

JUDGMENT OF THE GENERAL COURT (Ninth Chamber)

15 March 2018 (*)

(EU trade mark — Invalidity proceedings — EU figurative mark La Mafia SE SIENTA A LA MESA — Absolute ground for refusal — Whether contrary to public policy or to accepted principles of morality — Article 7(1)(f) of Regulation (EC) No 207/2009 (now Article 7(1)(f) of Regulation (EU) 2017/1001))

In Case T-1/17,

La Mafia Franchises, SL, established in Zaragoza (Spain), represented by I. Sempere Massa, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by A. Folliard-Monguiral, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being

Italian Republic, represented by G. Palmieri, acting as Agent, and by D. Del Gaizo, avvocato dello Stato,

ACTION brought against the decision of the First Board of Appeal of EUIPO of 27 October 2016 (Case R 803/2016-1), relating to invalidity proceedings between the Italian Republic and La Mafia Franchises,

THE GENERAL COURT (Ninth Chamber),

composed of S. Gervasoni, President, L. Madise and R. da Silva Passos (Rapporteur), Judges,

Registrar: I. Dragan, Administrator,

having regard to the application lodged at the Court Registry on 2 January 2017,

having regard to the response of EUIPO lodged at the Court Registry on 7 April 2017,

having regard to the response of the Italian Republic lodged at the Court Registry on 6 April 2017,

further to the hearing on 22 November 2017,

gives the following

Judgment

Background to the dispute

- 1 On 30 November 2006, La Honorable Hermandad, SL, to which the applicant, La Mafia Franchises, SL is the successor, filed an application for registration of an EU trade mark with the European Union Intellectual Property Office (EUIPO) pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), as amended, itself replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).
- 2 Registration as a mark was sought for the following figurative mark:



- 3 The goods and services in respect of which registration was sought are in Classes 25, 35 and 43 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond, for each of those classes, to the following description:
 - Class 25: ‘Footwear (except orthopaedic), clothing, T-shirts, caps’;
 - Class 35: ‘Business management and organization consultancy services; business management assistance; Business management consultation; advisory services relating to business management; commercial management assistance in relation to franchises; advertisement services; issuing of franchises relating to the providing of food and drinks and cafés’;
 - Class 43: ‘Services for providing food and drink, bars, cafeterias, cafés’.
- 4 The trade mark application was published in *Community Trade Marks Bulletin* No 24/2007 of 11 June 2007. The contested mark was registered on 20 December 2007 under No 5510921.

- 5 On 23 July 2015, the Italian Republic filed an application with EUIPO for a declaration that the contested mark was invalid in respect of all of the goods and services for which it had been registered.
- 6 The ground for invalidity relied on in support of that application was that set out in Article 7(1)(f) of Regulation No 207/2009 (now Article 7(1)(f) of Regulation 2017/1001). The Italian Republic maintained, in essence, that the contested mark was contrary to public policy and to accepted principles of morality, since the word element ‘Mafia’ referred to a criminal organisation and its use in the contested mark to designate the applicant’s restaurant chain, in addition to arousing deeply negative emotions, had the effect of ‘manipulating’ the positive image of Italian cuisine and trivialising the negative meaning of that element.
- 7 By decision of 3 March 2016, the Cancellation Division upheld the application for a declaration of invalidity.
- 8 On 29 April 2016, the applicant appealed against the decision of the Cancellation Division.
- 9 By decision of 27 October 2016 (‘the contested decision’), the First Board of Appeal of EUIPO confirmed that the contested mark was contrary to public policy and dismissed the appeal.
- 10 The Board of Appeal stated, by way of preliminary point, that the issue of whether the contested mark was contrary to public policy had to be assessed by reference to the perception of the relevant public within the territory of the European Union or part of that territory, as registration of an EU trade mark had to be cancelled if a ground for cancellation existed in only part of the European Union.
- 11 The Board of Appeal then went on to take the view that, having regard to its size and its position in the contested mark, the word element ‘la Mafia’ was the dominant element of that mark. The Board of Appeal emphasised that the Mafia was a criminal organisation combated by the Italian Government by means of legislation and specific measures. In addition, the Board of Appeal observed that combating organised crime was also a major objective of the institutions of the European Union. The Board of Appeal further stated that, as a body of the European Union, EUIPO was required to take a firm stance in cases which transgressed the basic principles and values of European society and must therefore refuse registration, for breach of public policy, of any EU trade mark that might be deemed to support or benefit a criminal organisation. Following that examination, the Board of Appeal considered that the contested mark manifestly promoted the criminal organisation known as the Mafia and that the full text of the word elements of the contested mark conveyed a message of conviviality and trivialised the word element ‘Mafia’, thereby distorting the serious connotations of that word.
- 12 Finally, the Board of Appeal confirmed that the contested mark should not be protected by EUIPO and that that conclusion could not be influenced either by the fact that the word element ‘Mafia’ is often used in literature and cinema or by the fact that other EU trade marks containing that same element had been registered by EUIPO.

Forms of order sought

- 13 The applicant claims that the Court should:
- annul the contested decision;

- declare the contested mark valid;
- order EUIPO to pay the costs.

14 EUIPO and the Italian Republic contend that the Court should:

- dismiss the action;
- order the applicant to pay the costs.

Law

Admissibility of evidence submitted for the first time before the General Court

15 EUIPO disputes the admissibility of Annexes A.7, A.8 and A.9 to the application, as well as the admissibility of images and links in paragraphs 44, 46 and 54 of that application, which redirect to websites. That evidence was not submitted at any stage of the proceedings before EUIPO.

16 In that regard, it should be pointed out that, having regard to the purpose of the action provided for in Article 65 of Regulation No 207/2009 (now Article 72 of Regulation 2017/1001), it is not the Court's function to review, in the context of such an action, the facts in the light of documents produced for the first time before it (see, to that effect, judgments of 24 November 2005, *Sadas v OHIM – LTJ Diffusion (ARTHUR ET FELICIE)*, T-346/04, EU:T:2005:420, paragraph 19, and of 9 February 2017, *International Gaming Projects v EUIPO – adp Gauselmann (TRIPLE EVOLUTION)*, T-82/16, not published, EU:T:2017:66, paragraph 16).

17 In the present case, and as the applicant acknowledged at the hearing, the evidence referred to in paragraph 15 above was submitted for the first time before the Court. That evidence must therefore be excluded as inadmissible, and there is no need to examine its probative value.

Substance

18 In support of its action, the applicant relies on a single plea alleging infringement of Article 52(1) (a) of Regulation No 207/2009 (now Article 59(1)(a) of Regulation 2017/1001), read in conjunction with Article 7(1)(f) of that regulation.

19 By that plea, first of all, the applicant argues that neither the organisation known as Mafia nor its members are included in the list of terrorist persons and groups in the Annex to Council Common Position 2001/931/CFSP of 27 December 2001 on the application of specific measures to combat terrorism (OJ 2001 L 344, p. 93), to which EUIPO's examination guidelines refer for the purpose of illustrating the prohibition of registration of EU marks that are contrary to public policy under Article 7(1)(f) of Regulation No 207/2009.

20 Next, the applicant maintains that, according to EUIPO's practice and the case-law, an EU trade mark must be analysed as a whole. The fact that the contested mark refers to the word element 'Mafia' is not sufficient to conclude that it is perceived by the average consumer as intending to promote or support that criminal organisation. On the contrary, the other elements that make up that mark rather imply that it is perceived as a type of parody or reference to the *Godfather* series of films

21 Moreover, the applicant argues that the goods and services covered by the contested mark are not

‘communicative’ services, that is to say, services, the purpose of which is to convey a message to others. Therefore, the contested mark was not registered in order to be insulting, shocking or abusive. The general public will understand, on the contrary, that the contested mark was registered in order to designate a restaurant chain, the theme of which does not refer to a criminal organisation, but to the *Godfather* series of films, and, in particular, to the values of family and fellowship portrayed in those films.

22 Last, the applicant maintains that many EU marks and Italian marks including the term ‘Mafia’ have been duly registered and are in force. In order to illustrate that point, the applicant cites, inter alia, two decisions of the Board of Appeal of EUIPO which, it submits, share similarities with the present case, namely the decision of 13 January 2012 in Case R 1224/2011-4 concerning the EU trade mark application MAFIA II and the decision of 7 May 2015 in Case R 2822/2014-5 concerning the EU trade mark application CONTRA-BANDO.

23 EUIPO and the Italian Republic dispute each of those arguments.

24 At the outset, it must be borne in mind that, according to Article 7(1)(f) of Regulation No 207/2009, read in conjunction with Article 52(1)(a) of that regulation, marks which are contrary to public policy or to accepted principles of morality are to be declared invalid.

25 The public interest underlying the absolute ground for refusal laid down in Article 7(1)(f) of Regulation No 207/2009 is to ensure that signs which, when used in the European Union, would be contrary to public policy or to accepted principles of morality are not registered (judgments of 20 September 2011, *Couture Tech v OHIM (Representation of the Soviet coat of arms)*, T-232/10, EU:T:2011:498, paragraph 29, and of 26 September 2014, *Brainlab v OHIM (Curve)*, T-266/13, not published, EU:T:2014:836, paragraph 13). The registration of a mark as an EU mark is caught by that absolute ground for refusal if, inter alia, it is deeply offensive (see, to that effect, judgment of 5 October 2011, *PAKI Logistics v OHIM (PAKI)*, T-526/09, not published, EU:T:2011:564, paragraph 12).

26 The assessment of the existence of a ground for refusal under Article 7(1)(f) of Regulation No 207/2009 cannot be based on the perception of the part of the relevant public that does not find anything shocking, nor can it be based on the perception of the part of the public that may be very easily offended, but must be based on the standard of a reasonable person with average sensitivity and tolerance thresholds (see, to that effect, judgments of 5 October 2011, *PAKI*, T-526/09, not published, EU:T:2011:564, paragraph 12; of 9 March 2012, *Cortés del Valle López v OHIM (¡Que bueno ye! HIJOPUTA)*, T-417/10, not published, EU:T:2012:120, paragraph 21, and of 14 November 2013, *Efag Trade Mark Company v OHIM (FICKEN LIQUORS)*, T-54/13, not published, EU:T:2013:593, paragraph 21).

27 Moreover, the relevant public cannot be limited, for the purpose of the examination of the ground for refusal under Article 7(1)(f) of Regulation No 207/2009, to the public to which the goods and services in respect of which registration is sought are directly addressed. Consideration must be given to the fact that the signs caught by that ground for refusal will shock not only the public to which the goods and services designated by the sign are addressed, but also other persons who, without being concerned by those goods and services, will encounter that sign incidentally in their day-to-day lives (see judgments of 14 November 2013, *Efag Trade Mark Company v OHIM (FICKEN)*, T-52/13, not published, EU:T:2013:596, paragraph 19 and the case-law cited, and of 26 September 2014, *Curve*, T-266/13, not published, EU:T:2014:836, paragraph 19 and the case-law cited).

- 28 It must also be borne in mind that the relevant public within the European Union is, by definition, within a Member State and that the signs likely to be perceived as being contrary to public policy or to accepted principles of morality are not the same in all Member States, inter alia for linguistic, historic, social and cultural reasons (see, to that effect, judgment of 20 September 2011, *Representation of the Soviet coat of arms*, T-232/10, EU:T:2011:498, paragraphs 31 to 33).
- 29 It follows that, in order to apply the absolute ground for refusal laid down in Article 7(1)(f) of Regulation No 207/2009, it is necessary to take account both of the circumstances common to all Member States of the European Union and of the particular circumstances of individual Member States which are likely to influence the perception of the relevant public within those States (judgment of 20 September 2011, *Representation of the Soviet coat of arms*, T-232/10, EU:T:2011:498, paragraph 34).
- 30 In the present case, in the first place, it must be pointed out, as did the Board of Appeal in paragraph 24 of the contested decision, that the contested mark is a composite sign consisting of a black square within which the word elements 'la Mafia' and 'se sienta a la mesa' are represented in white letters with the depiction of a red rose in the background.
- 31 The word element 'la Mafia', on account of its size and central position in the contested mark, is distinct from the other elements. Thus, the other word element 'se sienta a la mesa' occupies a secondary position, as it is placed below the word element 'la Mafia' and is written in markedly smaller characters. The same is true of the red rose in the background of the word element 'la Mafia'.
- 32 Therefore, the Board of Appeal did not err when it found, in paragraph 25 of the contested decision, that the word element 'la Mafia' was the dominant element in the contested mark.
- 33 In the second place, it is appropriate, first, to reject the applicant's argument based on the fact that the Mafia is not listed in Common Position 2001/931, to which the EUIPO's examination guidelines refer (Part B, section 4), as a terrorist organisation.
- 34 It is apparent from Article 1 of Common Position 2001/931 that the list in the annex thereto includes persons, groups and entities involved in terrorist acts. The purpose of that list is not to set out the persons, groups and entities involved in other types of criminal activity, the reference to which in a mark sought may also warrant the application of the absolute ground for refusal under Article 7(1)(f) of Regulation No 207/2009. What is more, it is clear from the very wording of the part of EUIPO's examination guidelines that refers to Common Position 2001/931 that EUIPO was careful to emphasise that the list of examples provided in those guidelines of the absolute ground for refusal in Article 7(1)(f) of Regulation No 207/2009 is not exhaustive.
- 35 Next, it must be stated that the word element 'la Mafia' is understood world-wide as referring to a criminal organisation originating in Italy, whose activities extend to States other than the Italian Republic, inter alia within the European Union. It must also be noted, as stated by the Board of Appeal in paragraph 26 of the contested decision, that that criminal organisation resorts to intimidation, physical violence and murder in carrying out its activities, which include, inter alia, drug trafficking, arms trafficking, money laundering and corruption.
- 36 The Court takes the view that such criminal activities breach the very values on which the European Union is founded, in particular the values of respect for human dignity and freedom as laid down in Article 2 TEU and Articles 2, 3 and 6 of the Charter of Fundamental Rights of the European Union. Those values are indivisible and make up the spiritual and moral heritage of the

European Union. Moreover, organised crime and the activities referred to in paragraph 35 above are some of the areas of particularly serious crime with a cross-border dimension in which the EU legislature may intervene, as provided for in Article 83 TFEU. Thus, as emphasised by EUIPO and the Italian Republic, considerable efforts have been made and many resources are devoted to combating the Mafia, not only by the Italian Government, but also at EU level, since organised crime is a serious threat to security throughout the European Union.

- 37 Last, the word element 'la Mafia' has deeply negative connotations in Italy, on account of the serious harm done by that criminal organisation to the security of that Member State. The importance of combating the Mafia in Italy is illustrated by the provisions of criminal law in force in that Member State, to which EUIPO and the Italian Republic refer, specifically targeting membership or support of that organisation. The importance of combating the Mafia in Italy is moreover confirmed by the existence in Italy of several public institutions specifically tasked with investigating and prosecuting the Mafia's illicit activities as well as of private associations dedicated to helping the victims of that organisation.
- 38 Therefore, the Board of Appeal rightly found that the word element 'la Mafia' in the contested mark would manifestly bring to mind, for the relevant public, the name of a criminal organisation responsible for particularly serious breaches of public policy.
- 39 In the third place, the applicant argues, in essence, that the relevant public will not perceive the contested mark as promoting the criminal activities of the Mafia in any way, in so far as the Mafia has often been the subject of fictional accounts in literature and in cinema. The applicant adds that the purpose of the registration of the contested mark is not to shock or offend, in so far as the goods and services it designates are not designed to convey a message to others, but only to allude to the *Godfather* film series. The applicant specifies that the concept of its themed restaurants is connected to that film series, and that the contested mark has acquired a reputation in Spain.
- 40 In that regard, it should first be emphasised that, when a sign is particularly shocking or offensive, it must be regarded as being contrary to public policy or to accepted principles of morality, irrespective of the goods and services for which it is registered (see, to that effect, judgment of 5 October 2011, *PAKI*, T-526/09, not published, EU:T:2011:564, paragraph 15). Moreover, it follows from a combined reading of the various subparagraphs of Article 7(1) of Regulation No 207/2009 (now Article 7(1) of Regulation 2017/1001) that they refer to the intrinsic qualities of the mark in question and not to circumstances relating to the conduct of the person applying for the trade mark (judgments of 9 April 2003, *Durferrit v OHIM — Kolene (NU-TRIDE)*, T-224/01, EU:T:2003:107, paragraph 76, and of 13 September 2005, *Sportwetten v OHIM — Intertops Sportwetten (INTERTOPS)*, T-140/02, EU:T:2005:312, paragraph 28).
- 41 Thus, first, the fact that the purpose of the registration of the contested mark is not to shock or offend, but only to allude to the *Godfather* film series, is irrelevant to the negative perception of the mark by the relevant public. Moreover, no element of the contested mark directly refers to that film series.
- 42 Secondly, the reputation acquired by the contested mark and the concept of the applicant's theme restaurants, connected to the *Godfather* film series, are not intrinsic qualities of the contested mark and are therefore also irrelevant for the purpose of assessing whether the contested mark is contrary to public policy.
- 43 Next, it is common for literary or cinematographic fiction to shock or offend the public or part of the public by the use and portrayal of the subjects they address (see, to that effect, judgment of

14 November 2013, *FICKEN LIQUORS*, T-54/13, not published, EU:T:2013:593, paragraph 33). The fact that there are many books and films on the subject of the Mafia in no way alters the perception of the harm done by that organisation.

44 Finally, as EUIPO emphasises, in essence, in its response, the red rose in the contested mark could be perceived by a large part of the relevant public as the symbol for love or harmony, by contrast with the violence that characterises the Mafia's activities.

45 That contrast is accentuated by the sentence 'se sienta a la mesa' in the contested mark. That sentence means 'takes a seat at the table' in Spanish, and may be perceived by a large part of the public who understands that phrase as referring to the idea of sharing a meal. Thus, the association of the Mafia with the ideas of conviviality and relaxation conveyed by the idea of sharing a meal plays a part in trivialising the illicit activities of that criminal organisation.

46 Therefore, as EUIPO and the Italian Republic maintain, the association of the word element 'la Mafia' with the other elements of the contested mark is such as to convey a globally positive image of the Mafia's activities and, so doing, to trivialise the perception of the criminal activities of that organisation.

47 It follows from the foregoing that the contested mark, considered as a whole, refers to a criminal organisation, conveys a globally positive image of that organisation and, therefore, trivialises the serious harm done by that organisation to the fundamental values of the European Union referred to in paragraph 36 above. The contested mark is therefore likely to shock or offend not only the victims of that criminal organisation and their families, but also any person who, on EU territory, encounters that mark and has average sensitivity and tolerance thresholds.

48 The Board of Appeal therefore did not err when it found that the contested mark was contrary to public policy, within the meaning of Article 7(1)(f) of Regulation No 207/2009, and therefore confirmed that that mark was to be declared invalid, in accordance with Article 52(1)(a) of that regulation.

49 That finding is not called into question by the reference made by the applicant to several EU marks that include the word element 'Mafia' and to the *MAFIA II* and *CONTRA-BANDO* decisions for the purpose of establishing that the contested mark is not contrary to public policy. It must be borne in mind that, according to settled case-law, the decisions concerning the registration of a sign as an EU trade mark which the Boards of Appeal of EUIPO take under Regulation No 207/2009 are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the legality of those decisions must be assessed solely on the basis of that regulation and not on the basis of a previous decision-making practice (judgments of 26 April 2007, *Alcon v OHIM*, C-412/05 P, EU:C:2007:252, paragraph 65; of 24 November 2005, *ARTHUR ET FELICIE*, T-346/04, EU:T:2005:420, paragraph 71, and of 6 April 2017, *Nanu-Nana Joachim Hoeppe v EUIPO — Fink (NANA FINK)*, T-39/16, EU:T:2017:263, paragraph 84). It follows that neither the EUIPO decisions relied on by the intervener nor its registration of marks other than the contested mark also containing the word element 'Mafia' are likely to call the contested decision into question.

50 The same is true of the circumstance, emphasised by the applicant, that several marks that include the word element 'Mafia' have been registered in Italy. The EU trade mark regime is an autonomous system, made up of a set of rules and pursuing objectives specific to it, its application being independent of any national system. Accordingly, the registrability of a sign as an EU trade mark is to be assessed on the basis of the relevant legislation alone. Neither EUIPO nor, as the case may be, the EU Courts are bound by — even if they may take them into consideration — decisions adopted

in a Member State, even in a situation where the decisions were adopted under national legislation harmonised at EU level (see, to that effect, judgments of 14 November 2013, *FICKEN LIQUORS*, T-54/13, not published, EU:T:2013:593, paragraph 46; of 15 July 2015, *Australian Gold v OHIM – Effect Management & Holding (HOT)*, T-611/13, EU:T:2015:492, paragraph 60 and the case-law cited, and of 27 June 2017, *Jiménez Gasalla v EUIPO (B2B SOLUTIONS)*, T-685/16, not published, EU:T:2017:438, paragraph 41 and the case-law cited). It follows that neither EUIPO nor the EU courts are bound by national decisions on registration such as those to which the applicant refers, and consequently there is no need to examine them (see, to that effect, judgments of 12 February 2015, *Compagnie des montres Longines, Francillon v OHIM – Cheng (B)*, T-505/12, EU:T:2015:95, paragraph 86 and the case-law cited, and of 27 June 2017, *B2BSOLUTIONS*, T-685/16, not published, EU:T:2017:438, paragraph 41 and the case-law cited).

- 51 It follows that the action must be dismissed as being unfounded, and there is no need to rule on the plea of inadmissibility of the entirety of the action raised by the Italian Republic, or on the plea of inadmissibility of the second head of claim seeking a declaration of validity of the contested mark raised by EUIPO.

Costs

- 52 Under Article 134(1) of the Rules of Procedure of the General Court, 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, it must be ordered to pay the costs in accordance with the form of order sought by EUIPO and the Italian Republic.

On those grounds,

THE GENERAL COURT (Ninth Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders La Mafia Franchises, SL, to pay the costs.**

Gervasoni

Madise

Da Silva Passos

Delivered in open court in Luxembourg on 15 March 2018.

E. Coulon

S. Gervasoni

Registrar

President

* Language of the case: English.