message sent with the submissions. This is simply a practical requirement to ensure that the EUIPO can pick up any proof of use request. It makes complete sense for the request of proof of use to be included in any observations filed.
 - The correct approach would be for the Board of Appeal to remit the case back to the Opposition Division.
 - The Opposition Division erred by failing to conduct a general assessment of the marks as a whole. In comparing the marks ‘LOS DRAGONES’ and ‘ROYAL DRAGON VODKA’, the contested mark is composed of three words and six syllables whereas the earlier mark has two words and four syllables. Far too much weight was placed on the identity of the element ‘DRAGON’ in the respective marks and the comparison should have been made considering the marks as a whole.
 - The earlier mark has the definite article ‘LOS’ and this word has at least a minimum level of distinctiveness and cannot be simply ignored as it is also the first word of the earlier mark and will be seen and pronounced by the relevant consumer.
 - In a similar opposition case (01/06/2015, B 2 413 766), between the opponent’s marks



‘LOS DRAGONES’ and , the Opposition Division did take into

account the initial part ‘LOS’ as an element differentiating the respective marks and found that they were overall not similar and there was no likelihood of confusion.

- Another factor that should have been considered when conducting the global appreciation in the comparison of the marks is that the contested mark is in English and the earlier mark in Spanish. ‘DRAGON’ is not the same as ‘DRAGONES’. Firstly, it is a noun in the singular and not the plural ‘DRAGONES’.
 - In the contested mark, the word ‘ROYAL’ is clearly an English word and the Spanish consumer would either understand the significance or not understand the meaning and this would result in it having an inherent distinctive character.
 - In addition, the correct translation of ‘ROYAL DRAGON’ in Spanish would be ‘DRAGÓN REAL’ where the adjective ‘Real’ follows the noun. Therefore a correct assessment was not carried out by taking into account all the relevant circumstances. If the assessment had been made by reference to the Spanish relevant consumer only, it would be abundantly clear to this consumer that the marks are portrayed in different languages.
 - There are several cases from the Opposition Division where it was found that the word ‘ROYAL’ is laudatory and has a weak distinctive character, however in the present case the word ‘ROYAL’ describes the word ‘DRAGON’ which has absolutely no relevance or significance to the goods covered by the contested mark. Therefore it cannot be considered to be laudatory or to have a weak distinctive character.
 - Phonetically the Opposition Division ignored the significance of the words ‘LOS’ and ‘ROYAL’ and these elements cannot be completely dismissed in assessing the aural similarity.
 - Conceptually, the meanings of the marks should be considered in the different languages and a correct assessment would be between ‘a single dragon belonging to a monarch or king’ compared with ‘DRAGONS’ in its plural form in Spanish.
 - The addition of the word ‘ROYAL’ before the word ‘DRAGON’ results in that the relevant consumer is far less likely to believe that a mark commencing with ‘ROYAL’ would form a sub-brand with other marks containing a stem ‘DRAGON’.
 - As regards the remaining earlier rights which were not assessed at first instance, all of these marks consist of the stem ‘DRAGONES’ in the plural and in Spanish. As such, again, the relevant consumer is highly unlikely to consider that a mark in English containing ‘DRAGON’ in the singular would form a sub-brand within the same family operated by the opponent.
 - All of the other earlier rights invoked have an additional element that further differentiates them from the contested mark, they contain Spanish words ‘MIL’ or ‘CASA’, which makes it clear that these marks are understood and interpreted in Spanish and further removes them from the contested mark.
 - Overall, despite the identity or similarity of the conflicting goods, there are sufficient visual, aural, and conceptual differences for the marks not to be considered similar and, therefore, for there to be no likelihood of confusion.
- 10 The arguments raised in response by the opponent may be summarised as follows:
- The applicants request for proof of use was correctly refused.

- The goods have been found to be identical and target the public at large whose attention is considered to be average. Most of the relevant goods are beverages and since these are frequently ordered in noisy establishments such as bars / nightclubs, the phonetic assessment is particularly relevant.
- In the present case, the goods offered are accessible to the public in bars and restaurants and in usual situations, the consumer will ask for them referring to the most distinctive word part, which is precisely the part in which the marks coincide. So a customer ordering a drink in a bar will likely ask for ‘a glass of DRAGONS / DRAGON’, and not ‘ROYAL DRAGON VODKA’. Consequently due to the type of goods and the way in which they are ordered in particular establishments, the risk of confusion increases.
- A correct assessment as regards the distinctiveness of the conflicting marks was carried out. The degree of distinctiveness of the various components of composite marks is an important criterion that must be considered within the trade mark comparison. It is clear, in the present case, that the terms that have the capacity to indicate commercial origin are ‘DRAGON’ and ‘DRAGONES’ and not for obvious reasons, ‘LOS’ or ‘VODKA’.
- Despite the applicants contentions to the contrary, the term ‘LOS’ has not been ignored, but rather its almost non-existent distinctive relevance has been correctly assessed in view of its condition of being a Spanish definite article which serves to introduce the noun ‘DRAGONES’, which is undoubtedly the only distinctive term of the earlier mark.
- In relation to the argument that differences between the marks here are located at the beginning where the consumer normally pay more attention, what must be considered also is that if the beginning of a sign is not distinctive or has only a limited degree of distinctiveness, the subsequent element is likely to attract more attention. Consequently, since the terms ‘LOS’ and ‘ROYAL’ at the beginning are very weak for the goods at issue, the consumer’s attention will focus on the distinctive elements of both marks, namely ‘DRAGON’ and ‘DRAGONS’.
- The relevant consumer in the case at issue here will fully understand the term ‘DRAGON’, therefore the argument of the applicant that the contested mark is in English whereas the earlier mark in Spanish, is irrelevant.
- The circumstances referred to in the Opposition Division’s decision No B 2 416 322 are not the same as the present case and are, as a result, irrelevant.
- The Spanish word equivalent to DRAGON is ‘DRAGÓN’ and not ‘DRAGON’ and the applicant claims that this will be noted by the relevant consumer. However, even though the singular form of the term ‘DRAGONES’ in Spanish is written with an accent on the letter O (DRAGÓN), this is completely irrelevant, in particular as previously mentioned, the majority of the goods are beverages and, since these are frequently ordered in noisy establishments (bars, nightclubs), the phonetic identity between the signs is particularly relevant.
- Despite the applicant’s arguments to the contrary, the term ‘ROYAL’ is devoid of distinctive character or has a very low degree of distinctiveness for the type of goods at issue. The term ‘ROYAL’ is commonly used in the alcoholic beverage market. There are currently 967 trade marks registered in European Union territories that

contain the term ‘ROYAL’ for goods in Class 33. Out of these, 173 are registered at the EUIPO, all of them for goods in Class 33.

- At most the term ‘ROYAL’ would have the ability to indicate that the distinguished goods of the applicant are of a higher quality than the normal range. This could result in consumers believing that the opponent is placing a new exclusive range of beverages on the market, bearing in mind in particular that it is the owner of a family of trade marks all of them characterised by same term.
- Both the terms ‘LOS’ and ‘ROYAL’ have not been ignored in the assessment carried out but rather, after analysing their distinctive significance, they have been correctly given much less weight than the terms DRAGON/DRAGONES.
- Overall, it has been found that the goods are identical and they target the public at large whose degree of attention is average. The dominant elements of the signs are highly similar for the relevant public. Consequently there is a risk that the public might believe that the goods in question, bearing the marks in question, come from the same undertaking or, as the case may be, from economically-linked undertakings.

Reasons

- 11 All references made in this decision should be seen as references to the EUTMR (EU) No 2017/1001 (OJ 2017 L 154, p. 1), codifying Regulation (EC) No 207/2009 as amended, unless specifically stated otherwise in this decision.
- 12 The appeal complies with Articles 66, 67 and Article 68(1) EUTMR. It is admissible.

Scope of the appeal

- 13 The applicant, who filed the appeal, contested the Opposition Division’s decision in its entirety. Therefore, the Board will examine whether the Opposition Division rightly upheld the opposition pursuant to Article 8(1)(b) EUTMR in respect of all the contested goods.
- 14 Before proceeding to the merits of the case the Board will assess whether the Opposition Division rightly rejected the applicant’s request for proof of use as inadmissible.

Preliminary issue – admissibility of the request for proof of use

- 15 Pursuant to Article 10(1) EUTMDR, a request for proof of use of an earlier mark pursuant to Article 47(2) or (3) EUTMR shall be admissible if it is submitted as an unconditional request in a separate document within the period specified by the Office pursuant to Article 8(2) EUTMR.
- 16 The procedural requirements introduced by Article 10(1) EUTMDR must be read in light of the aims pursued by the EU Regulator, expressed in recital 4 of the EUTMDR, according to which the procedural rules on opposition should ensure an effective, efficient and expeditious examination and registration of EU trade mark applications by the Office using a procedure which is transparent, thorough, fair and equitable.
- 17 The correct interpretation and compliance with the formal requirements of Article 10(1) EUTMDR are all the more important, given that a failure to correctly comply with that requirement may no longer be remedied through ordinary means after the expiry of the applicant’s time limit to request proof of use.
- 18 In the case at hand, on 12 April 2022, the applicant submitted an electronic document by e-communication, in one single PDF file, named ‘Observations.pdf (4 pages)’. The request

for proof of use was included on the final page of the applicant's observations to the opponent's statement of grounds of opposition.

- 19 On 29 April 2022, the Opposition Division rejected the request for proof of use as being inadmissible, on the ground that it was filed together with the applicants submission's and not by way of a separate document as requested by Article 10(1) EUTMDR.
- 20 In its appeal, the applicant claims that the request was filed within the time limit with its observations to the opposition. According to the applicant the observations which included the request for proof of use were filed, by electronic means, as a 'separate document'. The applicant argues that the requirement in Article 10(1) EUTMR that a request be made in a 'separate document' simply means that the request is included within a document which can be attached and sent electronically and not within the covering electronic message sent with the submissions. On these grounds, the applicant considers that the request for proof of use be deemed admissible.
- 21 The Board notes that when filing the online submission, the applicant selected the e-action option 'submit observations', instead of selecting the e-action 'request proof of use', whereby the website would have automatically generated the appropriate submission. Where the applicants do not use the specific e-action option 'Request proof of use' to submit the request for proof of use, but, for example, the e-action 'Submit observations', provided that the annexes are correctly identified, the fact that the request for proof of use and the applicant's observations were submitted in a single electronic file attachment (e.g. in a single PDF file) is not a basis for an objection. The requirement of submitting a request for proof of use by way of a 'separate document' is not to be equated to submitting it by way of a 'separate electronic file attachment', a 'separate fax transmission' or a 'separate envelope'. Joining submissions for the purposes of communication does not preclude the presentation by way of a 'separate document' (28/06/2021, R 2142/2018-G, DIESEL SPORT BEAT YOUR LIMITS (FIG.) / Diesel et al., § 45-47; 11/01/2022, R 2280/2020-2, Lou / Lou, § 28).
- 22 The 'separate document' requirement does not exclude the fact that the request for proof of use is made out in an annex of a submission. For example, the request could be construed as a 'separate document', where the request was annexed to the applicant's observations, for example: Annex 1 – Restriction of the list of goods and services; Annex 2 – Request for proof of use; etc. (28/06/2021, R 2142/2018-G, DIESEL SPORT BEAT YOUR LIMITS (FIG.) / Diesel et al., § 48).
- 23 However, in this case before the Board, the request for proof of use was not presented in a separate document, i.e. as a separate submission or as a separate annex of the same submission, but was merged into the applicants' observations. Indeed, the applicant's submission of 14 April 2022 is entitled as 'APPLICANT'S OBSERVATIONS IN REPLY' and includes the information about the background of the case and arguments regarding the absence of likelihood of confusion pursuant to Article 8(1)(b) EUTMR, followed by the request for proof of use.
- 24 The request for proof of use was neither identified, nor presented as a separate annex. Therefore, the request for proof of use in the case at hand was not made out in a 'separate document' within the literal meaning of those terms, under Article 10(1) EUTMDR, but was merged into the applicants' observations in reply to the opposition.
- 25 With a view to all the above, the Opposition Division correctly found that the request for proof of use filed by the applicant did not comply with the requirements of Article 10(1)

EUTMDR, and was thus inadmissible (see also 23/02/2022, T- 184/21, Хозяин / Хозяюшка (fig.), EU:T:2022:88, § 19-22, 08/11/2022, T- 672/21, GRUPA LEW. (fig.) / Lew, § 47-50).

Article 8(1)(b) EUTMR

- 26 Under Article 8(1)(b) EUTMR, upon opposition filed by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered if, because of its similarity to the earlier trade mark and the identity or similarity of the goods 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. A likelihood of confusion includes the likelihood of association with the earlier mark.
- 27 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 that article (11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 16-18; 29/09/1998, C-39/97, Canon, EU:C:1998:442, § 29; 22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 17).
- 28 For the purposes of applying Article 8(1)(b) EUTMR, a likelihood of confusion presupposes both that the marks at issue are identical or similar and that the goods or services which they cover are identical or similar. Those conditions are cumulative (22/01/2009, T 316/07, easyHotel, EU:T:2009:14, § 42). Furthermore, a low degree of similarity between the goods or services designated may be offset by a high degree of similarity between the marks, and vice versa (14/12/2006, T-81/03, T 82/03 & T-103/03, Venado, EU:T:2006:397, § 74).

Relevant public

- 29 The perception of the marks in the mind of the relevant public of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. For the purpose of this global appreciation, the average consumer of the category of goods or services concerned is deemed to be reasonably well-informed and reasonably observant and circumspect (22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 26). It should also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question (13/02/2007, T-256/04, Respicur, EU:T:2007:46, § 42).
- 30 In the present case, the Opposition Division rightly held, without being contested on this point by the parties, that the relevant goods in Classes 33 are aimed at the public at large with an average degree of attention (22/09/2021, T-195/20, chic ÁGUA ALCALINA 9,5 PH, EU:T:2021:601, § 33; 23/02/2022, T-198/21, CODE-X, EU:T:2022:83, § 20; 13/04/2022, R 964/2020-G, ZORAYA / VIÑA ZORAYA, § 25-26).
- 31 Where, as in the present case, the protection of the earlier mark extends to the whole of the European Union, it is necessary to take into account the perception of the marks at issue by the consumer of the goods in question within that territory. However, it must be borne in mind that, in order for an EU trade mark to be refused registration, it is sufficient that a relative ground for refusal for the purposes of Article 8(1)(b) EUTMR exists in part of the European Union (14/12/2006, T-81/03, T-82/03 and T-103/03, Venado, EU:T:2006:397, § 76). In the same way as the Opposition Division, the Board finds it appropriate to base its assessment on the perception of the Spanish-speaking public.

Comparison of the goods

- 32 According to settled case-law, where the goods covered by the earlier mark include the goods covered by the trade mark application, those goods are considered to be identical (24/11/2005, T-346/04, Arthur et Félicie, EU:T:2005:420, § 34, 13/09/2018, T-94/17, Tigha, EU:T:2018:539, § 46; 05/02/2020, T-44/19, TC Touring Club, EU:T:2020:31, § 91). Moreover, where the earlier goods and services goods are covered by the contested goods' and services' general indication, they must be considered identical since it is not possible to dissect ex officio the broad category of the applicant's goods (07/09/2006, T-133/05, Pam-Pim's Baby-Prop, EU:T:2006:247, § 29).
- 33 The relevant goods to be compared in the present case are:

| | |
|--|---|
| Class 33: <i>Alcoholic beverages (except beers).</i> | Class 33: <i>Distilled spirits; vodka</i> |
| <i>Earlier goods</i> | <i>Contested goods</i> |

- 34 The contested goods are included in the broad category of the opponent's *alcoholic beverages (except beers)*. Therefore, they are identical. It must be noted that this finding was not contested by the parties.

Comparison of the signs

- 35 In general terms, two signs 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, namely the visual, aural, and conceptual aspects (23/10/2002, T-6/01, Matratzen, EU:T:2002:261, § 30; 22/06/2005, T-34/04, Turkish Power, EU:T:2005:248, § 43; 12/07/2006, T-97/05, Marcorossi, EU:T:2006:203, § 39).
- 36 The appreciation of the visual, aural, and conceptual similarity of the signs must be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of the signs in the mind of the average consumer of the category of goods in question plays a decisive role here. The average consumer normally perceives a sign as a whole and does not proceed to analyse its various details (22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 25). Ñ
- 37 The assessment of the similarity between two signs means more than taking just one component of a compound sign and comparing it with another sign. On the contrary, the comparison must be made by examining each of the signs at issue as a whole, which does not mean that the overall impression conveyed to the relevant public by a compound trade mark may not, in certain circumstances, be dominated by one or more of its components. The assessment of similarity can only be based on the dominant component alone if all other components of the sign are negligible. That could be the case in particular where that component is likely to dominate, by itself, the image of that sign which the relevant public keeps in mind, with the result that all the other components of the sign are negligible within the overall impression created by it (20/09/2007, C-193/06 P, Quicky, EU:C:2007:539, § 42 et seq.; 17/01/2012, T-249/10, KICO, ECLI:EU:T:2012:7, § 27).

38 The signs to be compared are:

| | |
|---------------------|---------------------------|
| LOS DRAGONES | ROYAL DRAGON VODKA |
| <i>Earlier mark</i> | <i>Contested sign</i> |

- 39 The earlier mark is a word mark consisting of the verbal elements ‘LOS DRAGONES’. The relevant Spanish speaking public is well aware of the fact that the first element is a masculine plural form of the definite article in Spanish and as such it possesses very limited distinctive value. It is common ground that definite articles which merely introduce a noun and do not form a particular logical and conceptual unit are of less importance in the assessment of the similarity of two marks (15/11/2011, T-276/10, Coto de Gomariz, EU:T:2011:661, § 28 and the case-law cited). It is not contested that the element ‘DRAGONES’ of the earlier mark is the plural form of the Spanish word ‘dragón’, understood as a mythical fire-spitting creature. As it has no relation to the goods in question, it is inherently distinctive to a normal degree and it is the element that has the dominant role in the impression created by the earlier mark.
- 40 The contested sign is also a word mark consisting of three word elements ‘ROYAL DRAGON VODKA’. According to the case-law, and contrary to the applicant’s assertions, the element ‘ROYAL’ of the contested sign is perceived, within the European Union, as an ordinary, descriptive term which is evocative of the monarchy and, more generally, of luxury, magnificence and superior quality (15/02/2007, T-501/04, Royal / ROYAL FEITORIA *et al.*, EU:T:2007:54, § 48; 08/05/2012, T-348/10, Royal Veste e Premia lo sport, EU:T:2012:221, § 38; 31/05/2021, T-332/20, Royal Bavarian beer, EU:T:2021:304, § 42-43; 20/09/2010, R 1578/2009-2, ROYAL FRESH (FIG. MARK) / SUNROYAL *et al.*, § 41; 03/10/2019, R 2188/2018-1, ROYAL-RANCH (fig.) / Rico Rancho Meat The Future (fig.), § 27). At least the non-negligible part of the Spanish-speaking public is likely to understand the meaning of the element ‘ROYAL’. From the perspective of this section of the public the element ‘ROYAL’ has a laudatory connotation inasmuch as it praises the quality of ‘VODKA’ and hence it possesses only a limited degree of distinctiveness. Due to its proximity to the Spanish word ‘dragón’, the second element will be readily perceived in accordance with its meaning as described in the previous paragraph. As indicated by the Opposition Division, the third element of the contested sign, ‘VODKA’, will be understood as a strong, clear distilled alcoholic drink. This element is non-distinctive as it merely designates the goods in question. Having regard to the distinctive value of all the contested sign’s constituent element, the Board finds that it is the element ‘DRAGON’ which has the most dominant role in the contested sign.
- 41 Visually and aurally, the signs coincide in the sequence of letters ‘DRAGON’ present identically in both signs. Therefore, there is a high degree of similarity between the sign’s most dominant elements. On the other hand, the signs differ in the definite article ‘LOS’ and the final letters ‘-ES’ of the earlier mark as well as in the presence of the elements ‘ROYAL’ and ‘VODKA’ which however have very limited trade mark significance. Having regard to these considerations, the Board finds that the signs are visually and aurally similar to an average degree.
- 42 As regards the conceptual comparison in general, the General Court has found that the existence of a conceptual similarity stems from the fact that both signs use elements with a similar or analogous semantic content, in the sense that those convey the same idea or the same concept (31/01/2019, T-215/17, PEAR (fig.) / APPLE BITE (fig.) *et al.*, EU:T:2019:45, § 61; 27/06/2019, T-268/18, Luciano Sandrone / DON LUCIANO,

EU:T:2019:452, § 84, 30/01/2020, T-559/19, DEVICE OF A WHITE DECIDUOUS TREE AGAINST A BLUE BACKGROUND (fig.) / DEVICE OF A FIR TREE SILHOUETTE ON A BASE (fig.) et al., EU:T:2020:19, § 37). In this regard, reference is made to the previous findings concerning the semantic content conveyed by the signs. As both signs will be associated with the same distinctive concept, namely a dragon (although in singular and plural, respectively) and the additional elements are laudatory or descriptive from the perspective of the non-negligible part of the Spanish public, the signs are conceptually similar to an average degree.

Overall assessment of the likelihood of confusion

- 43 The likelihood of confusion is constituted by the risk that the relevant 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. The appreciation of the likelihood of confusion on the part of the public depends on numerous elements, including the association which can be made with the registered trade mark, the degree of similarity between the trade mark and the sign and between the goods and services identified; it must be appreciated globally, taking into account all factors relevant to the circumstances of the case (29/09/1998, C-39/97, Canon, EU:C:1998:442, § 16, 29; 22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 17-18).
- 44 As noted previously, the process of overall assessment of the likelihood of confusion includes an evaluation of interdependence between, in particular, the similarity of the marks and the goods in conflict. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa (29/09/1998, C-39/97, Canon, EU:C:1998:442, § 17; 22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 19).
- 45 Since the opponent has not claimed or demonstrated an enhanced distinctiveness on account of the use made of the earlier mark, as a whole, it has a normal degree of distinctiveness.
- 46 In the present case, it should be noted that the goods covered by the marks at issue are identical. That finding implies, according to the case-law of the General Court, that, if there is to be no likelihood of confusion, the degree of difference between the marks at issue must be high (13/11/2012, T-555/11, tesa TACK, EU:T:2012:594, § 53; 29/01/2013, T-283/11, Nfon, EU:T:2013:41, § 69).
- 47 This is not the case here since the signs were found to be visually, aurally, and conceptually similar to an average degree, at least from the perspective of the non-negligible part of the Spanish-speaking public. Furthermore, it cannot be overlooked that the similarity between the signs results mainly from the high degree of resemblance between the most dominant elements of both signs, namely ‘DRAGON’ and ‘DRAGONES’. The presence of the additional elements cannot be entirely ignored but they have less significant impact on account of their distinctive value. Although relevant consumers will not overlook the differing elements of the signs, these differences are not sufficient to differentiate them.
- 48 This is even more so because the relevant consumers rarely have the opportunity to make a direct comparison between the different marks, but must place their trust in the imperfect recollection of them kept in mind (11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 23; 03/03/2004, T-355/02, Zirh, EU:T:2004:62, § 41; 18/04/2007, T-333/04 & T-334/04, House of Donuts, EU:T:2007:105, § 44, 21/11/2013, T-443/12, ancotel, EU:T:2013:605, § 54).

- 49 Likelihood of confusion covers situations where the consumer directly confuses the trade marks themselves, or where the consumer makes a connection between the conflicting signs and assumes that the goods/services covered are from the same or economically linked undertakings. Indeed, it is highly conceivable that the relevant consumer will perceive the contested mark as a sub-brand, a variation of the earlier mark, configured in a different way according to the type of goods that it designates, for example a new line of alcoholic or non-alcoholic drinks (23/10/2002, T-104/01, Miss Fifties (fig.) / Fifties, EU:T:2002:262, § 49). In the present case, the relevant public may reasonably assume that the contested sign ‘ROYAL DRAGON VODKA’ designates a new premium sub-brand of the distilled spirit launched by the opponent.
- 50 Therefore, taking into account the abovementioned principle of interdependence and concretely, the normal distinctiveness of the earlier mark, average degree of relevant consumers’ attentiveness, average degree of visual, aural, and conceptual similarity, a likelihood of confusion within the meaning of Article 8(1)(b) EUTMR cannot be excluded from the perspective of the non-negligible part of the relevant public in respect of the goods which are identical. Indeed, it is settled case-law that even if a likelihood of confusion only exists for part of the relevant public, namely a non-negligible part of relevant consumers, such a finding is sufficient to establish a likelihood of confusion (04/07/2014, T-1/13, Glamour, EU:T:2014:615, § 36).
- 51 As the earlier EUTM registration No 6 860 555 leads to the success of the opposition and to the rejection of the contested trade mark for all the goods against which the opposition was directed, there is no need to examine the other earlier rights invoked by the opponent (16/09/2004, T-342/02, Moser Grupo Media, S.L., EU:T:2004:268).
- 52 As regards the earlier decision of the Opposition Division referred to by the opponent (decision of 01/06/2015, B 2 413 766), it should be noted that the Board is in no way bound by previous decisions, let alone decisions of the first instance (12/02/2009, C-39/08 & C-43/08, Volks.Handy, EU:C:2009:91, § 17). It must also be recalled that, according to settled case-law, the decision of the Office concerning a likelihood of confusion is adopted in the exercise of circumscribed powers and is not a matter of discretion. Accordingly, the legality of that decision must be assessed solely on the basis of the EUTMR as interpreted by the Union judicature and not on the basis of a previous decision-making practice (10/03/2011, C-51/10 P, 1000, EU:C:2011:139, § 74; 25/10/2012, T-552/10, vital & fit, EU:T:2012:576, § 25). Moreover, the decision quoted by the applicant is not comparable to the present case inasmuch as the signs involved in those proceedings had different additional constituent elements (including figurative elements and stylisation) possessing a different distinctive value.

Conclusion

- 53 In the light of the foregoing considerations, the Opposition Division correctly upheld the opposition for all the contested goods.
- 54 The appeal is dismissed.

Costs

- 55 Pursuant to Article 109(1) EUTMR and Article 18 EUTMIR, the applicant, as the losing party, must bear the opponent’s costs of the opposition and appeal proceedings.
- 56 As to the appeal proceedings, these consist of the opponent’s costs of professional representation of EUR 550.

57 As to the opposition proceedings, the Opposition Division ordered the applicant to bear the opposition fee of EUR 320 and the opponent's representation costs which were fixed at EUR 300. This decision remains unaffected. The total amount for both proceedings is therefore EUR 1 170.

Order

On those grounds,

THE BOARD

hereby:

- 1. Dismisses the appeal;**
- 2. Orders the applicant to bear the opponent's costs in the appeal proceedings, which are fixed at EUR 550. The total amount to be paid by the applicant in the opposition and appeal proceedings is EUR 1 170.**

Signed

N. Korjus

Signed

A. Kralik

Signed

L. Marijnissen

Registrar:

Signed

H. Dijkema

